

EXECUTIVE OFFICE OF THE PRESIDENT  
**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

**OFFICE OF PUBLIC & MEDIA AFFAIRS**

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Washington, D.C. 20508

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# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20506

FOR IMMEDIATE RELEASE  
Monday, June 3, 1996

USTR Contact: Jay Ziegler/Dianne Wildman/Kirsten Powers  
(202) 395-3350

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(202) 482-6001

## USTR-COMMERCE JOINT PRESS RELEASE ON THE IMPLEMENTATION OF THE 1995 AGREEMENT WITH KOREA ON AUTOS

Acting USTR Charlene Barshefsky and Commerce Secretary Mickey Kantor announced today the findings of a U.S. Government report on the implementation of the United States-South Korea market access Memorandum of Understanding (MOU) for passenger vehicles.

"While we are pleased that Korea has generally implemented the terms of the September 1995 agreement, it is still too early to see any significant impact on the Korean auto market," Ambassador Barshefsky said. "Korea remains the most closed market of the major world auto producers, with imports at less than one percent of the domestic market. In addition, we are concerned that Korea may implement an increase in the annual taxes on jeep-type vehicles that could be contrary to the standstill provisions in the MOU. In light of this problem, and the need for more progress, we plan to hold further consultations with Korea."

In assessing implementation of the MOU, Secretary Kantor said, "We have been closely monitoring compliance with the agreement. Korea has taken steps to reduce barriers in the following areas: safety and emission standards and certification; taxes on foreign passenger vehicles (except jeep-type vehicles); advertising regulations; improving consumer perceptions of imported vehicles; and retail financing. However, much more needs to be done to fully open the Korean market in order to reach a level of openness comparable to that of the United States."

Korea has maintained a sanctuary market for automobiles at home while it pursues an aggressive export strategy abroad. Korea is the world's third largest auto exporter after Japan and the European Union, and is the fifth largest manufacturer in the world. In 1995, Korea exported over 976,000 vehicles, a 40 percent increase in vehicles exported since 1994. Of this almost 1 million vehicles, 132,118 Korean passenger vehicles were sold in the United States, while 2,578 U.S. passenger vehicles were sold in the Korean market.

In 1995, the foreign share of the Korean auto market was less than 0.5 percent. Although foreign auto sales in Korea have increased in the first quarter of 1996, this only represents 2,084 foreign passenger vehicle sales compared to an estimated 400,000 of domestic sales of passenger vehicles.

In implementing the specific market access provisions of the 1995 MOU, the United States will continue to monitor progress in market access brought about by the 1995 MOU, and seek additional progress toward creating a more open market for U.S. autos in Korea.

Webmaster @ USTR - 4 June 1996

TO: [illegible]  
FROM: [illegible]  
SUBJECT: [illegible]

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[illegible text]

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

**Executive Office of the President  
Washington, D.C.  
20508**

**FOR IMMEDIATE RELEASE**  
Tuesday, June 11, 1996

96-45  
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**STATEMENT BY AMBASSADOR BARSHEFSKY**

A U.S. Government delegation led by Assistant U.S. Trade Representative Lee Sands completed two days of consultations today in Guangdong Province. The delegation met Monday with Guangdong Vice Governor Lu Zhonghe and Tuesday with Chinese enforcement officials.

The Vice Governor reported on the initial results of a new "special enforcement period," including recent closures of certain factories and major distribution centers for pirated software and audio-visual products. "We are working to verify these reports," said Acting USTR Charlene Barshefsky. "China must continue to pursue vigorously additional enforcement actions. What is needed is clear, concrete action in accordance with the 1995 Agreement."

On Thursday, the U.S. delegation will hold further consultations in Beijing.

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Webmaster @ USTR - 13 June 1996

96-46 NOT ISSUED

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE****Executive Office of the President  
Washington, D.C.  
20508****FOR IMMEDIATE RELEASE  
Wednesday, June 12, 1996**96-47  
Contact: Jay Ziegler  
Dianne Wildman  
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(202) 395-3230**AMBASSADOR BARSHEFSKY TO GO TO CHINA FOR TALKS  
ON COMPLIANCE WITH U.S. - CHINA IPR AGREEMENT**

Acting United States Trade Ambassador Charlene Barshefsky will travel to China at the invitation of the Chinese government for talks on enforcement measures to comply with the 1995 IPR agreement. Formal consultations between Chinese government officials and a U.S. delegation led by Assistant U.S. Trade Representative Lee Sands will continue in Beijing on Thursday. Ambassador Barshefsky today issued the following statement concerning her decision to meet with Chinese officials:

"At the invitation of the Chinese government, I am planning to meet with government officials in Beijing to ensure compliance with the terms of our 1995 IPR agreement."

"We have confirmed that the Chinese are engaged in efforts to close pirate CD factories. Exactly how many factories have been closed and will be closed remains the subject of our verification efforts on the ground and our continued talks with the Chinese. It remains to be seen whether the Chinese effort in this and other areas is sufficient to meet the terms of our agreement. I also want to ensure that there is an enforcement system in place to crack down on intellectual property piracy in the future."

"Absent satisfactory compliance, sanctions will go into effect on June 17."

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Webmaster @ USTR - 13 June 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Thursday, June 13, 1996

96-48  
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## Acting USTR Charlene Barshefsky Announces Action on Film

Acting United States Trade Representative Charlene Barshefsky today made a determination of unreasonable practices by the Government of Japan with respect to the sale and distribution of consumer photographic materials in Japan. At the same time, Barshefsky said the United States will initiate dispute settlement proceedings against the Government of Japan under the World Trade Organization (WTO). The United States also has requested that Kodak provide information for submission to the Japan Fair Trade Commission (JFTC) concerning anticompetitive practices in this sector.

The announcement of a determination in the film case comes after 11 months of one of the most extensive investigations of a trade case ever conducted by the Office of the U.S. Trade Representative. The USTR has carefully examined volumes of evidence submitted by Kodak and other interested parties, and has consulted extensively with the Department of Justice and other agencies, U.S. Government experts in Tokyo and other embassies, independent scholars and other experts.

