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Proclamation 8097—To Modify the Harmonized Tariff Schedule of the United States, To Adjust Rules of Origin Under the United States-Australia Free Trade Agreement and for Other Purposes

December 29, 2006

By the President of the United States of America

A Proclamation

1. Section 1205(a) of the Omnibus Trade and Competitiveness Act of 1988 (the "1988 Act") (19 U.S.C. 3005(a)) directs the United States International Trade Commission (the "Commission") to keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and periodically to recommend to the President such modifications to the HTS as the Commission considers necessary or appropriate to accomplish the purposes set forth in that subsection. The Commission has recommended modifications to the HTS pursuant to sections 1205(c) and (d) of the 1988 Act (19 U.S.C. 3005(c) and (d)) to conform the HTS to amendments made to the International Convention on the Harmonized Commodity Description and Coding System (the "Convention").

2. Section 1206(a) of the 1988 Act (19 U.S.C. 3006(a)) authorizes the President to proclaim modifications to the HTS based on the recommendations of the Commission under section 1205 of the 1988 Act, if he determines that the modifications are in conformity with United States obligations under the Convention and do not run counter to the national economic interest of the United States. I have determined that the modifications to the HTS proclaimed in this proclamation pursuant to section 1206(a) of the 1988 Act (19 U.S.C. 3006(a)) are in conformity with United States obligations under the Convention and do not run counter to the national economic interest of the United States.

3. Presidential Proclamation 6641 of December 15, 1993, implemented the North American Free Trade Agreement (the "NAFTA") with respect to the United States and, pursuant to section 201 of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3331), the staged reductions in rates of duty that the President determined to be necessary or appropriate to carry out articles 302, 305, 307, 308, and 703 and Annexes 302.2, 307.1, 308.1, 308.2, 300–B, 703.2, and 703.3 of the NAFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods of Mexico under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

4. Presidential Proclamation 6763 of December 23, 1994, implemented with respect to the United States the trade agreements resulting from the Uruguay Round of multilateral trade negotiations, including Schedule XX-United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 (Schedule XX), that were entered into pursuant to sections 1102(a) and (e) of the 1988 Act (19 U.S.C. 2902(a) and (e)) and approved in section 101(a) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3511(a)).

5. Pursuant to the authority provided in section 111 of the URAA (19 U.S.C. 3521) and sections 1102(a) and (e) of the 1988 Act, Proclamation 6763 included the staged reductions in rates of duty that the President determined to be necessary or appropriate to carry out the provisions of Schedule XX. In order to ensure the continuation of such rates of duty for imported goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed, including certain technical or conforming changes within the tariff schedule.

6. Presidential Proclamation 7351 of October 2, 2000, implemented section 211 of the United States-Caribbean Basin Trade Partnership Act (CBTPA) (title II of Public Law 106–200, 114 Stat. 286) in order to provide certain preferential tariff treatment to eligible articles that are the product of any country that the President designates as a "CBTPA beneficiary country" and that the

President determines to have satisfied the requirements of section 213(b)(4)(A)(ii) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(b)(4)(A)(ii)). Section 213(b)(3) of the CBERA (19 U.S.C. 2703(b)(3)) provides that the tariff treatment accorded at any time under the CBTPA to any article referred to in section 213(b)(1)(B) through (F) of the CBERA (19 U.S.C. 2703(b)(1)(B) through (F)) that is a CBTPA originating good shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

7. Pursuant to section 213(b) of the CBERA, Proclamation 7351 included the staged reductions in rates of duty that the President determined to be necessary or appropriate to provide such identical tariff treatment to CBTPA originating goods. In order to ensure the continuation of the rates of duty for imported goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

8. Presidential Proclamation 7512 of December 7, 2001, implemented the Agreement Between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area (JFTA), with respect to the United States and, pursuant to section 101 of the United States-Jordan Free Trade Area Implementation Act (the "JFTA Act") (19 U.S.C. 2112 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out the concessions set forth in Annex 2.1 to the JFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

9. Presidential Proclamation 7747 of December 30, 2003, implemented the United States-Singapore Free Trade Agreement (USSFTA) with respect to the United States and, pursuant to section 201 of the United States-Singapore Free Trade Agreement Implementation Act (the "USSFTA Act") (19 U.S.C. 3805 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply articles 2.2, 2.5, 2.6, and 2.12 of the USSFTA and the schedule of reductions with respect to the Republic of Singapore set forth in Annex 2B of the USSFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

10. Presidential Proclamation 7746 of December 30, 2003, implemented the United States-Chile Free Trade Agreement (USCFTA) with respect to the United States and, pursuant to section 201 of the United States-Chile Free Trade Agreement Implementation Act (the "CFTA Act") (19 U.S.C. 3805 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply articles 3.3 (including the schedule of United States duty reductions with respect to originating goods set forth in Annex 3.3 to the USCFTA), 3.7, 3.9, and 3.20(8), (9), (10), and (11) of the USCFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

11. Presidential Proclamation 7857 of December 20, 2004, implemented the United States-Australia Free Trade Agreement (USAFTA) with respect to the United States and, pursuant to section 201 of the United States-Australia Free Trade Agreement Implementation Act (the "USAFTA Act") (19 U.S.C. 3805 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply

articles 2.3, 2.5, and 2.6 of the USAFTA and the schedule of reductions with respect to Australia set forth in Annex 2B of the USAFTA.

