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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Generalized System of Preferences (GSP): Results of the 2011 Annual GSP Review; Notice of Hearing and Public Comments for Country Practice Petitions Accepted as Part of the 2011 Annual GSP Review

AGENCY: Office of the United States Trade Representative.

ACTION: Notice and request for submissions.

SUMMARY: This notice announces the results of the 2011 Annual GSP Review with respect to: (1) products considered for addition to the list of eligible products for GSP; (2) decisions related to competitive need limitations (CNLs), including petitions for waivers of CNLs and revocation of previous CNL waivers; (3) redesignations of products previously excluded from GSP eligibility for certain countries; and (4) petitions to modify the GSP status of certain GSP beneficiary countries because of country practices. This notice also announces the schedule for public comments and a public hearing for four country practice petitions newly accepted for review (regarding Fiji, Indonesia, Iraq, and Ukraine), the closure of the country practices review of Sri Lanka's worker rights practices, and the designation of Afghanistan as a member of the South Asian Association for Regional Cooperation (SAARC) for purposes of the GSP.

FOR FURTHER INFORMATION CONTACT: Tameka Cooper, GSP Program, Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC 20508. The telephone number is (202) 395-6971; the fax number is (202) 395-9674, and the email address is Tameka_Cooper@ustr.eop.gov.

DATES: The GSP regulations (15 CFR Part 2007) provide the schedule of dates for conducting an annual review unless otherwise specified in a *Federal Register* notice. The schedule for review of the country practices petitions cited above follows.

September 13, 2012: Deadline for submission of pre-hearing briefs and requests to appear at the September 27, 2012 public hearing; submissions must be received by 5:00 p.m.

September 27, 2012: The GSP Subcommittee of the Trade Policy Staff Committee (TPSC) will convene a public hearing on the country practice petitions newly accepted in the 2011 Annual GSP Review, i.e., petitions concerning practices of Fiji, Indonesia, Iraq, and Ukraine, at 1724 F Street, NW, Washington, DC 20508, beginning at 9:30 a.m.

October 18, 2012: Deadline for submission of post-hearing briefs, which must be received by 5:00 p.m.

SUPPLEMENTARY INFORMATION: The GSP program provides for the duty-free treatment of designated articles when imported from beneficiary developing countries. The GSP program is authorized by Title V of the Trade Act of 1974 (19 U.S.C. 2461 *et seq.*), as amended.

Results of the 2011 Annual GSP Review

In the 2011 Annual Review, the TPSC reviewed: 1) a petition to add a product to the list of those eligible for duty-free treatment under GSP; 2) certain cotton products for possible designation as eligible for GSP benefits when imported from least-developed beneficiary developing countries under the GSP program; 3) nine petitions to waive CNLs for products from certain beneficiary countries; 4) revocation of CNL waivers for products from certain beneficiary countries where 2011 imports exceeded certain statutory limits; 5) products eligible for *de minimis* waivers of CNLs; 6) redesignation of products previously excluded from GSP eligibility for certain beneficiary countries; and 7) country practice petitions previously submitted as part of

the 2011 Annual Review and earlier reviews.

In Presidential Proclamation 8840 of June 29, 2012 the President implemented his decisions regarding GSP product eligibility issues arising out of the 2011 Annual GSP Review, including CNL waivers, CNL revocations, and product redesignations. This notice provides further information on the results of the 2011 Annual GSP Review, including disposition of country practice petitions. These results, comprising eight lists, are available for public viewing at <http://www.regulations.gov> in docket USTR-2011-0015, under “Supporting and Related Materials” and at http://www.ustr.gov/webfm_send/3487.

Specific Results:

The Administration has decided to defer a decision on final disposition of a petition to add certain plastic bags (categorized under subheading 3923.21.00.30 of the Harmonized Tariff Schedule (HTS)) to the list of products eligible for duty-free treatment under GSP for all GSP beneficiary countries. See List I (Decision on Petition to Add a Product to the List of Eligible Products for GSP).

Seven cotton fiber products were added to the list of eligible products for least-developed beneficiary developing countries of GSP. See List II (Decisions on Products Considered for Addition to the List of Eligible Products for GSP for Least-Developed Beneficiary Developing Countries).

