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Proclamation 8997—To Modify Duty-Free Treatment Under the Generalized System of Preferences and for Other Purposes

June 27, 2013

By the President of the United States of America

A Proclamation

1. Section 502(b)(2)(G) of the Trade Act of 1974, as amended (the "1974 Act") (19 U.S.C. 2462(b)(2)(G)), provides that the President shall not designate any country a beneficiary developing country under the Generalized System of Preferences (GSP) if such country has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country (including any designated zone in that country). Section 502(d)(2) of the 1974 Act (19 U.S.C. 2462(d)(2)) provides that, after complying with the requirements of section 502(f)(2) of the 1974 Act (19 U.S.C. 2462(f)(2)), the President shall withdraw or suspend the designation of any country as a beneficiary developing country if, after such designation, the President determines that as the result of changed circumstances such country would be barred from designation as a beneficiary developing country under section 502(b)(2) of the 1974 Act. Section 502(f)(2) of the 1974 Act requires the President to notify the Congress and the country concerned at least 60 days before terminating its designation as a beneficiary developing country for purposes of the GSP.

2. Having considered the factors set forth in section 502(b)(2)(G) and providing the notification called for in section 502(f)(2), I have determined pursuant to section 502(d) of the 1974 Act, that it is appropriate to suspend Bangladesh's designation as a GSP beneficiary developing country because it has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country. In order to reflect the suspension of Bangladesh's status as a beneficiary developing country under the GSP, I have determined that it is appropriate to modify general notes 4(a) and 4(b)(i) of the Harmonized Tariff Schedule of the United States (HTS).

3. Section 503(c)(2)(A) of the 1974 Act provides that beneficiary developing countries, except those designated as least-developed beneficiary developing countries or beneficiary sub-Saharan African countries as provided in section 503(c)(2)(D) of the 1974 Act (19 U.S.C. 2463(c)(2)(D)), are subject to competitive need limitations on the preferential treatment afforded under the GSP to eligible articles.

4. Pursuant to section 503(c)(2)(A) of the 1974 Act, I have determined that in 2012 certain beneficiary developing countries exported eligible articles in quantities exceeding the applicable competitive need limitations, and I therefore terminate the duty-free treatment for such articles from such beneficiary developing countries.

5. Section 503(c)(2)(F)(i) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(i)) provides that the President may disregard the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)(i)(II)) with respect to any eligible article from any beneficiary developing country, if the aggregate appraised value of the imports of such article into the United States during the preceding calendar year does not exceed an amount set forth in section 503(c)(2)(F)(ii) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(ii)).

6. Pursuant to section 503(c)(2)(F)(i) of the 1974 Act, I have determined that the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act should be disregarded with respect to certain eligible articles from certain beneficiary developing countries.

7. Section 503(d)(1) of the 1974 Act (19 U.S.C. 2463(d)(1)) provides that the President may waive the application of the competitive need limitations in section 503(c)(2) of the 1974 Act with respect to any eligible article from any beneficiary developing country if certain conditions are met.

8. Pursuant to section 503(d)(1) of the 1974 Act, I have received the advice of the United States International Trade Commission on whether any industry in the United States is likely to be adversely affected by waivers of the competitive need limitations provided in section 503(c)(2), and I have determined, based on that advice and on the considerations described in sections 501 and 502(c) of the 1974 Act (19 U.S.C. 2462(c)) and after giving great weight to the considerations in section 503(d)(2) of the 1974 Act (19 U.S.C. 2463(d)(2)), that such waivers are in the national economic interest of the United States. Accordingly, I have determined that the competitive need limitations of section 503(c)(2) of the 1974 Act should be waived with respect to certain eligible articles from certain beneficiary developing countries.

9. Section 503(d)(4)(B)(ii) of the 1974 Act (19 U.S.C. 2463(d)(4)(B)(ii)) provides that the President should revoke any waiver of the application of the competitive need limitations that has been in effect with respect to an article for 5 years or more if the beneficiary developing country has exported to the United States during the preceding calendar year an amount that exceeds the quantity set forth in section 503(d)(4)(B)(ii)(I) or section 503(d)(4)(B)(ii)(II) of the 1974 Act (19 U.S.C. 2463(d)(4)(B)(ii)(I) and 19 U.S.C. 2463(d)(4)(B)(ii)(II)).

