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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Generalized System of Preferences (GSP): Results of the 2012 Annual GSP Review; Notice of a Country Practice Petition Accepted as Part of the 2012 Annual GSP Review

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: This notice announces the results of the 2012 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.

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.

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 2012 Annual GSP Review

In the 2012 Annual Review, the Trade Policy Staff Committee (TPSC) reviewed: 1) petitions to add four different products to the list of those eligible for duty-free treatment under

GSP; 2) one petition to waive CNLs for a product from a beneficiary country; 3) revocation of a CNL waiver for a product from a beneficiary country where 2012 imports exceeded certain statutory limits; 4) products eligible for *de minimis* waivers of CNLs; 5) redesignation of products previously excluded from GSP eligibility for certain beneficiary countries; and 6) one country practice petition submitted as part of the 2012 Annual Review and several active petitions submitted as part of earlier reviews.

In a Presidential Proclamation dated June 27, 2013, the President implemented his decisions regarding GSP product eligibility issues arising out of the 2012 Annual GSP Review, including CNL waivers and CNL revocations. This notice provides further information on the results of the 2012 Annual GSP Review, including the disposition of country practice petitions.

These results, comprising seven lists, are available for the public to view at

<http://www.regulations.gov> in docket USTR-2012-0013, under “Supporting and Related Materials” and at <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/current-review>.

Specific Results:

The Administration has decided to defer a decision on the final disposition of petitions to add the following products to the list of products eligible for duty-free treatment under GSP for all GSP beneficiary countries: sweetheart and spray roses (HTS 0603.11.00), certain frozen vegetables (HTS 0710.80.97), and certain preserved artichokes (HTS 2005.99.80). The Administration denied the petition to make certain refined copper wire (HTS 7408.19.00.30) eligible for duty-free treatment under the GSP. See List I (Decisions on Petitions to Add Products to the List of Eligible Products for GSP).

The President granted a petition for a waiver of CNLs for calcium silicon ferroalloys

(HTS 7202.99.20) from Brazil. See List II (Decision on Petition to Grant a Waiver of the Competitive Need Limitations). Additionally, the President revoked an existing CNL waiver for certain pneumatic radial tires (HTS 4011.10.10) from Indonesia, as reflected in List III (Decision on Competitive Need Limitation Waiver Revocations).

Effective July 1, 2013, imports of an article, certain corn (HTS 1005.90.40), from Brazil are excluded from GSP eligibility because imports of that article from Brazil exceeded the CNL in 2012. See List IV (Product Newly Subject to Exclusion by Competitive Need Limitation).

The President granted *de minimis* waivers to 100 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 2012 *de minimis* level of \$21 million. See List V (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.

No products previously excluded from GSP eligibility for certain countries were redesignated as eligible for GSP as a result of the 2012 Annual Review. See List VI (Decisions on Products Eligible for Redesignation).

Country Practice Petitions

The status of country practice petitions considered in the 2012 GSP Annual Review is described in List VII (Active and Pending GSP Country Practice Reviews). This list includes petitions accepted as part of annual reviews from previous years.

The USTR has accepted for review one country practice petition submitted as part of the 2012 GSP Annual Review: a petition seeking to withdraw or suspend GSP benefits for Ecuador on the basis of Ecuador's alleged failure to meet the GSP statutory eligibility criterion regarding recognition and enforcement of arbitral awards (19 U.S.C. 2462 (b)(2)(E)). The GSP

Subcommittee's review of this petition will consider whether the withdrawal or suspension of GSP benefits is warranted in light of the type, nature, and content of the awards at issue, as well as whether Ecuador's actions in response to the awards comply with the cited eligibility criterion. The review will not consider the details or merits of either the Ecuadorian domestic litigation underlying the ongoing arbitral proceedings or the arbitral proceedings themselves. A subsequent notice published in the *Federal Register* will announce the schedule for a hearing and receipt of public comments, including related filing deadlines, on this newly accepted country practice case.

As determined in the previously-cited Presidential Proclamation dated June 27, 2013, the President has suspended Bangladesh's benefits under the GSP. This suspension will be effective 60 days after the date the proclamation is published in the *Federal Register*.

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

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