

# GENERAL AGREEMENT ON

RESTRICTED

SCM/W/196  
14 July 1989

## TARIFFS AND TRADE

Special Distribution

Committee on Subsidies and  
Countervailing Measures

Original: English

### LEGISLATION OF THE UNITED STATES (SCM/1/Add.3/Rev.3)

#### Questions Raised by India

1. Section 701(C) (2) - Revocation of status

Under Section 701(C) (2) of the Omnibus Trade and Competitiveness Act, 1988, the US Government has the authority to revoke the status of any country as a country under the Agreement on Subsidies and Countervailing Measures, if such a country does not honour the obligation it has assumed with respect to the United States or under the Agreement.

Which provision of the Agreement on Subsidies and Countervailing Duties does the United States seek to rely upon to deny the benefits of the Agreement in pursuance of the above provision?

2. Section 705(B) (4) - Retroactive application

Under Section 705(B) (4) (A) (1), provision has been made for retroactive imposition of a countervailing duty to prevent recurrence of material injury caused by massive imports of merchandise over a relatively short time.

What precisely would be deemed as a "relatively short period"?

3. Section 771(5) (A) (II) (1) - Definition of subsidy

Under these provisions, subsidy has been defined to include domestic subsidies if provided or required by Government action to a specific enterprise or industry or group of enterprises or industries whether publicly or privately owned and whether paid or bestowed directly or indirectly on the manufacture, production or export of any clause or kind of merchandise. Specifically provisions of capital loans or loan guarantee on terms inconsistent with commercial considerations has been mentioned as a subsidy.

What would be deemed as "inconsistent with commercial considerations"?

4. Section 771(7)(C) (V) - Treatment of negligible imports

What would be the volume of imports and market share of imports which would be regarded as negligible and what would be the discernible level of adverse impact for the purpose of these provisions?