10. Pursuant to section 503(d)(4)(B)(ii) of the 1974 Act, I have determined that in 2012 certain beneficiary developing countries exported eligible articles for which a waiver has been in effect for 5 years or more in quantities exceeding the applicable limitation set forth in section 503(d)(4)(B)(ii)(I) or section 503(d)(4)(B)(ii)(II) of the 1974 Act, and I therefore revoke said waivers.

11. 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 removal, modification, continuance, or imposition of any rate of duty or other import restriction.

12. Presidential Proclamation 6763 of December 23, 1994, implemented the trade agreements resulting from the Uruguay Round of multilateral negotiations, including Schedule XX—United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 (Schedule XX). In order to maintain the intended tariff treatment for certain products covered in Schedule XX, I have determined that technical corrections to the HTS are necessary.

13. Presidential Proclamation 7011 of June 30, 1997, implemented modifications of the World Trade Organization Ministerial Declaration on Trade in Information Technology Products (the "ITA") for the United States. Products included in Attachment B to the ITA are entitled to duty-free treatment wherever classified. Presidential Proclamation 8840 of June 29, 2012, implemented certain technical corrections are necessary to the HTS in order to maintain the intended tariff treatment for certain products covered in Attachment B. I have determined

that certain additional technical corrections are necessary to conform the HTS to the changes made by Presidential Proclamation 8840.

14. Presidential Proclamation 8818 of May 14, 2012, implemented U.S. tariff commitments under the United States-Colombia Trade Promotion Agreement and incorporated by reference Publication 4320 of the United States International Trade Commission, entitled "Modifications to the Harmonized Tariff Schedule of the United States to Implement the United States-Colombia Trade Promotion Agreement." Presidential Proclamation 8894 of October 29, 2012, made modifications to the HTS to correct technical errors and omissions in Annexes I and II to Publication 4320. I have determined that a modification is necessary to correct an additional omission.

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, do proclaim that:

(1) The designation of Bangladesh as a beneficiary developing country under the GSP is suspended on the date that is 60 days after the date this proclamation is published in the *Federal Register*.

(2) In order to reflect the suspension of benefits under the GSP with respect to Bangladesh, general notes 4(a) and 4(b)(i) of the HTS are modified as set forth in section A of Annex I to this proclamation by deleting "Bangladesh" from the list of independent countries and least developed countries, effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 60 days after the date this proclamation is published in the *Federal Register*.

(3) In order to provide that one or more countries should no longer be treated as beneficiary developing countries with respect to one or more eligible articles for purposes of the GSP, the Rates of Duty 1—Special subcolumn for the corresponding HTS subheadings and general note 4(d) of the HTS are modified as set forth in sections B and C of Annex I to this proclamation.

(4) The modifications to the HTS set forth in sections B and C of Annex I to this proclamation shall be effective with respect to the articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the relevant sections of Annex I.

(5) The competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act is disregarded with respect to the eligible articles in the HTS subheadings and to the beneficiary developing countries listed in Annex II to this proclamation.

(6) A waiver of the application of section 503(c)(2) of the 1974 Act shall apply to the articles in the HTS subheadings and to the beneficiary developing countries set forth in Annex III to this proclamation.

(7) In order to provide the intended tariff treatment to certain products as set out in Schedule XX, the HTS is modified as set forth in section A of Annex IV to this proclamation.

(8) In order to conform the HTS to certain technical corrections made to provide the intended tariff treatment to certain products as set out in the ITA, the HTS is modified as set forth in section B of Annex IV to this proclamation.

(9) In order to provide the intended tariff treatment to certain goods from Colombia, the HTS is modified as set forth in section C of Annex IV to this proclamation.

(10) The modifications to the HTS set forth in Annex IV to this proclamation shall be effective with respect to the articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the relevant sections of Annex IV.

(11) 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-seventh day of June, in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty-seventh.

BARACK OBAMA

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NOTE: This proclamation and its attached annexes were published in the *Federal Register* on July 2.

Categories: Proclamations : Trade :: Generalized System of Preferences, modifications of duty-free treatment.

Subjects: Commerce, international : Generalized System of Preferences (GSP).

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