

European Union Negotiations/GATT Article XXIV:6 Agreement (1987)

AGREEMENT

FOR THE CONCLUSION OF NEGOTIATIONS BETWEEN
THE UNITED STATES AND THE EUROPEAN COMMUNITY
UNDER GATT ARTICLE XXIV:6

USA/EEC/1

I. The United States and the European Community

- desiring to bring their GATT Article XXIV:6 negotiations to conclusion on the basis of a reasonable and mutually satisfactory compromise;
- recognizing that the differing interpretations which each party has placed on the provisions of Article XXIV:6 cannot be reconciled;
- recognizing on the other hand that the alternative of major transatlantic trade conflict is not in the interest of the continued close partnership in commercial and economic matters between the European Community and the United States, including the Uruguay Round of Multilateral Trade Negotiations in the GATT; and
- recognizing that the present agreement is concluded without prejudice to the views of either party in respect of Article XXIV:6:

agree to the following provisions:

II. As regards the withdrawal of Spanish and Portuguese GATT concessions, the Community will implement the following dispositions:

A. The GATT bindings of the EC 10 as set out in Schedules LXXII and LXXII bis will be restored and extended to Spain and Portugal, in view of US recognition of the benefits which would result for certain US exports. (1)
Improvements granted to third countries shall also be applied to the US. The duties applied in Spain and Portugal during the transitional period will be those set out in the Treaty of Accession.

(1) This commitment does not apply to fish products on which the EC has not made an offer and which are subject to negotiations with other countries. The United States maintains its principal supplier and substantial interest rights under Article XXVIII for such products. The European Community recognizes that these matters have to be resolved through further negotiations.

USA/EEC/2

B. A reduction of present duty rates will be made on an autonomous basis on the products listed, and in the manner described in Annex 1:

C. As regards corn and sorghum, (other than for sowing) (1)

1. The Community will ensure a minimum annual level of imports of two million metric tons of corn and of three hundred thousand metric tons of sorghum into Spain for consumption from non-EC sources (MFN). To achieve this, reduced-levy quotas shall be applied in Spain and/or direct purchases on the world market shall be made under the Commission's authority. The detailed modalities are set out in Annex 11.

2. The commitment in 1. shall apply from 1 January 1987 to 31 December 1990. The quantity for 1987 shall be in addition to any EC obligations remaining with respect to the interim agreement of 1 July 1986.

3. In order to ensure that such imports of corn and sorghum into Spain are not diverted to other markets, appropriate measures will be taken.

(1) Nimexe 10.05.92 and 10.07.59

USA/EEC/3

III. The United States and the European Community also agree that:

(i) Consultations will be held on this agreement at any time at the request of either party.

(ii) During July 1990, a major review of the situation resulting from paragraph II of this agreement will be initiated. This review will take into account, inter alia:

(a) general trade developments. with particular reference to the evolution of US exports to Spain and Portugal;

(b) agreements an agriculture reached in the Uruguay Round;

(c) the status of Implementation of the Treaty of Accession;

with the objective of determining at that time what new action, if any. might be appropriate.

(iii) This agreement is without prejudice to the legal Interpretations of Article XXIV of either party and both parties reserve full GATT rights including those which would otherwise be time-limited.

IV. Upon approval of, and subject to the above provisions, both parties declare that this agreement constitutes a mutually satisfactory conclusion of this Article XXIV:6 negotiation.

USA/EEC/4

Signed at Washington and Brussels this the thirtieth day of January in the year one thousand nine hundred and eighty-seven.

For the Government of the United States of America

[signature]

Clayton Yeutter

For the Council of the European Communities

[signature]

Willy de Clercq

USA/EEC/5

ANNEX I

The European Community will, on an autonomous basis, reduce the present duty rates on the products listed below to the duty levels indicated during the period 1987 to 1990.

