

ATTACHMENT 3

Federal Register Vol. 60, No. 2

Presidential Documents
Wednesday, January 4, 1995

Proclamation 6763 of December 23, 1994

To Implement the Trade Agreements Resulting From the Uruguay Round of Multilateral Trade Negotiations and for Other Purposes

By the President of the United States of America

A Proclamation

1. On April 15, 1994, the President entered into trade agreements resulting from the Uruguay Round of multilateral trade negotiations ("the Uruguay Round Agreements"). In section 101(a) of the Uruguay Round Agreements Act ("the DRAA") (Public Law 103-465; 108 Stat. 4809), the Congress approved the Uruguay Round Agreements listed in section 101(d) of that Act.

2. (a) Sections 1102 (a) and (e) of the Omnibus Trade and Competitiveness Act of 1988, as amended ("the 1988 Act") (19 U.S.C. 2902 (a) and (e)), authorize the President to proclaim such modification or continuance of any existing duty, such continuance of existing duty-free or excise treatment, or such additional duties, as he determines to be required or appropriate to carry out any trade agreements entered into under those sections.

(b) Accordingly, I have determined that it is required or appropriate in order to carry out the Uruguay Round Agreements, which were entered into under sections 1102 (a) and (e) of the 1988 Act (19 U.S.C. 2902 (a) and (e)), that I proclaim the modifications and continuances of existing duties, duty-free treatments, excise treatments, and additional duties set forth in the Annex to this proclamation.

3. (a) Section 111 (a) of the URAA authorizes the President to proclaim such other modification of any duty, such other staged rate reduction, or such other additional duties beyond those authorized by section 1102 of the 1988 Act (19 U.S.C. 2902) as the President determines to be necessary or appropriate to carry out Schedule XX-United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 ("Schedule XX").

(1:) Accordingly, I have determined that it is necessary or appropriate to carry out Schedule XX to proclaim such other modifications of duties, such other staged rate reductions, and such other additional duties, beyond those authorized by section 1102 of the 1988 Act (19 U.S.C. 2902), as are set forth in the Annex to this proclamation.

4. Section 111(d) of the DRAA requires the President to proclaim the rate of duty set forth in Column B of the table set forth in that section as the column 2 rate of duty for the subheading of the Harmonized Tariff Schedule of the United States ("HTS") that corresponds to the subheading in Schedule XX listed in Column A.

5. (a) Section 22(t) of the Agricultural Adjustment Act ("the Adjustment Act") (7 U.S.C. 624(f), as amended by section 401(a)(1) of the URAA, provides that, as of the date of entry into force of the Agreement Establishing the World Trade Organization ("the WTO Agreement"), no quantitative limitation or fee shall be imposed under that section with respect to any article that is the product of a World Trade Organization member, as defined in section 2(10) of the URAA.

(b) Section 401(a)(2) of the URAA further provides that, with respect to wheat, amended section 22(f) of the Adjustment Act (7 U.S.C. 524(f)) shall be effective on the later of the date of entry into force of the WTO Agreement or September 12, 1995.

(c) Accordingly, I have decided that it is necessary to provide for the termination of all quantitative limitations and fees previously proclaimed under section 22 of the Adjustment Act (7 U.S.C. 624), other than those for wheat, as provided in the Annex to this proclamation.

6. (a) Section 404(a) of the URAA directs the President to take such action as may be necessary in implementing the tariff-rate quotas set out in Schedule XX to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States.

(b) Section 404(d)(3) of the URAA authorizes the President to allocate the in-quota quantity of a tariff-rate quota for any agricultural product among supplying countries or customs areas and to modify any allocation, as he determines appropriate.

(c) Section 404(d)(s) of the URAA authorizes the President to proclaim Additional U.S. Note 3 to chapter 17 of the HTS, dealing with imports of sugar, together with appropriate modifications thereto, to reflect Schedule XX.

