

## INTERNATIONAL TRADE ALERT

### GSP UPDATE: OPPORTUNITY TO COMMENT ON PETITIONS TO WAIVE COMPETITIVE NEED LIMITATIONS FOR 2008

#### USTR ANNOUNCES LIST OF ACCEPTED PETITIONS FOR COMPETITIVE NEED LIMITATIONS IN 2008 GSP ANNUAL REVIEW AND SCHEDULE FOR INTERESTED PARTIES TO SUBMIT COMMENTS

On January 21, 2009, the Office of the United States Trade Representative (USTR) issued a notice in the *Federal Register* announcing the list of accepted petitions requesting the waiver of competitive need limitations (CNLs) in the Generalized System of Preferences (GSP) 2008 annual review, as well as a schedule for the submission of comments on those petitions. [See 74 Fed. Reg. 3,657 (Jan. 21, 2009)]. Of the nearly 20 petitions for CNL waivers submitted in the 2008 annual review, USTR will review only the petitions covering the following six product/country pairings, which exceeded applicable CNLs for 2008:

Product	Country
Amino-naphthols and amino-phenol, their ethers, esters, except those with more than one kind of oxygen function; and salts thereof, NESOI (HTSUS 2922.41.00)	Brazil
Polyethylene terephthalate in primary forms (PET resin) (HTSUS 3907.60.00)	Indonesia
Full grain unsplit bovine (not buffalo) & equine leather, not whole, w/o hair on, NESOI (HTSUS 4107.91.80)	Argentina
Ferrochromium containing by weight more than 4 percent of carbon (HTSUS 7202.41.00)	India
Calcium silicon ferroalloys (HTSUS 7202.99.20)	Argentina
Copper, stranded wire, not electrically insulated, not fitted with fittings and note made up into articles (HTSUS 7413.00.10).	Turkey

Unless the president grants waivers of the applicable 2008 CNLs for these product/country pairings, USTR will instruct U.S. Customs and Border Protection (CBP) to terminate GSP duty preferences by no later than July 1, 2009.

#### COMPETITIVE NEED LIMITATIONS

The GSP program is a duty preference program authorizing duty-free treatment of imports from designated beneficiary developing countries (BDCs). The GSP program is intended to encourage exports from

BDCs in order to stimulate economic development in those countries, provided certain U.S. trade policy criteria are satisfied. GSP benefits are removed once those exports are deemed, by exceeding applicable CNLs, to be competitive. CNLs apply to specific articles exported from BDCs to the United States during a calendar year when those articles (1) have been imported in a quantity that exceeds the absolute value threshold for that calendar year (i.e., \$135 million for 2008) or (2) have been imported in a quantity that exceeds 50 percent of the value of all such articles imported from all countries. The 50 percent standard may also be waived if the value of all such articles imported from all countries does not exceed a specified de minimis level.

The GSP Subcommittee of the Trade Policy Staff Committee will review the above-listed petitions in light of the statutory and regulatory criteria governing the GSP program. Interested parties may submit comments in support of, or in opposition to, the petitions under review, as per the schedule indicated below.

Additionally, pursuant to the GSP statute, USTR has requested the U.S. International Trade Commission (USITC) to investigate whether granting the requested CNL waivers would be likely to cause adverse effects to any U.S. industry. Interested parties should watch for the USITC's announcement of its schedule for this investigation.

Currently, roughly 80 CNL waivers are in effect for products ranging from processed agricultural goods to manufactured goods such as auto parts and consumer electronics.

#### SCHEDULE TO COMMENT ON CNL WAIVER PETITIONS

Interested parties wishing to comment on the accepted petitions for CNL waivers must observe the following deadlines and schedule—

- **February 13, 2009.** Deadline for the submission of pre-hearing briefs, requests to testify at the GSP Subcommittee Public Hearing and hearing statements.
- **February 26, 2009.** GSP Subcommittee Public Hearing.
- **March 12, 2009.** Deadline for the submission of post-hearing briefs.
- **May 2009.** Expected schedule for the USITC to publish its report describing any likely adverse effects on U.S. industries if the requested CNL waivers are granted. Comments on the USITC report are due 10 calendar days following its date of publication.

Any submissions must follow the electronic filing procedures set forth by USTR in its Federal Register notice of January 21, 2009.

#### CONTACT INFORMATION

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