Collection: McMinn, Douglas W.: Files, 1982-1985
SERIES: I: SUBJECT FILES
Folder Title: Motorcycles
Box: RAC Box 6

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name	MCMINN, DOUGLAS: FILES	***Withdrawer*** SJW 3/15/2017
File Folder	MOTORCYCLES	***FOIA*** F14-003/1
Box Number	6	MCBEE 1

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
191834	REPORT	HEAVEYWEIGHT MOTORCYCLES: SELECTED ECONOMIC INDICATORS 1ST QUARTER 1984	28	5/1/1984	B4

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]
B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Motorcycles
Chron

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

March 30, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DOUGLAS McMINN

SUBJECT: Motorcycle Import Relief

Bill Brock has sent a memorandum to the President (Tab A) recommending that import relief be granted to the U.S. motorcycle industry. The import relief being recommended is for additional import duties for five years, beginning with 45 percent *ad valorem* and declining to 35, 20, 15 and 10 percent in subsequent years. The recommended tariffs are needed to reduce the excessive inventories of imported heavyweight motorcycles (almost exclusively from Japan) and to allow the U.S. motorcycle industry time to carry out its adjustment plans to improve its competitiveness.

As Brock points out in his memo, there are costs to providing this relief:

-- It may be perceived domestically as a bail-out for one U.S. company--Harley-Davidson;

-- It may complicate further our bilateral relationship with Japan since the burden of U.S. relief will fall on the Japanese; and

-- We will owe compensation to the Japanese if they request it.

However, the failure to provide adequate relief in this case could be much worse:

-- Our domestic motorcycle industry (Harley-Davidson) is being injured by imports and could go under without relief;

-- It could result in a Congressional override of the President's decision (Senator Heinz, among others, has threatened this course of action); and

-- It could result in increased Congressional pressure to revise U.S. trade laws in ways that open the door for protectionism and reduce the President's discretion to decide these types of cases.

All member agencies of the Trade Policy Committee support Brock's recommendation. The alternatives to not granting adequate relief in this case are more costly than carrying out the intent of our trade laws.

NB HN

Norm Bailey and Henry Nau concur.

Recommendation

That you sign the memorandum to Dick Darman at Tab I.

______ Approve ______ Disapprove

Attachments

Tab I Memorandum to Richard Darman

Tab A Memo from Bill Brock to the President

2106

Document No. 124812SS 3

WHITE HOUSE STAFFING MEMORANDUM URGENT

DATE: March 29 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. TOMORROW March 30th

SUBJECT: MOTORCYCLE IMPORT RELIEF

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	GERGEN	✓	☐
MEESE	☐	✓	HARPER	✓	☐
BAKER	☐	✓	JENKINS	☐	☐
DEAVER	☐	☐	MURPHY	☐	☐
STOCKMAN	☐	☐	ROLLINS	☐	☐
CLARK	☐	✓	WHITTLESEY	☐	☐
DARMAN	☐P	✓SS	WILLIAMSON	✓	☐
DUBERSTEIN	✓	☐	VON DAMM	☐	☐
FELDSTEIN	☐	☐	BRADY/SPEAKES	✓	☐
FIELDING	✓	☐	ROGERS	☐	☐
FULLER	✓	☐	______	☐	☐

Remarks:

Please provide any comments/recommendations by 1:00 p.m. tomorrow, March 30th.

Thank you.

Richard G. Darman
Assistant to the President
(x2702)

Response: NSC supports the recommendation of Bill Brock to grant import relief for the U.S. motorcycle industry.

William P. Clark

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

MEMORANDUM FOR THE PRESIDENT

FROM: William E. Brock

SUBJECT: Motorcycle Import Relief

I. PROBLEM

By April 2 you must decide whether to grant import relief for the U.S. motorcycle industry. The U.S. International Trade Commission (USITC) determined that imports of heavyweight motorcycles (engines over 700cc) are a substantial cause of the threat of serious injury to the U.S. motorcycle industry. The USITC recommended additional import duties for five years, beginning with 45 percent *ad valorem* and declining to 35, 20, 15, and 10 percent above scheduled rates in subsequent years.

