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# Presidential Documents

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Title 3—

Memorandum of July 7, 1999

The President

## Action Under Section 203 of the Trade Act of 1974 Concerning Lamb Meat

**Memorandum for the Secretary of the Treasury, the Secretary of Agriculture, the United States Trade Representative, the Director of the Office of Management and Budget, [and] the Director of the National Economic Council**

On April 5, 1999, the United States International Trade Commission (USITC) submitted a report to me that contained: (1) a determination pursuant to section 202 of the Trade Act of 1974, as amended (the "Trade Act"), that imports of lamb meat are being imported into the United States in such increased quantities as to be a substantial cause of threat of serious injury to the domestic lamb meat industry; and (2) negative findings made pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") with respect to imports of lamb meat from Canada and Mexico.

After considering all relevant aspects of the investigation, including the factors set forth in section 203(a)(2) of the Trade Act, I have implemented actions of a type described in section 203(a)(3). I have determined that the most appropriate action is a tariff-rate quota on imports of lamb meat with an increase in currently scheduled rates of duties for imports within and above the tariff-rate quota level. I have proclaimed such action for a period of 3 years and 1 day in order to facilitate efforts by the domestic industry to make a positive adjustment to import competition.

Specifically, I have established a tariff-rate quota for lamb meat in an amount equal to 31,851,151 kg. in the first year (July 22, 1999, through July 21, 2000), an amount that is equal to imports of lamb meat during calendar year 1998. The tariff-rate quota amount will increase by 857,342 kg. annually in the second and third years of relief. I have also established individual country allocations for product imported from Australia, New Zealand, and an "other country" category within the tariff-rate quota, which reflect the actual shares of each country in calendar year 1998. I have established increased rates of duty for imports within the tariff-rate quota amount: namely 9 percent *ad valorem* for imports in the first year of relief; 6 percent *ad valorem* for imports in the second year; and 3 percent *ad valorem* for imports in the third year. I have established increased rates of duty for imports above the tariff-rate quota levels: namely, 40 percent *ad valorem* in the first year of relief, 32 percent *ad valorem* in the second year, and 24 percent *ad valorem* in the third year.

I have also determined that implementation of adjustment assistance measures based on authorized programs of the Department of Agriculture will facilitate efforts by the domestic lamb meat industry to make a positive adjustment to import competition. In this regard, I instruct the United States Trade Representative (the USTR), the Secretary of Agriculture (the Secretary), the Director of the Office of Management and Budget, and the Director of the National Economic Council, in consultation with the U.S. industry, to transmit to me a set of substantial adjustment assistance measures that would improve the competitiveness of the U.S. industry and facilitate efforts by the industry to adjust to import competition.

I further determine, pursuant to section 312(a) of the NAFTA Implementation Act, that imports of lamb meat produced in Canada and Mexico do not account for a substantial share of total imports of lamb meat and are not contributing importantly to the threat of serious injury. Therefore, pursuant to section 312(b) of the NAFTA Implementation Act, the safeguard measure will not apply to imports of lamb meat, whether fresh/chilled or frozen, that are the product of Canada or Mexico. Similarly, the safeguard measure will not apply to imports of lamb meat that are the product of Israel, beneficiary countries under the Caribbean Basin Economic Recovery Act or the Andean Trade Preference Act, or other developing countries that have accounted for a minor share of lamb meat imports.

I have determined that the actions described above will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. These actions will provide the domestic industry with necessary temporary relief from increasing import competition as well as assistance from existing U.S. Government programs, while also assuring our trading partners continued access to the United States market. The over-quota tariff rates I have established will provide substantial certainty to the domestic lamb industry regarding import levels.

Pursuant to section 204 of the Trade Act, the USITC will monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms to make a positive adjustment to import competition. The USITC will provide to me and to the Congress a report on the results of its monitoring no later than the date that is the mid-point of the period during which the action I have taken under section 203 of the Trade Act is in effect. In this regard, I instruct the USTR, in consultation with the Secretary, and the Director of the Office of Management and Budget to transmit to the USITC no later than 30 days from today a list of benchmarks that the USTR recommends that the USITC use in connection with its monitoring and in preparing its report. These benchmarks are to be focused on industry efforts to adjust to import competition and on price trends for domestic and imported lamb meat.

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



THE WHITE HOUSE  
*Washington, July 7, 1999.*