

113TH CONGRESS
1ST SESSION

S. 1839

To make certain luggage and travel articles eligible for duty-free treatment under the Generalized System of Preferences, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 17, 2013

Mr. BEGICH (for himself and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To make certain luggage and travel articles eligible for duty-free treatment under the Generalized System of Preferences, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “GSP Update for Pro-
5 duction Diversification and Trade Enhancement Act” or
6 “GSP UPDATE Act”.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

9 (1) The Generalized System of Preferences
10 under title V of the Trade Act of 1974 (19 U.S.C.

1 2461 et seq.) was enacted to promote economic de-
2 velopment in developing and least-developed coun-
3 tries.

4 (2) Many articles referred to as luggage or
5 travel articles and classified under chapter 42 of the
6 Harmonized Tariff Schedule of the United States
7 may not be designated as eligible articles for pur-
8 poses of the Generalized System of Preferences.

9 (3) Global trade and manufacturing dynamics
10 have changed since the enactment of the Generalized
11 System of Preferences in 1974, and many luggage
12 and travel articles may no longer be import-sensitive
13 to industries in the United States.

14 (4) By removing certain luggage and travel ar-
15 ticles from the list of articles excluded from eligi-
16 bility under the Generalized System of Preferences,
17 Congress is not changing rates in the Harmonized
18 Tariff Schedule of the United States, but instead is
19 allowing those articles access to the annual review
20 process under the Generalized System of Pref-
21 erences, which relies on investigations and rec-
22 ommendations from the independent United States
23 International Trade Commission, among other agen-
24 cies of the United States Government.

1 (5) As of February 2012, 73 of the 132 coun-
2 tries designated as beneficiary developing countries
3 under the Generalized System of Preferences export
4 articles classified under heading 4202 of the Har-
5 monized Tariff Schedule of the United States to the
6 United States. Twenty of those countries have been
7 designated as least-developed beneficiary developing
8 countries for purposes of the Generalized System of
9 Preferences.

10 (6) As of February 2012, the People's Republic
11 of China has a nearly 80 percent share of the mar-
12 ket for certain luggage and travel articles being im-
13 ported into the United States. This dominance
14 leaves little room for competition from smaller devel-
15 oping countries. For example, countries designated
16 as beneficiary developing countries under the Gener-
17 alized System of Preferences account for only 5 per-
18 cent of imports of those articles into the United
19 States.

20 (7) The provision of duty-free treatment under
21 the Generalized System of Preferences for certain
22 luggage and travel articles imported into the United
23 States may result in a shift in the production of
24 those articles from China to countries designated as
25 beneficiary developing countries or least-developed

1 beneficiary developing countries under the General-
 2 ized System of Preferences.

3 **SEC. 3. ELIGIBILITY OF CERTAIN LUGGAGE AND TRAVEL**
 4 **ARTICLES FOR DUTY-FREE TREATMENT**
 5 **UNDER THE GENERALIZED SYSTEM OF PREF-**
 6 **ERENCES.**

7 Section 503(b) of the Trade Act of 1974 (19 U.S.C.
 8 2463(b)) is amended—

9 (1) in paragraph (1)—

10 (A) in subparagraph (A), by striking
 11 “paragraph (4)” and inserting “paragraphs (4)
 12 and (5)”; and

13 (B) in subparagraph (E), by striking
 14 “Footwear” and inserting “Except as provided
 15 in paragraph (5), footwear”; and

16 (2) by adding at the end the following:

17 “(5) CERTAIN LUGGAGE AND TRAVEL ARTI-
 18 CLES.—Notwithstanding subparagraph (A) or (E) of
 19 paragraph (1), the President may designate the fol-
 20 lowing as eligible articles under subsection (a):

21 “(A) Articles classifiable under subheading
 22 4202.11.00, 4202.12.40, 4202.21.60,
 23 4202.21.90, 4202.22.15, 4202.22.45,
 24 4202.31.60, 4202.32.40, 4202.32.80,
 25 4202.92.15, 4202.92.20, 4202.92.45, or

1 4202.99.90 of the Harmonized Tariff Schedule
2 of the United States.

3 “(B) Articles classifiable under statistical
4 reporting number 4202.12.2020, 4202.12.2050,
5 4202.12.8030, 4202.12.8070, 4202.22.8050,
6 4202.32.9550, 4202.32.9560, 4202.91.0030,
7 4202.91.0090, 4202.92.3020, 4202.92.3031,
8 4202.92.3091, 4202.92.9026, or 4202.92.9060
9 of the Harmonized Tariff Schedule of the
10 United States.”.

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