"Our comprehensive investigation of the Japanese film market has shown that the Government of Japan built, supported, and tolerated a market structure that thwarts foreign competition, and in which exclusionary business practices are commonplace," Barshefsky said.

She added, "We see in this sector the same market barriers that are present in sector after sector in Japan. These are systemic structural barriers, such as closed distribution systems and excessive regulation, that we have been discussing with Japan for years. With the detailed evidence uncovered in this investigation, we now have a clear understanding of how these barriers have interacted to keep out competitive foreign products in a particular sector."

The U.S. will make three separate requests for consultations under WTO auspices on the broad range of market access barriers in the consumer photographic materials sector in Japan.

- First, the U.S. is requesting consultations regarding violations of the General Agreement on Tariffs and Trade 1994 (GATT) and nullification and impairment of GATT benefits arising from the full panoply of liberalization countermeasures that the Government of Japan has put in place and maintained to thwart imports in this sector.
- Second, the U.S. is requesting consultations regarding violations of the General Agreement on Trade in Services (GATS) arising from the requirements and operation of the Large Scale Retail Store Law, which constitute a serious barrier to foreign service suppliers as well as imports of film and other consumer products.
- Third, the U.S. is requesting consultations under a GATT decision concerning consultations on restrictive business practices. Through this mechanism, the U.S. intends to discuss with the Government of Japan the significant evidence of anticompetitive activities that it has uncovered in this sector, and to ask the Government of Japan to take appropriate action.



# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
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**FOR IMMEDIATE RELEASE**  
Thursday, June 13, 1996

96-49  
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## USTR ANNOUNCES ALLOCATION OF TARIFF-RATE QUOTA FOR RAW CANE SUGAR

Acting United States Trade Representative Charlene Barshefsky today announced country-by-country allocations for the additional 150,000 metric tons (mt) of the tariff-rate quota for raw cane sugar imports for the period October 1, 1995, through September 30, 1996. Agriculture Secretary Glickman announced the quota increase of 150,000 mt June 12, 1996. These allocations are in addition to the earlier allocations of the quota amount of 2,017,195 mt (new total country-by-country allocations are indicated below).

Country-by-country tariff-rate quota allocations in metric tons, raw value, for raw cane sugar allowed into the United States at the low duty rate for the October 1, 1995-September 30, 1996 period are as follows:

1995-96 Raw Sugar TRQ Allocation			
Country	Current FY 1996 Allocation	Additional Allocation	New FY 1996 Allocation
Argentina	85,741	10,125	95,866
Australia	165,500	19,544	185,044
Barbados	12,311	0	12,311
Belize	21,934	2,590	24,524
Bolivia	15,952	1,884	17,836
Brazil	289,127	34,144	323,270
Colombia	47,855	5,651	53,507
Congo	7,258	0	7,258
Cote d'Ivoire	7,258	0	7,258
Costa Rica	29,910	3,532	33,442
Dominican Republic	350,940	0	350,940
Ecuador	21,934	2,590	24,524
El Salvador	51,843	6,122	57,966
Fiji	17,946	2,119	20,065
Gabon	7,258	0	7,258

Guatemala	95,711	11,303	107,014
Guyana	23,928	2,826	26,753
Haiti	7,258	0	7,258
Honduras	19,940	2,355	22,295
India	15,952	0	15,952
Jamaica	21,934	2,590	24,524
Madagascar	7,258	0	7,258
Malawi	19,940	2,355	22,295
Mauritius	23,928	2,826	26,753
Mexico	7,258	0	7,258
Mozambique	25,922	3,061	28,983
Nicaragua	41,873	4,945	46,818
Panama	57,825	0	57,825
Papua New Guinea	7,258	0	7,258
Paraguay	7,258	0	7,258
Peru	81,753	9,654	91,407
Philippines	237,422	0	237,422
South Africa	45,861	5,416	51,277
St. Kitts & Nevis	7,258	0	7,258
Swaziland	31,904	3,768	35,671
Taiwan	23,928	2,826	26,753
Thailand	27,916	3,297	31,212
Trinidad-Tobago	13,958	1,648	15,606
Uruguay	7,258	0	7,258
Zimbabwe	23,928		

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Thursday, June 13, 1996

96-50  
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## Deputy USTR Lang Disappointed By House Vote

Deputy U.S. Trade Representative Jeffrey Lang today expressed disappointment in the House vote which approved the Bateman substitute amendment to H.R. 2754. H.R. 2754 contained the legislation needed to enable the United States to ratify the OECD Shipbuilding Agreement.

"Unfortunately, as we have tried to make clear to Members of the House, the Bateman amendment modifies H.R. 2754 in ways that are incompatible with the Agreement, and which do not provide a basis for U.S. ratification of the Agreement," said Lang.

The Shipbuilding Agreement, which was signed by the United States in December 1994, is designed to eliminate large foreign subsidies for shipbuilding, and to provide for the first time a mechanism to address the dumping of ships. These disciplines would level the playing field for U.S. shipbuilders, enabling them to compete effectively in the huge international ship construction market. This would provide sales and employment opportunities, and would strengthen the American commercial shipbuilding industry.

Lang said the USTR would review the situation with Members of Congress and other interested parties.

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Webmaster @ USTR - 13 June 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
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**FOR IMMEDIATE RELEASE**  
Friday, June 14, 1996

96-51  
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## STATEMENT BY AMBASSADOR CHARLENE BARSHEFSKY ON THE WTO MARITIME SERVICES NEGOTIATIONS

After carefully considering the package of offers presented on June 4 by 23 participants in the WTO maritime services negotiations, we have concluded that these offers merely lock in place restrictive, anti-competitive measures. There is little in these offers that could be considered market-opening or trade-liberalizing initiatives, and they give the U.S. no reason to submit an offer. Of course, if our trading partners believe the offers are sufficient as they stand, they are free to bind themselves in the WTO to these offers. We will work with others as the June 30 deadline approaches.

