

**UNITED STATES – DEFINITIVE SAFEGUARD MEASURES  
ON IMPORTS OF CERTAIN STEEL PRODUCTS**

Request for the Establishment of a Panel by the European Communities

The following communication, dated 7 May 2002, from the Permanent Delegation of the European Communities to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

By Proclamation No. 7529 of 5 March 2002, entitled "To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products" and explained in a Memorandum of 5 March 2002, entitled "Action Under Section 203 of the Trade Act of 1974 Concerning Certain Steel Products by the President of the United States of America" (published in the Federal Register Vol. 67, No. 45 of 7 March 2002), the United States of America ("the US") imposed definitive safeguard measures in the form of an increase in duties on imports of certain steel products and in the form of a tariff rate quota on imports of "slabs". These measures are effective as of 20 March 2002.

In the view of the European Communities, these measures and the reports of the US International Trade Commission ("the ITC") to which they refer are inconsistent with the US obligations under the covered agreements within the meaning of Article 1.1 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU).

On 7 March 2002, the European Communities initiated the procedures under Article 4 of the DSU, Article XXII:1 of the *General Agreement on Tariffs and Trade 1994* (GATT 1994) and Article 14 of the *Agreement on Safeguards* by requesting the US to enter into consultations. The request was circulated in document WT/DS248/1, G/L/527, G/SG/D20/1 of 13 March 2002. Consultations were held in Geneva on 11-12 April 2002. Consultations have allowed a better understanding of the respective positions but have failed to settle the dispute.

In order to resolve this dispute, the European Communities hereby requests the establishment of a panel pursuant to Article 6 of the DSU, Article XXIII of the GATT 1994 and Article 14 of the *Agreement on Safeguards* with regard to the above definitive safeguard measures imposed by the United States on imports of steel products.

Specifically, the European Communities claims and requests the Panel to find that the US safeguard measures are inconsistent with the provisions of the GATT 1994 and of the *Agreement on Safeguards*, in particular because:

- the precondition of "unforeseen developments" laid down in Article XIX:1 of the GATT 1994 was not satisfied;

- there were no increased imports, as required by Article 2.1 of the *Agreement on Safeguards*, for many of the imported products under investigation;
- for certain products, there was an incorrect definition of the relevant domestic industries that produce like or directly competitive products to those allegedly being imported in increased quantities, as required by Articles 2.1 and 4.2(a) in conjunction with Article 4.1(c) of the *Agreement on Safeguards*;
- there was no serious injury or threat of serious injury being suffered by the relevant domestic industries, as required by Articles 2.1 and 4.2(a) of the *Agreement on Safeguards*;
- any increase in imports that may have occurred did not cause any serious injury or threat of serious injury that may have been suffered by the relevant domestic industries, as required by Articles 2.1 and 4.2(b) of the *Agreement on Safeguards*, in particular because injury was not being suffered by the relevant domestic industries and because injury or threat thereof caused by other factors was attributed to imports;
- the US safeguard measures are not applied only to the extent necessary to prevent or remedy serious injury, as required by Article 5.1 of the *Agreement on Safeguards*;
- there is a lack of parallelism between the products for which an increase in imports within the meaning of Article 2.1 of the *Agreement on Safeguards* was found or claimed, and the products in respect of which the protective measures were imposed, contrary to the principle inherent in Articles 2.1, 4.2 and 5.1 of the *Agreement on Safeguards*;
- neither the Report of the investigation nor the other relevant documents set forth adequately the findings and reasoned conclusions on all pertinent issues of fact and law, including the justification for the measures actually imposed and for all other elements mentioned above, as required by Article 3.1 of the *Agreement on Safeguards*; nor did they provide the analysis and demonstration required by Article 4.2(c) of the *Agreement on Safeguards*;

The European Communities requests that the panel be established with the standard terms of reference set out in Article 7 of the *DSU*.

The European Communities asks that this request be placed on the agenda for the meeting of the Dispute Settlement Body on 22 May 2002.

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