

# OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

## Trade Policy Staff Committee (TPSC); Generalized System of Preferences (GSP); Notice of Review of Product and Country Practices Petitions, Public Hearings, and List of Articles Sent to the United States International Trade Commission (USITC) for Review; Notice Regarding 1996 Annual Review

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Announcement of the review timetable and opportunity for public comment on the product petitions accepted for consideration in the 1995 Annual GSP Review in a Federal Register notice of July 28, 1995 (60 FR 38856); announcement of country practices petitions accepted for consideration in the 1995 Annual GSP Review; announcement of timetable for public hearings to consider petitions accepted for review; announcement of amendments in the list of articles sent to the USITC for review, announcement regarding 1996 Annual GSP Review; announcement regarding termination of country practice petitions.

**SUMMARY:** The purpose of this notice on the 1995 Annual GSP Review is: (1) To set forth the review timetable and provide an opportunity for public comment on product petitions accepted in the 1995 Annual GSP review requesting a modification in the list of articles that are eligible for duty-free treatment under the GSP program; (2) announce the acceptance for review of and provide an opportunity for public comments on petitions to modify the status of GSP beneficiary countries in regard to their practices as specified in 15 CFR 2007.0(a) and (b); (3) to announce the timetable for public hearings to consider petitions accepted for review; (4) to announce amendments to the list of articles sent by USTR on August 23, 1996, to the USITC to seek advice with respect to eligibility for GSP benefits; and (5) to announce the satisfactory completion of two country practice reviews.

For Further Information Contact: GSP Subcommittee, Office of the United States Trade Representative, 600 17th Street, NW, Room 517, Washington, DC 20508. The telephone number is (202) 395-6971. Public versions of all documents relating to this review will be available for review by appointment in the USTR public reading room. Appointments may be made from 10 a.m. to noon and 1 p.m. to 4 p.m. by calling (202) 395-6186.

**SUPPLEMENTARY INFORMATION:** The GSP program grants duty-free treatment to designated eligible articles that are imported from designated beneficiary developing countries. The GSP program is authorized by Title V of the Trade Act of 1974, as amended ("Trade Act") (19 U.S.C. 2461 *et seq.*), and was implemented by Executive Order 11888 of November 24, 1975, and modified by subsequent Executive Orders and Presidential Proclamations. The GSP regulations provide for an annual GSP review, unless otherwise specified by Federal Register notice (15 CFR 2007.3 *et seq.*). In a Federal Register notice dated July 28, 1995 (60 FR 38856), USTR announced the acceptance of product petitions for review and the ongoing consideration by USTR of petitions requesting that certain practices in certain beneficiary developing countries be reviewed to determine whether such countries are in compliance with the eligibility criteria that are set forth in sections 502(b) and 502(c) of the Trade Act (19 U.S.C. 2462 (b) and 2462 (c)). As a result of the expiration of the GSP program on July 31, 1995, USTR did not announce a review timetable for product petitions or which of the so-called "country practices" petitions were under consideration. USTR stated in the notice that it would make such announcement and offer an opportunity for public comment upon reauthorization of the GSP program. Legislation reauthorizing the GSP program effective October 1, 1996 and making certain amendments to it was signed by the President on August 20, 1996 (Public Law 104-188, 110 Stat. 1755) (Small Business Job Protection Act of 1996—for the GSP related provisions, see subtitle J of Title I of the foregoing Act).

### I. Acceptance of Petitions for Review

USTR accepted petitions requesting modification of the list of articles eligible to receive duty-free treatment under the GSP and to review the GSP status of beneficiary countries, as provided in title V of the Trade Act. USTR will review these petitions pursuant to regulations codified at 15 CFR part 2007. Acceptance for review of the petitions does not indicate any opinion with respect to disposition on the merits of the petitions. Acceptance indicates only that the listed petitions have been found eligible for review by the GSP Subcommittee and the Trade Policy Staff Committee, and that such review will take place.

### A. Requests To Modify Product Eligibility

USTR accepted petitions from interested parties and foreign governments: (1) To designate articles as eligible for the GSP; (2) to withdraw, suspend or limit GSP duty-free treatment accorded either to eligible articles under the GSP or to individual beneficiary developing countries with respect to specific GSP eligible articles; and (3) to waive competitive need limits.

As in previous reviews, petitions to add or remove products from the list of articles eligible for GSP duty-free treatment will be evaluated in accordance with the "graduation" policy. Limitations on GSP eligibility will be considered for products of the more economically advanced beneficiary developing countries that have demonstrated sufficient competitiveness in those products. Four criteria will be taken into account in considering "graduation": the development level of the individual beneficiary country; its competitive position in the product concerned; the country's practices relating to trade, investment and worker rights; and the overall economic interests of the United States.

Product designations announced at the conclusion of the review process, therefore, may differ. Certain beneficiary developing countries may lose GSP benefits for certain products even though those products have not met competitive need limitations set forth in section 503(c)(2)(A) of the Trade Act.

As in previous reviews, articles which are determined to be import sensitive cannot be designated as eligible articles. USTR is required to seek the advice of the U.S. International Trade Commission (USITC) on the probable effects of the requested designation of a product for GSP on industries producing like or directly competitive articles and on consumers.

On August 20, 1996, USTR requested the USITC to provide this advice. At the same time, USTR asked the USITC to furnish economic advice on the probable economic effect on U.S. industries producing like or directly competitive articles, and on consumers, of the granting of a waiver of the competitive need limits for certain products.

A nonconfidential version of the USITC analysis will be available to the public approximately December 20, 1996. The deadline for public comments on this nonconfidential analysis in January 15, 1997. Comments should be

submitted in accordance with the procedures described below.