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### Items Related to this Press Release:

Background on the WTO Maritime Services Negotiations

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Webmaster @ USTR - 14 June 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Monday, June 17, 1996

96-52  
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## FOREIGN SHARE OF JAPAN'S SEMICONDUCTOR MARKET TOPS 30%

The foreign share of Japan's semiconductor market rose from 29.6% in the fourth quarter of 1995 to 30.6% in the first quarter of 1996.

"I am very pleased to see the continued strong performance of foreign companies in the Japanese semiconductor market," said Ambassador Charlene Barshefsky. "This demonstrates the progress that can be achieved when the U.S. and Japan work together in a cooperative spirit and is a tribute to strenuous efforts that both sides have made to improve market access and strengthen industry cooperation under the U.S.-Japan Semiconductor Arrangement. It is essential that we preserve and continue this progress. In this regard, I am encouraged by the fact that intensive discussions are now underway between both governments and both industries as to how this objective can best be accomplished."

The market share figure was calculated by U.S. and Japanese government officials in accordance with the statistical system established under the 1991 U.S.-Japan Semiconductor Arrangement. The foreign market share averaged 16.7% in 1992, 19.4% in 1993, 22.4% in 1994, and 25.4% in 1995. Despite this growth, the foreign share of the Japanese market remains relatively low compared to the situation in other markets. For example, Japanese firms held about 78% of the Japanese market as compared with only 24% of the world market outside of Japan. In the United States, now the world's leading producer of semiconductors, the foreign market share is estimated at 40% in 1995.

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### Items Related to this Press Release:

Foreign Share of Japan's Semiconductor Market

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Webmaster @ USTR - 17 June 1996

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE****Executive Office of the President  
Washington, D.C.  
20508****FOR IMMEDIATE RELEASE  
Monday, June 17, 1996**96-53 (1)  
Contact: Jay Ziegler  
Dianne Wildman  
Kirsten Powers  
(202) 395-3230**STATEMENT BY AMBASSADOR BARSHEFSKY**

Acting USTR Charlene Barshefsky announced in Beijing today that China has reached a critical mass of enforcement actions in connection with the 1995 IPR Enforcement Agreement. China's actions over the past few weeks demonstrate that the core elements of an operational IPR enforcement system are in place. As a result of these actions, sanctions will not be imposed.

Following meetings with President Jiang Zemin and Vice Premier Li Lanqing in Beijing, Ambassador Barshefsky said, "These discussions and my other consultations this week have demonstrated what the United States means by engagement -- working together to resolve problems by seeking common ground. I am hopeful that resolution of the IPR issue can create momentum in support of a broader goal of the Administration -- maintaining China's most favored nation trading status."

In February, 1995, the United States and China signed an Agreement on the Enforcement of Intellectual Property Rights. Since signing the Agreement, U.S. government delegations have traveled to China nine times to ensure enforcement and held more than forty formal and informal consultations from Beijing to Shanghai to Guangzhou.

By last November, it had become clear that China was not enforcing crucial portions of the Agreement. At that time, USTR made clear the areas in which enforcement was insufficient and suggested approaches to ensure implementation. By April, progress was still insufficient. At that time, U.S. delegations traveled again to China and outlined in detail those actions necessary to avoid trade conflict on this issue. Since that time, China has undertaken a major crackdown against IPR piracy. For the past two weeks, a U.S. government team has been in China -- including Guangdong Province -- in order to verify Chinese actions in four key areas under the Agreement.

"It is important to note that while China has taken specific enforcement actions, halting piracy is a complex and long-term process, here and virtually everywhere else in the world. We will continue our work with China until its IPR enforcement is self-sustaining. It is certainly not there yet. But China's recent actions represent necessary and important steps in that direction," Barshefsky said.

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**Items Related to this Press Release:**Chinese Implementation of the 1995 IPR Enforcement Agreement - Fact Sheet

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Webmaster @ USTR - 17 June 1996

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 TO: USTR  
 SUBJECT: USTR  
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 TIME: 11:42 AM  
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 TIME: 11:42 AM

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Wednesday, June 19, 1996

96-54  
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## United States Invites Public Comment on Next Step In WTO Dispute on EPA Rules for Imported Gasoline

Acting U.S. Trade Representative Charlene Barshefsky announced today that the United States advised the WTO this morning of its intention to meet its obligations with respect to the findings and recommendations of a dispute settlement report that was recently adopted in a case brought by Venezuela and Brazil against the United States involving a regulation on imported gasoline. The report found that the treatment of imported gasoline under the Environmental Protection Agency's (EPA) regulation in question unjustifiably discriminates against imported gasoline.

In announcing this decision, Barshefsky stated, "We have initiated a process which will examine any and all options for compliance." She emphasized that this process will be an open one and said that "in evaluating options, a key criterion will be fully protecting public health and the environment." She also noted that U.S. law and regulations require certain procedures to be followed in conducting the review and that the result of the process cannot be prejudged.

Barshefsky reiterated her disappointment that the WTO had found against the United States in this case but noted that "today's decision has been facilitated by the fact that the results of this dispute carry a number of positive messages about WTO rules and protection of the environment." She noted, that "in accepting much of our interpretation of the special rules of the trading system that provide flexibility for conservation measures, the WTO's Appellate Body underscored that the WTO Agreements recognize the freedom of its members to protect the environment and conserve natural resources."

Under the regulation at issue, imported gasoline is subject to different requirements than domestic gasoline. Venezuela and Brazil complained to the WTO that this was discriminatory. On April 29 the Appellate Body of the WTO released its report, finding that these provisions do not comply with WTO rules. At the same time, the Appellate Body report accepted U.S. arguments and reversed an earlier finding by a WTO dispute settlement panel that had interpreted too narrowly the scope of an exception to international trade rules for measures relating to the conservation of exhaustible natural resources. The report recommended that the United States bring its practices into conformity with its WTO obligations. However, in keeping with WTO rules, the recommendation did not prescribe how this might be done.

The Appellate Body report was adopted by the WTO on May 20. The United States was required, by today's date, to indicate whether it intends to comply but is not required at this time to state how it will comply. WTO rules afford a "reasonable period of time" for compliance so that countries can respect their domestic procedures in implementing dispute settlement findings.

