AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

111th Congress, 2d Session – – – – – – – – – – – – – – House Document 111–85

TRANSMISSION OF A PROCLAMATION ENTITLED "TO MODIFY DUTY-FREE TREATMENT UNDER THE GENERALIZED SYSTEM OF PREFERENCES, AND FOR OTHER PURPOSES"

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

TO ADD THE REPUBLIC OF THE MALDIVES TO THE LIST OF BENEFICIARY DEVELOPING COUNTRIES UNDER THE GENERALIZED SYSTEM OF PREFERENCES (GSP) AND THE INTENTION TO TERMINATE THE DESIGNATION OF CROATIA AND EQUATORIAL GUINEA AS A BENEFICIARY UNDER THE GSP



JANUARY 13, 2010.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE
89–011 WASHINGTON : 2010

To the Congress of the United States:

The Generalized System of Preferences (GSP) offers duty-free treatment to specified products that are imported from designated beneficiary developing countries. The GSP is authorized by title V of the Trade Act of 1974, as amended (the "Act").

In accordance with sections 502(f)(1)(A) and 502(f)(2) of the Act, I am providing notification of my intent to add the Republic of Maldives to the list of beneficiary developing countries under the GSP program and my intent to terminate the designations of Croatia and Equatorial Guinea as beneficiary developing countries under the GSP program.

In Proclamation 6813 of July 28, 1995, the designation of Maldives as a beneficiary developing country for purposes of the GSP program was suspended. After considering the criteria set forth in sections 501 and 502 of the Act, I have determined that the suspension of the designation of Maldives as a GSP beneficiary developing country should be ended.

In addition, I have determined that Croatia and Equatorial Guinea have each become a "high income" country, as defined by the official statistics of the International Bank for Reconstruction and Development. In accordance with section 502(e) of the Act, I have determined that the designations of Croatia and Equatorial Guinea as beneficiary developing countries under the GSP program should be terminated, effective January 1, 2011.

BARACK OBAMA.

THE WHITE HOUSE, *December 23, 2009.*

TO MODIFY DUTY-FREE TREATMENT UNDER THE GENERALIZED SYSTEM OF PREFERENCES, AND FOR OTHER PURPOSES

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. Sections 501(1) and (4) of the Trade Act of 1974, as amended (the "1974 Act") (19 U.S.C. 2461(1) and (4)), provide that, in affording duty-free treatment under the Generalized System of Preferences (GSP), the President shall have due regard for, among other factors, the effect such action will have on furthering the economic development of a beneficiary developing country and the extent of the beneficiary developing country's competitiveness with respect to eligible articles. Section 502(c)(2) of the 1974 Act (19 U.S.C. 2462(c)(2)) provides that, in determining whether to designate any country as a beneficiary developing country for purposes of the GSP, the President shall take into account various factors, including the country's level of economic development, the country's per capita gross national product, the living standards of its inhabitants, and any other economic factors he deems appropriate. Section 502(d) of the 1974 Act (19 U.S.C. 2462(d)) authorizes the President to withdraw, suspend, or limit the application of duty-free treatment under the GSP with respect to any country after considering the factors set forth in sections 501 and 502(c) of the 1974 Act. Section 502(f)(2) of the 1974 Act (19 U.S.C. 2462(f)(2)) requires the President to notify the Congress and the affected country, at least 60 days before termination, of the President's intention to terminate the affected country's designation as a beneficiary developing country for purposes of the GSP.

2. Section 502(e) of the 1974 Act (19 U.S.C. 2462(e)) provides that the President shall terminate the designation of a country as a beneficiary developing country if the President determines that such country has become a "high income" country as defined by the official statistics of the International Bank for Reconstruction and Development. Termination is effective on January 1 of the second year following the year in which such determination is made.

3. Pursuant to section 502(e) of the 1974 Act, I have determined that Croatia has become a "high income" country, and I am terminating the designation of that country as a beneficiary developing country for purposes of the GSP, effective January 1, 2011.

4. Pursuant to section 502(e) of the 1974 Act, I have determined that Equatorial Guinea has become a "high income" country, and I am terminating the designation of that country as a beneficiary developing country for purposes of the GSP, effective January 1, 2011.

5. Section 502(a)(2) (19 U.S.C. 2462(a)(2)) of the 1974 Act provides that the President may designate any beneficiary developing country as a least-developed beneficiary developing country for purposes of the GSP, based on the considerations in sections 501 and 502(c) of the 1974 Act (19 U.S.C. 2461 and 19 U.S.C. 2462(c)).

6. Pursuant to section 502(d)(1) of the 1974 Act, and having considered the factors set forth in sections 501 and 502(c) of the 1974 Act, I have determined that Cape Verde should be removed from the list of least-developed beneficiary countries.

