

**UNITED STATES – DEFINITIVE SAFEGUARD MEASURES
ON IMPORTS OF STEEL WIRE ROD AND
CIRCULAR WELDED QUALITY LINE PIPE**

Request for the Establishment of a Panel by the European Communities

The following communication, dated 8 August 2001, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

My authorities have instructed me to request the establishment of a panel pursuant to Articles 4 and 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 14 of the Agreement on Safeguards (SA), with regard to the definitive safeguard measure imposed by the United States on imports of certain steel wire rod (wire rod) and the definitive safeguard measure imposed by the United States on imports of certain circular welded carbon quality line pipe (line pipe).

By "Proclamation 7273 of February 16, 2000 - To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Wire Rod" and the "Memorandum of February 16, 2000 - Action Under Section 203 of the Trade Act of 1974 Concerning Steel Wire Rod" by the President of the United States, published in the Federal Register Vol. 65, No. 34, pp. 8621 to 8627 and 8629 to 8630 on 18 February 2000, the United States imposed definitive safeguard measures in the form of a tariff rate quota on imports of wire rod effective as of 1 March 2000. The relevant notification is contained in documents G/SG/N/10/USA/4 of 18 February 2000 and G/SG/N/10/USA/4/Corr.1 of 28 March 2000.

By "Proclamation 7274 of February 18, 2000 - To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe" and the "Memorandum of February 18, 2000 - Action Under Section 203 of the Trade Act of 1974 Concerning Line Pipe" by the President of the United States, published in the Federal Register Vol. 65, No. 36, pp. 9193 to 9198 on 23 February 2000, the United States imposed definitive safeguard measures in the form of an increase in duty on imports of line pipe effective as of 1 March 2000. The relevant notification is contained in document G/SG/N/10/USA/5 of 23 February 2000.

On 1 December 2000 the European Communities requested consultations with the United States with a view to reaching a mutually satisfactory solution of the matter. The request, which also contains the factual background to this dispute, was circulated in document WT/DS214/1 dated 7 December 2000. Such consultations were held on 26 January 2001 in Geneva. While consultations have allowed a better understanding of the respective positions, they have not led to a satisfactory resolution of the matter.

Therefore, the European Communities requests that the panel consider and find that the United States is in breach of its obligations under the provisions of GATT 1994 and of the SA, in particular, but not necessarily exclusively:

- Article 2 of the SA, for erroneous and inadequate determinations concerning "imports in such increased quantities" and "under such conditions", serious injury or threat thereof, causation and the "like or directly competitive products". Further, the above-mentioned measures do not respect the principle of parallelism between the scope of the imported products subject to the investigation and the scope of the imported products subject to the application of the measures.
- Article 3(1) and 3(2) of the SA, in particular in that the above-mentioned measures do not adequately set forth the findings and reasoned conclusions on all pertinent issues of fact and law, including the justification for the actual measure imposed, as well as insofar as they do not include certain information on ground of confidentiality beyond what is permitted under Article 3.
- Articles 4(1) and 4(2)(a), (b) and (c) of the SA, in particular in that there was no serious injury to the domestic industry or threat thereof caused by increased imports, and that imports from certain countries were included in the analysis of injurious imports and then excluded from the application of the safeguard measure based on such analysis.
- Article 5(1) of the SA, in particular in that the above-mentioned measures grant relief beyond "the extent necessary to prevent or remedy serious injury and to facilitate adjustment".
- Article 8(1) of the SA, in particular as regards the maintenance of the level of concessions and other obligations, as well as trade compensation.
- Articles 12(2) in conjunction with paragraph (1), 12(3) and 12(11) of the SA, insofar as the United States has not provided the Committee on Safeguards with all pertinent information, and has not provided adequate opportunity for prior consultations with a view to reaching an understanding on ways to achieve the objective set out in Article 8(1) of the SA.
- Article XIX:1 of GATT 1994, in particular in that the above-mentioned measures do not provide a demonstration, prior to the application of the measures, that the increases in imports and the conditions of importation of the products covered by each of the two above-mentioned measures were the result of "unforeseen developments" and of the effect of the United States obligations under GATT 1994.

The European Communities request that the panel be established with the standard terms of reference.
