

SECOND ADDENDUM TO THE AGREEMENT CONCERNING TRADE IN CERTAIN STEEL PRODUCTS FROM THE RUSSIAN FEDERATION

The United States of America, by the U.S. Department of Commerce and the Russian Federation, by the Ministry of Economic Development and Trade of the Russian Federation (which replaces the Ministry of Trade of the Russian Federation), hereinafter referred to as the Parties, by this Addendum agree to revise the Agreement Concerning Trade in Certain Steel Products from the Russian Federation, as amended by the Addendum of November 19, 2002, (“1999 Agreement, as amended”) as follows:

I. COVERAGE

A. This Addendum covers direct and indirect exports from the Russian Federation to the United States of:

- 1) Pig Iron as defined by the 1999 Agreement, as amended;
- 2) Certain Steel Billets defined in paragraph B below; and
- 3) Certain Semifinished Steel products as defined in paragraph C below.

B. The following products will be removed from the scope of the classification of the Semifinished steel category of the 1999 Agreement, as amended, and included in a new category named “Certain Steel Billets”:

Certain Steel Billets (whether or not stainless, other alloy, or non-alloy) in the following forms: semifinished products with a cross sectional area less than 232 centimeters squared, of rectangular (including square) cross section and having a width of less than two times the thickness, or of circular cross section, which have not been further worked than subjected to primary hot-rolling or roughly shaped.

Certain Steel Billets are classifiable under the following Harmonized Tariff Schedule of the United States (HTSUS) numbers: 7207.11.0000, 7207.19.0030; 7207.20.0025; 7207.20.0075; 7218.91.0015; 7218.99.0015; 7218.99.0045; 7224.90.0015; 7224.90.0035; 7224.90.0045; and 7224.90.0065.

Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

Products classified under the above HTSUS subheadings, but not included in the written description of Certain Steel Billets, will be subject to the provisions of paragraph 1.C. below.

C. The definition of Semifinished Steel products in the 1999 Agreement, as amended, will be deleted and replaced with the following definition: Certain iron and steel products (whether or not stainless, other alloy, or non-alloy) in the following forms: ingots and other primary

forms; semifinished products regardless of cross section dimensions not included in certain steel billets as defined in paragraph I.B.

The merchandise is classified in the HTSUS at subheadings: 7206.10.0000; 7206.90.0000; 7207.11.0000; 7207.12.0010; 7207.12.0050; 7207.19.0030; 7207.19.0090; 7207.20.0025; 7207.20.0045; 7207.20.0075; 7207.20.0090; 7218.10.0000; 7218.91.0030; 7218.91.0060; 7218.99.0030; 7218.99.0060; 7218.99.0090; 7224.10.0005; 7224.10.0045; 7224.10.0075; 7224.90.0005; 7224.90.0015; 7224.90.0025; 7224.90.0035; 7224.90.0045; 7224.90.0055; 7224.90.0065 and 7224.90.0075.

Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

Products classified under the above HTSUS subheadings, but not included in the written description of Semifinished Steel, will be subject to the provisions of paragraph I.B., above.

Semifinished Steel products are equivalent to AISI categories 1A (ingots and steel for casting) and 1B (blooms, billets, and slabs).

II. EXPORT LIMIT PERIODS

The new export limit periods for Certain Steel Billets are as follows:

- A. The First Certain Steel Billet Export Limit Period begins on July 1, 2003, and ends on March 19, 2004.
- B. The Second Certain Steel Billet Export Limit Period begins on March 20, 2004, and ends on July 12, 2004.

