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EXTENSION OF ANNEX I TO THE ECSC TREATY

(Communication from the Commission to the Council)

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Recent experience, particularly that acquired during the crisis in the steel industry, has shown that action taken by the Community under the terms of the ECSC Treaty may be hindered and the objectives of the Treaty, especially those referred to in Article 60, not attained if certain products, subject at present to the Treaty of Rome, are not covered by the rules laid down in the ECSC Treaty. For this reason the Commission announced at the meeting of Industry Ministers, held in Copenhagen on 18 November 1982, that it intended to request the Council, acting unanimously in accordance with Article 81 of the Treaty, to add a number of steel products to Annex I to the ECSC Treaty. This applies above all, to steel products which were not originally covered by the ECSC Treaty because they either did not then exist or were produced only in very small quantities.

To this end, the Commission consulted steel producers as to the definition of the products to be covered by the rules of the ECSC Treaty. They were in favour of the following proposal.

There are at present two products to be considered for inclusion in Annex I to the ECSC Treaty :

1. Cold-rolled sheet, in coil or cut length, of 3 mm thickness and more (Nimexe 73.13.41)

Annex I to the ECSC Treaty contains no reference to this type of sheet. Code N° 4500 covers only "Cold-rolled sheet under 3 mm". This is explained by the fact that the type of plant used in the early 1950s did not allow for production of cold-rolled sheet with a thickness of over 3 mm or rather that this type of production was not at all common. However, now that there are no longer any particular technical problems involved, many Community steel companies produce cold-rolled sheet with a thickness of over 3 mm.

In the same context, it has been asked that the revision of Annex I include a precise definition of "cold-rolled sheet under 3 mm", under the heading "cold-rolled sheet, in coils or in cut length, with a thickness of less than 3 mm".

2. Slit strip produced from cold-rolled sheet, in coils or cut length of a width of 500 mm and more. (Nimexe 73.12.29)

At the time when the present Annex was drafted cold-rolled strip was normally obtained by rolling on special plant. Since then the slitting technique has been developed to the extent that producers of wide cold-rolled strip are slitting to obtain produce narrow strip. This operation has become common practice on the part of both steelmakers and Steel Service Centres.

The fact that the afore-mentioned products can be used, for certain purposes, instead of cold-rolled sheets which are subject to the ECSC Treaty, could encourage steel producers and decoilers to take advantage of this opportunity to avoid applying the price rules laid down in Article 60 of the Treaty. Consequently, if the additional crisis measures concerning prices are to be effective, these products must be included in the Treaty of Paris.

Extending Annex I to the ECSC Treaty by including these two products does not mean that any undertakings other than those already covered by the Treaty, or by the price rules in this case the decoilers will become subject to the ECSC Treaty.

The Commission is also studying the question of including the following products :

- stainless cold finished bars
- forged bars and sections from high-speed and tool steels
- cold drawn bars and sections from high-speed and tool steels

- drawn wire
- slit strip produced from cold-rolled sheet of a width of less than 500 mm
- classical cold-rolled narrow strip
- cold-formed sheet pilings.

It will transmit a report with the results of its study to the Council.

