

## **Fact Sheet: U.S. – EU Arrangements on Global Steel and Aluminum Excess Capacity and Carbon Intensity**

### *United States and European Union Agree to Address Global Steel and Aluminum Excess Capacity and Carbon Intensity*

President Biden made clear on day one that rebuilding relationships with our allies and partners, and working with the world's democracies to address our shared challenges would be a top priority. Today's announcement that the United States and the European Union have reached arrangements to address global steel and aluminum excess capacity, and the serious threat those market distortions pose to workers, producers and the climate, is another example of the President fulfilling his promise.

This announcement shows the Biden-Harris Administration's commitment to preserving the long-term viability of our critical industries, protecting American jobs, and meeting the economic and environmental goals shared by the United States and European Union by tackling the carbon intensity of those products.

The United States and EU are like-minded partners with shared democratic values and similar economic and security interests. Recognizing the importance of the transatlantic relationship, the United States will adjust the tariffs on steel and aluminum to allow duty-free trade at a sustainable historic level and the EU will suspend its retaliatory tariffs.

The arrangements build on the [Joint United States-European Union Statement in May](#), and the successful resolution of the Boeing-Airbus dispute in June. Quickly resolving both issues demonstrates the rapid progress that can be made when the United States works with like-minded partners friends and allies to create good-paying jobs, reduce costs for consumers, promote high standards, and hold countries that support trade-distorting policies to account.

The United States looks forward to partnering with other trading partners and key stakeholders to address the common global challenge of steel and aluminum excess capacity.

The following general principles will guide future U.S.-EU cooperation:

**Replacement of Section 232 tariffs with tariff-rate quota (TRQ).** The United States will replace the existing tariffs on EU steel and aluminum products under Section 232 with a TRQ under Section 232. Under the TRQ arrangement, historically-based volumes of EU steel and aluminum products would enter the U.S. market without the application of Section 232 tariffs to meet the demands of downstream users.

**Agreement to cooperate in trade remedies and customs matters and development of additional actions.** Both sides agreed to expand their coordination involving both trade remedies and customs matters, and to meet regularly to consult and develop additional actions to address non-market excess capacity in these sectors.

**Negotiation of global steel and aluminum arrangements that restore market-oriented conditions and address carbon intensity.** The U.S. and EU resolved to negotiate future arrangements for trade in the steel and aluminum sectors that take account of both global non-market excess capacity as well as the carbon intensity of these industries. The U.S. and the EU agreed to form a technical working group to enhance their cooperation and facilitate negotiations on these arrangements, and will invite like-minded economies to participate in the arrangements.

**Lifting of the EU's retaliatory tariffs and suspension of disputes before panels of the World Trade Organization.** The EU will suspend the additional duties imposed on U.S. goods, and the U.S. and the EU agreed to suspend the disputes they have initiated against each other regarding the U.S. Section 232 measures and the EU's additional duties in light of the arrangements for moving forward.

**Other measures to ensure market-oriented conditions in the EU market.** The EU will ensure market-oriented conditions in its market, including through the application of safeguards and other appropriate measures.

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