III. EXPORT LIMITS

A. Certain Steel Billets

- 1. The export limit for the First Certain Steel Billet Export Limit Period shall be:

139,066 MT (193,000 x 263/365) (Prorating for July 1, 2003,
to March 19, 2004)
- 2. The export limit for the Second Certain Steel Billet Export Limit Period shall be:

60,808 MT (193,000 MT x 115/365) (Prorating for March 20, 2004,

to July 12, 2004)

3. The export limit adjustment provisions of Section II(B)(2) of the 1999 Agreement, as amended, will not be applicable to the category of Certain Steel Billets for the second export limit period.
4. The Ministry of Economic Development and Trade of the Russian Federation shall not issue Export Licenses authorizing the exportation to the United States of Certain Steel Billets covered by this Addendum in any half of any Export Limit Period that exceed 60 percent of the export limit for that Export Limit Period.
5. The Ministry of Economic Development and Trade of the Russian Federation shall exercise particular caution in issuing licenses for Certain Steel Billets to ensure that the covered shipment is properly classified as steel billet, as defined by this addendum, rather than another category covered by the 1999 Agreement, as amended, such as hot-rolled bars.

B. Pig Iron

1. The export limit for calendar year 2003 shall be:

608,952 MT (Current 2003 Pig Iron export limit)
+1,391,048 MT (Difference: 2003 export limit and Russian request)
2,000,000 MT
2. For each export period thereafter, the Pig Iron export limit shall be adjusted in accordance with the provisions of Section II(B)(2) of the 1999 Agreement, as amended.
3. The Ministry of Economic Development and Trade of the Russian Federation shall not issue Export Licenses authorizing the exportation to the United States of Pig Iron covered by this Addendum in any half of any Export Limit Period that exceed 60 percent of the export limit for that Export Limit Period.

C. Semifinished Steel Products

Export limits for the Semifinished Steel products remain unaltered and in the amounts as established by the Addendum of November 19, 2002.

IV. CARRY OVER/CARRY BACK

The provisions of Article II.E. of the 1999 Agreement, as amended, concerning the ability to carry over up to 15 percent of the export limit to a Subsequent Export Limit Period, or to carry back up to 15 percent of the export limit to the last 60 days of the previous Export Limit Period shall remain in effect.

V. REPORTING PERIODS

In accordance with Article IV of the 1999 Agreement, as amended, the Ministry of Economic Development and Trade of the Russian Federation shall collect, maintain, and provide to the U.S. Department of Commerce such information as is detailed in the 1999 Agreement, as amended, to ensure that exports of Pig Iron and Certain Steel Billets from the Russian Federation to the United States do not exceed the export limits in this Addendum.

A. For all exports of Pig Iron all information required in Article IV, shall continue to be reported on a semiannual basis.

B. For Certain Steel Billets:

i) All exports made prior to July 1, 2003, shall be reported as part of the semifinished category for the purposes of the semiannual report established in the November 19, 2002, addendum;

ii) All exports of Certain Steel Billets made on or after July 1, 2003, until March 19, 2004, and for all subsequent reporting periods, shall be reported as a separate Certain Steel Billets category.

VI. GOVERNING PROVISIONS

A. To the extent that there are any inconsistencies between this Addendum and the 1999 Agreement, as amended, the provisions of the 1999 Agreement, as amended, are superseded, and the provisions of this Addendum shall govern. All other provisions of the 1999 Agreement, as amended, and their applicability to other categories of steel products, continue with full force and effect.

B. The English and Russian versions of this Addendum shall be authentic, with the English version controlling.

C. For all purposes hereunder, the signatory Parties shall be represented by, and all communications and notices shall be given and addressed to:

Department of Commerce:

Assistant Secretary for Import Administration

International Trade Administration
U.S. Department of Commerce
Washington, D.C. 20230
United States of America

The Ministry of Economic Development and Trade of the Russian Federation:

Department for Non-tariff Regulation
Ministry of Economic Development and Trade
of the Russian Federation
18/1 Ovchinnikovskaya Naberezhnaya,
Moscow 113324
The Russian Federation

Signed on ____ August, 2003, in Washington, D.C.

Joseph A. Spetrini
Acting Assistant Secretary
Import Administration
United States of America

Mikhail V. Barkov
Minister Counselor
Trade Representative of the
Russian Federation