7. In Proclamation 8272 of June 30, 2008, the President determined that Trinidad and Tobago had become a "high income" country, and the designation of Trinidad and Tobago as a beneficiary developing country for purposes of the GSP shall be terminated, effective January 1, 2010. I have determined that technical rectifications should be made to the Harmonized Tariff Schedule of the United States (HTS) to reflect that determination.

8. Pursuant to sections 501 and 502(a)(1) of the 1974 Act, the President is authorized to designate countries as beneficiary developing countries for purposes of the GSP and to provide duty-free treatment for eligible articles from beneficiary developing counties.

9. In Proclamation 6813 of July 28, 1995, the President suspended the designation of the Republic of Maldives (Maldives) as a beneficiary developing country under the GSP.

10. Pursuant to sections 501 and 502(a) of the 1974 Act, and taking into account the factors set forth in sections 501 and 502(c), I have determined that it is appropriate to terminate the suspension of preferential treatment under the GSP for articles that are currently eligible for such treatment and that are imported from Maldives and to redesignate Maldives as a beneficiary developing country for purposes of the GSP.

11. On April 22, 1985, the United States and Israel entered into the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel (the "USIFTA"), which the Congress approved in the United States-Israel Free Trade Area Implementation Act of 1985 (the "USIFTA Act") (19 U.S.C. 2112 note).

12. Section 4(b) of the USIFTA Act provides that, whenever the President determines that it is necessary to maintain the general level of reciprocal and mutually advantageous concessions with respect to Israel provided for by the USIFTA, the President may proclaim such withdrawal, suspension, modification, or continuance of any duty, or such continuance of existing duty-free or excise treatment, or such additional duties as the President determines to be required or appropriate to carry out the USIFTA.

13. In order to maintain the general level of reciprocal and mutually advantageous concessions with respect to agricultural trade with Israel, on July 27, 2004, the United States entered into an agreement with Israel concerning certain aspects of trade in agricultural products during the period January 1, 2004, through December 31, 2008 (the "2004 Agreement").

14. In Presidential Proclamation 7826 of October 4, 2004, consistent with the 2004 Agreement, the President determined, pursuant to section 4(b) of the USIFTA Act, that it was necessary in order to maintain the general level of reciprocal and mutually ad-

vantageous concessions with respect to Israel provided for by the USIFTA, to provide duty-free access into the United States through December 31, 2008, for specified quantities of certain agricultural products of Israel.

15. On December 10, 2008, the United States entered into an agreement with Israel to extend the period that the 2004 Agreement is in force through December 31, 2009, to allow additional time for the two governments to conclude an agreement to replace the 2004 Agreement.

16. In Presidential Proclamation 8334 of December 31, 2008, the President determined that it was necessary in order to maintain the general level of reciprocal and mutually advantageous concessions with respect to Israel provided for by the USIFTA to extend such duty-free treatment through December 31, 2009. In Proclamation 8334, the President modified the HTS to provide duty-free access into the United States through December 31, 2009, for specified quantities of certain agricultural products of Israel. In Proclamation 8405 of August 31, 2009, I further modified the HTS to provide the intended tariff treatment.

17. On December 6, 2009, the United States entered into a further agreement with Israel to extend the period that the 2004 Agreement is in force through December 31, 2010, to allow for further negotiations on an agreement to replace the 2004 Agreement.

18. Pursuant to section 4(b) of the USIFTA Act, I have determined that it is necessary, in order to maintain the general level of reciprocal and mutually advantageous concessions with respect to Israel provided for by the USIFTA, to provide duty-free access into the United States through the close of December 31, 2010, for specified quantities of certain agricultural products of Israel.

19. Presidential Proclamation 6641 of December 15, 1993, implemented the North American Free Trade Agreement (NAFTA) with respect to the United States and, pursuant to the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (Public Law 103–182), incorporated in the HTS the schedule of duty reductions and rules of origin necessary or appropriate to carry out the NAFTA.

20. Section 202 of the NAFTA Implementation Act (19 U.S.C. 3332) provides rules for determining whether goods imported into the United States originate in the territory of a NAFTA party and thus are eligible for the tariff and other treatment contemplated under the NAFTA.

21. Presidential Proclamation 8405 of August 31, 2009, modified the HTS to provide for modifications to the rules of origin under the NAFTA. I have determined that technical corrections to the HTS are necessary to provide for the intended rules of origin.

22. Presidential Proclamation 7747 of December 30, 2003, implemented the United States-Singapore Free Trade Agreement (USSFTA) with respect to the United States, including certain rules for determining whether a good is an originating good for the purposes of implementing tariff treatment under the USSFTA. I have determined that certain rules of origin under the USSFTA were inadvertently deleted in the HTS and that technical rectifications to the HTS are necessary to restore the intended rules of origin.