The President granted petitions for waivers of CNLs for the following products: 1) other acyclic monoamines (HTS 2921.19.60) from the Philippines; 2) “agarbatti” incense sticks (HTS 3307.41.00) from India; 3) seamless rubber gloves (HTS 4015.19.10) from Thailand, and 4) certain air conditioning parts (HTS 8415.90.80) from Thailand. The disposition of all accepted petitions to grant waivers of CNLs is set out in List III (Decisions on Petitions to Grant a Waiver

of the Competitive Need Limitation).

The President revoked existing CNL waivers for certain silver jewelry articles (HTS 7113.11.50) from Thailand, certain rubber radial tires (HTS 4011.20.10) from Thailand, and certain hand-hooked rugs (HTS 5703.10.20) from India, as reflected in List IV (Decisions on Competitive Need Limitation Waiver Revocations).

Articles that exceeded the CNLs in 2011 and that, effective July 1, 2012, are excluded from GSP eligibility when imported from a specific beneficiary country are described in List V (Products Newly Subject to Exclusion by Competitive Need Limitation).

The President granted *de minimis* waivers to 97 articles that exceeded the 50-percent import-share CNL but for which the aggregate value of all U.S. imports of that article was below the 2011 *de minimis* level of \$20.5 million. See List VI (Decisions on Products Eligible for *De Minimis* Waivers). The articles for which *de minimis* waivers were granted will continue to be eligible for duty-free treatment under GSP when imported from the associated countries.

The President redesignated one product, kola nuts (HTS 0802.70.20) from Cote d'Ivoire, as eligible for GSP. List VII (Decisions on Products Eligible for Redesignation) provides the list of the articles and associated countries reviewed for redesignation.

Country Practice Petitions

The status of country practice petitions considered in the 2011 GSP Annual Review is described in List VIII (Petitions for Review of Country Practices). This list includes petitions accepted as part of annual reviews from previous years. USTR, drawing on the advice of the TPSC, has accepted for review three country practice petitions submitted as part of the 2011 GSP Annual Review – on Fiji regarding worker rights and on Indonesia and Ukraine regarding intellectual property rights – as well as a petition on Iraq regarding worker rights that had been

submitted as part of an earlier annual review. USTR has deferred a decision on acceptance of a petition on Russia regarding expropriation.

USTR, drawing on the advice of the TPSC, has decided to close the country practice review of case 005-CP-08 regarding worker rights in Sri Lanka, in view of significant progress made by the government of Sri Lanka over the past few years in affording internationally recognized worker rights to workers in that country.

Country practice petitions accepted for review in previous years that continue to be under review include: Lebanon, Russia and Uzbekistan regarding intellectual property rights, and Bangladesh, Georgia, Niger, the Philippines, and Uzbekistan regarding worker rights.

Notice of Public Hearing

The GSP Subcommittee of the TPSC will hold a public hearing on Thursday, September 27, 2012 for the four newly accepted country practice petitions (Fiji, Indonesia, Iraq, and Ukraine) beginning at 9:30 a.m. at 1724 F Street, NW, Washington, DC 20508. The hearing will be open to the public, and a transcript of the hearing will be made available on <http://www.regulations.gov> within two weeks of the hearing. No electronic media coverage will be allowed.

All interested parties wishing to make an oral presentation at the hearing must submit, following the “Requirements for Submissions” set out below, the name, address, telephone number, and email address, if available, of the witness(es) representing their organization by 5 p.m., September 13, 2012. Requests to present oral testimony must be accompanied by a written brief or summary statement, in English, and also must be received by 5 p.m., September 13, 2012. 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 below and are submitted, in English, by 5 p.m., October 18, 2012. Parties not wishing to appear at the public hearing may submit pre-hearing briefs or comments, in English, by 5 p.m., September 13, 2012, and post-hearing written briefs or comments, in English, by 5:00 p.m., October 18, 2012.

The GSP Subcommittee strongly encourages submission of all post-hearing submissions by the October 18, 2012 deadline in order to receive timely consideration in the GSP Subcommittee's review of the subject petitions. However, if there are new developments or information that parties wish to share with the GSP Subcommittee after this date, the regulations.gov docket will remain open until June 30, 2013. Comments, letters, or other submissions related to the subject petitions must be posted to the <http://www.regulations.gov> docket in order to be considered by the GSP Subcommittee.