(d) Section 405 of the URAA directs the President to cause to be published in the Federal Register the list of special safeguard agricultural goods and, if appropriate, to impose price-based or volume-based safeguards with respect to such goods consistent with Article 5 of the Agreement on Agriculture annexed to the WTO Agreement, and authorizes the President to exempt from any safeguard duty any goods originating in a country that is a party to the North American Free Trade Agreement ("the NAFTA").

7. Presidential Proclamation No. 6641 of December 15, 1993, implemented the NAFTA with respect to the United States and, pursuant to sections 201 and 202 of the North American Free Trade Agreement Implementation Act ("the NAFTA Act") (19 U.S.C. 3331 and 3332), incorporated in the HTS the tariff modifications and rules of origin necessary or appropriate to carry out or apply the NAFTA. Certain technical errors were made in the Annexes to that proclamation. I have determined that, in order to reflect accurately the intended tariff treatment and rules of origin provided for in the NAFTA, it is necessary to modify certain provisions of the HTS, as set forth in the Annex to this proclamation.

8. Presidential Proclamation No. 6455 of July 2, 1992, implementing the Andean Trade Preference Act ("the ATPA") (19 U.S.C. 3201 *et seq.*), provided duty-free entry for all eligible articles, and duty reductions for certain other articles that are the product of any designated beneficiary country under that Act. Through technical error, the tariff treatment of ethyl alcohol, ethyl tertiary-butyl ether, and mixtures containing these products was incompletely stated. Accordingly, I have decided that it is appropriate to modify the provisions of subchapter I of chapter 99 of the HTS to provide fully for the tariff treatment of such products under the ATPA.

9. Section 242 of the Compact of Free Association ("the Compact") between the United States and Palau provides that, upon implementation of the Compact, the President shall proclaim duty-free entry for most products of designated freely associated states. Such duty-free treatment, pursuant to the Compact of Free Association Approval Act ("the Compact Act") (Public Law 99-658; 100 Stat. 3672, 48 U.S.C. 1681 note), is subject to the limitations of section 201 of the Compact Act and sections 503(b) and 504(c) of the Trade Act of 1974 ("the 1974 Act") (19 U.S.C. 2463(b) and 2464(c)). In Presidential Proclamation No. 6726 of September 27, 1994, I proclaimed that the Compact would enter into force on October 1, 1994. In order to accord such duty-free treatment to products of Palau, I have decided that it is necessary and appropriate to modify general note 10 to the HTS to designate the Republic of Palau as a freely associated state. Further, I have decided that it is appropriate to modify general note 4(a) to the HTS, which enumerates designated beneficiary countries for purposes of the Generalized System of Preferences, to delete Palau from the list of non-independent countries and territories.

10. Presidential Proclamation No. 5759 of December 24, 1987, imposed increased rates of duty on certain products of the European Community ("EC"), in response to the EC's implementation of the Council Directive Prohibiting the Use in Livestock Farming of Certain Substances Having a Hormonal Action. Austria, Finland, and Sweden have indicated that they will become member states of the EC on January 1, 1995. Accordingly, to clarify that the increased rates of duty imposed by Proclamation No. 5759 continue to apply to the EC in its capacity as a foreign instrumentality, it is necessary to amend the HTS to indicate that the duties are to be imposed on products of the EC, including products of all new and future member states, and not just on products of countries that were members of the EC in 1987 and that were listed in the HTS for illustrative purposes

11. Additional U.S. note 24 to chapter 4 of Schedule XX provides for a delay in the effective date, or prorating, of the expansion of tariff-rate quotas for cheeses above the existing quota quantities provided for in subchapter IV of chapter 99 of the HTS that will result from the implementation of United States commitments under the Uruguay Round Agreements, in the case of countries or areas that implement their market access commitments on a date later than the effective date of Schedule XX. The current members of the European Community (Belgium, Denmark, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom), Austria, Poland, Sweden, and Switzerland all have indicated their intention not to implement their market access commitments until July 1, 1995. Accordingly, I have determined, pursuant to my authority under sections 111 (a) and (b) of the URAA and section 1102 of the 1988 Act (19 U.S.C. 2902), that it is appropriate not to make available the amounts specified in section K of the Annex to this proclamation until July 1, 1995.