12. Because the substance of the changes to the Convention will be reflected in slightly differing form in the national tariff schedules of the parties to the USAFTA, the rules of origin set out in Annexes 4A and 5A of that Agreement must be changed to ensure that the tariff and certain other treatment accorded under the USAFTA to originating goods will continue to be provided under the tariff categories that are being modified to reflect the amendments to the Convention. The USAFTA parties have agreed to make these changes.

13. Section 203 of the USAFTA Act provides certain rules for determining whether a good is an originating good for the purposes of implementing tariff treatment under the USAFTA. Section 203(o) of the USAFTA Act authorizes the President to proclaim the rules of origin set out in the USAFTA and any subordinate tariff categories necessary to carry out the USAFTA.

14. I have determined that the modifications to the HTS proclaimed in this proclamation pursuant to sections 201 and 203 of the USAFTA Act are necessary or appropriate to ensure that the tariff and certain other treatment accorded under the USAFTA will continue to be given to originating goods under tariff categories that are being modified to reflect the amendments to the Convention and to carry out the duty reductions previously proclaimed.

15. Presidential Proclamation 7971 of December 22, 2005, implemented the United States-Morocco Free Trade Agreement (USMFTA) with respect to the United States and, pursuant to section 201 of the United States-Morocco Free Trade Agreement Implementation Act (the "USMFTA Act") (19 U.S.C. 3805 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 4.1, 4.3.9, 4.3.10, 4.3.11, 4.3.13, 4.3.14, and 4.3.15 of the USMFTA and the schedule of reductions with respect to Morocco set forth in Annex IV of the USMFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

16. Presidential Proclamations 7987 of February 28, 2006, 7991 of March 24, 2006, 7996 of March 31, 2006, and 8034 of June 30, 2006, implemented the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA–DR Agreement) with respect to the United States and, pursuant to section 201 of the Dominican Republic-Central America-United States Implementation Act (the "CAFTA–DR Act") (19 U.S.C. 4031), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply articles 3.3, 3.5, 3.6, 3.21, 3.26, 3.27, and 3.28, and Annexes 3.3 (including the schedule of the United States duty reductions with respect to originating goods), 3.27, and 3.28. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

17. Presidential Proclamation 8039 of July 27, 2006, implemented the United States-Bahrain Free Trade Agreement (USBFTA) with respect to the United States and, pursuant to section 201 of the United States-Bahrain Free Trade Agreement Implementation Act (the "USBFTA Act") (19 U.S.C. 3805 note), the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 3.2.8, and 3.2.9, and the schedule of reductions with respect to Bahrain set forth in Annex 2–B of the USBFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

18. Section 604 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the 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. Section 1206(c) of the 1988 Act, as amended (19 U.S.C. 3006(c)), provides that any modifications proclaimed by the President under section 1206(a) of that Act may not take effect before the thirtieth day after the date on which the text of the proclamation is published in the *Federal Register*.

Now, Therefore, I, George W. Bush, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 1102 and 1206 of the 1988 Act, section 214 of the CBERA, section 201 of the NAFTA Implementation Act, section 111 of the URAA, section 101 of the JFTA Act, section 201 of the USSFTA Act, section 201 of the USCFTA Act, sections 201 and 203 of the USAFTA Act, section 201 of the USMFTA Act, section 201 of the CAFTA–DR Act, section 201 of the USBFTA Act, and section 604 of the Trade Act do proclaim that:

(1) In order to modify the HTS to conform it to the Convention or any amendment thereto recommended for adoption, to promote the uniform application of the Convention, to establish additional subordinate tariff categories, and to make technical and conforming changes to existing provisions, the HTS is modified as set forth in Annex I of Publication 3898 of the United States International Trade Commission, entitled, "*Modifications to the Harmonized Tariff Schedule of the United States Under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988,*" which is incorporated by reference into this proclamation.