EPA will be issuing a notice that will be published in the Federal Register offering all interested parties an opportunity for input into the process and setting out the considerations that will guide them and the issues that must be addressed. The notice invites public comment on possible options, rather than

proposing any particular change in EPA's rule.

### BACKGROUND

This dispute involves a December 1993 EPA regulation aimed at controlling auto emissions in the United States. The regulation implements the 1990 amendments to the Clean Air Act that required that gasoline sold in major highly polluted U.S. population centers be "reformulated" so as to control automobile emissions, while also seeking to ensure that the reformulated gasoline program does not result in a degradation of the quality of "conventional" (i.e., non-reformulated) gasoline sold outside these more polluted populated areas of the United States.

Venezuela and Brazil were not challenging the Clean Air Act, nor U.S. goals to have cleaner air. They were challenging a narrow part of the EPA implementing regulations. In fact, the original WTO panel that reviewed the case specifically concluded that it "was not its task to examine generally the desirability or necessity of the environmental objectives of the Clean Air Act," and the Appellate Body Report notes explicitly that the GATT exceptions are "designed to permit important state interests—including the protection of human health, as well as the conservation of exhaustible natural resources—to find expression."

The dispute was limited to those parts of the EPA regulation that establish different requirements for imports. Under the regulation, most U.S. refiners must maintain certain gasoline parameters at their 1990 historical levels, by using a variety of data determined by EPA. Most importers, however, must ensure that their gasoline satisfies an across-the-board "statutory" requirement based on what was intended to be an estimate of the average of the 1990 levels in the U.S. market as a whole. The rule for importers was based on EPA's conclusion that the provisions governing U.S. refiners could not be applied to imports without raising substantial concerns regarding the availability of foreign data, enforcement problems and environmental consequences. These requirements apply at present to both conventional and reformulated gasoline. However, as of January 1998 EPA's requirements for reformulated gasoline will be identical for imports and U.S. gasoline.

Venezuela and Brazil alleged that EPA's approach was discriminatory because their refiners could provide audited and verifiable data. A WTO panel found in January 1996 that EPA's regulation discriminates against imports from Venezuela and Brazil, in violation of the General Agreement on Tariffs and Trade (GATT). The United States appealed on February 21, arguing that the panel had erred in narrowly construing the conservation exception. The Appellate Body agreed, and found that the U.S. regulations were indeed "measures relating to the conservation" of clean air, "made effective in conjunction with" domestic conservation measures. However, it found that the United States had not met the general conditions for use of the GATT exceptions, because it had not adequately explored means of mitigating the verification and enforcement problems and had appeared to pay attention to the potential costs of various regulatory options to domestic refiners but not to foreign refiners.

Less than 5 percent of U.S. gasoline requirements are supplied by imports, although imports have typically represented between 10 and 20 percent of East Coast supplies.

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

**Executive Office of the President  
Washington, D.C.  
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**FOR IMMEDIATE RELEASE**  
Thursday, June 27, 1996

96-55  
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**AMBASSADOR BARSHEFSKY COMMENTS ON CHINA MFN VOTE**

**Lyon, France** -- Acting United States Trade Representative Charlene Barshefsky today issued the following comment in response to the House of Representatives vote against the resolution to rescind MFN status for China. The resolution was defeated by a 286 to 141 vote, thereby continuing the U.S. trade relationship with China under MFN status.

"MFN is the foundation of normal trade relationships and this vote helps affirm the Administration's policy of direct engagement with China," said Acting United States Trade Representative Charlene Barshefsky. "Recent progress on several issues including the IPR enforcement accord we reached last week demonstrates that MFN provides the most effective way to resolve issues with China. We do not assume that progress is automatic. We will work aggressively to ensure that the Chinese live up to their agreements."

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Webmaster @ USTR - 28 June 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
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**FOR IMMEDIATE RELEASE**  
Friday, June 28, 1996

96-56  
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## UNITED STATES ANNOUNCES CLOSURE OF MARITIME NEGOTIATIONS

The WTO maritime services negotiations that had been extended beyond the end of the Uruguay Round have concluded today. Because the participants in the negotiations were unable to reach agreement on opening the maritime services market on a world-wide basis, the United States will not be adding to its already significant commitments, across a wide range of service sectors, under the GATS.

Maritime services, along with most other services, will be included in the global services negotiations mandated by the GATS to begin on January 1, 2000. The United States intends to be a strong participant in those negotiations. The United States will remain free to decide in the course of those negotiations what, if any, commitments to undertake in the maritime sector or in any other sector.

"We have consistently said that we would not present an offer in these negotiations, until our trading partners put forward proposals that would serve to open maritime markets, remove restrictions or even approximate the current openness of the U.S. market," said Ambassador Barshefsky. "We've not yet seen a single offer from a major trading partner that meets these basic conditions."

"Our objective in all WTO negotiations is to open markets. In contrast, the offers of our major trading partners merely lock-in anti-competitive, restrictive regimes in this sector. That is obviously an unacceptable basis from which to proceed."

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Webmaster @ USTR - 1 July 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
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**FOR IMMEDIATE RELEASE**  
Monday, July 1, 1996

96-57/1  
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## U.S. ACTION ON GERMAN PROCUREMENT FORESTALLS IMPOSITION OF SANCTIONS FOR 90 DAYS

Acting U.S. Trade Representative Charlene Barshefsky announced today the identification of Germany under Title VII of the 1988 Omnibus Trade and Competitiveness Act for its failure to comply with market access procurement requirements in the heavy electrical equipment sector. Ambassador Barshefsky noted that the imposition of sanctions provided under Title VII would, however, be delayed until September 30, because current consultations suggest resolution may be possible given additional time.

Today's announcement came at the end of a 60-day consultation period provided under Title VII. The Office of the U.S. Trade Representative cited Germany in its April 30, 1996 Title VII Report to Congress on foreign discriminatory procurement practices. Since the conclusion of the 1993 U.S.-European Union Memorandum of Understanding on Government Procurement, U.S. firms competed in two procurements of steam turbines, each worth several hundred million dollars, and experienced irregular treatment in the procurement process. Moreover, in each case, there proved to be no effective remedies available in Germany to challenge these procedures; despite such obligations in the 1993 MOU. Effective January 1, 1996, this sector and the associated remedies system are covered by the WTO Government Procurement Agreement (GPA).