You may impose the relief recommended by the USITC, or some other relief, or no relief. (Options are discussed in Attachment 4.) The import relief statute provides that Congress may override any relief that differs from the USITC recommendation. If your action differs from the USITC recommendation, you must report the rationale for the difference to Congress.

II. RECOMMENDATION

With the advice and concurrence of the Trade Policy Committee, I recommend that you impose the USITC remedy with one modification. The recommended tariffs are needed to reduce the excessive inventories of imported heavyweight motorcycles and to allow the U.S. motorcycle industry sufficient time to carry out its adjustment plans to improve its competitiveness.

It is necessary, however, to modify the USITC remedy to enable small volume motorcycle producers that are not a cause of threat of injury to the U.S. industry to continue to export to the United States. I therefore recommend tariff-rate quotas for imports of heavyweight motorcycles of 5,000 units (increasing yearly to 6,000, 7,000, 8,500 and 10,000) for imports from the Federal Republic of Germany, and a total of 4,000 units (increasing by 1,000 yearly) for imports from all other countries except Japan. In order to treat Japan fairly I will also recommend a tariff-rate quota of 6,000 units (increasing by 1,000 yearly) for imports from Japan. The additional duties will apply to all imports above the tariff-rate quotas.

You should be aware that my recommendation has potential costs. First, it may be perceived domestically as a bailout for one company, Harley-Davidson. Second, it could be seen by the Japanese as a protectionist measure and thus could complicate U.S.-Japanese bilateral relations.

Nevertheless, the Trade Policy Committee is persuaded that failure to provide adequate relief could well result in a Congressional override or a revision of the trade laws in ways that increase protectionist measures and reduce your discretion to modify or reject USITC import relief recommendations.

I also recommend that you direct me to keep the issue under review so that, should events change the U.S. motorcycle industry's need for this level of relief, I might obtain the necessary advice of the USITC and Secretaries of Commerce and Labor, and then with the advice of the Trade Policy Committee, propose changes in the terms of relief. There have been discussions concerning a possible settlement of the case which might justify a reduction or termination of the relief. I will continue to explore such a settlement even after relief is imposed; however, the decision on relief must be made by April 2.

I further recommend that if no review is initiated as a result of such conditions, that you direct me to undertake such a review in two years. The objectives of this review would be to assess the effectiveness and continued necessity of import relief in promoting Harley-Davidson's trade adjustment efforts.

If you approve this recommendation it must be proclaimed within 15 days. I will prepare such a proclamation for your signature.

_______ Approve   __________ Disapprove   _____Discuss with me

Attached for your signature are:

(1) a memorandum to the United States Trade Representative
(2) letters to Vice President Bush and Speaker O'Neill transmitting your decision to Congress

Attached for your information are:

(3) draft press releases to be issued by the White House and the United States Trade Representative
(4) Background summary and TPSC report

EXECUTIVE OFFICE OF THE PRESIDENT

MEMORANDUM TO: Craig Fuller

FROM: Michael B. Smith

SUBJECT: Motorcycle Import Relief

This recommendation is supported by all of the participating Trade Policy Committee agencies (U.S. Trade Representative, Commerce, State, Treasury, Labor, Justice, Agriculture, Defense, Office of Management and Budget, National Security Council, and the Council of Economic Advisers).

Our Public Affairs Office strongly recommends that this decision be made by Friday noon (April 1) so that it can be publicly announced that day. The White House Press Office has been notified of our intention.

