

No. 27505

**UNITED STATES OF AMERICA
and
SPAIN**

Exchange of notes constituting an agreement relating to limitation of imports of specialty steel from Spain (with annexes). Washington, 18 October 1983

Authentic text: English.

Registered by the United States of America on 15 August 1990.

**ÉTATS-UNIS D'AMÉRIQUE
et
ESPAGNE**

Échange de notes constituant un accord relatif à la limitation des importations d'aciers spéciaux en provenance d'Espagne (avec annexes). Washington, 18 octobre 1983

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 15 août 1990.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF SPAIN RELATING TO LIMITATION OF IMPORTS OF SPECIALTY STEEL FROM SPAIN

I

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON

October 18, 1983

Excellency,

I have the honour to refer to the recent discussions held under Article XIX of the General Agreement on Tariffs and Trade² between the representatives of the Government of the United States of America and of the Government of Spain during which the Government of the United States of America discussed the import relief measures for specialty steel to be taken by the Government of the United States of America in accordance with sec. 203 (a) of the Trade Act of 1974. I have further the honour to confirm that the Government of the United States of America will implement its obligations under the following provisions:

1. (a) The Government of the United States of America will limit imports from Spain of the categories of specialty steel as set forth in Annex A (hereinafter referred to as "the categories") for the period of three and three-fourth years beginning October 20, 1983. In the event that restraint levels as defined in Annex D (b) are reached in any category or categories prior to the end of a restraint period as set forth in Annex B, the Government of the United States of America, unless otherwise mutually agreed, will delay further importation in the categories affected until after the end of that restraint period.

(b) Imports will be counted against restraint levels on the basis of date of entry, or withdrawal from warehouse for consumption.

(c) The Government of the United States of America will not limit imports from Spain of the categories below the restraint levels therefor.

2. (a) If imports from Spain of any category appear likely to exceed the restraint level the Government of the United States of America will endeavour to notify the Government of Spain to that effect.

(b) Should it become necessary for the Government of the United States of America to delay importation in any category due to filling of the restraint level, as much prior notification as possible will be given to the Government of Spain.

3. (a) Any base limit as defined in Annex D (a) may be exceeded in a restraint period by no more than the percentage of that base limit as set forth in Annex C, provided that there is an equal tonnage reduction in the base limit for the same category in the subsequent period.

¹ Came into force on 18 October 1983 by the exchange of notes, with effect from 20 October 1983, in accordance with the provisions of the said notes.

² United Nations, *Treaty Series*, vol. 55, p. 187.

(b) Following notification by the Government of Spain at the earliest possible date of its intention concerning subparagraph (a) above, the Government of the United States of America will make an appropriate adjustment of the applicable base limits, consistent with Annex C.

4. (a) For each category in which a shortfall is determined, carryover will be permitted for up to 20 percent of the base limit for any restraint period in which the shortfall occurs, but not in excess of the actual shortfall, except the restraint period from April 20 through July 19 of each year 1984 through 1987 for which the carryover will be permitted for up to 4 percent. Shortfalls in one quota category may not be applied to any other category. Such carryover will be permitted only to the restraint period following the one in which the shortfall occurs.

(b) For the purpose of this paragraph, the actual shortfall is the amount imports of any category from Spain during any restraint period are below the base limit for that category.

5. If the Government of Spain considers that as a result of the application of the provisions of this Note, Spain is placed in an inequitable position vis-à-vis third countries in respect of specialty steel imports into the United States, the Government of Spain may request consultations with the Government of the United States of America with a view to the satisfactory resolution of the matter.

6. (a) Mutually satisfactory administrative arrangements or adjustments may be made to resolve minor problems arising out of the implementation of the provisions of this Note, including differences in procedure or operation.

(b) The two Governments may amend the provisions of this Note, if such amendments are mutually agreeable.

7. (a) No provision of this Note will be construed as affecting the respective positions of the two Governments with respect to the safeguards provisions of the Declaration of Ministers approved at Geneva at the 38th Session of the Contracting Parties.

(b) No provision of this Note will be construed as applying to prices or production of specialty steel, or allocation of shipments among firms selling or buying specialty steel.