Ambassador Barshefsky noted that the United States and the Commission of the European Communities, on behalf of Germany, had conducted a series of consultations regarding German practices during the 60-day consultation period. She stated that as a result of these consultations, "the German Government has indicated its intentions to reform its remedies system for procurement, ensure that utilities in the power generation sector are aware of their obligations under the GPA and address issues of concern related to practices since 1993 that are now pending in Germany. It is our hope that we can work with Germany and the European Union to successfully resolve our remaining concerns before September 30."

In announcing this decision, Ambassador Barshefsky said that she remained hopeful that consultations would redress past commercial injuries and ensure access in the immediate future to a completely open and competitive German market.

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### Items Related to this Press Release:

Fact Sheet - Germany and Title VII of the 1988 Omnibus Trade and Competitiveness Act



# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Tuesday, July 2, 1996

96-58  
Contact: Jay Ziegler  
Dianne Wildman  
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(202) 395-3230

## **Joint Statement of Ambassador Barshefsky and Commerce Secretary Kantor Regarding ITC Decision on Tomatoes**

Acting United States Trade Representative Charlene Barshefsky and Commerce Secretary Mickey Kantor today issued the following joint statement regarding the ITC decision affecting U.S. tomato and bell pepper producers:

"We are very disappointed in today's ITC decision. We have serious concerns. We recognize the continuing problems faced by U.S. tomato and bell pepper growers. We have worked closely with the agricultural industry on market-opening initiatives and other actions and will continue to pursue solutions in a number of different channels.

"We continue to support Senator Graham's legislation to provide safeguard mechanisms that address the unique circumstances facing producers of perishable agricultural goods. The Department of Commerce is conducting an investigation of the dumping of Mexican tomatoes.

"In the marketplace, the Administration, specifically USDA, has improved collection and dissemination of price, production, and trade data to benefit U.S. producers. We have continually pushed to increase domestic and foreign sales and opportunities for Florida tomatoes and other winter produce, including in Japan's large market for such products. We have sought to cushion the impact of relatively high levels of Mexican imports entering U.S. markets during Florida's prime harvesting season by promoting dialogue among Florida and Mexican producers. USDA is working with the State of Florida regarding the inspection of imported fruit and vegetables consistent with U.S. law and our international obligations."

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Webmaster @ USTR - 3 July 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Friday, July 12, 1996

96-59  
Contact: Jay Ziegler  
Dianne Wildman  
Kirsten Powers  
Christine Wilkas  
(202) 395-3230

## WTO Panel Rules Against Japan

Acting U.S. Trade Representative Charlene Barshefsky announced today that the United States has won the first case that it has taken to the World Trade Organization (WTO) under the new WTO dispute settlement rules.

Yesterday, a WTO dispute settlement panel issued a report finding that Japan's liquor tax law violates WTO rules. "The panel reached the right result in this case, which is a victory for our distilled spirits exporters," Ambassador Barshefsky said. "The Government of Japan has been told to remove its discriminatory practices -- something we have sought for many years," she added. The United States was joined by the European Commission and Canada in challenging Japan's liquor taxes, which discriminate against imported distilled spirits.

In a complex 121-page report, the panel found that Japan is violating Article III:2 of the General Agreement on Tariffs and Trade (GATT 1994) because its tax rate on vodka is higher than its tax rate on shochu (a traditional Japanese distilled spirit), and because shochu and whisky, brandy, rum, gin, genever and liqueurs are not taxed similarly. While gratified by the result in this case, the Trade Representative's office is examining closely some of the panel's legal conclusions and their potential precedent for other cases.

The panel recommended that Japan change its liquor tax law, which up to now has provided a substantial excise tax advantage for shochu. Reduction in the tax difference between shochu and other, Western-type distilled spirits will be a major benefit to U.S. exports to Japan of whisky and other distilled spirits. U.S. exports of distilled spirits to the Japanese market exceeded \$97 million in each of the past two years. Japan is the United States' second largest export market for whisky.

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Webmaster @ USTR - 23 July 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Friday, July 19, 1996

96-60  
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Dianne Wildman  
Kirsten Powers  
(202) 395-3230

## USTR ANNOUNCES ALLOCATION OF TARIFF-RATE QUOTA INCREASE FOR REFINED SUGAR

Acting United States Trade Representative Charlene Barshefsky today announced that allocation of the 7,258 tariff-rate quota increase in metric tons, raw value, for refined sugar allowed into the United States for the October 1, 1995-September 30, 1996 period announced by Agriculture Secretary Glickman on July 19, 1996 is allocated to Mexico. This allocation is subject to the condition that total imports of raw and refined sugar from Mexico, combined, is not to exceed 7,258 metric tons.

This allocation is made in accordance with U.S. Note 5 (b) (ii) of Chapter 17 of the Harmonized Tariff Schedule (HTS) of the United States in order to fulfill obligations pursuant to the North American Free Trade Agreement (NAFTA).

Conversion factor: 1 metric ton = 1.10231125 short tons

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Webmaster @ USTR - 23 July 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Monday, July 22, 1996

96-61  
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(202) 395-3230

## **U.S. Trade Representative Announces Increased Transparency in the WTO**

Acting U.S. Trade Representative Charlene Barshefsky today announced substantial improvements in transparency and public access to information on actions in the World Trade Organization (WTO), including dispute settlement proceedings. The WTO General Council approval of these transparency improvements on July 18, marked the culmination of two years of effort on the part of the United States. Ambassador Barshefsky stated that "today's actions constitute important steps towards shedding more light on the day-to-day operations of the WTO. The U.S. public, including our industry, scholars and interest groups, should gain a better understanding of how the WTO works and the reasons underlying actions that its Members take."

