

Presidential Documents Title A

Proclamation 6179 of September 13, 1990

**Modification of Tariffs and Quota on Certain Sugars, Sirups, and Molasses
By the President of the United States of America**

A Proclamation

1. Additional U.S. note 2 to chapter 17 of the Harmonized Tariff Schedule of the United States (HTS) contained in title I of the Tariff Act of 1930 (46 Stat. 590), as amended by section 1204(8) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3004(a)), authorizes the President, for such time as title 11 of the Sugar Act of 1948 (61 Stat. 922) or substantially equivalent legislation is not in effect, to modify HTS column 1 customs duty rates and quota limitations for articles classified in subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10, if the President finds and proclaims that such modifications are required or appropriate to give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade (GATT). Previously, Proclamation No. 3822 of December 16, 1967 (82 Stat. 1455) had added almost identical provisions to the former Tariff Schedules of the United States (TSUS) in the form of headnote 2 to subpart A, part 10, schedule 1, in order to carry out a provision in the trade agreement known as the Geneva (1967) Protocol of the GATT (Note 1 of Unit A, Chapter 10, Part I of Schedule XX; 19 U.S.T., Part II, 1282).

2. The Sugar Act of 1948 expired on December 31, 1974, and it has not been replaced with substantially equivalent legislation. Proclamation No. 4334 of November 16, 1974 (39 FR 40739) established rates of duty and an absolute import quota, for such sugars, syrups, and molasses to become effective on January 1, 1975. Proclamation No. 4334 further proclaimed such quantitative limitations in the form of headnote 3 of subpart A, part 10, schedule 1 of the TSUS. Subsequent proclamations have modified such rates of duty and quota limitations. The provisions of headnote 3 to subpart A, part 10, schedule 1 of the TSUS are now set forth in additional U.S. note 3 to chapter 17 of the HTS.

3. On June 22, 1989, the Council of the GATT adopted a panel report that concluded that the absolute quota on imports of sugar, syrups, and molasses maintained by the United States pursuant to additional U.S. note 2 to chapter 17 of the HTS is inconsistent with the obligations of the United States and which recommended that the United States either terminate such import restrictions or bring them into conformity with the GATT.

4. Section 902(a) of the Food Security Act of 1985 (99 Stat. 1443; 7 U.S.C. 1446 note) requires the President to "use all authorities available to the President as is necessary to enable the Secretary of Agriculture to operate the sugar program established under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) at no cost to the Federal Government by preventing the accumulation of sugar acquired by the Commodity Credit Corporation."

5. Section 504(a)(1) of the Trade Act of 1974 (19 U.S.C. 2464(a)(1)) authorizes the President to withdraw, suspend, or limit the application of the duty-free treatment accorded under section 001 of that act with respect to any article or with respect to any country, except that no rate of duty may be established with respect to any article other than the rate that would otherwise apply.

In taking such action, the President must consider the factors set forth in sections 501 and 502(c) of that act.

6. Section 213(d) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(d)) provides specific rules with respect to imports of sugars, syrups, and molasses from

CBERA beneficiary countries for as long as there is a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624), to protect a price-support program for sugar beets and sugarcane. With respect to imports of sugars, syrups, and molasses from all CBERA beneficiary countries except the Dominican Republic, Guatemala, and Panama, section 213(d)(1)(A) requires that "duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974 . . ." With respect to imports of sugars, syrups, and molasses from the Dominican Republic, Guatemala, and Panama, paragraph (2) of section 213(d) provides for absolute quotas and further provides that such quantities of sugars, syrups, and molasses shall be admitted free of duty. However, the President upon the recommendation of the Secretary of Agriculture, may suspend the quantitative limitations imposed under paragraph (2) if he determines such action will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions and may suspend duty-free treatment for all or part of the quantity of sugar, syrups, and molasses permitted to be entered by paragraph (2) if such action is necessary to protect the price-support program for sugar beets and sugarcane.

7. Section 1204(c)(3) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3004(c)(3)) provides that if a rate of duty established in column 1 of the HTS by the President is higher than the existing rate of duty in column 2 the President may increase the rate in column 2 to the higher rate established in column 1.

8. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the provisions of that act, and of other acts affecting import treatment, and actions taken thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

9. I find that the modifications hereinafter proclaimed of the import duty rates, and the quantitative limitations thereof, on the importation of sugar, syrups, and molasses classified in subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the HTS are required and appropriate to give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the GATT.

10. Having considered the factors set forth in sections 501 and 502(c) of the Trade Act of 1974, including the anticipated impact on United States producers of like or directly competitive products. I further find that the limitations, hereinafter proclaimed of the application of the duty-free treatment accorded under section 501 of that act with respect to sugars, syrups, and molasses classified under subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the HTS are necessary and appropriate.

