COMMISSION REGULATION (EC) No 1000/2004

of 18 May 2004

accepting undertakings offered in connection with the anti-dumping proceeding concerning imports of certain grain oriented electrical sheets and strips of silicon-electrical steel with a width of more than 500 mm originating in the Russian Federation and making imports of certain grain oriented electrical sheets originating in the Russian Federation subject to registration

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community [1], as last amended by Regulation (EC) No 461/2004 [2] (the 'basic Regulation'), and in particular Articles 8, 11(3), 21 and 22(c) thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

1. Measures in force

(1) By Regulation (EC) No 990/2004 [3] the Council amended Regulation (EC) No 151/2003 [4] imposing anti-dumping measures on imports of certain grain oriented electrical sheets ('the product concerned') originating in the Russian Federation ('Russia'). The rate of the duty applicable to the net, free-at-Community-frontier price, before duty, is set for imports of the product concerned at 40,1 % manufactured by the Novolipetsk Iron & Steel Corporation and at 14,7 % manufactured by the OOO Viz Stal.

2. Investigation

(2) On 20 March 2004 the Commission announced through the publication of a notice in the *Official Journal of the European Union* [5] the initiation of a partial interim review of the measures in force ('the measures') pursuant to Articles 11(3) and 22(c) of the basic Regulation.

(3) The review was launched at the initiative of the Commission in order to examine whether, as a consequence of the enlargement of the European Union on 1 May 2004 ('Enlargement') and, bearing in mind the aspect of Community interest, there is a need to adapt the measures in order to avoid a sudden and excessively negative effect on all interested parties including users, distributors and consumers.

(4) All interested parties, including the Community industry, associations of producers or users in the Community, exporters/producers in the countries concerned, importers and their associations and the relevant authorities of the countries concerned as well as interested parties in the ten new Member States which acceded to the European Union on 1 May 2004 ('the EU10') were advised of the initiation of the investigation and were given the opportunity to make their views known in writing, to submit information and to provide supporting evidence within the time limit set out in the notice of initiation. All interested parties who so requested and showed that there were reasons why they should be heard were granted a hearing.

3. Result of the investigation

(5) As set out in Council Regulation (EC) No 990/2004, the investigation concluded that it is in the Community interest to adapt the existing measures, provided that such adaptation does not significantly undermine the desired level of trade defence.

4. Undertakings

(6) In accordance with the conclusions of Regulation (EC) 990/2004 the Commission, in conformity with Article 8(2) of the basic Regulation, suggested undertakings to the companies concerned. As a result, undertakings were subsequently offered by (i) one exporting producer of the product concerned in Russia (Novolipetsk Iron & Steel Corporation) jointly with a company in Switzerland (Stinol AG) and (ii) a second exporting producer of the product concerned in Russia (OOO Viz Stal) jointly with its related company Duferco S.A. in Switzerland.

(7) It should be noted that, in application of Article 22(c) of the basic Regulation, these undertakings are considered as special measures since, in accordance with the conclusions of Regulation (EC) 990/2004, they are not directly equivalent to an anti-dumping duty.

[1] OJ L 56, 6.3.1996, p. 1.
[2] OJ L 77, 13.3.2004, p. 12.
[3] OJ L 122, 19.5.2004, p. 5.
[4] OJ L 25, 30.1.2003, p. 7.
[5] OJ C 70, 20.3.2004, p. 15.

(8) Nevertheless, in conformity with Regulation (EC) 990/2004, the undertakings oblige each individual producing exporter to respect the import ceilings and, in order that the undertakings can be monitored, the exporting producers concerned have also agreed to broadly respect their traditional selling patterns to individual customers in the EU10. The exporting producers are also aware that if it is found that these sales patterns change significantly, or that the undertakings become in any way difficult or impossible to monitor, the Commission is entitled to withdraw acceptance of the company's undertaking resulting in definitive anti-dumping duties being imposed in its place, or it may adjust the level of the ceiling, or it may take other remedial action.

(9) It is also a condition of the undertakings that if they are breached in any way, the Commission will be entitled to withdraw acceptance thereof resulting in definitive anti-dumping duties being imposed in their place.

(10) The companies will also provide the Commission with regular and detailed information concerning their exports to the Community, meaning that the undertakings can be monitored effectively by the Commission.

(11) In order that the Commission can monitor effectively the companies' compliance with the undertakings, when the request for release for free circulation pursuant to an undertaking is presented to the relevant customs authority, exemption from the duty will be conditional upon the presentation of an invoice containing at least the items of information listed in the Annex to Council Regulation (EC) 990/2004. This level of information is also necessary to enable customs authorities to ascertain with sufficient precision that the shipment corresponds to the commercial documents. Where no such invoice is presented, or when it does not correspond to the product presented to customs, the appropriate anti-dumping duty will instead be payable.

(12) In view of all the above, the offers of undertakings are considered acceptable.

(13) The acceptance of the undertakings is limited to an initial period of six months without prejudice to the normal duration of the measures and they shall lapse after this period, unless the Commission considers it is appropriate to extend period of application of special measures for next six months.

B. **REGISTRATION OF IMPORTS**

(14) In view of the unusual circumstances of this case and the inherent risk of breaches of undertakings caused by the price differences between the EU10 and the EU15 and their short term character, it is considered that sufficient grounds exist to make certain imports of the product concerned subject to registration for a maximum period of nine months in accordance with Article 14 (5) of the basic Regulation.

(15) Customs authorities are therefore directed to take the appropriate steps to register imports into the Community of the product concerned originating in Russia exported by the companies which have offered acceptable undertakings and for which benefit from the exemption to the anti-dumping duties is sought.

(16) In the event of a finding of a breach of the undertakings, duties may be levied retroactively on goods entered into free circulation in the Community from the date of the breach of the undertaking,

HAS ADOPTED THIS REGULATION:

Article 1

The undertakings offered by the exporting producers mentioned below, in connection with the anti-dumping proceeding concerning imports of grain oriented cold-rolled sheets and strips of silicon-electrical steel with a width of more than 500 mm originating in Russia are hereby accepted:

Country	Company	Taric Additional Code
Russian Federation	Produced by Novolipetsk Iron & Steel Corporation, Lipetsk, Russia, and sold by Stinol AG, Lugano, Switzerland, to its first customer in the Community acting as an importer	A524
Russian Federation	Produced by OOO Viz Stal, Ekaterinburg, Russia, and sold by Duferco SA, Lugano, Switzerland, to the first independent customer in the Community acting as an importer	A525

Article 2

The customs authorities are hereby directed, pursuant to Article 14(5) of Regulation (EC) No 384/96 to take the appropriate steps to register the imports into the Community of grain oriented cold-rolled sheets and strips of silicon-electrical steel with a width of more than 500 mm originating in Russia and falling within CN code 7225 11 00 (sheets of a width of 600 mm or more) and ex 7226 11 00 (sheets of a width of more than 500 mm but less than 600 mm) produced and sold by the companies listed in Article 1 for which an exemption to the anti-dumping duties imposed by Council Regulation (EC) No 990/2004 is sought.

Article 3

This Regulation shall enter into force on the day after its publication in the *Official Journal of the European Union* and shall remain in force for a period of six months.

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

Done at Brussels, 18 May 2004.

For the Commission
Pascal LAMY
Member of the Commission