The decisions taken by the WTO General Council will provide immediate public access to most WTO documents and shortened periods for the public release of the types of documents that are initially subject to limited access. Additionally, guidelines related to providing information and access to non-governmental organizations, such as environmental groups and trade associations, should create new avenues for communication between the WTO and public interest groups generally.

Achieving increased transparency in the WTO, particularly in the dispute settlement process, has been an important objective for the Administration and Congress. Although the United States achieved some improvements in providing greater access to information in the Uruguay Round multilateral trade negotiations, Congress mandated that the Trade Representative continue these efforts in the WTO.

The WTO maintains an Internet home page at [www.unicc.org/wto](http://www.unicc.org/wto). Additionally, the WTO General Council decisions will be made available on the USTR website at [www.ustr.gov](http://www.ustr.gov).

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### **Items Related to this Press Release:**

[Procedures for the Circulation and Derestriction of WTO Documents](#)  
[Guidelines for Arrangements on Relations with Non-Governmental Organizations](#)

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[Webmaster @ USTR - 30 July 1996](#)

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Thursday, July 25, 1996

96-62  
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Christine Wilkas  
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## **Acting USTR Charlene Barshefsky Announces Signing of Two Major Market Access Agreements with European Union**

Acting U.S. Trade Representative Charlene Barshefsky announced today the signing in Geneva of two agreements with the European Union concerning EU enlargement and grain import policies. The agreements, signed on July 22, secure major export opportunities for U.S. products into the 15 countries of the European Union. The enlargement agreement also commits both the EU and the United States to negotiating an agreement on worldwide elimination of tariffs on information technology products by the year 2000.

"This signing brings our negotiations on these issues to a successful conclusion", said Acting USTR Charlene Barshefsky. "These reductions in EU tariffs open the door for increased U.S. exports of semiconductors, agricultural products, chemicals and many other competitive U.S. products to the European market. They set the stage for even more dramatic progress in the next several years. The settlement regarding EU market access concessions on grains clearly demonstrates the benefit American farmers have gained from the tighter time frames and strengthened procedures for WTO dispute settlement."

### **EU Enlargement Agreement**

The agreement on EU enlargement provides hundreds of tariff reductions on U.S. imports into EU, which will result in \$4 billion in tariff savings by U.S. exporters over the next ten years. These reductions in EU tariffs provide full and permanent compensation for increased tariffs imposed on U.S. imports into Austria, Finland, and Sweden following their accession to the EU on January 1, 1995. The tariff cuts scheduled for January 1, 1996, including all tariff cuts on semiconductors and integrated circuits, were implemented on time by the EU.

The tariff reductions benefit a wide range of U.S. agricultural and industrial exports including milled rice, brown rice, almonds, pet food, cherries, fresh foliage, crayfish, numerous other seafood items, chemical products, plywood, newsprint, non-woven fabrics, spectrometers, oscilloscopes and semiconductors. The most significant reductions are in three sectors: semiconductors, agriculture, and chemicals.

The agreement also commits both sides to negotiate an Information Technology Agreement with the objective of eliminating tariffs on technology products globally by the year 2000. This initiative originated at the 1995 meeting in Seville of the TransAtlantic Business Dialogue, which will reconvene in Chicago later this year.

Based on this agreement, USTR will terminate procedures for withdrawing substantially equivalent

concessions under section 301 of the 1974 Trade Act, as amended, on the EU enlargement issue.

**Grains Agreement**

In July 1995, USTR brought a WTO dispute concerning the EU's implementation of its Uruguay Round market access concessions on grains, which limit the "margin of preference" between the duty-paid import price for grains and the EU's internal intervention prices. During negotiations on EU enlargement, we reached an agreement settling this dispute. This agreement ensures that these market access commitments will not be undermined by EU import policies in the grain sector. In particular, the agreement reduces import charges on rice and provides for review and consultations on the implementation of the EU's reference price system for all grains.

The agreement also provides for bilateral consultations on wheat gluten imports into the United States, should there be a surge in these imports.

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Webmaster @ USTR - 15 October 1996

TO: [illegible]  
FROM: [illegible]  
SUBJECT: [illegible]

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**

Friday, July 26, 1996

96-63

Contact: Jay Ziegler  
Kirsten Powers  
Christine Wilkas  
(202) 395-3230

## **Korea Identified as a "Priority Foreign Country" under Section 1374 of the 1988 Trade Act for Telecommunications Practices**

Acting U.S. Trade Representative Charlene Barshefsky today identified Korea as a "Priority Foreign Country" (PFC) under Section 1374 of the 1988 Omnibus Trade and Competitiveness Act for lack of effective access by U.S. telecommunications products and service suppliers to the Korean market.

This announcement follows intensive efforts by the United States over the past six months to address barriers to U.S. telecommunications products and services in the Korean market. Specifically, the U.S. seeks to better ensure government non-intervention in private sector procurement, regulatory transparency in the telecommunications services sector, and improvements in Korean government commitments under existing bilateral telecommunications agreements between the United States and Korea.

"USTR's objective is to work constructively with the Korean Government to provide greater access to the growing telecommunications market in Korea on the basis of commercial competitiveness and technological merit," said Barshefsky. "The United States remains ready to resume negotiations to conclude an agreement on the range of issues affecting market access for U.S. workers and companies. I do not intend to use the full one-year negotiating period provided by the 1988 Act, however. Absent an agreement, the Administration will pursue vigorously all options available under U.S. trade law."

### **Background:**

The annual Section 1377 review has been used to address persistent barriers to access by U.S. telecommunications equipment and service suppliers to the Korean market. Korea, initially identified as a PFC in 1989, is the only country to be redesignated under the telecommunications provisions of the 1988 Act. Since 1989, in the context of subsequent reviews, the United States and Korea have concluded a series of agreements to improve procurement procedures and protection of U.S. intellectual property rights by Korea Telecom (KT), ensure equal treatment for U.S. companies competing for procurement opportunities for advanced technologies, and type approval for U.S. equipment.

