



Billing Code 3290-F7]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Docket No. USTR–2016–2009

2016/2017 Generalized System of Preferences (GSP) Annual Product Review:

**Notice of Availability of Annual Statistics, Acceptance of Public Comments and
Withdrawal of Certain Petitions**

AGENCY: Office of the United States Trade Representative.

ACTION: Request for comments.

SUMMARY: The Office of the United States Trade Representative (USTR) is announcing the availability of full 2016 calendar year import statistics relating to competitive need limitations (CNLs) under the Generalized System of Preferences (GSP) program. USTR will accept public comments submitted by March 22, 2017, regarding: (1) possible de minimis CNL waivers; and (2) possible redesignations of articles currently not eligible for GSP benefits because they previously exceeded the CNL thresholds. USTR also is announcing the withdrawal by the petitioners of certain previously accepted CNL waiver petitions.

DATES: Written comments are due by midnight, Wednesday, March 22, 2017.

ADDRESSES: You should submit written comments through the Federal eRulemaking Portal: <http://www.regulations.gov> using docket number USTR-2016-0009. Follow the instructions for submitting comments in section III below. For alternatives to on-line

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submissions, please contact USTR at gsp@ustr.eop.gov before transmitting a comment and in advance of the deadline.

FOR FURTHER INFORMATION CONTACT: Naomi Freeman, Director for GSP, Office of the United States Trade Representative, 600 17th Street NW, Washington DC 20508. The telephone number is (202) 395-2974 and the e-mail address is gsp@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. Statutory Provisions Related to CNLs

The GSP program provides for the duty-free importation of designated articles when imported from designated beneficiary developing countries (BDCs). The GSP program is authorized by Title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.), as amended (1974 Act). Section 503(c)(2)(A) of the 1974 Act sets out the two CNLs. When the President determines that a BDC exported to the United States during a calendar year either: (1) a quantity of a GSP-eligible article having a value in excess of the applicable amount for that year (\$175 million for 2016), or (2) a quantity of a GSP-eligible article having a value equal to or greater than 50 percent of the value of total U.S. imports of the article from all countries (the “50 percent” CNL), the President must terminate GSP duty-free treatment for that article from that BDC by no later than July 1 of the next calendar year, unless a waiver is granted.

De minimis waivers: Under section 503(c)(2)(F) of the 1974 Act, the President may waive the 50 percent CNL with respect to an eligible article imported from a BDC if

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the value of total imports of that article from all countries during the calendar year did not exceed the applicable de minimis amount for that year (\$23 million for 2016).

Redesignations: Under section 503(c)(2)(C) of the 1974 Act, if imports of an eligible article from a BDC ceased to receive duty-free treatment due to exceeding a CNL in a prior year, the President may, subject to the considerations in sections 501 and 502 of the 1974 Act, redesignate such an article for duty-free treatment if imports in the most recently completed calendar year did not exceed the CNLs.

Exclusions from GSP duty-free treatment where CNLs have been exceeded will be effective July 1, 2017, unless the President grants a waiver. Any CNL-based exclusions, CNL waiver revocations, and decisions with respect to de minimis waivers and redesignations will be based on full 2016 calendar year import data.

II. 2016 Import Statistics

In order to provide notice of articles that have exceeded the CNLs for 2016 and to afford an opportunity for comment regarding (1) potential de minimis waivers and (2) potential redesignations for 2016, USTR has posted product lists on the USTR website at <https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-20162017> under the title “2016 Import Statistics Relating to Competitive Need Limitations for GSP”. You also can find these lists at www.regulations.gov in Docket Number USTR-2016-0009. There were no articles that were subject to CNL waiver revocation for 2016 based on the provisions of section 503(d)(4)(B)(ii) of the 1974 Act, as amended by Public Law 109–432. You can view full

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2016 calendar year data for individual tariff subheadings on the website of the U.S. International Trade Commission at <http://dataweb.usitc.gov>.

The lists available on the USTR website contain, for each article, the Harmonized Tariff Schedule of the United States (HTSUS) subheading and BDC country of origin, the value of imports of the article for the 2016 calendar year, and the percentage of total U.S. imports of that article from all countries.

The lists published on the USTR website are for informational purposes only. They may not include all articles to which the GSP CNLs may apply. All determinations and decisions regarding the CNLs of the GSP program will be based on full 2016 calendar year import data with respect to each GSP-eligible article. We advise each interested party to conduct its own review of 2016 import data with respect to the possible application of the GSP CNL provisions.