Attachment 1

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE UNITED STATES TRADE REPRESENTATIVE

SUBJECT: Motorcycle Import Relief Determination

Pursuant to Section 202 (b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC), transmitted to me on February 1, 1983, concerning the results of its investigation of a petition for import relief filed by the Harley-Davidson Motor Co., Inc., and Harley-Davidson York, Inc., producers of heavyweight motorcycles, provided for in item 692.50 of the Tariff Schedules of the United States (TSUS).

After considering all relevant aspects of the case, including those set forth in Section 202(c) of the Trade Act of 1974, I have determined that granting import relief is consistent with our national economic interest. Therefore, I will proclaim the USITC five-year import relief remedy with one modification. I will impose tariff increases of 45 percent ad valorem in the first year, declining to 35, 20, 15 and 10 percent above scheduled rates in subsequent years. Imposition of these tariff increases should allow the heavyweight motorcycle industry to adjust to the threat of injury caused by increased imports, which have raised inventories to twice their normal level.

To assure small volume producers who have not contributed to that threat of injury continued access to U.S. markets for heavyweight motorcycles, I will modify the USITC remedy by proclaiming tariff-rate quotas of 5,000 units (increasing yearly to 6,000, 7,000, 8,500 and 10,000) for imports of motorcycles manufactured in the Federal Republic of Germany, and 4,000 units (increasing yearly by 1,000) for imports from all other countries except Japan. The additional duties will apply to all imports above the tariff-rate quotas. In order to treat Japan fairly I will also proclaim a tariff-rate quota of 6,000 units (increasing 1,000 yearly) for motorcycles imported from Japan.

I also direct you to keep the issue under close review so that, should the U.S. motorcycle industry no longer need this level of relief, you may, in consultation with the Trade Policy Committee, obtain other necessary advice and propose changes in the terms of relief. If no earlier review is initiated by such conditions, you are to undertake such a review in two years. The objectives of this review would be to assess the effectiveness of import relief and Harley-Davidson's trade adjustment efforts.

Attachment 2

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

In accordance with Section 203(b) (1) of the Trade Act of 1974, I am reporting to the Congress on my decision concerning imports of heavyweight motorcycles (engines over 700 cc). I have decided to impose the import relief recommended by the U.S. International Trade Commission (USITC) with one modification. The USITC remedy involves the imposition of incremental tariffs beginning with 45 percent *ad valorem* above the current rate and declining to 35, 20, 15, and 10 percent in subsequent years above the scheduled tariffs.

I have determined that import relief in this case is consistent with our national economic interest. The domestic industry is threatened by serious injury because of increased imports. I have maintained that I would enforce our trade laws where necessary and where such actions are consistent with our international obligations.

It is necessary to modify the USITC remedy to enable small volume foreign producers that are not a cause of threat of injury to the U.S. industry to have continued access to U.S. markets. I therefore will proclaim tariff-rate quotas for imports of heavyweight motorcycles of 5,000 units (increasing yearly to 6,000, 7,000, 8,500, and 10,000) for imports from the Federal Republic of Germany, and a total of 4,000 units (increasing by 1,000 yearly) for imports from all other countries except Japan. In order to treat Japan fairly, I will also proclaim a tariff-rate quota of 6,000 units (increasing by 1,000 yearly) for imports from Japan.

Sincerely,

The Honorable George Bush
President of the Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

Dear Mr. Speaker:

In accordance with Section 203(b) (1) of the Trade Act of 1974, I am reporting to the Congress on my decision concerning imports of heavyweight motorcycles (engines over 700 cc). I have decided to impose the import relief recommended by the U.S. International Trade Commission (USITC) with one modification. The USITC remedy involves the imposition of incremental tariffs beginning with 45 percent ad valorem above the current rate and declining to 35, 20, 15, and 10 percent in subsequent years above the scheduled tariffs.

I have determined that import relief in this case is consistent with our national economic interest. The domestic industry is threatened by serious injury because of increased imports. I have maintained that I would enforce our trade laws where necessary and where such actions are consistent with our international obligations.

