

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

**Generalized System of Preferences
(GSP): Initiation of a Review To
Consider the Designation of Iraq as a
Beneficiary Developing Country Under
the GSP**

AGENCY: Office of the United States Trade Representative.

ACTION: Notice and solicitation of public comment with respect to the eligibility of Iraq for the GSP program.

SUMMARY: This notice announces the initiation of a review to consider the designation of Iraq as a beneficiary developing country under the GSP program and solicits public comment relating to the designation criteria. Comments are due August 2, 2004 in accordance with the requirements for submissions, explained below.

ADDRESSES FOR SUBMISSIONS: Submit comments by electronic mail (e-mail) to: *FR0440@ustr.gov*. For assistance or if unable to submit comments by e-mail, contact the GSP Subcommittee, Office of the United States Trade Representative; USTR Annex, Room F-220; 1724 F Street, NW.; Washington, DC 20508 (Tel. 202-395-6971).

FOR FURTHER INFORMATION CONTACT: Contact the GSP Subcommittee, Office of the United States Trade Representative; USTR Annex, Room F-220; 1724 F Street, NW.; Washington, DC 20508 (Tel. 202-395-6971).

SUPPLEMENTARY INFORMATION: The GSP Subcommittee of the Trade Policy Staff Committee (TPSC) has initiated a review in order to make a recommendation to the President as to whether Iraq meets the eligibility criteria of the GSP statute, as set out below. After considering the eligibility criteria, the President is authorized to designate Iraq as a beneficiary developing country for purposes of the GSP.

Interested parties are invited to submit comments regarding the eligibility of Iraq for designation as a GSP beneficiary developing country. Documents not submitted in accordance with the below instructions might not be considered in this review. If unable to provide submissions by e-mail, please contact the GSP Subcommittee to arrange for an alternative method of transmission.

Eligibility Criteria

The trade benefits of the GSP are available to any country that the President designates as a GSP "beneficiary developing country." In designating countries as GSP beneficiary developing countries, the President

must consider the criteria in sections 502(b)(2) and 502(c) of the Trade Act of 1974, as amended (19 U.S.C. 2462(b)(2), 2462(c)) ("the Act"). Section 502(b)(2) provides that a country is ineligible for designation if:

1. Such country is a Communist country, unless—

(a) The products of such country receive nondiscriminatory treatment, (b) Such country is a WTO Member (as such term is defined in section 2(10) of the Uruguay Round Agreements Act) (19 U.S.C. 3501(10)) and a member of the International Monetary Fund, and (c) Such country is not dominated or controlled by international communism.

2. Such country is a party to an arrangement of countries and participates in any action pursuant to such arrangement, the effect of which is—

(a) To withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level, and (b) To cause serious disruption of the world economy.

3. Such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce.

4. Such country—

(a) Has nationalized, expropriated, or otherwise seized ownership or control of property, including patents, trademarks, or copyrights, owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, (b) Has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property, including patents, trademarks, or copyrights, so owned, or (c) Has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property, including patents, trademarks, or copyrights, so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property, unless the President determines that—

(i) Prompt, adequate, and effective compensation has been or is being made to the citizen, corporation, partnership, or association referred to above, (ii) Good faith negotiations to provide prompt, adequate, and effective

compensation under the applicable provisions of international law are in progress, or the country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or (iii) A dispute involving such citizen, corporation, partnership, or association over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and the President promptly furnishes a copy of such determination to the Senate and House of Representatives.

5. Such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute.

6. Such country aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism or the Secretary of State makes a determination with respect to such country under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. Appx. section 2405(j)(1)(A)) or such country has not taken steps to support the efforts of the United States to combat terrorism.

7. 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).

8. Such country has not implemented its commitments to eliminate the worst forms of child labor.

Section 502(c) provides that, in determining whether to designate any country as a GSP beneficiary developing country, the President shall take into account:

1. An expression by such country of its desire to be so designated;

2. The level of economic development of such country, including its per capita gross national product, the living standards of its inhabitants, and any other economic factors which the President deems appropriate;

3. Whether or not other major developed countries are extending generalized preferential tariff treatment to such country;

4. The extent to which such country has assured the United States that it will provide equitable and reasonable access to the markets and basic commodity

resources of such country and the extent to which such country has assured the United States that it will refrain from engaging in unreasonable export practices;

5. The extent to which such country is providing adequate and effective protection of intellectual property rights;

6. The extent to which such country has taken action to—

(a) Reduce trade distorting investment practices and policies (including export performance requirements); and (b) Reduce or eliminate barriers to trade in services; and

