The following communication has been received from the delegation of the United States.

The United States in GATT document L/4299 of 13 February 1976 had the honour to inform the contracting parties of the entry into force of the Generalized System of Preferences of the United States on 1 January 1976, and to provide the contracting parties with, among other documentation, the text of regulations of the Office of the Special Representative for Trade Negotiations regarding "Reviews Pertaining to the Eligibility of Articles" (see L/4299, pages 42-43). The United States hereby wishes to inform the contracting parties that the above-mentioned text has been revised; the revised version was published in the Federal Register, Volume 42, Number 175, dated Friday, 9 September 1977, and is attached for the information of the contracting parties.

In issuing the new regulations the United States has clarified and facilitated the process by which governments may request product additions to GSP. Requests may now be made by direct petition to the appropriate government body, or through regular diplomatic channels.

The new regulations also regularize the procedure for changes in the list of eligible products by spelling out the kind of information which should accompany petitions and which will be used by the trade policy staff committee in making its decision. These requirements are similar to those required of petitions filed by United States domestic interests. By encouraging governments to indicate the development impact of requested product changes, this procedure increases the likelihood that products which will have a positive developmental effect will be added.

The United States has added an element of security which has been requested by some developing country governments in establishing a single annual comprehensive review, which means that in general, product changes will only be made once a year.
Title 15—Commerce and Foreign Trade
CHAPTER XX—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
PART 2007—REVIEWS PERTAINING TO ELIGIBILITY OF ARTICLES FOR THE GENERALIZED SYSTEM OF PREFERENCES (GSP)

Revision
AGENCY: Office of the Special Representative for Trade Negotiations.

ACTION: Final rulemaking.

SUMMARY: This action constitutes a substantial revision of regulations dealing with the Generalized System of Preferences as provided for by Title V of the Trade Act of 1974. The new Part 2007 contains guidance and procedural requirements for parties requesting modifications to the list of articles eligible for the GSP duty-free treatment, and a timetable for future reviews of the GSP product eligibility. The regulations published below also supersede the “Guidance for Petitioners” set forth in the Federal Register of Monday, October 18, 1976 (41 FR 45923).


FOR FURTHER INFORMATION CONTACT: C. Michael Hathaway, Office of the General Counsel, or Doral Cooper, Executive Director, GSP Subcommittee, TPSC, Office of the Special Representative for Trade Negotiations, 1800 G Street NW., Washington, D.C. 20506. Telephone 203-385-3432 or 395-6971.

SUPPLEMENTARY INFORMATION: The regulations set forth below are considered basic in nature, and hence exempt from the requirements of 5 U.S.C. 553. Accordingly, the regulations are final as published herein on the day following the date of publication of the regulations in the Federal Register. The Office of the Special Representative for Trade Negotiations, nevertheless, invites written comments on the regulations, on or before October 3, 1977, and will consider carefully any comments received.

1. The effect of this action on the next full review of products covered by the GSP is set forth in a Federal Register notice accompanying this publication.

2. The following new Part 2007 supersedes the existing Part 2007 which was published on December 31, 1975 (40 FR 60042). Accordingly, 15 CFR Part 2007 is revised to read as follows:

See 2007.5 Written briefs and oral testimony.
2007.6 Information open to public inspection.
2007.7 Information exempt from public inspection.
2007.8 Other reviews of article eligibilities.


§ 2007.0 Requests for reviews.

(a) An interested party or foreign government may submit a request (1) that an article or articles designated as eligible for the GSP; or (2) that the duty-free treatment accorded under the GSP be withdrawn, suspended or limited; or (3) that product coverage be otherwise modified.

(b) An interested party or foreign government may also make submissions supporting, opposing, or otherwise commenting on a request.

(c) An interested party is defined as a party who represents a significant economic interest in the subject matter of the request, or any other party representing a significant economic interest that would be materially affected by the action requested, such as a domestic producer of a like or directly competitive article, a commercial importer or retailer of an article which is eligible for the GSP, or for which such eligibility is requested.