It is necessary to modify the USITC remedy to enable small volume foreign producers that are not a cause of threat of injury to the U.S. industry to have continued access to U.S. markets. I therefore will proclaim tariff-rate quotas for imports of heavyweight motorcycles of 5,000 units (increasing yearly to 6,000, 7,000, 8,500, and 10,000) for imports from the Federal Republic of Germany, and a total of 4,000 units (increasing by 1,000 yearly) for imports from all other countries except Japan. In order to treat Japan fairly, I will also proclaim a tariff-rate quota of 6,000 units (increasing by 1,000 yearly) for imports from Japan.

Sincerely,

The Honorable Thomas P. O'Neill, Jr.
Speaker of the
House of Representatives
Washington, D.C. 20515

Attachment 3a

Draft White House Press Release on Motorcycle Import Relief

The President announced today that he will proclaim import relief for the U.S. heavyweight motorcycle (engines over 700cc) industry. For further details, please contact the Office of the U.S. Trade Representative.

Attachment 3b

Draft USTR Press Release on Motorcycle Import Relief

President Reagan decided to proclaim a duty increase and tariff-rate quotas on heavyweight motorcycles (engines over 700cc) imported into the United States, effective , U.S. Trade Representative Bill Brock announced today. Following the USITC decision, the relief affects completed motorcycles, but not powertrain subassemblies.

The President's action, taken under Section 201 of the Trade Act of 1974, increases tariffs by 45 percent ad valorem in the first year, declining to 35, 20, 15, and 10 percent above scheduled rates in subsequent years. It also sets five-year quotas at 5,000 units (increasing yearly to 6,000, 7,000, 8,500, and 10,000) for imports of motorcycles manufactured in West Germany, and 4,000 units (increasingly 1,000 yearly) for imports from all other countries. In order to treat Japan fairly a tariff-rate quota of 6,000 units (increasing 1,000 yearly) for imports from Japan will be established. The additional duties will apply to all quantities above the tariff-rate quotas.

Announcing the action, Ambassador Brock said the President's determination follows a report by the U.S. International

Trade Commission on the results of its investigation of a petition for import relief filed by the Harley-Davidson Motor Co., Inc., and Harley-Davidson York, Inc. The USITC found that imports of heavyweight motorcycles threaten the U.S. motorcycle industry with serious injury.

U.S. imports of heavyweight motorcycles rose from 153,506 units (222 million dollars) in 1977 to 202,329 (440 million dollars) in 1981, while inventories quadrupled from 53,400 to 205,400 units between 1977 and 1982.

Ambassador Brock said that the level of relief recommended by the USITC is needed to reduce the threat of injury from excessive imports during the period that Harley-Davidson is undertaking its trade adjustment program designed to improve its international competitiveness. Ambassador Brock explained further that the tariff-rate quotas were established to maintain an openness of the U.S. market for the small volume producers of heavyweight motorcycles imported from countries that pose no threat of injury to the U.S. industry.

Attachment 4

BACKGROUND SUMMARY

Industry

Harley-Davidson is one of three manufacturers of motorcycles in the United States. Its plants are in Milwaukee, Wisconsin and York, Pennsylvania; they account for 75 percent of the domestic motorcycle production resources. Honda and Kawasaki manufacture motorcycles largely from imported components in Foreign Trade Zones in Marysville, Ohio and Lincoln, Nebraska, respectively. Honda's production of heavyweight motorcycles has risen sharply to 56,000 units since it opened in 1979. Kawasaki's production has fallen to a few thousand from its peak of 20,000 in 1977. Harley-Davidson's production has fallen to 32,000 from its 1980 level of 52,000.

Imported Inventories

The four Japanese manufacturers (Honda, Kawasaki, Yamaha, and Suzuki) produce over four million motorcycles of all sizes in Japan and export 90 percent of them. The four Japanese manufacturers have been exporting heavyweight motorcycles to the United States (236,000 units in 1982) in excess of sales (213,000 units in 1982). As a result inventories are now four times their 1977 levels and twice their 1981 levels. This inventory overhang is prompting widespread price discounting which is undercutting the market for motorcycles produced in the United States.

