

Presidential Documents

Memorandum of November 28, 1996

Action Under Section 203 of the Trade Act of 1974 Concerning Broom Corn Brooms

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

On August 1, 1996, the United States International Trade Commission (USITC) submitted to me a report that contained: (1) 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; and (2) a finding pursuant to section 311(a) of the North American Free-Trade Agreement (NAFTA) Implementation Act ("NAFTA Act") and 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.

On August 30, 1996, I determined to take appropriate and feasible action that will facilitate efforts by the domestic industry to make a positive adjustment to competition from imports of broom corn brooms. I did not implement at that time any of the actions recommended by the USITC, because I determined that 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.

I therefore directed 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. I also directed the Secretaries of Agriculture, Commerce, and Labor to develop and present, within 90 days, a program of measures designed to enable our domestic industry producing broom corn brooms to adjust to import competition.

The Trade Representative has informed me that her negotiations did not result in agreements meeting the goals that I had previously set. Therefore, after considering all relevant aspects of the investigation, including the factors set forth in section 203(a)(2) of the Trade Act, and the results of the activities undertaken over the previous 90 days, I have implemented actions of a type described in section 203(a)(3). I have determined that these actions will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

Specifically, I have proclaimed tariff relief for a period of three years that will provide time for the domestic industry to implement an adjustment plan that will facilitate its positive adjustment to import competition. This action meets the needs of the domestic industry, while striking a balance with the other interests of the United States by providing the minimum tariff relief necessary to promote such adjustment. No tariff relief is being provided on four of the six tariff subheadings subject to the injury determination. In addition, for the largest tariff subheading, duty-free treatment will be provided on a substantial annual quantity of broom corn broom imports from all import sources. In short, this action provides the domestic industry with substantial temporary relief from increased import competition, while

also assuring our trading partners significant continued duty-free access to the United States market.

I also note the substantial resources identified by the Departments of Agriculture and Commerce that can provide loans, grants, technical and in-kind assistance to the domestic industry as it implements its adjustment plan. Taken together, these programs have the potential to match the financial contribution that the domestic industry will make as it implements its adjustment plan. I urge the domestic industry to submit the necessary applications for consideration under the individual programs, and direct the Secretaries of Agriculture and Commerce to provide the appropriate assistance to the industry in completing the application process. I also direct the Departments of Agriculture and Commerce to give priority consideration to adjustment assistance requests, with the intent of providing the maximum appropriate assistance available.

The Trade Adjustment Assistance (TAA) program of the Department of Labor has already provided support for employees of broom corn broom manufacturers that have been laid off due to import competition. This assistance remains available, and I instruct the Secretary of Labor to give priority consideration to processing such TAA requests.

An additional issue considered during the course of the last 90 days was the possible circumvention of U.S. customs laws. As a result of information provided by the broom corn broom industry and other information collected by the U.S. Customs Service, an investigation is underway to determine whether any imports of broom corn brooms are entering the commerce of the United States in a manner inconsistent with U.S. law. I instruct the Secretary of the Treasury to pursue this matter with the intent of concluding this investigation within 90 days, and taking any other steps necessary to ensure broom corn broom imports do not circumvent U.S. law.

I also note that, pursuant to Section 204 of the Trade Act, the International Trade Commission will monitor developments with respect to the domestic industry, including progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition.

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



THE WHITE HOUSE,
Washington, November 28, 1996.