(d) All requests and other submissions should be submitted in 20 copies, and should be addressed to the Chairman, GSP Subcommittee, Trade Policy Staff Committee, Office of the Special Representative for Trade Negotiations, 1800 G Street NW., Washington, D.C. 20506. Requests by foreign governments may be made in the same manner as by an interested party. Alternatively, such a request may be made by diplomatic correspondence, and may be accepted by the Trade Policy Staff Committee (TPSC) on its own motion.

(e) The TPSC may, on its own motion, propose any of the actions described in § 2007.1(a).

§ 2007.1 Information required in requests and other submissions.

A request submitted pursuant to this Part, hereinafter also referred to as a petition, shall state clearly on the first page that it is a request for action with respect to the provision of duty-free treatment for an article or articles under the GSP, and shall contain, in addition to any other information specifically required, the following information:

(1) The name of the petitioner, the person, firm, or association represented by the petitioner, and a brief description of the interest of the petitioner affected by the petition.

(2) An identification of the product or products of interest to the petitioner, both by description and by item number of the Tariff Schedules of the United States.

(3) A description of the action requested, together with a statement of the reasons therefor and supporting information, and a statement of whether the reasoning and information has been presented to the TPSC previously on behalf of the interest represented in the request.

(4) If the action requested is the designation of an additional article or articles as eligible for the GSP, a statement of why such article or articles should be so designated, together with specific information on: (1) how the GSP treatment would affect the petitioner's business and the industry producing like or directly competitive articles in the United States, including information on how the requested action would affect competition in that industry; (ii) the source of petitioner's competition and the markets and firms supplied by both the petitioner and competitors and (iii) any other available information such as that referred to in § 2007.1(5) below.

(5) If the action requested is the withdrawal, suspension, or limitation of duty-free treatment under the GSP to an eligible article or articles, information sufficient to show for the relevant United States industry:

(i) The actual production.

(ii) The production capacity.

(iii) The number, type, wage rate, and location of employees, and the changes therein;

(iv) The quantity, value, and destination of sales.

(v) The profitability, including that for the particular branch of the firm(s) producing the specific product(s);

(vi) A cost analysis, including the cost of materials, labor, and overhead;

(vii) The number and location of firms;

(viii) The identity of competitors, the competitive situation in the United States and developing country which exports the relevant product(s) to the United States;

(ix) Whether in the form of a petition or diplomatic correspondence, should be supplemented by diplomatic correspondence, and may be accepted by the TPSC on its own motion.

(x) Any other relevant information.

This information should be submitted with the request for each product that is the subject of a request, both for the single firm making the request and to the extent possible, for the industry to which the request pertains. The information should be submitted for each year beginning with the year prior to the relevant GSP product designation and continuing through the present year. The information should be submitted in the form of a petition or diplomatic correspondence, and may be accepted by the TPSC on its own motion.

(6) Requests by foreign governments, whether in the form of a petition or diplomatic correspondence, should be supported by specific information for each product that is the subject of a request, both for the single firm making the request and to the extent possible, for the industry in the foreign country of production, capacity, employment, prices, and sales together with an analysis of how those
factors might change in the future both with and without the GSP treatment of the product. In addition, foreign governments should, if available and appropriate, submit the information requested of interested parties.

(7) Submissions made by persons in support or opposition to a request made under this Part should conform to the requirements for requests contained in §§ 2007.0, 2007.1(1), 2007.1(2), and 2007.1(3), and should supply such other relevant information as is available.

§ 2007.2 Action Following Receipt of Requests.

(a) If the request does not conform to the requirements set forth above, or if it is clear from available information that the request does not warrant further consideration, the request may be returned together with a written statement of the reasons why it was found not to conform, or did not if warrant further consideration. Requests which conform to these regulations, or which do not so conform but are deemed to present sufficient information upon which to proceed, and for which further consideration is deemed to be warranted, shall be accepted for review. In making the determination of adequacy of a request, due regard will be given for the ability of the requesting party to supply the information solicited under this Part.

(b) In conducting reviews, the TPSC may hold public hearings.

(c) The GSP Subcommittee of the TPSC shall conduct the first level of interagency consideration under this Part, and shall submit the results of its review to the TPSC.