Profitability

Harley-Davidson lost substantial sums on its operations in 1981 and 1982. Prior to that it has had a profitable record at times when other motorcycle producers had losses. As a result of its recent losses, its bankers, which have advanced funds for working capital to sustain operations, regard the prospects for import relief as a critical determinant in their decision on whether to continue financing the firm or to terminate their loans. Without import relief, Harley-Davidson will, in all likelihood, lose its financial backing and go bankrupt.

Adjustment Program

Harley-Davidson is proceeding with a strategic program to improve its competitivness. The first component of the program was a major organizational effort to improve manufacturing efficiency whereby it reduced its breakeven point from 52,000 units to

32,000 units. The second concerns redesigning the engines to improve performance efficiency and reliability. The third involves testing for introduction 18 units of a prototype 750cc motorcycle Harley-Davidson has had Porsche design under contract. Implementation of some of these efforts is delayed by the current lack of profitability.

Employment

Harley-Davidson employed 2,400 workers in 1981. In 1982 it had to reduce its workforce to 1,300. With import relief, Harley-Davidson predicts that it will be able to restore 700 employees to its workforce. Import relief would also help Kawasaki to recover its productive capability and increase its workforce. Honda is growing and in all likelihood would soon reach its capacity operating levels regardless of import relief measures. On the other hand, import relief would reduce total demand for heavyweight motorcycles and may cause an attrition of jobs in the downstream market due to reduced sales.

Consumer Costs

Imposition of the USITC relief will result in increased consumer costs. The USITC has calculated that the prices of heavyweight motorcycles would increase by 10 percent in the first year and 12.5 percent in the second. These estimates assume that exporters will absorb half of the increased tariff costs. Sales revenues from existing inventories which have entered prior to the increased tariffs will be averaged in with later entries to account for further absorption of the tariff increases.

Compensation

Claims for compensation made by Japan under the GATT due to the increased tariffs may be significant in light of the value of trade. These claims can be countered by evidence that Japanese exporters have supplied to the USITC during its investigation that they intended to reduce their exports by 43 percent because of their excess inventories in the United States.

Congressional Concern

Congressional interest in this case has been very active, but most of it appears to have been generated by concern about the impact of relief on imports of European motorcycles, especially from BMW dealers and consumers.

For a limited number of Senators and Representatives from Pennsylvania and Wisconsin, where the Harley-Davidson plants are located, the concern is intense. Senators Heinz, Proxmire, Kasten, and Specter together with Representative Zablocki, held a meeting with key Executive Branch agency personnel to convey their intense interests. There are a larger number of Congressional members who would support the imposition of the USITC remedy in order to affirm the viability of the import relief process or because of the exclusive involvement of the Japanese producers in this trade issue.

Whether there are enough votes to sustain an override in Congress in uncertain, but it would appear to be close enough for real concern. What might be more critical is that failure to grant some form of effective relief might fuel the efforts of those who are eager to rewrite the trade laws. If they were successful, they would undoubtedly rewrite them in such a way that Presidential discretion in the use of import relief would be severely circumscribed if not completely removed.

Chron 2437 19
Motorcycles
Pres Memos

MEMORANDUM

NATIONAL SECURITY COUNCIL

April 13, 1983

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DOUGLAS W. MCMINN DWM

SUBJECT: Presidential Proclamation to Implement Import Relief on Heavyweight Motorcycles

The President has decided (on April 1) to provide import relief to the U.S. heavyweight motorcycle industry. USTR has forwarded the implementing proclamation (Tab A) for the President to sign. NSC staff has no objection to this proclamation.

Norm NB Bailey, Don DF Fortier and Gaston GS Sigur concur.