In the context of the March 1996 review, the United States and Korea reached an understanding on outstanding problems regarding implementation of the 1992 telecommunications agreement. Furthermore, the Korean Government agreed to begin talks to address U.S. concerns with compliance and market access issues outside the scope of existing telecommunications agreements. At that time, USTR initiated a monitoring period in which to determine the extent to which existing agreements with Korea adequately achieve new market access objectives related to recent developments in the Korean marketplace. Following two formal rounds of talks in Seoul and Washington, inadequate progress was made toward ensuring Korean government non-intervention in private procurement decisions in the wireless communications market. Equipment procurement opportunities in this sector alone are

estimated to be \$6.5 billion by the year 2000. The aggregate market in Korea for all telecommunications products and services is estimated at \$100 billion from 1996 to the year 2000.

The 1988 Act authorizes USTR to take whatever steps are appropriate to achieve U.S. objectives, including the imposition of trade sanctions if agreement is not reached by the close of the negotiating period.

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Webmaster @ USTR - 26 July 1996

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# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Tuesday, July 30, 1996

96-64  
Contact: Jay Ziegler  
Kirsten Powers  
Christine Wilkas  
(202) 395-3230

## STATEMENT BY ACTING USTR BARSHEFSKY

Acting U.S. Trade Representative Charlene Barshefsky announced today that significant progress has been achieved on telecommunications liberalization with Taiwan. This liberalization is a result of U.S. consultations with Taiwan to clarify the terms and conditions of Taiwan's upcoming wireless telecommunications tender.

"Removal of these barriers is a good first step toward moving from a monopoly to a competitive market in Taiwan's telecommunications sector," said Barshefsky. "Taiwan's actions provide opportunities for U.S. companies to gain market access in a sector of tremendous interest to them. The U.S. will monitor Taiwan's actions closely as it implements these commitments."

In January 1996, Taiwan passed legislation that broke down its telecommunications monopoly and opened the telecommunications services market to foreign competition. However, with the new law came a host of barriers that limited the competitive ability of foreign firms. In recent discussions, Taiwan committed to lifting these barriers.

In the course of the talks which ended July 19, the Government of Taiwan committed to:

- act to remove the cap on profits on new telecommunications companies;
- ensure that foreign telecom firms could interconnect with the central phone system on the same terms as the national company, Chung Hwa; and
- relax stringent debt/equity requirements.

Taiwan has already acted to implement changes in the debt/equity ratio. The United States will continue consultations with Taiwan as it acts to implement all of its commitments.

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Webmaster @ USTR - 5 August 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**

Friday, August 2, 1996

96-65

Contact: Jay Ziegler  
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Christine Wilkas  
(202) 395-3230

## U.S. and Japan Reach Semiconductor Accord

Acting U.S. Trade Representative Charlene Barshefsky announced today a far-reaching government-industry agreement that will promote increased access to Japan's \$45 billion semiconductor market. U.S. and Japanese negotiators worked for 33 hours nonstop following a July 31 deadline imposed by President Clinton and Prime Minister Hashimoto.

The agreement provides a framework for ongoing monitoring and bilateral consultations with Japan to help ensure the market remains open and functioning on principles consistent with free and fair trade. The agreement transfers much of the responsibility for data collection and analysis to the semiconductor industry, but provides an important role for government in the review of market structure and of industry activities.

"I am extremely pleased that the U.S. and Japan today reached an agreement that will further enhance the strong position of American firms in the Japanese semiconductor market," said Barshefsky. "This agreement will allow our countries to build on the progress achieved under the 1991 U.S.-Japanese semiconductor arrangement."

Under the previous arrangement, foreign market share increased from 14.3% in 1991 to 30.6% in the first quarter of 1996. The heart of the new agreement is an industry-to-industry accord which will provide a broad range of activities across industry as well as serving as a clearinghouse for the collection and analysis of data. The new agreement retains a role for government in reviewing a wide range of qualitative and quantitative data, including market share.

The agreement among U.S. and Japanese industry -- which establishes the Semiconductor Council -- outlines initiatives such as data collection analysis in such areas as market share, structure, and growth of semiconductor markets globally. The industry accord also addresses such areas as the development of international standards for manufacturing technologies, intellectual property, protection of environmental quality, worker health and safety issues, and market opening and investment expansion.

Japan and the U.S. also committed to the creation of a Global Governmental Forum (GGF) where all semiconductor producing countries are invited to join in the assessment of challenges facing the semiconductor industry. Countries which eliminate their tariffs are eligible for membership in the Council.

Because the agreement serves to set a baseline for lower tariffs, the accord will serve as a foundation for increased global competitiveness across the industry. The agreement between the U.S. government and Japan condemns injurious dumping practices and commits both countries to thorough and expeditious enforcement measures against dumping.

"This agreement is built on the principles of transparency, reciprocity and free and open trade, including the elimination of semiconductor tariffs -- a commitment which both the United States and Japan first undertook in 1985," said Barshefsky.

#### BACKGROUND

The 1991 U.S./Japan semiconductor arrangement expired on July 31, 1996. Progress under the arrangement has been impressive: the U.S. share of Japan's semiconductor market more than doubled in five years. In addition, under the arrangement, the U.S. and Japanese industries established a mutually beneficial foundation of cooperation.

The two most important goals for the U.S. were the enhancement of access to Japan's semiconductor market as well as the insurance of a level playing field for all foreign producers. Under the new agreement, industries will collect a variety of data, including foreign market share, and report their findings to governments. As under the 1991 arrangement, governments will continue to review the semiconductor market structure using both qualitative and quantitative factors to ensure the maintenance of open and competitive markets without discrimination based on capital affiliation.

Another key element is the expansion of cooperative industry activities. Under the new industry agreement between the U.S. and Japan, industries of countries that have eliminated tariffs or have committed to eliminate tariffs, will cooperate in areas of interest to both users and suppliers.

While the new agreement preserves a bilateral aspect, it provides for the participation of other semiconductor producers in a new multilateral forum that will seek to promote trade liberalization on a global basis and to improve the mutual understanding of the world semiconductor market.

