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

Request for Consultations by Korea

The following communication, dated 20 March 2002, from the Permanent Mission of Korea 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 authorities have 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 (SA) with regard to the definitive safeguard measures imposed by the United States on the imports of certain steel products and the related laws of the United States, including Sections 201 and 202 of the Trade Act of 1974 and Section 311 of the NAFTA Implementation Act.

By Proclamation 7529, dated 5 March 2002, by the President of the United States, and an accompanying Memorandum of 5 March 2002, published in the Federal Register Vol. 67, No. 45 at pages 10551-10597, the United States proclaimed definitive safeguard measures on certain steel products.

Korea considers that the US measures and the underlying investigation, as well as the related laws as cited above, are not in compliance with the US obligations stipulated, in particular but not limited to, in the following provisions of the Agreement on Safeguards and the GATT 1994 and the WTO Agreement:

1. Article 2.1 of the SA regarding, *inter alia*, deficient determination on the like or directly competitive products, the absence of increased imports and the requisite conditions, the lack of serious injury or threat thereof, or causation.
2. Article 2.2 of the SA and Article I of GATT 1994 regarding, *inter alia*, the failure to apply the measure to all imports irrespective of their source.
3. Article 2.1 of the SA in conjunction with Article 2.2 regarding non-respect of the requirement of parallelism between the scope of the investigation of the injury arising from imported products and the scope of the safeguard measures.
4. Article 3 of the SA regarding, *inter alia*, the failure to afford an opportunity for sufficient participation by interested parties and to conduct an adequate investigation, including undue reliance on confidentiality restrictions to bar disclosure of information, and the failure to set

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forth in the published report the findings and reasoned conclusions on all pertinent issues of fact and law, including the justification for the actual measure imposed and the justification for the exclusion of Canada and Mexico.

5. Article 4 of the SA regarding, *inter alia*, the failure to meet the requirements of "increased imports," "under such conditions", "serious injury or threat thereof", "causality" or the requirement of "parallelism".
6. Articles 5 and 7.4 of the SA regarding, *inter alia*, the failure to grant relief only to the "extent necessary" and to limit that relief to serious injury caused by increased imports at the time of the imposition of the measure as well as at the stages of progressive liberalization.
7. Article 5 of the SA and Article XIII of the GATT 1994 regarding, *inter alia*, the allocation of tariff rate quotas.
8. Article 7.1 of the SA regarding, *inter alia*, the duration of the measure beyond the necessary period of time.
9. Article 8.1 of the SA regarding, *inter alia*, the failure to maintain a substantially equivalent level of concessions and other obligations.
10. Articles 12 of the SA regarding, *inter alia*, the obligation to provide pertinent information and "adequate opportunity" for consultations regarding the application of a safeguard measure.
11. Article 9.1 of the SA regarding, *inter alia*, the application of the measure to developing countries.
12. Article X:3 of the GATT 1994, since the safeguard measures are not based on uniform, impartial and reasonable administration of the relevant U.S. laws and regulations.
13. Article XIX:1 of the GATT 1994 regarding, *inter alia*, the requirement to demonstrate that "unforeseen developments" led to the increase in imports.
14. Article XVI:4 of the Marrakesh Agreement Establishing the WTO regarding, *inter alia*, the failure to ensure the conformity of its laws, regulations and administrative procedures with the obligations as provided in the SA and the GATT 1994.

We look forward to a prompt reply of the United States in order to fix the venue and the time for consultations at an early date.

The Republic of Korea reserves all its rights regarding the pursuit of remedies provided under the Agreement on Safeguards and the DSU.
