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

Request for Consultations by Chinese Taipei

The following communication, dated 1 November 2002, from the Permanent Representative of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the Permanent Mission of the United States and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My government has instructed me to request consultations with the Government of the United States, pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXII:1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 14 of the Agreement on Safeguards, with regard to the definitive safeguard measures imposed by the United States on imports of certain steel products.

Under "Proclamation No. 7529 of 5 March 2002 – To Facilitate Positive Adjustment to Competition from Imports of Certain Steel Products" and "Memorandum of 5 March 2002 – Action Under Section 203 of the Trade Act of 1974 Concerning Certain Steel Products by the President of the US" published in Vol.67, No.45 of the Federal Register on 7 March 2002, the United States imposed definitive safeguard measures in the form of an increase in duties on imports of certain flat steel, hot-rolled bar, cold-finished bar, rebar, certain tubular products, carbon and alloy fittings and flanges, stainless steel bar, stainless steel rod, tin mill products and stainless steel wire, and in the form of a tariff rate quota on imports of slabs.

The Government of the separate customs territory of Taiwan, Penghu, Kinmen and Matsu considers that those US measures are in violation of the US obligations under the provisions of the GATT 1994 and of the Agreement on Safeguards. Our concerns include, in particular, but not necessarily exclusively, the following:

- The US failed to demonstrate, before applying the safeguard measures, the logical connection between the "conditions" identified in the second clause of Article XIX:1(a) of GATT 1994 and the "circumstances" outlined in the first clause of that provision. The application of the safeguard measures is, *inter alia*, in violation of Article XIX:1(a) of GATT 1994.
- There were no increased imports for many of the imported products under the investigation. The application of the safeguard measures is, *inter alia*, in violation of XIX:1(a) of GATT 1994, Article 2.1, 4.2(a) and 4.2(b) of the Agreement on Safeguards.
- The US failed to identify the producers of the like products in order to define the domestic industry and failed to publish its finding in this regard. The application of the safeguard

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measures is, *inter alia*, in violation of Articles 2, 3.1 and 4.1(c) of the Agreement on Safeguards.

- The US failed to demonstrate the existence of the requisite causal link between the alleged increased imports and the alleged serious injury or threat thereof. The application of the safeguard measures is, *inter alia*, in violation of Article XIX:1(a) of GATT 1994, Articles 2.1 and 4.2(b) of the Agreement on Safeguards.
- The US failed to ensure that she did separate and distinguish the injurious effects of other causes from increased imports. The application of the safeguard measures is, *inter alia*, in violation of Articles 4.2(b) of the Agreement on Safeguards.
- The US failed to demonstrate that the safeguard measures are applied to the extent necessary to prevent or remedy serious injury. The application of the safeguard measures is, *inter alia*, in violation of Article 5.1 of the Agreement on Safeguards.
- The US failed to apply her safeguard measures to imported products irrespective of their sources. The application of the safeguard measures is, *inter alia*, in violation of Article I:1 of GATT 1994 and Article 2.2 of the Agreement on Safeguards.

The Government of the separate customs territory of Taiwan, Penghu, Kinmen and Matsu reserves its right to raise further factual and legal issues during the course of consultations and subsequent dispute settlement proceedings.

We look forward to receiving your reply to this request so we may proceed to arrange a mutually convenient date and place to begin consultations.