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Webmaster @ USTR - 5 August 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

## FOR IMMEDIATE RELEASE

Thursday, August 8, 1996

96-66  
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Christine Wilkas  
(202) 395-3230

### USTR ANNOUNCES MARKET ACCESS RESTORED IN COUNTRY MUSIC TELEVISION DISPUTE WITH CANADA

Acting U.S. Trade Representative Charlene Barshefsky announced today that Nashville-based Country Music Television (CMT) and their Canadian partners have received final regulatory approval from the Government of Canada to broadcast a new country music television network in Canada. The broadcast license is valid until the year 2000 and restores the market access CMT lost on January 1, 1995, when it was evicted from the Canadian market. The new network, to be called CMT: Country Music Television (Canada), is scheduled to be launched in September. Restoration of CMT's market access was the primary goal of the Section 301 investigation initiated by USTR on February 6, 1995.

"Final authorization of this new country music network by the Government of Canada is an important victory for the U.S. and Canadian country music industry," Barshefsky stated. "By overcoming discriminatory practices, which do not serve the interests of any artist, we help insure performers reach the broadest possible audience across the globe for the tremendously popular music they produce."

On July 29, 1996, the Canadian Radio-television Telecommunications Commission (CRTC) approved the corporate restructuring needed to accommodate the March 7 agreement between CMT and a Canadian country network (The New Country Network) to form a single Canadian country music network. In a press release issued in March by the firm's U.S. partners -- Gaylord Entertainment Company and Group W Satellite Communications -- it was announced that under this agreement CMT Canada will be available to six million Canadian homes, four million more homes than CMT had reached in 1994, and will resume telecasts of videos by Canadian country music artists.

"The only acceptable resolution of this issue was to restore Country Music Television's access to the Canadian market," Barshefsky added. "This Administration will not tolerate discrimination against any U.S. industry. It is of special concern when it involves Canada, one of our largest export markets and our FTA partner. I hope we can work together to resolve the growing number of other bilateral disputes we have in the communications sector."

While this particular dispute has been resolved, the Clinton Administration remains concerned that Canada's competitive services policy remains in place. This policy continues to discourage U.S. television services from seeking authorization to broadcast in Canada. Therefore, under Section 301, USTR will closely monitor Canada's actions regarding other U.S.-owned television programming services that have, or may seek, authorization for distribution in Canada.

#### Background on the Dispute

On June 6, 1994, the Canadian Radio-television and Telecommunications Commission (CRTC) denied CMT the right to continue broadcasting in Canada, not because CMT had failed to operate in Canada

according to all laws and regulations, but simply because it was deemed competitive with a new Canadian-owned service, the New Country Network. The CRTC's action was the result of a decade-old practice of denying market access to foreign-owned television programming services which are determined to be directly competitive with Canadian-owned services.

At that time, CMT, which had been available in Canada since 1984, was one of the fastest-growing U.S. services in Canada, reaching almost two million Canadian homes via 450 cable operators.

Over those ten years, CMT showcased U.S. and Canadian country artists, not only in their home markets, but in other markets where CMT is available such as Asia, Europe and Latin America. However, as of January 1, 1995, Canadian cable operators were no longer allowed to provide CMT to their subscribers.

In late 1994, CMT appealed the decision to Canada's Federal Court of Appeal and then to Canada's Supreme Court. Both courts denied CMT's appeal.

USTR initiated a section 301 investigation on February 6, 1995. On June 22, 1995, USTR announced CMT and the New Country Network had reached a tentative agreement-in-principle and, therefore, USTR would not proceed with plans to publish a list of proposed retaliation targets. However, negotiations to finalize the agreement were not concluded prior to the statutory deadline by which USTR must make its determinations under section 301 -- February 6, 1996.

On February 6, USTR determined certain Canadian broadcasting policies deny national treatment and market access to U.S.-owned television programming services and, on their face, discriminate and set March 7, 1996, as the deadline by which USTR would act if an agreement was not reached.

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Webmaster @ USTR - 8 August 1996

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Executive Office of the President  
Washington, D.C.  
20508

**FOR IMMEDIATE RELEASE**  
Monday, August 12, 1996

96-67  
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## **U.S. To Request WTO Panels on Film and Large Scale Retail Store Law**

Acting United States Trade Representative Charlene Barshefsky announced today that the United States will ask the World Trade Organization (WTO) to establish two dispute settlement panels to review U.S. complaints under the General Agreement on Tariffs and Trade (GATT) regarding Japanese Government barriers to market access in Japan for foreign photographic film and paper products, and under the General Agreement on Trade in Services (GATS) regarding Japan's Large Scale Retail Store Law, which constitute a serious barrier to foreign service suppliers.

"We would have preferred reaching a mutually satisfactory resolution to these matters through consultations, but the Government of Japan was not prepared to address these matters substantively when we met in July. We have very strong cases and are prepared to vigorously pursue our WTO rights by filing requests for the establishment of two panels expeditiously," Barshefsky stated. USTR notified the Government of Japan today that the United States will submit formal requests to the WTO for the establishment of two dispute settlement panels.

Under WTO dispute settlement procedures, the United States becomes eligible today -- 60 days after the United States requested consultations -- to request the establishment of panels. The United States requested consultations with the Government of Japan on June 13 concerning the barriers to market access in Japan for photographic film and paper and the barriers to foreign service suppliers under the Large Scale Retail Store Law. The consultations were held on July 10-11 in Geneva, Switzerland, but failed to resolve the disputes.

Barshefsky also announced that the United States intends to accept the European Union's proposal that the EU join in consultations requested by the United States concerning restrictive business practices in the Japanese photographic film and paper market. The United States requested these consultations with the Government of Japan on June 13 pursuant to a decision adopted by the GATT Contracting Parties in 1960 and brought forward into the WTO. The European Union requested participation in these consultations on July 5.

Barshefsky observed that the Government of Japan has not yet accepted these consultations and instead has imposed unacceptable preconditions. "The United States hopes that the Government of Japan will honor WTO procedures and agree to consult without imposing preconditions that would prevent productive dialogue on restrictive business practices in the Japanese photographic film and paper market," Barshefsky explained.

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Webmaster @ USTR - 12 August 1996