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

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 604 of the 1974 Act (19 U.S.C. 2483), section 1102 of the 1988 Act (19 U.S.C. 2902), sections 201 and 202 of the NAFTA Act (19 U.S.C. 3331 and 3332), and title I and title IV of the DRAA, do hereby proclaim:

(1) In order to provide generally for the tariff treatment being accorded under the Uruguay Round Agreements, including the modification or continuance of existing duties or other import restrictions and the continuance of existing duty-free or excise treatment provided for in Schedule XX, the URAA, and the other authorities cited in this proclamation, including the termination of quantitative limitations and fees previously imposed under section 22 of the Adjustment Act (7 U.S.c. 624), the HTS is modified as set forth in the Annex to this proclamation.

(2)(a) The modifications to the HTS made by sections A (except with respect to paragraphs thereof specifying other effective dates), C, E, and IJ of the Annex to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on and after January 1, 1995;

(b) The modifications to the HTS made by sections B, D(1)-(5), F, G, H, and L of the Annex to this proclamation, and by those paragraphs of section A specifying effective dates other than January 1, 1995, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on and after the dates set forth in such sections of the Annex;

(c) The modifications to the HTS made by section D(6) of the Annex to this proclamation shall be effective with respect to goods entered, or withdrawn from

warehouse for consumption, on and after the dates set forth in such section, unless the United States Trade Representative (USTR) announces that the scheduled staged duty reductions set forth in such Annex section are being withheld because other major countries have not afforded adequate entity coverage under the Agreement on Government Procurement annexed to the WTO Agreement, and so advises the Secretary of the Treasury and publishes this information in a notice in the *Federal Register*;

(d) The modifications to the HTS made by section D (7) of the Annex to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on and after the date announced, by the USTR in a notice published in the *Federal Register* as the date on which other major countries have afforded adequate entity coverage under the Agreement on Government Procurement annexed to the WTO Agreement; and

(e) Section K of the Annex to this proclamation, providing for a delay in implementation of the expansion of tariff-rate quotas of cheeses, applies, during the period January 1, 1995, through June 30, 1995, unless the USTR determines that it is in the interest of the United States for any such delays to apply to a different period and publishes notice of the determination and applicable period in the *Federal Register*. The USTR also is authorized to prorate over the applicable period any of the quantities that may be imported. .

(3) The USTR is authorized to exercise my authority under section 404(d)(3) of the URAA to allocate the in-quota quantity of a tariff-rate quota for any agricultural product among supplying countries or customs areas and to modify any allocation as the USTR determines appropriate.

(4) The Secretary of Agriculture is authorized to exercise my authority to make determinations under section 405(a) of the URAA and to publish those determinations in the *Federal Register*.

(5) Effective January 1, 1995, in order to clarify that the additional duty provided for in subheadings 9903.23.00 through 9903.23.35, inclusive, of the HTS shall apply to new member states of the European Community; the superior text to those subheadings is modified as provided in the Annex to this proclamation. The USTR is authorized to alter the application of the increased duties imposed by Presidential Proclamation No. 5759, as modified herein, by further modifying the superior text to those subheadings so that it reflects accurately all member states of the European Community or any successor organization. Notice of any such modification shall be published in the *Federal Register*.

(6) Whenever the rate of duty in the general sub-column of rates of duty in column 1 of the HTS is reduced to "Free", all rates of duty set forth in the special sub-column of column 1 shall be deleted from the HTS.

(7) The USTR, the Secretary of Agriculture, and the Secretary of the Treasury are authorized to exercise my authority under the statutes cited in this proclamation to perform certain functions to implement this proclamation, as assigned to them in the Annex to this proclamation.

(8) Paragraphs (1)-(4), (6), and (7) shall be effective on January 1, 1995, unless the USTR announces prior to that date that the WTO Agreement will not enter into force on that date.

(9) All provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of December, in the year of our Lord nineteen hundred and ninety-four, and of the Independence of the United States of America the two hundred and nineteenth.