

Congress Passes Bill to Reinstiate Generalized System of Preferences (GSP) – Opportunities to Seek Refunds; Support or Oppose Designation of New Products

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Congress has recently passed the Trade Preferences Extension Act of 2015, which renewed the Generalized System of Preferences, the U.S. trade program that promotes economic growth in the developing world, allowing for nearly 5,000 goods from designated developing countries to enter the United States duty free. The new legislation reauthorized and extended GSP through December 31, 2017 and was made retroactive to July 31, 2013, when GSP expired. Accordingly, qualifying entries for the past two years are eligible for duty reimbursement.

The Office of the U.S. Trade Representative (USTR) recently announced a limited product review to see which GSP-eligible products have exceeded specific value or volume thresholds known as competitive needs limitations (CNL). As part of the CNL review, importers may petition to waive the CNL for specific products (if below the de minimis level) and to re-designate items that are ineligible because they exceed the CNL's in past years. Those products include certain fish, vegetables, fruits, grains, sugar, tobacco, chemicals, plastic bags, rubber tires, hides and skins, wood flooring panels, building stone, metal products, engines and engine parts, electronics, and auto parts. For more details, please see the list of products under review by USTR for one of four CNL-related determinations.

USTR is also considering in this review adding five cotton products to the list of eligible products. Those products include three types of uncarded, uncombed cotton of specified staple lengths, certain cotton card strips from cotton waste and certain carded and combed cotton fibers. The comment period on the reviews closes July 31, 2015.

USTR has not yet announced a date for its regular, annual product review, but plans to publish a notice in August, with submission deadlines due either in October or November. This review will follow USTR's normal procedure, which can take up to a year, and will provide importers with an opportunity to petition to add products and countries to the GSP program. In particular, importers of travel goods, such as handbags, backpacks, suitcases, and similar items, which have duty rates up to 20% and which had previously been statutorily exempted from the program will have the opportunity to submit petitions.

For assistance with gaining GSP coverage, submitting petitions, filing for refunds, or understanding

the effect of a particular CNL action on a particular product and whether to support or oppose, please contact [Jennifer McCadney](mailto:jmccadney@kelleydrye.com) at jmccadney@kelleydrye.com or at 202-342-8416.