11. I find that there are currently in effect proclamations issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624), to protect a price-support program for sugar beets and sugarcane, including Proclamation No. 4940 of May 5, 1982, Proclamation No. 5071 of June 28, 1983, Proclamation No. 5164 of March 19, 1984, Proclamation No. 5294 of January 28, 1985, Proclamation No. 5313 of March 29, 1985, and Proclamation No. 5340 of May 17, 1985. Accordingly, I determine that the duty-free treatment of sugars, syrups, and molasses imported from beneficiary countries under the CBERA and classified under subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the HTS must be subject to the limitations hereinafter proclaimed, corresponding to the limitation of duty-free treatment for the same articles when imported from designated beneficiary developing countries under the Generalized System of Preferences (GSP), as is provided pursuant to title V of the Trade Act of 1974.

12. I further find and determine, upon the recommendation of the Secretary of Agriculture, that the suspension of the quantitative limitations imposed under paragraph (2) of section 213(d) of the CBERA, as hereinafter proclaimed, will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions and that the suspension of duty-free treatment for part of the quantity of sugar, syrups, and molasses

permitted to be entered by paragraph 12) of that act, as hereinafter proclaimed, is necessary to protect the price-support program for sugar beets and sugarcane.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to the provisions of title I of the Tariff Act of 1930, as amended; sections 501, 502, 504, and 604 of the Trade Act of 1974, as amended; section 213 of the CBERA; section 1204 of the Omnibus Trade and Competitiveness Act of 1988; additional U.S. note 2 to chapter 17 of the HTS; and section 301 of Title 3 of the United States Code, do hereby proclaim:

- (1) Subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the HTS are modified as provided in Annex I to this proclamation.
- (2) Additional U.S. notes 3 and 4 to chapter 17 of the HTS are modified as provided in Annex II to this proclamation.
- (3) The duty-free treatment accorded to sugars, syrups, and molasses described in subheadings 1701.11.01, 1701.12.01, 1701.91.21, 1701.99.01, 1702.90.31, 1806.10.41, and 2106.90.11 of the HTS, which are imported from beneficiary countries for purposes of the GSP and CBERA, shall be limited to the quantities as established and allocated pursuant to paragraphs (a) and (b) of additional U.S. note 3 to chapter 17 of the HTS. Duty-free treatment shall be accorded to the importation of sugars, which are imported from the beneficiary countries for purposes of the GSP and CBERA, as described in subheading 1701.11.02 of the HTS. Duty-free treatment shall not be accorded to the importation of sugars, syrups, and molasses, imported from beneficiary countries for purposes of the GSP and CBERA, as described in subheadings 1701.11.03, 1701.12.02, 1701.91.22, 1701.99.02, 1702.90.32, 1806.10.42, and 2106.90.12 of the HTS. Accordingly, the quantitative limitations imposed under paragraph (2) of section 213(d) of the CBERA are hereby suspended.
- (4) All previous proclamations issued under the authority vested in the President by section 201 of the Trade Expansion Act of 1962 (19 U.S.C. 1821) and headnote 2 of subpart A of part 10 of schedule 1 of the former TSUS, with respect to rates of duty or quantitative limitations on the importation of sugars, syrups, and molasses, including Proclamation No. 4334 of November 16, 1974, Proclamation No. 4463 of September 21, 1976, Proclamation No. 4466 of October 4, 1976, Proclamation No. 4539 of November 11, 1977, Proclamation No. 4610 of November 30, 1978, Proclamation No. 4663 of May 24, 1979, Proclamation No. 4720 of February 1, 1980, Proclamation No. 4770 of July 1, 1980, Proclamation No. 4888 of December 23, 1981, Proclamation No. 4941 of May 5, 1982, Proclamation No. 5002 of November 30, 1982, Proclamation No. 5104 of September 23, 1983, and Proclamation No. 5297 of January 31, 1985, are hereby terminated and rescinded.
- (5) The modifications made by this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after October 1, 1990.
- (6) In order to provide for the continuation of previously proclaimed staged rate reductions in goods originating in the territory of Canada in the HTS subheadings in Annex I to this proclamation effective with respect to goods originating in the territory of Canada which are entered or withdrawn from warehouse for consumption on or after January 1, 1991, the rate of duty in the HTS set forth in the Rates of Duty I-Special sub column followed by the symbol "CA" in parentheses for each of the HTS subheadings enumerated in such annex shall be deleted, and the rate of duty pursuant to the terms of the United States-Canada Free-Trade Agreement shall be inserted in lieu thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of September in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fifteenth.