Any modifications to the list of articles eligible for duty-free treatment under the GSP program resulting from the 1995 Annual GSP Review will be announced on or about April 1, 1997, and will take effect as soon as possible thereafter.

#### *B. Cases Accepted for Review Regarding Country Practices*

Pursuant to 15 CFR 2007.0(b), the Trade Policy Staff Committee has accepted for review requests to review the GSP status of Panama and Paraguay concerning the alleged failure of each to provide adequate and effective protection for intellectual property rights.

Any modifications to the list of beneficiary developing countries for purposes of the GSP program resulting from the 1995 Annual GSP Review will take effect on such date as appears in the Federal Register.

#### *Opportunities for Public Comment and Inspection of Comments*

The GSP Subcommittee of the TPSC invites comments in support of or in opposition to any petition which is the subject of this notice. Submissions should conform to 15 CFR 2007, particularly 2007.0, 2007.1(a)(10), 2007.1(a)(2), and 2007.1(a)(3). All submissions should identify the subject article(s) in terms of the current Harmonized Tariff Schedule of the United States ("HTS") nomenclature.

Comments should be submitted in fourteen (14) copies, in English, to the Chairman of the GSP Subcommittee of the Trade Policy Staff Committee, 600 17th Street, N.W., Room 517, Washington, DC 20506. Information submitted will be subject to public inspection by appointment with the staff of the USTR public reading room, except for information granted "business confidential" status pursuant to 15 CFR 2203.6 and other qualifying information submitted in confidence pursuant to 15 CFR 2007.7. If the document contains business confidential information, and original and fourteen (14) copies of a nonconfidential version of the submission along with an original and fourteen (14) copies of the confidential version must be submitted. In addition, the document containing confidential information should be clearly marked "confidential" at the top and bottom of each page of the document. The version that does not contain business confidential information (the public version) should also be clearly marked at the top and bottom of every page

(either "public version" or "nonconfidential").

Comments should be submitted no later than October 29, 1996.

#### *III. Notice of Public Hearings*

Hearings will be held on November 13, and 14, 1996, beginning at 10 a.m. at a location in Washington, DC to be announced. The hearing will be open to the public and a transcript of the hearings will be made available for public inspection or can be purchased from the reporting company. No electronic media coverage will be allowed.

All interested parties wishing to make an oral presentation at the hearings must submit the name, address, and telephone number of the witness(es) representing their organization to the Chairman of the GSP Subcommittee by 5 p.m. October 29, 1996. Requests to present oral testimony in connection with the public hearings should be accompanied for fourteen (14) copies, in English, of all written briefs or statements, and should also be received by 5 p.m. on October 29, 1996. Oral testimony before the GSP Subcommittee will be limited to five minute presentations that summarize or supplement information contained in briefs or statements submitted for the record. Post-hearing briefs or statements will be accepted if they conform with the regulations cited above and are submitted in fourteen (14) copies, in English, no later than 5 p.m. December 11, 1996. Parties not wishing to appear at the public hearings may submit pre-hearing written briefs or statements by October 29, 1996, and may submit post-hearing written briefs or statements by December 11, 1996. Rebuttal briefs or statements should be submitted in fourteen (14) copies, in English, by 5 p.m. January 8, 1997.

All communications with regard to these hearings should be addressed to: GSP Subcommittee, Office of the United States Trade Representative, 600 17th Street, NW., Room 517, Washington, DC 20508. The telephone number is (202) 395-6971. Questions may be directed to any member of the staff of the GSP Information Center.

#### *IV. Notice of Amendment to the List of Articles Subject to Review*

On July 28, 1995, USTR published the list of articles subject to review in the Federal Register (60 FR 38856). USTR has made certain amendments to that list. Case numbers 95-21, 95-29, 95-31, 95-33, 95-35, 95-39 and 95-43 (the competitive need limit waivers petitions for Malaysia) have been deleted due to the proposed graduation of Malaysia

from GSP effective January 1, 1997. Due to changes in the nomenclature of the HTS effective January 1, 1996, the list of articles in the notice are modified by changing the HTS subheading for case number 95-28 to 8469.12.00, changing the HTS subheading for case number 95-30 into two subheadings and subdividing the case into case number 95-30A for 8471.49.26 and case number 95-30B for 8471.60.35, changing the HTS subheading for case number 95-32 into two subheading and subdividing the case into case number 95-32A for 8517.19.40 and case number 95-32B for 8517.19.80, and changing the HTS subheading for case number 95-34 to 8517.21.00.

#### *V. Notice Regarding 1996 Annual Review of GSP and Least Developed Beneficiary Developing Country Review*

Ordinarily, the TPSC would have invited the submission of petitions for the 1996 Annual GSP Review on June 1, 1996. At that time, however, the program had not been reauthorized. The legislation reinstating the GSP program is effective October 1, 1996 with a provision permitting refunding by Customs after October 1, 1996, of duties that would not have been paid between July 31, 1995 and October 1, 1996 if the GSP program had been in effect. But because the legislation only provides for extension of the GSP program until May 31, 1997, the TPSC has decided that it will not solicit petitions for the 1996 Annual GSP Review.

An announcement will appear at a later date in the Federal Register concerning the timetable of the review to add products to the GSP program only for the least developed beneficiary developing countries as provided for in the amended GSP statute.

#### *VI. Terminated Country Practice Reviews*

Due to progress in protecting intellectual property rights, the reviews of El Salvador and Poland have been terminated.

Frederick L. Montgomery,

*Chairman, Trade Policy Staff Committee.*

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## **DEPARTMENT OF TRANSPORTATION**

### **Office of the Secretary**

### **Reports, Forms and Recordkeeping Requirements; Agency Information Collection Activity Under OMB Review**

**AGENCY:** Department of Transportation (DOT).