Recommendation

That you sign the memorandum to Dick Darman at Tab I.

Approve ________ Disapprove ________

Attachments

Tab I Memorandum to Dick Darman
Tab A Proclamation

Document No. 124898SS

WHITE HOUSE STAFFING MEMORANDUM URGENT

DATE: April 11 ACTION/CONCURRENCE/COMMENT DUE BY: April 13

SUBJECT: PROCLAMATION TO IMPLEMENT IMPORT RELIEF DETERMINATION ON HEAVYWEIGHT MOTORCYCLES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	GERGEN	☑	☐
MEESE	☐	☑	HARPER	☑	☐
BAKER	☐	☑	JENKINS	☐	☐
DEAVER	☐	☐	MURPHY	☐	☐
STOCKMAN	☐	☑	ROLLINS	☐	☐
CLARK	☑	☐	WHITTLESEY	☐	☐
DARMAN	☐P	☑SS	WILLIAMSON	☐	☐
DUBERSTEIN	☑	☐	VON DAMM	☐	☐
FELDSTEIN	☐	☐	BRADY/SPEAKES	☐	☐
FIELDING	☑	☐	ROGERS	☐	☐
FULLER	☐	☐	______	☐	☐

Remarks:

Please provide any comments by Wednesday, April 13th.

Thank you.

Richard G. Darman
Assistant to the President
(x2702)

Response: NSC has no objection to the proposed Presidential Proclamation implementing Section 201 import relief for the U.S. heavyweight motorcycle industry.

William P. Clark

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

April 11, 1983

MEMORANDUM

TO: Craig Fuller

FROM: Dennis Whitfield DW

SUBJECT: Import Relief Proclamation for Motorcycles

Attached is the final proclamation to implement the President's April 1, 1983 determination to provide import relief for the heavyweight motorcycle industry. The proclamation has been reviewed by interested agencies and transmitted to Justice for final clearance. It is effective for imports on and after Saturday, April 16, 1983. For publication purposes, signature by noon Thursday, April 14 would be desirable, but it must be signed by Friday, April 15.

Sara —
Info Copy

Orig. proc. being
retyped 4/11/83

22

THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506

April 11, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: William E. Brock

SUBJECT: Proclamation to Implement Your Import Relief Determination on Heavyweight Motorcycles

Attached for your signature is a proclamation that implements your determination of April 1, 1983 to provide import relief for the domestic motorcycle industry by increasing duties in the form of tariff-rate quotas. The new duties will be effective on April 16, 1983.

Attachment

Temporary Duty Increase and Tariff-Rate Quota
on the Importation into the United States of
Certain Heavyweight Motorcycles

By the President of the United States

A PROCLAMATION

1. Pursuant to section 201(d)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2251(d)(1)), as amended, the United States International Trade Commission (USITC) on February 1, 1983, reported to the President the results of its Investigation No. TA-201-47 under section 201(b) of the Trade Act (19 U.S.C. 2251(b)). The USITC determined that motorcycles having engines with total piston displacement over 700 cubic centimeters, provided for in item 692.50 of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), are being imported into the United States in such increased quantities as to be a substantial cause of the threat of serious injury to the domestic industry producing articles like or directly competitive with the imported articles. The USITC recommended the imposition of additional ad valorem duties on imports of such motorcycles of: 45 percent in the first year, 35 percent in the second year, 20 percent in the third year, 15 percent in the fourth year, and 10 percent in the fifth year.

2. On April 1, 1983, pursuant to section 202(b)(1) of the Trade Act (19 U.S.C. 2252(b)(1)), and after taking into account the considerations specified in section 202(c) of the Trade Act (19 U.S.C. 2252(c)), I determined to impose the additional duties recommended by the USITC, but with tariff-rate quotas to assure small volume producers which have not contributed to the

threat of injury continued access to the United States market. In order to treat Japan fairly, I determined to provide a tariff-rate quota also for articles from Japan. On April 1, 1983, in accordance with section 203(b)(1) of the Trade Act (19 U.S.C. 2253(b)(1)), I transmitted a report to the Congress setting forth the action I determined to take and the reason it differed from the action recommended by the USITC.