Requirements for Submissions

All submissions in response to this notice must be submitted electronically via <http://www.regulations.gov>, using docket number USTR-2012-0012. All submissions must conform to the GSP regulations set forth at 15 CFR part 2007, except as modified below. These regulations are available on the USTR website at <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>. Any person or party making a submission is strongly advised to review the GSP regulations and the GSP Guidebook, available at the same link.

To make a submission using <http://www.regulations.gov>, enter docket number USTR-2012-0012 in the "Search for" field on the home page and click "Search." The site will provide a search-results page listing all documents associated with this docket. Find a reference to this

notice by selecting “Notice” under “Document Type” in the “Filter Results by” section on the left side of the screen and click on the link entitled “Comment Now.” The <http://www.regulations.gov> website offers the option of providing comments by filling in a “Type Comment” field or by attaching a document using the “Upload file(s)” field. Given the detailed nature of the information sought by the GSP Subcommittee, it is preferred that submissions be provided in an attached document. When attaching a document, type (1) the country and case number of the subject petition; and (2) “See attached” in the “Type Comment” field on the online submission form, and indicate on the attachment whether the document is, as appropriate, “Written Comments,” “Notice of Intent to Testify,” “Pre-hearing brief,” or a “Post-hearing brief.” The case number and country name can be found in the document described above as List VIII (Petitions for Review of Country Practices). Submissions should not exceed 30 single-spaced, standard letter-size pages in 12-point type, including attachments. Any data attachments to the submission should be included in the same file as the submission itself, and not as separate files.

Each submitter will receive a submission tracking number upon completion of the submissions procedure at <http://www.regulations.gov>. The tracking number will be the submitter’s confirmation that the submission was received into <http://www.regulations.gov>. The confirmation should be kept for the submitter’s records. USTR is not able to provide technical assistance for the Web site. Documents not submitted in accordance with these instructions may not be considered in this review. If unable to provide submissions as requested, please contact the GSP Program at USTR to arrange for an alternative method of transmission.

Business Confidential Submissions

A person seeking to request that information contained in a submission from that person

be treated as business confidential information must certify that such information is business confidential and would not customarily be released to the public by the submitter. Confidential business information must be clearly designated as such. The submission must be marked “BUSINESS CONFIDENTIAL” at the top and bottom of the cover page and each succeeding page, and the submission should indicate, via brackets, the specific information that is confidential. Additionally, “Business Confidential” must be included in the “Type Comment” field. Any submission containing business confidential information must be accompanied by a *separate*, non-confidential version of the confidential submission, indicating where confidential information has been redacted. The non-confidential version will be placed in the docket and open to public inspection.

Public versions of all documents relating to the review of the subject country practice petitions will be made available for public viewing in docket USTR-2012-0012 at <http://www.regulations.gov> upon completion of processing and within seven to ten days after the relevant deadline for submission.

Afghanistan Added to SAARC

Section 507(2) of the Trade Act of 1974, as amended (19 U.S.C. 2467(2)), authorizes the President to provide that all members of an association of countries which is a free trade area or customs union, or which is contributing to comprehensive regional economic integration among its members through appropriate means, including, but not limited to, the reduction of duties, shall be treated as one country for purposes of the GSP. In Proclamation 7912 of June 29, 2005, the President determined that the members of the South Asian Association for Regional Cooperation (SAARC) should be treated as one country for the purposes of GSP, and SAARC members were added to general note 4(a) of the HTS. On December 29, 2006, in Proclamation

8098, the President, pursuant to section 507(2) of the Trade Act of 1974, announced that "Afghanistan is designated as a member of the South Asian Association for Regional Cooperation (SAARC) for purposes of the GSP on the date that it becomes a SAARC member. The United States Trade Representative shall announce such a date in a notice published in the Federal Register." The United States Trade Representative hereby announces that as of April 3, 2007, Afghanistan became a SAARC member for the purposes of the GSP.

William D. Jackson

Deputy Assistant U.S. Trade Representative for the Generalized System of Preferences and
Chair of the GSP Subcommittee of the Trade Policy Staff Committee
Office of the U.S. Trade Representative

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