

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

L/4889/Add.1

22 January 1980

Limited Distribution

Original: English

ARTICLE XIX - ACTION BY THE UNITED STATES

Porcelain-on-Steel Cooking Ware

Addendum

DUTY INCREASE

The following communication, dated 14 January 1980, has been received from the Permanent Mission of the United States.

In a communication dated 20 November 1979 (circulated as document L/4889), the CONTRACTING PARTIES were advised that the United States International Trade Commission had determined that cooking ware of steel, enamelled or glazed with vitreous glasses (also referred to as porcelain-on-steel cooking ware) classified under Item 654.02 of the 1980 edition of the Tariff Schedule of the United States (TSUS), is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to domestic industry producing articles like or directly competitive with the imported articles. To remedy such injury, or threat thereof, the Commission recommended that existing tariffs applicable to such cooking ware be increased. In addition, the communication advised that the United States Government was prepared to consult with the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of such cooking ware regarding the proposed tariff action.

After careful consideration of the Commission's report and other relevant factors, including the views of exporting countries, the President announced on 2 January 1980 that he had decided to grant import relief in the form of an increase in the duties on imported porcelain-on-steel cooking ware, effective 17 January 1980

./.

The President's action differs from that recommended by the International Trade Commission. As noted in L/4889, the Commission recommended the provision of import relief for a period of five years in the form of a specific duty (in addition to existing rates of duty) on all such ware valued at US\$2.25 per pound or less, declining in stages from 25 cents per pound to 10 cents per pound. The President decided to provide a modified form of relief by imposing additional specific duties for a period of four years. The additional duties, which would apply to all ware valued at US\$2.25 per pound or less, would decline from 20 cents per pound in the first and second years of relief to 15 cents per pound in the third year and 10 cents per pound in the fourth. In addition to shortening the period of relief and reducing the rate of duty to be imposed initially, the President also excluded tea-kettles from import relief. These modifications in the import relief to be provided to the domestic industry reflect an effort on the part of the United States to minimize, to the extent possible, the impact of such relief on foreign suppliers of porcelain-on-steel cooking ware to the United States market.

The President, through the United States Trade Representative, will also direct the International Trade Commission to advise him as to the probable economic impact on the domestic industry of terminating import relief after two years. This advice will include a review of the progress and specific efforts being made by the domestic industry to adjust to import competition. Import relief will be continued if the domestic industry has begun to make reasonable progress toward adjustment to import competition during the first and second years of import relief and if the continuation of import relief is necessary to further this adjustment process. As an additional means of supporting the adjustment process, the President will direct the United States Department of Commerce to discuss with the domestic producer of porcelain-on-steel cooking ware the development of possible financial assistance in the form of loans or loan guarantees. Such assistance would be used by the domestic producer to modernize its production facilities for porcelain-on-steel cooking ware so as to become more competitive with imports.

The United States Government reaffirms its readiness to consult regarding its action with the CONTRACTING PARTIES and with those contracting parties having a substantial interest as exporters of the affected cooking ware.

