

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE****Determination Under Section 305 of
the Trade Agreements Act of 1979**

AGENCY: Office of the United States
Trade Representative.

ACTION: Determination Under Section
305 of the Trade Agreements Act of
1979.

Pursuant to section 305(g)(1) of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2515(g)(1)(A)), and the authority vested in me by the President pursuant to Presidential Determination 96-36, I hereby identify Germany as a country that maintains in government procurement, a significant and persistent pattern or practice of discrimination against United States products or services which results in identifiable harm to United States businesses. Pursuant to section 305(g)(2) of the Trade Agreements Act of 1979, as amended, on behalf of the President, I

hereby determine that immediate imposition of the sanctions specified in section 305(g)(1)(B) of the Act would harm the public interest of the United States, and accordingly postpone imposition of those sanctions so that they will take effect September 30, 1996.

Reasons for a Determination

On April 30, 1996, in the Administration's annual report to the Congress under Title VII of the Omnibus Trade and Competitiveness Act of 1988 (section 305 of the Trade Agreements Act of 1979, as amended), the Administration identified Germany for discrimination in the procurement of heavy electrical equipment. Specifically cited was the failure of Germany to implement the provisions of the 1993 U.S.-European Union (EU) Memorandum of Understanding on Government Procurement (MOU), which requires Germany, among other things, to give U.S. suppliers access to an effective remedies system.

If the 60-day period of consultations specified in the statute is not successful in resolving U.S. concerns, the President is required to make this determination. Although the United States held consultations with the Commission of the European Communities, representing Germany, to address the practices cited in the Title VII report, U.S. concerns have not yet been addressed by Germany in a satisfactory manner. Therefore, pursuant to the requirements of the statute, I have determined to identify Germany. However, in light of progress in these consultations, I am postponing implementation of the sanctions until September 30, 1996, to provide an opportunity to resolve remaining U.S. concerns by then.

This determination shall be published in the Federal Register.

Ambassador Charlene Barshefsky,
Acting United States Trade Representative.
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