List I on the USTR website shows GSP-eligible articles from BDCs that exceeded a CNL by having been exported in excess of \$175 million, or in a quantity equal to or greater than 50 percent of the total U.S. import value, in 2016. These products will be removed from eligibility for GSP for the subject countries on July 1, 2017, unless the President grants a waiver for the product for the subject country in response to a petition filed by an interested party. Such petitions for CNL waivers must have been previously submitted in the 2016/2017 GSP Annual Review. (See 80 FR 50376 and 80 FR 71913). The last column in List I shows the product for which a petition has been accepted and is now under review.

List II identifies GSP-eligible articles from BDCs that are above the 50 percent CNL, but that are eligible for a de minimis waiver of the 50 percent CNL. Articles

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eligible for de minimis waivers are automatically considered in the GSP annual review process, without the filing of a petition.

List III shows GSP-eligible articles from certain BDCs that currently are not receiving GSP duty-free treatment, but may be considered for GSP redesignation based on 2016 trade data and consideration of certain statutory factors. Recommendations to the President on de minimis waivers and redesignations will be made as part of the GSP annual review process, and public comments (including comments in support of or in opposition to de minimis waivers and redesignations) are invited in accordance with the Requirements for Submissions below.

III. Public Comments

Requirements for Submissions. You must submit written comments submitted in response to this notice electronically by midnight, Wednesday, March 22, 2017. All submissions must be made in English and submitted electronically via <http://www.regulations.gov> using docket number USTR-2016-0009. USTR will not accept hand-delivered submissions.

All submissions for the GSP Annual Review 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 <https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp/gsp-program-inf>. We strongly advise any person or party making a submission to review the GSP regulations as well as the GSP Guidebook, which is available at the same link.

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To make a submission using <http://www.regulations.gov>, enter docket number USTR-2016-0009 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. We strongly prefer that you provide submissions in an attached document and, in such cases, that parties note “See attached” in the “Type Comment” field on the online submission form.

At the beginning of the submission, or on the first page (if an attachment), please note that the submission is in response to this Federal Register notice and indicate the specific product(s) (including the eight-digit HTSUS subheading) that is the subject of the comment and on which of the relevant lists described above, (e.g., List I) it appears. 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, which you should keep, is your confirmation that the submission was received into <http://www.regulations.gov>. USTR is not responsible for any delays in a submission due to technical difficulties, nor is it able to provide any technical assistance for the <http://www.regulations.gov> website. Documents not submitted in accordance with these

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instructions may not be considered in this review. If an interested party is unable to provide submissions as requested, please contact the GSP program at USTR to arrange for an alternative method of transmission.

Business Confidential Petitions. An interested party requesting that information contained in a submission be treated as business confidential information must certify that the information is business confidential and would not customarily be released to the public by the submitter. You must clearly designate confidential business information by marking the submission “BUSINESS CONFIDENTIAL” at the top and bottom of the cover page and on each succeeding page, and indicating via brackets, the specific information that is confidential. Additionally, “Business Confidential” must be included in the “Type Comment” field. For any submission containing business confidential information, you separately must submit a non-confidential version (i.e., not as part of the same submission with the confidential version), indicating where confidential information has been redacted. We will place the non-confidential version in the docket and it will be open to public inspection.

Public Viewing of Review Submissions. Submissions in response to this notice, except for information granted “business confidential” status under 15 CFR part 2003.6, will be available for public viewing pursuant to 15 CFR part 2007.6 at <http://www.regulations.gov> upon completion of processing, usually within two weeks of the relevant due date or date of the submission. We will make public versions of all documents relating to the 2016/2017 Annual Product Review available for public viewing in docket USTR–2016–0009 at www.regulations.gov upon completion of processing.

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IV. Withdrawal of Certain CNL Waiver Petitions

In a January 23, 2017 Federal Register notice (82 FR 7915), USTR announced the acceptance of CNL waiver petitions for the 2016/2017 GSP Annual Review.

Following the release of full 2016 calendar year trade data, the following CNL waiver petitions have been withdrawn from the 2016/2017 GSP Annual Review because the product imported from the subject GSP beneficiary country did not surpass the CNL thresholds for 2016:

- HTS 6802.99.00 from Brazil
- HTS 0714.90.10 from Ecuador
- HTS 0410.00.00 and HTS 4011.20.10 from Indonesia
- HTS 8525.80.30 and HTS 9001.50.00 from Thailand

The CNL waiver petition for HTS 4409.10.05 from Brazil is being considered in the 2016/2017 Annual Review.

Erland Herfindahl

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Office of the U.S. Trade Representative.

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