7. Whether or not such country has taken or is taking steps to afford to workers in that country (including any designated zone in that country) internationally recognized worker rights. Note that the Trade Act of 2002 amended paragraph (D) of the definition of the term “internationally recognized worker rights,” which now includes: (A) The right of association; (B) the right to organize and bargain collectively; (C) a prohibition on the use of any form of forced or compulsory labor; (D) a minimum age for the employment of children and a prohibition on the worst forms of child labor as defined in paragraph (6) of section 507(4) of the Act; and (E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Requirements for Submissions

Comments must be submitted, in English, to the Chairman of the GSP Subcommittee, Trade Policy Staff Committee. Comments must be received no later than 5 p.m., August 2, 2004.

Information and comments submitted will be subject to public inspection by appointment with the staff of the USTR Public Reading Room, except for information granted “business confidential” status pursuant to 15 CFR 2003.6. If the submission contains business confidential information, a non-confidential version of the submission must also be submitted that indicates where confidential information was redacted by inserting asterisks where material was deleted. In addition, the confidential submission must be clearly marked “BUSINESS CONFIDENTIAL” at the top and bottom of each and every page of the document.

The public version that does not contain business confidential information must also be clearly marked at the top and bottom of each and every page (either “PUBLIC VERSION” or “NONCONFIDENTIAL”). Documents that are submitted without any marking

might not be accepted or will be considered public documents.

In order to facilitate prompt consideration of submissions, USTR strongly urges and prefers electronic mail (e-mail) submissions in response to this notice. Hand delivered submissions will not be accepted. These submissions should be single copy transmissions in English with the total submission, including attachments, not to exceed 50 single-spaced, standard letter-size pages and 3 megabytes as a digital file attached to an e-mail transmission. Persons making submissions by e-mail should use the following subject line: “Iraq GSP Eligibility Review.” Documents must be submitted, in English, as either WordPerfect (“.WPD”), MSWord (“.DOC”), or text (“.TXT”) files.

Documents shall not be submitted as electronic image files or contain large imbedded images (for example, “.JPG”, “.PDF”, “.BMP”, “.TIF”, or “.GIF”), as these types of files are generally excessively large. Supporting documentation submitted as spreadsheets are acceptable as Quattro Pro or Excel, preformatted for printing on 8½ × 11 inch paper. To the extent possible, any data attachments to the submission should be included in the same file as the submission itself, and not as separate files.

For any document containing business confidential information submitted as an electronic attached file to an e-mail transmission, the file name of the business confidential version should begin with the characters “BC-”, and the file name of the public version should begin with the characters “P-”. The “P-” or “BC-” should be followed by the name of the submitter.

Persons who make submissions by e-mail should not provide separate cover letters or messages in the message area of the e-mail; information that might appear in any cover letter should be included directly in the attached file containing the submission itself. The name and organization of the submitter, address, telephone and e-mail address, should also be included in the submission itself.

Public versions of all documents relating to this review will be available for review shortly after the due date by appointment in the USTR public reading room, 1724 F Street, NW., Washington, DC. Appointments may be made from 9:30 a.m. to noon and 1 p.m.

to 4 p.m., Monday through Friday by calling (202) 395-6186.

Steven Falken,

Executive Director GSP, Chairman, GSP Subcommittee.

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DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

June 22, 2004.

The Department of the Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 11000, 1750 Pennsylvania Avenue, NW., Washington, DC 20220.

DATES: Written comments should be received on or before August 2, 2004 to be assured of consideration.

Internal Revenue Service (IRS)

OMB Number: 1545-1622.

Form Number: IRS Form 8866.

Type of Review: Revision.

Title: Interest Computation under the Look-Back Method for Property Depreciated Under the Income Forecast Method.

Description: Taxpayers depreciating property under the income forecast method and placed in service after September 13, 1995, must use Form 8866 to compute and report interest due or to be refunded under Internal Revenue Code (IRC) 167(g)(2). The IRS uses Form 8866 to determine if the interest has been figured correctly.

Respondents: Individuals or households, Business or other for-profit.

Estimated Number of Respondents/Recordkeepers: 5,000.

Estimated Burden Hours Respondent/Recordkeeper:

Recordkeeping—10 hrs., 45 min.
Learning about the law or the form—1 hr., 12 min.

Preparing, copying, assembling, and sending the form to the IRS—1 hr., 25 min.

Frequency of Response: Annually.

Estimated Total Reporting/Recordkeeping Burden: 66,850 hours.