23. Presidential Proclamation 7746 of December 30, 2003, implemented the United States-Chile Free Trade Agreement (USCFTA) with respect to the United States, including certain rules for determining whether a good is an originating good for the purposes of implementing tariff treatment under the USCFTA. I have determined that technical corrections to the HTS are necessary to provide for the intended rules of origin.

24. Presidential Proclamations 7987 of February 28, 2006; 7991 of March 24, 2006; 7996 of March 31, 2006; 8034 of June 30, 2006; 8111 of February 28, 2007; and 8331 of December 23, 2008, implemented the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA–DR) with respect to the United States, including certain rules for determining whether a good is an originating good for the purposes of implementing tariff treatment under the CAFTA–DR. Section 203(f)(3)(A)(ii) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act (the "CAFTA–DR Act") (19 U.S.C. 4033) provides rules of origin for certain yarns described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act (19 U.S.C. 3203(b)(3)(B)(vi)(IV)) (as in effect on the date of enactment of the CAFTA–DR Act).

25. Presidential Proclamations 8097 of December 29, 2006, and 8240 of April 17, 2008, modified the HTS pursuant to section 1206(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3006(a)) to conform it to amendments in the International Convention on the Harmonized Commodity Description and Coding System (the "Convention"). They contained certain modifications that affected the rules of origin under the Andean Trade Preference Act. Modifications to the HTS are necessary to conform the rules of origin for certain yarns described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act to the Convention. I have determined that additional conforming changes to the HTS are necessary to provide for the intended rules of origin under the CAFTA–DR.

26. Section 604 of the 1974 Act (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other Acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to title V and section 604 of the 1974 Act and section 4 of the USIFTA Act, do proclaim that:

(1) The designation of Croatia as a beneficiary developing country for purposes of the GSP is terminated, effective on January 1, 2011.

(2) In order to reflect this termination in the HTS, general note 4(a) of the HTS is modified by deleting "Croatia" from the list of independent countries, effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2011.

(3) The designation of Equatorial Guinea as a beneficiary developing country for purposes of the GSP is terminated, effective on January 1, 2011.

(4) In order to reflect this termination in the HTS, general note 4(a) of the HTS is modified by deleting "Equatorial Guinea" from the list of independent countries, effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2011. General note 4(b)(i) of the HTS is modified by deleting "Equatorial Guinea" from the list of least-developed beneficiary developing countries, effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2011.

(5) In order to reflect in the HTS the termination of the designation of Cape Verde as a least-developed beneficiary developing country for purposes of the GSP, general note 4(b)(i) of the HTS is modified by deleting "Cape Verde" from the list of least-developed beneficiary developing countries, effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2010.

(6) In order to reflect in the HTS the termination of the designation of Trinidad and Tobago as a beneficiary developing country for purposes of the GSP, general note 4(d) and general note 4(a) to the HTS, and the Rate of Duty 1–Special subcolumn for HTS subheading 7411.21.50, are modified as set forth in Annex I to this proclamation.

(7) In order to reflect in the HTS the redesignation of Maldives as a beneficiary developing country under the GSP, general note 4(a) is modified by adding in alphabetical order "Maldives" to the list of "Independent Countries" and by adding in alphabetical order "Maldives" to the list of "Member Countries of the South Asian Association for Regional Cooperation (SAARC)."

(8) In order to make technical corrections and rectifications necessary to provide the intended rules of origin under the NAFTA, the USSFTA, and the USCFTA, the HTS is modified as set forth in Annex II to this proclamation.

(9) In order to reflect modifications to the HTS made to conform the rules of origin for certain yarns described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act to the Convention, general note 29 of the HTS is modified as set forth in Annex II to this proclamation.

(10) The modifications to the HTS set forth in Annexes I and II to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the respective annex.

(11) In order to implement U.S. tariff commitments under the 2004 Agreement through December 31, 2010, the HTS is modified as provided in Annex III to this proclamation.

(12)(a) The modifications to the HTS made by Annex III to this proclamation shall be effective with respect to goods that are the product of Israel and are entered, or withdrawn from warehouse for consumption, on or after January 1, 2010.

(b) The provisions of subchapter VIII of chapter 99 of the HTS, as modified by Annex III to this proclamation, shall continue in effect through December 31, 2010.

(13) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of December, in the year of our Lord two thousand nine, and of the Independence of the United States of America the two hundred and thirty-fourth.

BARACK OBAMA.

