

**UNITED STATES – DEFINITIVE SAFEGUARD MEASURES ON IMPORTS OF
CIRCULAR WELDED CARBON QUALITY LINE PIPE FROM KOREA**

Agreement under Article 21.3(b) of the DSU

The following communication, dated 29 July 2002, from the Permanent Mission of Korea and the Permanent Mission of the United States to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 21.3(b) of the DSU.

The Governments of the United States of America and the Republic of Korea wish to notify the Dispute Settlement Body ("DSB") that they have reached the attached agreement in the dispute *United States – Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea* (WT/DS202). The agreement provides for a reasonable period of time pursuant to Article 21.3(b) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") for the United States to implement the recommendations and rulings of the DSB.

In addition, we wish to inform you that, in light of our agreement, the arbitrator in the proceeding under Article 21.3(c) of the DSU will not be issuing an award. We wish to acknowledge his efforts in this proceeding, and extend our appreciation and thanks for his kind understanding and cooperation in accommodating our requests for more time to resolve this issue.

The attached agreement is made without prejudice to the rights and obligations of Korea and the United States under the WTO agreements. We would ask you to circulate this letter and agreement to the DSB.

***United States – Definitive Safeguard Measures on Imports of Circular Welded
Carbon Quality Line Pipe from Korea***
(WT/DS202)

Agreement Between Korea and the United States

The United States and Korea have agreed on the following with respect to the dispute *United States – Definitive Safeguard Measures on Imports of Circular Welded Carbon Quality Line Pipe from Korea* (WT/DS202).

1. Pursuant to Article 21.3(b) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU), the United States and Korea hereby agree that the reasonable period of time (RPT) for the United States to implement the recommendations and rulings of the Dispute Settlement Body (DSB) shall expire on September 1, 2002.

2. Following the end of the RPT, if the measure has not been terminated by that time in compliance with the DSB recommendations and rulings, the United States shall, based on applicable US legal authority, increase the in-quota volume of imports from Korea to a mutually acceptable level, pending the termination of the measure. To implement such an increase, the United States shall apply a tariff-rate quota applicable to imports into the United States of circular welded carbon quality line pipe from Korea on the following terms:

Imports not in excess of 17,500 tons during the period
September 1, 2002 - November 30, 2002:

No additional tariff

Imports not in excess of 17,500 tons during the period
December 1, 2002 - March 1, 2003, in addition to
amounts unused from the previous period:

No additional tariff

Imports in excess of these amounts:

11%

The increase in the in-quota volume shall be implemented in a manner consistent with the covered WTO agreements.

3. The increase in the in-quota volume, if it is to be implemented, shall be a temporary measure for the implementation of the DSB recommendations and rulings in accordance with the relevant provisions of the DSU. The United States shall terminate the safeguard measure on imports of circular welded carbon quality line pipe on March 1, 2003 in any event.

(s) CHUNG Eui-Yong
Ambassador
For the Government of the
Republic of Korea

(s) Linnet F. Deily
Ambassador
For the Government of the
United States of America
