

# Presidential Documents

Title 3—

Proclamation 7274 of February 18, 2000

## To Facilitate Positive Adjustment to Competition From Imports of Certain Circular Welded Carbon Quality Line Pipe

By the President of the United States of America

### A Proclamation

1. On December 22, 1999, the United States International Trade Commission (USITC) transmitted to the President an affirmative determination in its investigation under section 202 of the Trade Act of 1974, as amended (the “Trade Act”) (19 U.S.C. 2252), with respect to imports of certain circular welded carbon quality line pipe (line pipe) provided for in subheadings 7306.10.10 and 7306.10.50 of the Harmonized Tariff Schedule of the United States (HTS). The USITC determined that line pipe is being imported in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing a like or directly competitive article.

2. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the “NAFTA Implementation Act”) (19 U.S.C. 3371(a)), the USITC made negative findings with respect to imports of line pipe from Mexico and Canada. The USITC also transmitted to the President its recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the action that would address the serious injury or threat thereof to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

3. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act, I have determined to implement action of a type described in section 203(a)(3). Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined that imports of line pipe from Mexico, considered individually, do not contribute importantly to the serious injury, or threat of serious injury, found by the USITC, and that imports from Canada, considered individually, do not contribute importantly to such injury or threat. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded line pipe the product of Mexico or Canada from the action I am taking under section 203 of the Trade Act.

4. Such action shall take the form of an increase in duty on imports of certain line pipe provided for in HTS subheadings 7306.10.10 and 7306.10.50, imposed for a period of 3 years plus 1 day, with the first 9,000 short tons of imports that are the product of each supplying country excluded from the increased duty during each year that this action is in effect, and with annual reductions in the rate of duty in the second and third years, as provided for in the Annex to this proclamation.

5. Except for products of Mexico and Canada, which shall be excluded from this action, the increase in duty shall apply to imports of line pipe from all countries. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that this action will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

6. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and 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 sections 203 and 604 of the Trade Act, do proclaim that:

(1) In order to establish an increase in duty on imports of certain line pipe classified in HTS subheadings 7306.10.10 and 7306.10.50, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Such imported line pipe that is the product of Mexico or of Canada shall not be subject to the increase in duty established by this proclamation.

(3) I hereby suspend, pursuant to section 503(c)(1) of the Trade Act (19 U.S.C. 2463(c)(1)), duty-free treatment for line pipe the product of beneficiary countries under the Generalized System of Preferences (GSP) (Title V of the Trade Act, as amended (19 U.S.C. 2461–2467)); pursuant to section 213(e)(1) of the Caribbean Basin Economic Recovery Act, as amended (CBERA) (19 U.S.C. 2703(e)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 2701–2707); pursuant to section 204(d)(1) of the Andean Trade Preference Act, as amended (ATPA) (19 U.S.C. 3203(d)(1)), duty-free treatment for line pipe the product of beneficiary countries under that Act (19 U.S.C. 3201–3206); and pursuant to section 403(a) of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), duty-free treatment for line pipe the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (the “IFTA Act”) (19 U.S.C. 2112 note), to the extent necessary to apply the increase in duty to those products, as specified in the Annex to this proclamation.

(4) Effective at the close of March 1, 2003, or at the close of the date that may earlier be proclaimed by the President as the termination of the import relief set forth in the Annex to this proclamation, the suspension of duty-free treatment under the GSP, the CBERA, the ATPA, and the IFTA Act shall terminate, unless otherwise provided in such later proclamation, and qualifying goods the product of beneficiary countries or of Israel entered under such programs shall again be eligible for duty-free treatment.

(5) Effective at the close of March 1, 2004, or such other date that is 1 year from the close of this relief, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

(6) Any 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.

(7) The modifications to the HTS made by this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of February, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.