8. (a) Either Government may request consultations of any matters arising from the provisions of this Note, including the possibility of circumvention of the effectiveness of the restraints contained herein. Such consultations will take place at a mutually convenient time not later than thirty days from the date on which such request is made, unless otherwise mutually agreed.

(b) If, in the view of either Government, the economic conditions prevailing at the time of the recent discussions mentioned above have changed substantially, that Government may initiate consultations for the purpose of discussing the possibility of liberalizing or terminating the import relief measures referred to in the provisions of this Note prior to the expiration of the period of three and three-fourth years.

(c) Either Government may terminate the provisions of this Note in their entirety by giving sixty-days' written notice to the other Government.

9. The reciprocal rights and obligations of the two Governments under the General Agreement on Tariffs and Trade concerning the import relief proclaimed by the United States on July 5, 1983, will be reserved while the provisions of this

Note remain in effect. For the purpose of the time limitation as set forth in Article XIX (3) (a) of the General Agreement on Tariffs and Trade, the period of ninety days will be considered to begin on the date of termination of the provisions of this Note in their entirety and continue so long as import relief measures by the Government of the United States of America on all or part of the categories remain in force.

10. (a) The Government of Spain will provide promptly to the Government of the United States of America monthly data on exports of the categories to the United States.

(b) The Government of the United States of America will provide promptly to the Government of Spain monthly data on imports of the categories from Spain.

I have further the honour to request you to confirm on behalf on the Government of Spain that it will implement its obligations under the above provisions and to propose that this Note and Your Excellency's Note in reply will constitute an agreement between the two Governments as characterized in the above provisions.

Accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

WILLIAM E. BROCK, III
United States Trade Representative

His Excellency Juan Badosa
Assistant Secretary for Trade Policy
Ministry of Economy and Finance

ANNEX A

The following items from the Tariff Schedules of the United States Annotated are covered by the provisions of the Note and are included in the three basic categories used for setting base limits:

1. Bars of stainless steel, provided for in item 606.90, part 2B, schedule 6, TSUS.
2. Wire rod of stainless steel, provided for in item 607.26 and 607.43, part 2B, schedule 6, TSUS.
3. Bars, wire rods, plates, sheets, and strip, all the foregoing of alloy tool steel (except chipper knife steel and band saw steel), provided for in items 606.95, 607.28, 607.34, 607.46, 607.54, 607.72, 607.88, 608.34, 607.49, and 608.64, and round wire of high speed tool steel, provided for in item 609.45, part 2B, schedule 6, TSUS.

ANNEX B

The base limits for the three basic categories will apply for the restraint periods as follows:

		<i>Entered during the restraint period</i>			
		<i>July 20 through October 19</i>	<i>October 20 through January 19</i>	<i>January 20 through April 19</i>	<i>April 20 through July 19</i>
<i>Bars of stainless steel, provided for in item 606.90, part 2B, schedule 6:</i>					
926.10	If entered during the period from July 20, 1983, through July 19, 1984, inclusive	1060	967	967	966
926.11	If entered during the period from July 20, 1984, through July 19, 1985, inclusive	1000	999	999	999
926.12	If entered during the period from July 20, 1985, through July 19, 1986, inclusive	1030	1030	1029	1029
926.13	If entered during the period from July 20, 1986, through July 19, 1987, inclusive	1061	1061	1060	1060
<i>Wire rod of stainless steel, provided for in item 607.26 and 607.43, part 2B, schedule 6:</i>					
926.15	If entered during the period from July 20, 1983, through July 19, 1984, inclusive	438	402	401	401
926.16	If entered during the period from July 20, 1984, through July 19, 1985, inclusive	423	423	423	422
926.17	If entered during the period from July 20, 1985, through July 19, 1986, inclusive	436	436	435	435
926.18	If entered during the period from July 20, 1986, through July 19, 1987, inclusive	449	448	448	448
<i>Bars, wire rods, plates, sheets, and strip, all the foregoing of alloy tool steel (except chipper knife steel and band saw steel), provided for in items 606.95, 607.28, 607.34, 607.46, 607.54, 607.72, 607.88, 608.34, 608.49 and 608.64, and round wire of high speed tool steel, provided for in item 609.45, part 2B, schedule 6:</i>					
926.20	If entered during the period from July 20, 1983, through July 19, 1984, inclusive	0	54	54	54
926.21	If entered during the period from July 20, 1984, through July 19, 1985, inclusive	42	42	42	41
926.22	If entered during the period from July 20, 1985, through July 19, 1986, inclusive	43	43	43	43
926.23	If entered during the period from July 20, 1986, through July 19, 1987, inclusive	45	44	44	44

