# EU/USA Agreement: modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the EU

2012/0167(NLE) - 29/06/2012

PURPOSE: to conclude an Agreement in the form of an Exchange of Letters between the European Union and the US pursuant to the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedules of the Republic of Bulgaria and Romania in the course of their accession to the European Union.

PROPOSED ACT: Council Decision.

BACKGROUND: with the accession of the Republic of Bulgaria and Romania, the European Union enlarged its customs union. Consequently, the European Union was obliged under WTO rules (GATT Article XXIV:6) to enter into negotiations with WTO Members having negotiating rights in the schedules of any of the acceding Members in order to agree on **compensatory adjustment**. Such adjustment is due if the adoption of the EU's external tariff regime results in an increase in tariff beyond the level for which the acceding country has bound itself at the WTO, whilst taking 'due account of reductions of duties on the same tariff line made by other constituents of the customs union upon its formation'.

On 29 January 2007, the Council authorised the Commission to open negotiations under Article XXIV:6 of GATT 1994. The Commission has negotiated with the Members of the WTO holding negotiating rights with respect to the withdrawal of specific concessions in relation to the withdrawal of the schedules of the Republic of Bulgaria and Romania, in the course of their accession to the European Union. Negotiations with the United States of America resulted in a draft Agreement in the form of an Exchange of Letters that was initialled by the EU side on 21 December 2011 in Brussels and by the US side on 17 February in Washington D.C.

It is now necessary to conclude this Agreement on behalf of the European Union.

It should be noted that the Council (TPC) and the European Parliament (INTA – International Trade Committee) were informed of the text of the draft agreement prior to being initialled. IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: the first subparagraph of Article 207(4), in conjunction with Article 218(6)(a)(v) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal asks the Council to adopt a decision concluding the Agreement in the form of an Exchange of Letters with the United States of America.

According to the draft Agreement, the European Union shall incorporate and bind in its WTO Schedule for the customs territory of the EU 27, the concessions that were included in its schedule for the customs territory of the EU 25 with the modifications as regards the volumes allocated to the US under the EU tariff rate quota for 'meat and edible offal of poultry, fresh, chilled or frozen', maintaining the existing in-quota rates.

The implementing Regulation will consequently be adopted by the Commission, pursuant to Article 144 of the Single Common Market Organisation (CMO) Regulation (Regulation (EC) No 1234/2007) and to

Article 7 of the Regulation (EC) No 1216/2009 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products.

BUDGETARY IMPLICATION: this proposal has no implications on the EU budget.