3. Section 503(c)(2) of the Trade Act (19 U.S.C. 2463(c)(2)) provides that no article shall be an eligible article for purposes of the Generalized System of Preferences (GSP) for any period during which such article is the subject of any action proclaimed pursuant to section 203 of the Trade Act (19 U.S.C. 2253).

4. Section 203(e)(1) of the Trade Act (19 U.S.C. 2253(e)(1)) requires that import relief be proclaimed and take effect within 15 days after the import relief determination date.

5. Pursuant to sections 203(a)(1), 203(e)(1), and 503(c)(2) of the Trade Act (19 U.S.C. 2253(a)(1), 2253(e)(1), and 2463(c)(2)), I am providing import relief through the temporary increase of import duties imposed in the form of tariff-rate quotas, and the suspension of GSP treatment, on certain motorcycles, as hereinafter proclaimed.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including General Headnote 4 of the TSUS, sections 203, 503, and 604 of the Trade Act (19 U.S.C.

2253, 2463, and 2483), and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that--

(1) Part I of Schedule XX to the GATT is modified to conform to the action taken in Annex I to this proclamation.

(2) Subpart B, part 6 of schedule 6 and subpart A, part 2 of the Appendix to the TSUS are modified as set forth in Annex I to this proclamation.

(3)(a) Annex II of Executive Order No. 11888 of November 24, 1975, as amended, listing articles that are eligible for benefits of the GSP when imported from any designated beneficiary developing country, is amended by deleting item 692.50 and substituting item 692.53, as added by Annex I to this proclamation, in lieu thereof.

(b) In order to restore GSP treatment for the motorcycles subject to import relief, Annex II of Executive Order No. 11888 of November 24, 1975, as amended, is further amended by inserting in numerical sequence item 692.52, as added by Annex I of this proclamation, effective upon the termination of the import relief proclaimed herein or of any period of extension of such relief.

(4) In order to provide staged reductions in the rates of duty for those new TSUS items created by Annex I(b) to this proclamation, Annex III to Presidential Proclamation 4707 of December 11, 1979, as amended, is further amended by Annex II to this proclamation, attached hereto and made a part thereof.

(5) Whenever the column 1 rate of duty in the TSUS for any item specified in Annex I(b) to this proclamation is reduced to the same level as, or to a lower level than, the corresponding rate of duty inserted in the column entitled "LDDC" by Annex I(b) of this proclamation, the rate of duty in the column entitled "LDDC" for such item shall be deleted from the TSUS.

(6) With the exception of paragraph (3)(b), this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after April 16, 1983, and before the close of April 15, 1988, unless the period of its effectiveness is earlier expressly modified or terminated.

(7) The Commissioner of Customs shall take such action as the United States Trade Representative shall direct in the implementation and administration of the import relief herein proclaimed.

IN WITNESS WHEREOF, I have hereunto set my hand this day of April in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN

ANNEX I

(a) Subpart A, part 2 of the Appendix to the TSUS is modified--

(i) by adding in numerical sequence the following new headnote 9:

"9. Tariff-rate quota as to certain motorcycles; United States International Trade Commission (USITC) surveys on such motorcycles.--The provisions of this headnote apply to item 924.20 of this subpart and shall remain in effect through April 15,1988.

