

114TH CONGRESS
1ST SESSION

S. 340

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

FEBRUARY 3, 2015

Mr. BLUNT (for himself, Mrs. SHAHEEN, Mr. PORTMAN, Ms. AYOTTE, and Mr. MERKLEY) 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:

1 (1) The Generalized System of Preferences
2 under title V of the Trade Act of 1974 (19 U.S.C.
3 2461 et seq.) was enacted to promote economic de-
4 velopment in developing and least-developed coun-
5 tries.

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

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

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

1 International Trade Commission, among other agen-
2 cies of the United States Government.

3 (5) As of 2013, 61 of the 122 countries des-
4 igned as beneficiary developing countries under the
5 Generalized System of Preferences export articles
6 classified under heading 4202 of the Harmonized
7 Tariff Schedule of the United States to the United
8 States. Sixteen of those countries have been des-
9 igned as least-developed beneficiary developing
10 countries for purposes of the Generalized System of
11 Preferences.

12 (6) As of 2013, the People's Republic of China
13 has a nearly 70 percent share of the market for cer-
14 tain luggage and travel articles being imported into
15 the United States. This dominance leaves little room
16 for competition from smaller developing countries.
17 For example, countries designated as beneficiary de-
18 veloping countries under the Generalized System of
19 Preferences account for only 5 percent of imports of
20 those articles into the United States.

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

1 beneficiary developing countries or least-developed
 2 beneficiary developing countries under the General-
 3 ized System of Preferences.

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

8 Section 503(b) of the Trade Act of 1974 (19 U.S.C.
 9 2463(b)) is amended—

10 (1) in paragraph (1)—

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

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

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

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

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

1 4202.92.15, 4202.92.20, 4202.92.45, or
2 4202.99.90 of the Harmonized Tariff Schedule
3 of the United States.

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

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