(2) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Mexico under the NAFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section F of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section F of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(3) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for goods under the terms of general note 17 to the HTS that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section H of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section H of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(4) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Jordan under the JFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section D of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section D of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(5) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Singapore under USSFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in sections J of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section J of Annex

II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(6) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Chile under USCFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in sections C, K, and L of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in sections C, K, and L of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(7) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Australia under USAFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section A of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section A of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(8) In order to modify the rules of origin under the USAFTA to reflect the modifications to the HTS being made to conform it to the Convention and to make certain conforming changes, general note 28 to the HTS is further modified as provided in Annex III to Publication 3898.

(9) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Morocco under USMFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section E of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section E of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(10) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods under general note 29 to the HTS that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section G of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section G of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(11) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1–Special subcolumn for originating goods of Bahrain under USBFTA that are classifiable in the provisions modified by Annex I of Publication 3898 and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section B of Annex II of Publication 3898, the rate of duty in the HTS set forth in the Rates of Duty 1–Special subcolumn for each of the HTS subheadings enumerated in section B of Annex II shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(12) 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.

(13)(a) The modifications and technical rectifications to the HTS set forth in Annexes I and III to Publication 3898 shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the later of (i) February 1, 2007, or (ii) the thirtieth day after the date of publication of this proclamation in the *Federal Register*.

(b) The modifications to the HTS set forth in Annex II to Publication 3898 shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the respective dates specified in each section of such Annex for the goods described therein.

In Witness Whereof, I have hereunto set my hand this twenty-ninth day of December, in the year of our Lord two thousand six, and of the Independence of the United States of America the two hundred and thirty-first.

George W. Bush

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NOTE: This proclamation will be published in the *Federal Register* on January 4, 2007.

Proclamation 8098—To Take Certain Actions Under the African Growth and Opportunity Act and the Generalized System of Preferences

December 29, 2006

By the President of the United States of America

A Proclamation

1. Section 506A(a)(1) of the Trade Act of 1974, as amended (the "1974 Act")(19 U.S.C. 2466a(a)(1)), as added by section 111(a) of the African Growth and Opportunity Act (title I of Public Law 106–200)(AGOA), authorizes the President to designate a country listed in section 107 of the AGOA (19 U.S.C. 3706) as a "beneficiary sub-Saharan African country" if the President determines that the country meets the eligibility requirements set forth in section 104 of the AGOA (19 U.S.C. 3703), as well as the eligibility criteria set forth in section 502 of the 1974 Act (19 U.S.C. 2462).

2. Section 104 of the AGOA authorizes the President to designate a country listed in section 107 of the AGOA as an "eligible sub-Saharan African country" if the President determines that the country meets certain eligibility requirements.

3. Section 112(b)(3)(B) of the AGOA (19 U.S.C. 3721(b)(3)(B)) provides special rules for certain apparel articles imported from "lesser developed beneficiary sub-Saharan African countries."

4. Pursuant to section 104 of the AGOA and section 506A(a)(1) of the 1974 Act, I have determined that the Republic of Liberia (Liberia) meets the eligibility requirements set forth or referenced therein, and I have decided to designate Liberia as an eligible sub-Saharan African country and as a beneficiary sub-Saharan African country.

5. I further determine that Liberia satisfies the criterion for treatment as a "lesser developed beneficiary sub-Saharan African country" under section 112(b)(3)(B) of the AGOA.

6. Pursuant to sections 501 and 502(a) of the 1974 Act (19 U.S.C. 2461, 2462(a)), the President is authorized to designate countries as beneficiary developing countries and to designate any beneficiary developing country as a least-developed beneficiary developing country, for purposes of the Generalized System of Preferences (GSP) program.

7. Section 502(b)(1)(C) of the 1974 Act (19 U.S.C. 2462(b)(1)(C)) specifies that European Union Member States may not be designated as beneficiary developing countries for purposes of the GSP.

8. Section 507(2) of the 1974 Act (19 U.S.C. 2467(2)) provides that in the case of an association of countries that is a free trade area or customs union, or that is contributing to a comprehensive regional economic integration among its members through appropriate means, the President may provide that members of such an association other than members that are barred from designation under section 502(b) of the 1974 Act (19 U.S.C. 2462(b)) shall be treated as one country for purposes of the GSP.

9. Pursuant to section 502 of the 1974 Act, and taking into account the factors set forth in section 502(c)(19 U.S.C. 2462(c)), I have determined that East Timor should be designated as a beneficiary developing country under the GSP.

10. Pursuant to section 502 of the 1974 Act, and having considered the factors set forth in sections 501 and 502(c), I have also determined that East Timor should be designated as a least-developed beneficiary developing country for purposes of the GSP.

11. In accordance with section 502(b)(1)(C) of the 1974 Act, I have determined that Bulgaria and Romania may no longer be designated as beneficiary developing countries for purposes of the GSP, effective for each of these countries when it becomes a European Union Member State.