(a) The additional duties on motorcycles shall be assessed on each motorcycle imported in excess of the number of motorcycles provided for each of the following countries in any year from April 16 to April 15, inclusive, as set forth in this table:

Restraint period	Quota quantity: Federal Republic of Germany	Quota quantity: Japan	Quota quantity: All other foreign countries
April 16, 1983 through April 15, 1984........	5,000	6,000	4,000
April 16, 1984 through April 15, 1985........	6,000	7,000	5,000
April 16, 1985 through April 15, 1986........	7,000	8,000	6,000
April 16, 1986 through April 15, 1987........	8,500	9,000	7,000
April 16, 1987 through April 15, 1988........	10,000	10,000	8,000

(b) The USITC shall conduct surveys with respect to the motorcycles subject to temporary duty increases as follows:

(1) Quarterly.--Surveys by calendar quarter to obtain monthly data on U.S. production, U.S. producers' sales, shipments and inventories, U.S. importers' sales and inventories, imports for consumption, dealers' inventories, U.S. exports, employment, employee-hours, wages, prices, and apparent U.S. consumption. The initial survey shall cover the last quarter of 1982 and the first and second quarters of 1983; the last such survey shall cover the quarter which ends not less than 60 days prior to the termination of the import relief. The results of these surveys shall be published within 60 days of the end of the quarter.

(2) Annually.--Annual surveys to obtain from domestic producers data by calendar quarter on profits, unfilled orders, and inventories, annual data on capital expenditures and capacity, and a summary on an annual basis of action taken to adjust to imports and of progress in the adjustment program; and to obtain from importers data by calendar quarter on prices, unfilled orders, and inventories. The initial survey shall cover calendar year 1983, and subsequent surveys shall cover calendar years beginning with 1984. The results of each such survey shall be published by the end of the first quarter of each year thereafter so long as the import relief is in effect."

(2) by inserting in numerical sequence the following new item and rates of duty:

Item	Articles	Rates of duty: 1, Effective on or after April 16, 1983	1984	1985	1986	1987	2
"924.20	Motorcycles provided for in item 692.52 having engines with total piston displacement over 700 cubic centimeters, imported in excess of the quota quantities specified in headnote 9 to this subpart...	The rate provided for in item 692.52 + 45% ad val.	The rate provided for in item 692.52 + 35% ad val.	The rate provided for in item 692.52 + 20% ad val.	The rate provided for in item 692.52 + 15% ad val.	The rate provided for in item 692.52 + 10% ad val.	The rate provided for in item 692.52, but not less than the rate which would have applied had the imported article been subject [illegible] the applicable column 1 rate of duty provided herein for this item"

(b) Subpart B, part 6, schedule 6 of the TSUS is modified by deleting item 692.50 and by inserting in lieu thereof the following:

	[Motorcycles...:] "Motorcycles:			
692.52	Having engines with total piston displacement over 700 cubic centimeters..	4.4% ad val.	3.7% ad val.	10% ad val.
692.53	Other..................	4.4% ad val.	3.7% ad val.	10% ad val."

ANNEX II

Annex III to Presidential Proclamation 4707 of December 11, 1979, is amended by deleting from Section A of that Annex TSUS item number 692.50 with its corresponding rates of duty and by inserting the following TSUS item numlers, rates of duty, and footnotes therein:

Item in TSUS as modified by Annex II	Rate from which staged	Rates of duty 1/, effective with respect to articles entered on and after January 1--							
		1980	1981	1982	1983	1984	1985	1986	1987
692.50 4/	5% ad val.	4.8%	4.7%	4.5%	4.4% 4/	4/	4/	4/	4/
692.52 4/	4/	4/	4/	4/	4.4% 4/	4.2%	4%	3.9%	3.7%
692.53 4/	4/	4/	4/	4/	4.4% 4/	4.2%	4%	3.9%	3.7%

4/ Item 692.50 is discontinued and superseded by items 692.52 and 692.53 effective April 16, 1983.

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ID	*Document Type* / *Document Description*	*No of pages*	*Doc Date*	*Restrictions*
191834	REPORT HEAVEYWEIGHT MOTORCYCLES: SELECTED ECONOMIC INDICATORS 1ST QUARTER 1984	28	5/1/1984	B4

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]
B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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