ANNEX C

Maximum percentage increases in base limits of receiving categories, as referred to in paragraph 3 of the Note, are as follows:

	Entered during the restraint period			
	July 20 through October 19	October 20 through January 19	January 20 through April 19	April 20 through July 19
<i>Bars of stainless steel, provided for in item 606.90, part 2B, schedule 6:</i>				
926.10 If entered during the period from July 20, 1983, through July 19, 1984, inclusive	10	10	10	3
926.11 If entered during the period from July 20, 1984, through July 19, 1985, inclusive	10	10	10	3
926.12 If entered during the period from July 20, 1985, through July 19, 1986, inclusive	10	10	10	3
926.13 If entered during the period from July 20, 1986, through July 19, 1987, inclusive	10	10	10	3
<i>Wire rod of stainless steel, provided for in item 607.26 and 607.43, part 2B, schedule 6:</i>				
926.15 If entered during the period from July 20, 1983, through July 19, 1984, inclusive	10	10	10	3
926.16 If entered during the period from July 20, 1984, through July 19, 1985, inclusive	10	10	10	3
926.17 If entered during the period from July 20, 1985, through July 19, 1986, inclusive	10	10	10	3
926.18 If entered during the period from July 20, 1986, through July 19, 1987, inclusive	10	10	10	3
<i>Bars, wire rods, plates, sheets, and strip, all the foregoing of alloy tool steel (except chipper knife steel and band saw steel), provided for in items 606.95, 607.28, 607.34, 607.46, 607.54, 607.72, 607.88, 608.34, 608.49 and 608.64, and round wire of high speed tool steel, provided for in item 609.45, part 2B, schedule 6:</i>				
926.20 If entered during the period from July 20, 1983, through July 19, 1984, inclusive	10	10	10	3
926.21 If entered during the period from July 20, 1984, through July 19, 1985, inclusive	10	10	10	3
926.22 If entered during the period from July 20, 1985, through July 19, 1986, inclusive	10	10	10	3
926.23 If entered during the period from July 20, 1986, through July 19, 1987, inclusive	10	10	10	3

ANNEX D

For the purposes of the provisions of the Note:

(a) The term “base limit” means the amount of imports of a category of speciality steel from Spain into the United States in short tons as set forth in Annex B that may be entered, or withdrawn from warehouse, for consumption in any restraint period prior to any adjustment allowed under paragraph 3 of the Note.

(b) The term “restraint level” means a base limit referred to in (a) above with adjustment, if any, pursuant to the provisions of paragraph 3 of the Note.

(c) The term “imports” refers to United States imports classified under the items listed in Annex A entered for consumption (encompassing transshipments through third countries and shipments diverted to the United States market while in transit; informal entries (valued at less than \$250); temporary imports under bond; re-imports of items exported for processing (TSUSA806.30); and United States Government imports).

(d) The term “restraint period” means the three month periods beginning on October 20, 1983.

II

SPANISH EMBASSY
WASHINGTON, D.C.

October 18th, 1983

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

[See letter I]

I have further the honour to confirm on behalf of the Government of Spain that it will implement its obligations under the above provisions and to agree that Your Excellency's Note and this Note will constitute an agreement between the two Governments as characterized in the above provisions.

Accept, Excellency, the renewed assurances of my highest consideration.

[Signed]

JUAN BADOSA
Assistant Secretary
for Trade Policy

His Excellency William E. Brock
U.S. Trade Representative
Washington, D.C.
