ARTICLE XIX - ACTION BY THE UNITED STATES
High-Carbon Ferro-Chromium

Addendum

The following communication dated 3 December 1981 has been received from the Permanent Mission of the United States.

In a communication dated 27 November 1978 (circulated as Document L/4702/Add.1) the United States notified the contracting parties that the President had taken action in accordance with Article XIX to impose an additional duty of $0.04 per lb. on imports of high-carbon ferrochromium (classified for tariff purposes under item 607.31 of the tariff schedules of the United States) with a customs value of less than $0.38 per lb. of chromium content, and that the additional duty would apply for a three-year period from 17 November 1978.

The President's action was taken in accordance with the provisions of Section 203 of the Trade Act of 1974. Sub-section (H)(3) of that section of the Act provides that "any import relief provided pursuant to this section ... may be extended by the President at a level of relief no greater than the level in effect immediately before the extension, for one three-year period if the President determines ... that such extension is in the national interest".

On 13 November 1981, following consideration of an advisory report from the United States International Trade Commission (USITC) expressing its unanimous opinion that the impending scheduled termination of relief would have a significant adverse economic effect on the domestic high-carbon ferrochromium industry and should be extended in modified form (USITC publication 1185 September 1981), the views of interested parties - including those of representatives of industries in countries exporting high-carbon ferrochromium to the United States and the governments of such countries - and other relevant factors set forth in Section 202 (C) of the Trade Act of 1974, the President determined that a continuation of the additional duty on imports valued at less than $0.38 per lb. of chromium content was necessary to promote further industry adjustment through additional investment in production facilities and issued a proclamation extending import relief for an additional year.
The President's action differs in important respects from the suggestions made by the USITC to modify the form of relief, either by negotiating an Orderly Marketing Agreement with the principal supplying country or by upwardly adjusting the customs value of imports subject to the additional three-year period. Relief has been continued without change in the form existing prior to extension and will only apply for one year in lieu of three.

Proclamation 4884 of 13 November 1981, a copy of which will be transmitted to the secretariat, furnishes the details of the action taken by the President.

The United States Government is ready to consult with the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of high-carbon ferrochromium regarding its action in accordance with Article XIX.