ANNEX I

MODIFICATIONS TO THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Section A: Effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2010, General Note 4(d) to the Harmonized Tariff schedule of the United States (HTS) is modified as follows:

(1). Deleting the following subheading number and the country set out opposite such subheading number:

7411.21.50 Trinidad and Tobago

(2). Deleting the following country set out opposite the following subheading number:

2905.11.20 Trinidad and Tobago

Section B: Effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2010, the HTS is modified as follows:

(1). For the following subheading, the Rates of Duty 1-Special subcolumn is modified by deleting the symbol "A*" and inserting an "A" in lieu therof:

7411.21.50

Section C: Effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 2010, General Note 4(a) to the HTS is modified as follows:

Deleting from the section "Associations of Countries (treated as one country), Member Countries of the Caribbean Common Market (CARICOM), currently qualifying":

Trinidad and Tobago

ANNEX II

TECHNICAL CORRECTIONS TO THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

In order to make technical corrections in the Harmonized Tariff Schedule of the United States (HTS), the following provisions of the HTS are hereby modified as follows:

1. Effective with respect to goods of Mexico or of Canada, under the terms of general note 12 to the HTS, that are entered, or withdrawn from warehouse for consumption, on or after October 2, 2009, subdivision (t) of such note is modified--

(a) by deleting from the subheading rule for chapter 7, chapter 8, chapter 9 (appearing immediately above tariff classification rule (TCR) 17), chapter 13 (appearing immediately above TCR 2) and chapter 20 (appearing immediately above TCR 2) the expression "(f)(I)" and by inserting in lieu thereof "(f)(i)";

(b) by deleting from TCR 44 for chapter 29 the number "2922.21" at each instance and by inserting in lieu thereof "2921.21"; and

(c) by deleting from TCR 44A for chapter 29 the number "2922.29" at each instance and by inserting in lieu thereof "2921.29".

2. Effective with respect to goods of Singapore, under the terms of general note 25 to the HTS, that are entered, or withdrawn from warehouse for consumption, on or after February 7, 2008, the following new TCRs for chapter 62 are inserted in subdivision (o) of such general note:

"72. A change to subheading 6212.10 from any other chapter, except from headings 5208 through 5212, 5407 through 5408, 5512 through 5516, 5803 through 5804, 5806 or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of Singapore or of the United States, or both.

72A. A change to subheading 6212.20 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308, or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802, or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of Singapore or of the United States, or both.

73. A change to subheading 6212.30 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308, or 5310 through 5311, chapter 54, or headings 5508 through 5516, 5801 through 5802, or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of Singapore or of the United States, or both.

73A. A change to subheading 6212.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of Singapore or of the United States, or both."

3. Effective with respect to goods of Chile, under the terms of general note 26 to the HTS, that are entered, or withdrawn from warehouse for consumption, on or after January 1, 2004, TCR 41 for chapter 85 as set forth in subdivision (n) of such general note is modified by deleting "8518.29 or" and by inserting in lieu thereof "8518.29 through" at each instance.

4. Effective with respect to goods of a Party to the Dominican Republic-Central America-United States Free Trade Agreement, as defined in subdivision (a) to general note 29 of the HTS, that are entered, or withdrawn from warehouse for consumption, on or after February 3, 2007, subdivision (d)(i)(B) of such general note 29 is modified by deleting "5402.10.30, 5402.10.60," and by inserting in lieu thereof

"5402.11.30, 5402.11.60, 5402.19.30, 5402.19.60,"; and by deleting "5402.41.10, 5402.41.90," and by inserting in lieu thereof "5402.45.10, 5402.45.90,".

ANNEX III

TO EXTEND TEMPORARILY CERTAIN PROVISIONS OF THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to eligible agricultural products of Israel which are entered, or withdrawn from warehouse for consumption, on or after January 1, 2010 and before the close of December 31, 2010, subchapter VIII of chapter 99 of the Harmonized Tariff Schedule of the United States is hereby modified as follows:

1. U.S. note 1 to such subchapter is modified by deleting "December 31, 2009" and by inserting in lieu thereof "December 31, 2010."

2. U.S. note 3 to such subchapter is modified by adding at the end of the tabulation the following material, in the two columns specified in such note: "Calendar year 2010 466,000."

3. U.S. note 4 to such subchapter is modified by adding at the end of the tabulation the following material, in the two columns specified in such note: "Calendar year 2010 1,304,000."

4. U.S. note 5 to such subchapter is modified by adding at the end of the tabulation the following material, in the two columns specified in such note: "Calendar year 2010 1,534,000."

5. U.S. note 6 to such subchapter is modified by adding at the end of the tabulation the following material, in the two columns specified in such note: "Calendar year 2010 131,000."

6. U.S. note 7 to such subchapter is modified by adding at the end of the tabulation the following material, in the two columns specified in such note: "Calendar year 2010 707,000."

○