CCT No DESCRIPTION PRESENT DUTY OFFER

0704 A Dried, dehydrated

or evaporated onions

16 Tariff quota of

12 000 tons at 10

0801 D Avacados 8 4 in the period

1 Dec to 31 May

1203

C

D

E Seeds for sowing:

-of fodder plants

-flowers and kohlrabi

-vegetable seeds and other

4-5

6

7

2-2.5

3

4

2006 A II Nuts, roasted in packings of 1 kg or less 16 12

ex 2007 A II Apple juice (concentrate) [1] 42 + (L) 30 + (L)

ex 2007 B I

(Nimexe codes

ex 23, ex 24,

32, 33, 35 Apple juice (other) [1] 24 + ADS 18 + ADS

ex 2007 B II

(Nimexe codes

45, 75) Grapefruit juice 15 + ADS 12 + ADS

ex 2007 B II

(Nimexe codes

61, 93) Cranberry juice 22 14

(1) Pear Juice is not included. Mixtures of apple and pear juice are not included.

USA/EEC/Annex 1/1

CCT No DESCRIPTION PRESENT DUTY OFFER

2209 C III (a) Bourbon

Specific duty Reduced by half [2]

2402 B Cigars 52 43

2801 C Bromine 9 4, 5

ex 2902 A III Ethyl Dibromide and

Vinyl Bromide 8, 6 3

ex 2907 A Halogenated Derivatives:

Bromides 6, 9 3

ex 2908 A III C Aromatic ethers:

Bromides 7, 1 3

ex 2915 C III Other aromatic poly-

carboxylic acids:

Bromides and tetra-

bromides 13 8

ex 2926 A II

Bistetrabromophthalic

amide 7 3

3814 A Anti-knock preparations

based on tetraethyl-

lead 7, 2 0

ex 3814 B III Other anti-knock

preparations 5, 8 0

3819 S I Doped silicon 7, 6 5

3901 C VII, Nimexe codes:

3901 87 Epoxide resins as monofil,

seamless tubes, rods, sticks, profile shapes, plates, sheets, film, foil or strip; waste and scrap 7, 6 6, 5

(2) - In containers holding two litres or less -- 0.20 ECU per hl per

% volume of alcohol - 1.5 ECU per hl

- In containers holding more than two litres - 0.20 ECU per hl per

% volume of alcohol

USA/EEC/Annex 1/2

CCT No DESCRIPTION PRESENT DUTY OFFER

3901 94 Polyether alcohols,

except polyethylene glycols, liquid or pasty, in blocks, lumps, powder, granules, flakes and similar bulk forms

7, 6 6, 5

3901 96 Condensation, poly-condensation and poly- addition products N.E.S prepared for moulding or extruding 7, 6 6,5

3901 98 Condensation, poly-condensation and poly-addition products N.E.S not prepared for moulding or extruding, liquid or pasty, in blocks, lumps, powders, granules, flakes and similar bulk forms 7, 6 6, 5

ex 4415 Plywood of coniferous species Tariff Quota

600 000 m3 Tariff Quota

600 000 m3

ex 7603

(Nimexe Codes 22, 29, 32, 39) Rectangular wrought plates, sheets and strip, of aluminum 10 7, 5

ex 8706

(Nimexe code ex 41) Wheels: parts of wheels and accessories for wheels:--of aluminum 6, 9 6

USA/EEC/Annex 1/3

ANNEX I I

With reference to paragraph II C.1. of the Agreement for the Conclusion of Negotiations between the United States and the European Community under GATT Article XXIV:6, the following modalities shall apply:

1. In order to ensure the minimum annual level of imports of two million metric tons of corn and three hundred thousand metric tons of sorghum into Spain, the EC will establish as a general mechanism a system consisting of an import tender for a reduced levy for corn and for sorghum imports into Spain.

2. In order to guarantee the import of the total quantities negotiated, a back-up mechanism will be established enabling direct purchases of corn and sorghum on world markets for Spain, under the control of the Commission.

The Commission will proceed to such purchases on a regular basis if it proves necessary and following bilateral consultations where appropriate.

3. The Commission will ensure that the minimum annual import levels are fully met not later than two months after each calendar year concerned.

4. The quantities of the non-grain feed ingredients imported into Spain and listed below will be deducted proportionally from the global yearly quantities which have been negotiated for corn and for sorghum:

I

CCT NUMBER PRODUCT DESCRIPTION

23.03. A II Corn gluten feed

23.03. B II Brewing and distilling dregs and waste

23.06. A II Citrus peels and pellets

USA/EEC/Annex II

SIDE LETTER

COMMISSION

OF THE
EUROPEAN COMMUNITIES

WILLY DE CLERCQ

Member of the Commission

with special responsibility for External Relations
and Commercial Policy

Brussels 30 January 1987

I can now inform you that until 31 December 1990, the requirement will be eliminated that a minimum of 15% of total cereals imported into Portugal be purchased each year from Community suppliers. I can further assure you that the Community (including Portugal) will not take any other action that would undermine the benefit for you of the removal of that requirement.

