



Consuming Industries
Trade Action Coalition

www.citac-trade.org

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CITAC Connections

BYRD AMENDMENT OFFERS CASH WINDFALL AT CONSUMERS' EXPENSE

Two years ago, in the final stages of Congressional passage of the agriculture appropriations bill, Senator Robert Byrd (D-WV) slipped in an amendment that gives to U.S. petitioners the duties collected in successful antidumping (AD) and countervailing duty (CVD) actions. Previously, these duties went into the general fund of the U.S. Treasury. The Continued Dumping and Subsidy Offset Act of 2000, more informally known as the "Byrd Amendment," was strongly opposed by companies that import products as well as by U.S. exporters who feared trading partners would adopt "copy cat" measures. Both groups worried that the payments provided a strong financial incentive for companies to launch new AD and CVD investigations, to the detriment of U.S. exporters and importers alike.

In December 2001, the U.S. Customs Service issued its first checks to producers and unions who were petitioners or otherwise supported the filing of AD and CVD cases for which duties were collected from October 1, 2000 to September 30, 2001. Disbursements totaled \$206.8 million, more than three times the amount Congress estimated would be disbursed. Some companies received multi-million dollar payments (see Box). The steel industry (including producers of finished steel products like ball bearings) accounted for 59 percent of total disbursement. Producers of consumer and food products were also large beneficiaries.

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CITAC REACTS

CITAC members joined with U.S. trading partners and U.S. exporters in expressing their outrage over the Amendment, both during the enactment process and since. When it became clear that even Congressional and Administration

opponents of the measure felt that it could not be changed or eliminated until the World Trade Organization (WTO) rules it in violation of U.S. trade obligations, CITAC encouraged and supported U.S. trading partners asking for a Dispute Settlement Body (DSB) ruling on the Amendment. CITAC also submitted comments to Customs regarding how the Amendment should be implemented while it is in effect.

A DSB panel was formed in August 2001, and a ruling could be issued on April 25, 2002 (see Box). If the WTO finds the measure violates U.S. obligations under the

Antidumping and Subsidies Agreements of the Uruguay Round Agreements, CITAC intends to work closely with Congressional opponents of the measure to seek its repeal. A CITAC Task Force on the Byrd Amendment follows closely the progress of the WTO process. The next round of Byrd disbursements is scheduled for late November 2002, and the goal will be to get the Amendment repealed before that date.

Top Winners of the Byrd Jackpot (Millions)		
Company	Products	Disbursements
Torrington	Ball bearings	\$62.8
Timkin	Ball bearings	31.0
Candle-Lite	Petroleum wax candles	15.6
The Gates Rubber Co.	Industrial belts	8.4
New World Pasta	Pasta	8.1
Micron Technologies	Chips	7.9
American Italian Pasta	Pasta	7.7
Bethlehem Steel	Steel	4.3
Regal Ware	Cookware	4.2
Armco	Steel	3.7
Holnam, Inc.	Cement	3.3
E. I. du Pont de Nemours	Various chemicals/plastics	3.0
Total, all companies		\$206.8

Industries Hitting the Byrd Jackpot		
Sector	Share of Disbursements	Total
Steel	\$122.0	59.0%
Consumer products	27.6	13.3
Food products	22.2	10.2
Rubber products	9.1	4.4

Source: The Trade Partnership

Key Dates for WTO Dispute Action	
2000	
December 21	Australia, Brazil, Chile, EC, India, Indonesia, Japan, Korea and Thailand request consultations with U.S. Canada and Mexico later joined in.
2001	
July 12	Consultations with U.S. had failed and countries request establishment of a DSB panel.
August 23	DSB authorizes the establishment of a panel.
October 25	WTO Director General forms a DSB panel.
2002	
April 25	Deadline for panel report.
July 25	DSB receives panel report, if no appeal
September 25	DSB adopts panel report, if no appeal.
15 or more months later	If U.S. loses, U.S. must modify or repeal Byrd amendment.
Add 3 months if the panel needs an extension because it cannot meet the April 26 deadline, and 3-4 months if the United States appeals the DSB panel finding.	