# COUNCIL REGULATION (EEC) No 3710/85

## of 10 December 1985

## on the conclusion of an Arrangement in the form of an Exchange of Letters with the United States of America extending the Arrangement of 10 January 1985 concerning trade in steel pipes and tubes

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas, following the Council Decision of 7 June 1985, the Commission conducted negotiations with the United States of America, culminating in an Arrangement extending the Arrangement of 10 January 1985 concerning Community exports of steel pipes and tubes (1), approved by Regulation (EEC) No 59/85;

Whereas the Arrangement will make it possible to safeguard the essential interest of Community producers exporting steel pipes and tubes to the United States market,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. The Arrangement in the form of an Exchange of Letters with the United States of America extending the Arrangement of 10 January 1985 with the United States of America concerning trade in steel pipes and tubes, is hereby approved on behalf of the European Economic Community.

2. The text of the Arrangement is attached to this Regulation.

*Article 2*

The President of the Council is hereby authorized to designate the person empowered to carry out the exchange of letters for the purpose of binding the European Economic Community.

*Article 3*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities.*

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 December 1985.

*For the Council*

*The President*

M. FISCHBACH

(1) OJ No L 9, 19. 1. 1985, p. 1.

# ARRANGEMENT

## in the form of an Exchange of Letters with the United States of America, extending the Arrangement of 7 January 1985 concerning trade in steel pipes and tubes between the European Communities and the United States of America

A. *Letter from the European Communities*

Dear Mr Ambassador,

In the course of the discussions between the European Economic Community (hereinafter referred to as the 'EEC') and the Government of the United States of America (hereinafter referred to as the 'US') concerning EEC exports of pipes and tubes to the United States of America (hereinafter referred to as the 'USA') both parties have agreed to extend the Arrangement dated 10 January 1985, through 30 September 1989. For this purpose, both parties have agreed that the Arrangement dated 10 January 1985, is amended as follows:

1. The first paragraph of Section 1 is replaced by the following:

   'The EEC shall restrain exports to, or destined for consumption in, the USA of steel pipes and tubes described in Annex A, originating in the Community (such exports hereinafter referred to as "pipes and tubes") to a level of 7,6 % of US apparent consumption for the following periods: calendar years 1985, 1986, 1987, 1988 and the nine months ending 30 September 1989. During these periods export licences shall be required for pipes and tubes.'

2. Section 4 is replaced by the following:

   '4. The US, with the advice of the EEC, will select an independent and objective forecaster which will provide the estimate of US apparent consumption for the purposes of this Arrangement.

   For 1985 a first projecton of US apparent consumption will be established. These figures for projected consumption will then be revised in February, May, August and October 1985, by the said independent forecaster, and appropriate adjustments will be made to the export limits for pipes and tubes on the basis of these revisions, taking into account licences already issued. The same procedure will be followed to calculate and revise the US apparent consumption and export limits for each period after 1985, the first projection being established by the independent forecaster by 1 October of the calendar year preceding the relevant period, and subsequently revised in February, May, August und October of such period.

   By March of each period, adjustments to that period's export limits will be made for differences between the forecasted US apparent consumption and actual US apparent consumption in the preceding period.'

3. Subsection (a) of Section 5 is replaced by the following:

   '(a) Pipes and tubes exported to the USA after 31 December 1984 must be counted against the export limit for the relevant period, unless otherwise provided for.'

4. Subsections (a) and (c) of Section 6 are replaced by the following:

   '(a) Export licences will be issued against the export limit for a period. Export licences for a given period may be used as early as 1 December of the preceding period up to 8 % of the export limit for the given period. Export licences must be used before 31 December of the period for which they are issued, except that licences not so used may be used during the first two months of the following period up to 8 % of the export limit for the previous period.'

   '(c) Normally, only one change in a limit, sub-limit or ceiling may be made by an adjustment under this section. Accordingly, more than one such change in a given period may be made only upon agreement between the EEC and the US.'

I confirm the agreement of the EEC to the foregoing. I should be grateful if you would acknowledge receipt of this letter and confirm your Government's agreement to its content.

Please accept, Mr Ambassador, the assurance of my highest consideration.

*On behalf of the*
*Council of the European Communities*

B. *Letter from the United States of America*

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

'Dear Mr Ambassador,

In the course of the discussions between the European Economic Community (hereinafter referred to as the "EEC") and the Government of the United States of America (hereinafter referred to as the "US"), concerning EEC exports of pipes and tubes to the United States of America (hereinafter referred to as the "USA") both parties have agreed to extend the Arrangement dated 10 January 1985, through 30 September 1989. For this purpose, both parties have agreed that the Arrangement dated 10 January 1985, is amended as follows:

1. The first paragraph of Section 1 is replaced by the following:

   "The EEC shall restrain exports to, or destined for consumption in, the USA of steel pipes and tubes described in Annex A, originating in the Community (such exports hereinafter referred to as 'pipes and tubes') to a level of 7,6 % of US apparent consumption for the following periods: calendar years 1985, 1986, 1987, 1988 and the nine months ending 30 September 1989. During these periods export licences shall be required for pipes and tubes."

2. Section 4 is replaced by the following:

   "4. The US, with the advice of the EEC, will select an independent and objective forecaster which will provide the estimate of US apparent consumption for the purposes of this Arrangement.

   For 1985 a first projection of US apparent consumption will be established. These figures for projected consumption will then be revised in February, May, August and October 1985, by the said independent forecaster, and appropriate adjustments will be made to the export limits for pipes and tubes on the basis of these revisions, taking into account licences already issued. The same procedure will be followed to calculate and revise the US apparent consumption and export limits for each period after 1985, the first projection being established by the independent forecaster by 1 October of the calendar year preceding the relevant period, and subsequently revised in February, May, August and October of such period.

   By March of each period, adjustments to that period's export limits will be made for differences between the forecasted US apparent consumption and actual US apparent consumption in the preceding period."

3. Subsection (a) of Section 5 is replaced by the following:

   "(a) Pipes and tubes exported to the USA after 31 December 1984 must be counted against the export limit for the relevant period, unless otherwise provided for."

4. Subsections (a) and (c) of Section 6 are replaced by the following:

   "(a) Export licences will be issued against the export limit for a period. Export licences for a given period may be used as early as 1 December of the preceding period up to 8 % of the export limit for the given period. Export licences must be used before 31 December of the period for which they are issued, except that licences not so used may be used during the first two months of the following period up to 8 % of the export limit for the previous period."

   "(c) Normally, only one change in a limit, sub-limit or ceiling may be made by an adjustment under this section. Accordingly, more than one such change in a given period may be made only upon agreement between the EEC and the US." '

I have the honour to confirm that my Government is in agreement with the contents of your letter.

Please accept, Sir, the assurance of my highest consideration.

*For the Government of*
*the United States of America*