It is my understanding that the United States will, in these circumstances, relax certain of the quota ceilings announced in May 1986 covering apple juice, beers and white wine, candy and chocolate.

[signature of Willy de Clercq]

The Honorable Clayton YEUTTER

United States Trade Representative

WASHINGTON

COMMISSION

OF THE

EUROPEAN COMMUNITIES

DIRECTORATE-GENERAL FOR

EXTERNAL RELATIONS

The Director-General Brussels 29 January 1987

PRIVATE AND PERSONAL Fish

[hand-written inscription]

Ambassador Alan Woods

Deputy United States Trade Representative

WASHINGTON

Dear Alan,

[hand-written salutation]

In the course of our XXIV:6 negotiations, we have discussed a number of times the future tariff treatment to be given to fisheries products on which the US has GATT negotiating rights or interests. In addition to the provisions of the Agreement, I can give you some further assurances, with regard to certain fish products.

The most important products in this category, in terms of your actual trade interest,

are salmon - both fresh, frozen or chilled (0301 A I b), and prepared or preserved (1604 B I) - and the fats and oils of fish and marine mammals (1504 C) . Notwithstanding the language in the footnote to Article II A in the Agreement covering fish products, I am able to confirm for these three products that the Community of Ten's existing bindings will be restored and extended to Spain and Portugal. On livers and roes (0301 C) , your trade is small, but I can give you the same assurance.

I

For the other products in which you have expressed an interest, that is whole yellowfin tuna for processing (ex 0301 B I c), here again your trade is small. All that I can say is that:

(a) the duty-free quota for the Community of Twelve will need to be adjusted downwards to take account of Spanish membership (Spain having been the major supplier of the Community of Ten),

(b) the Commission will at the same time recommend that the duty rate outside the quota for the Community of Twelve should be reduced from the present 22 per cent, possibly to as little as 15 per cent;

(c) the Commission will also recommend that this duty rate should continue to be autonomously suspended at 0 during the period of our agreement.

Yours sincerely,

Leslie Fielding

[hand-written closing

and signature]

Leslie FIELDING

Non-Paper

As concerns the administration of imports of corn and sorghum lowered by the Agreement between the U.S. and the Community of 28 Jan. '87, it is understood that it will be effectuated, within all measures of the possible, in such manner as to assure that the imports take place essentially during the period of production/export/ of the Northern Hemisphere.

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX

1202 GENEVA , SWITZERLAND

Telephone: 320970

March 15, 1988

M. Tran van-Thinh

Chef de la Delegation permanente de la

Commission des Communautés européennes

Delegation permanente de la Commission des

Communautés européennes

Rue de Vermont, 37-39

1211 GENEVE

Dear Mr. Tran:

I enclose a copy of a letter I sent today to the Director-General of the GATT concerning restored tariff bindings pursuant to GATT Article XXVIII:3.

Sincerely,

[signature]

Frederick L. Montgomery

Charge d'Affaires

Enclosure

UNITED STATES TRADE REPRESENTATIVE

1-3 AVENUE DE LA PAIX

1202 GENEVA , SWITZERLAND

Telephone: 320970

March 15, 1988

The Honorable Arthur Dunkel

Director-General

General Agreement on Tariffs and Trade

154 rue Lausanne

1211 GENEVE

Dear Mr. Dunkel:

I refer to document L/5997 in which the United States suspended certain tariff bindings pursuant to GATT Article XXIV:6. The United States wishes to notify the Contracting Parties that the suspended bindings are hereby restored, subject to the provisions of the 30 January 1987 "Agreement for the Conclusion of Negotiations Between the United States and the European Community under GATT Article XXIV:6."

Sincerely,

[signature]

Frederick L. Montgomery

Charge d'Affaires

cc: M. Tran Van-Thinh

European Community Delegation

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