## ANNEX

MODIFICATIONS TO THE HARMONIZED  
TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in numerical sequence the following new U.S. note, subheadings and superior text thereto, with the language inserted in the columns entitled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

"10. For purposes of subheadings 9903.72.20 through 9903.72.25, inclusive, except as provided in this note, the term "line pipe" shall include (notwithstanding the provisions of other legal notes to the tariff schedule) welded "carbon quality" line pipe of circular cross section, of a kind used for oil and gas pipelines, whether or not stencilled, except as provided below. The term "carbon quality" applies to products in which (i) iron predominates, by weight, over each of the other contained elements, (ii) the carbon content is 2 percent or less, by weight, and (iii) none of the elements listed below exceeds the quantity by weight, respectively indicated:

- 1.80 percent or more of manganese, or
- 2.25 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent or less of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

The term "line pipe" does not include goods commonly described in commercial usage as arctic grade line pipe and defined as welded line pipe that--

- (a) has an outside diameter of 114.3 mm or more and a wall thickness equal to or less than 19.05 mm;
- (b) when subjected to a Charpy V-notch test performed at minus 45.6 degrees Celsius or below applied to three specimens taken from the weld area, has a joules rating of no less than 23.05 joules for each sample, with an average for all three at no less than 25.76 joules;
- (c) using at least three samples, has a minimum average shear area of 85 percent in the base metal and 50 percent in the weld; and
- (d) when subjected to a hydrogen induced cracking test to be performed as provided by National Association of Corrosion Engineers (NACE) TM0284 test with solution A, has a crack length ratio that does not exceed 15 percent, a crack sensibility ratio that does not exceed 2 percent, and a crack thickness ratio that does not exceed 5 percent."

9903.72.20	:	In aggregate quantities from each supplying country not in excess of 8,164,663 kg, the foregoing the product of such country.....	:	No change	:	No change	:	No change
9903.72.21	:	Other.....	:	The rate	:	The rate	:	
	:		:	provided in	:	provided in	:	
	:		:	the Rates of	:	the Rates of	:	
	:		:	Duty 1	:	Duty 2	:	
	:		:	General	:	column	:	
	:		:	subcolumn	:	for the	:	
	:		:	for the	:	applicable	:	
	:		:	applicable	:	subheading	:	
	:		:	subheading	:	(7306.10.10	:	
	:		:	(7306.10.10	:	or	:	
	:		:	or	:	7306.10.50)	:	
	:		:	7306.10.50)	:	+ 29%	:	

	:	:	+ 19%	:	:
	:	:	:	:	:
	:	[Welded...(con.):]	:	:	:
	:	If entered during the period from March 1, 2001, through	:	:	:
	:	February 28, 2002, inclusive:	:	:	:
9903.72.22	:	In aggregate quantities from each supplying country	:	:	:
	:	not in excess of 8,164,663 kg, the foregoing the	:	:	:
	:	product of such country.....	No change	No change	No change
	:		:	:	:
9903.72.23	:	Other.....	The rate		The rate
	:		provided in		provided in
	:		the Rates of		the Rates of
	:		Duty 1		Duty 2
	:		General		column
	:		subcolumn		for the
	:		for the		applicable
	:		applicable		subheading
	:		subheading		(7306.10.10
	:		(7306.10.10		or
	:		or		7306.10.50)
	:		7306.10.50)		+ 25%
	:		+ 15%		
	:	If entered during the period from March 1, 2002, through	:	:	:
	:	March 1, 2003, inclusive:	:	:	:
9903.72.24	:	In aggregate quantities from each supplying country	:	:	:
	:	not in excess of 8,164,663 kg, the foregoing the	:	:	:
	:	product of such country.....	No change	No change	No change
	:		:	:	:
9903.72.25	:	Other.....	The rate		The rate
	:		provided in		provided in
	:		the Rates of		the Rates of
	:		Duty 1		Duty 2
	:		General		column
	:		subcolumn		for the
	:		for the		applicable
	:		applicable		subheading
	:		subheading		(7306.10.10
	:		(7306.10.10		or
	:		or		7306.10.50)
	:		7306.10.50)		+ 21%"
	:		+ 11%		
	:		:	:	: