

Presidential Documents

Title 3—

Memorandum of August 30, 1996

The President

Determinations Under Section 203 of the Trade Act of 1974 and Section 304 of the North American Free Trade Agreement Implementation Act Concerning Broom Corn Brooms

Memorandum for the United States Trade Representative, the Secretary of Agriculture, the Secretary of Commerce, [and] the Secretary of Labor

On August 1, 1996, the United States International Trade Commission (USITC) submitted to me a report that included:

(a) a determination pursuant to section 202 of the Trade Act of 1974 ("the Trade Act") that imports of broom corn brooms are being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing an article like or directly competitive with the imported article;

(b) a finding pursuant to section 311(a) of the North American Free Trade Agreement (NAFTA) Implementation Act ("NAFTA Act") that imports of broom corn brooms produced in Mexico account for a substantial share of total imports of such brooms and contribute importantly to the serious injury caused by imports; but that imports of broom corn brooms produced in Canada do not account for a substantial share of total imports and thus do not contribute importantly to the serious injury caused by imports;

(c) a determination under section 302 of the NAFTA Act that, as a result of the reduction or elimination or a duty provided for under the NAFTA, broom corn brooms produced in Mexico are being imported into the United States in such increased quantities (in absolute terms) and under such conditions so that imports of the article, alone, constitute a substantial cause of serious injury to the domestic industry producing an article that is like, or directly competitive with, the imported article; and

(d) recommendations for action by the President in response to these determinations.

Pursuant to section 203(a) of the Trade Act, I have determined to take appropriate and feasible action within my power that will facilitate efforts by the domestic industry to make a positive adjustment to competition from imports of broom corn brooms. I have not implemented at this time any of the actions recommended by the USITC, because I believe it would be more appropriate first to seek a negotiated solution with appropriate foreign countries that would address the serious injury to our domestic broom corn broom industry, promote positive adjustment, and strike a balance among the various interests involved.

Therefore, after considering all relevant aspects of the investigation, including the factors set forth in section 203(a)(2) of the Trade Act, I hereby direct the Trade Representative to negotiate and conclude, within 90 days, agreements of a type described in section 203(a)(3)(E) of the Trade Act, and to carry out any agreements reached. Not later than the end of this 90-day period, I would implement action of a type described in section 203(a)(3). I hereby direct the Secretaries of Agriculture, Commerce, and Labor to develop and present to me, within 90 days, a program of measures designed to enable our domestic industry producing broom corn brooms to adjust to import competition.

I agree with the USITC's finding under section 311(a) of the NAFTA Act, and therefore determine, pursuant to section 312(a) of the Act, that imports of broom corn brooms from Mexico account for a substantial share of total imports of such brooms and contribute importantly to the serious injury caused by imports; but that imports of broom corn brooms from Canada do not account for a substantial share of total imports and thus do not contribute importantly to the serious injury caused by imports. Therefore, pursuant to section 312(b) of the NAFTA Act, agreements reached, and action of a type described in section 203(a)(3) of the Trade Act, would apply to imports of broom corn brooms from Mexico, but would not apply to imports of broom corn brooms from Canada. Also, in light of the USITC's findings, any agreements and action would not apply to imports of broom corn brooms from Israel.

As a result of the action I have taken under section 203 of the Trade Act, I have fully preserved my ability to implement tariff increases of a magnitude equal to or greater than the increases recommended by USITC commissioners under section 303 of the NAFTA Act. Section 203 of the Trade Act also authorizes a wider array of types of action than the tariff increases permitted under the NAFTA Act. Thus, through section 203 of the Trade Act, I maintain the full power to address the serious injury found by the USITC to have resulted from the reduction in tariffs under the NAFTA. For these reasons, I have determined that additional action under section 304 of the NAFTA Act is not necessary and would not provide greater benefits than costs.

The United States Trade Representative is authorized and directed to publish this determination in the Federal Register.



THE WHITE HOUSE,
Washington, August 30, 1996.