(d) The TPSC shall review the work of the GSP Subcommittee and shall conduct, as necessary, further reviews of requests submitted and accepted under this Part. Unless subject to additional review, the TPSC shall prepare recommendations for the President on any modifications to the GSP under this Part, and shall make the decisions where no change is to be recommended to the GSP. The Chairman of the TPSC shall report the results of the TPSC's review to the Deputy Special Trade Representative and the Special Trade Representative who may convene the Trade Policy Review Group (TPRG) or the Trade Policy Committee (TPC) for further review of recommendations and other decisions as necessary.

(e) In considering whether to recommend to the President (1) that additional articles be designated as eligible for the GSP; (2) that the duty-free treatment accorded to eligible articles under the GSP be withdrawn, suspended, or modified; or (3) that product country coverage be otherwise modified, the GSP Subcommittee of the TPSC, the TPRG, or the TPC shall review the relevant information submitted in connection with or concerning a request under this Part, together with any other information which may be available relevant to the statutory prerequisites for Presidential action contained in Title V of the Trade Act of 1974 (19 U.S.C. 2461-2465).

§ 2007.3 Timetable for reviews.

(a) Reviews of pending requests shall be conducted at least once each year, according to the following schedule unless otherwise specified by *Federal Register* notice: (1) June 1, announcement of review; (2) July 15, deadline for receiving petitions; (3) August 1, announcement of accepted petitions; (4) September 15, public hearings; (5) March 1, effective date of changes. If the date specified is on, or immediately following a weekend or holiday, the effective date will be on the second working day following such weekend or holiday date.

(b) Requests which indicate the existence of unusual circumstances warranting an immediate review may be reviewed separately. Requests for urgent consideration should contain a justification for the urgency.

§ 2007.4 Publication regarding requests.

Whenever a request is received that conforms to these regulations or that is accepted pursuant to Sec. 2007.2 a statement of the fact that the request has been received, the TSUS item number or numbers and description of the article or articles covered by the request, the name of the party submitting the request, and an invitation for all interested parties to submit views to the TPSC shall be published in the *Federal Register*.

Upon the completion of a review, and publication of any Presidential action modifying the GSP, a summary of the decisions made will be published in the *Federal Register* including:

(a) A list of requests upon which action has been taken.

(b) A list of requests that remain pending.

Whenever, following a review, there is to be no change in the status of an article with respect to the GSP, the party submitting a request with respect to such article, shall be individually notified.

§ 2007.5 Written briefs and oral testimony.

Sections 2003.2 and 2003.4 of this Part shall be applicable to the submission of any written briefs or requests to present oral testimony in connection with a review under this Part.

§ 2007.6 Information open to public inspection.

With the exception of information subject to § 2007.7, an interested person may, upon request, inspect at the Office of the Special Representative for Trade Negotiations:

(a) Any written request, brief, or similar submission of information made pursuant to this Part; and

(b) Any stenographic record of any public hearing which may be held pursuant to this Part.

§ 2007.7 Information exempt from public inspection.

(a) Information submitted in confidence shall be exempt from public inspection if it is determined that the disclosure of such information is not required by law.

(b) A party requesting an exemption from public inspection for information submitted in writing shall clearly mark each page "Submitted in Confidence" at the top, and shall submit a nonconfidential summary of the confidential information. Such person shall also provide a written explanation of why the material should be so protected.

(c) A request for exemption from public inspection of any particular information shall be denied if it is determined that such information is not entitled to exemption under law. In the event of such denial, the information will be returned to the person who submitted it, with a statement of the reasons for the denial.

§ 2007.8 Other reviews of article eligibilities.

(a) As soon as the following the beginning of each calendar year, as relevant trade data for the preceding year is available, modifications of the GSP in accordance with section 504(c) of the *Trade Act of 1974* (19 U.S.C. 2464) will be considered.

Dated: September 1, 1977.

William B. Kelly, Chairman, Trade Policy Staff Committee.

[F.R. Doc. 77-26166 Filed 9-8-77: 8:45 a.m.]
OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

TRADE POLICY STAFF COMMITTEE

Timetable for the Next Full Review of Requests for Modifications of the List of Articles Receiving Duty-Free Treatment Under the Generalized System of Preferences

The next full review of products covered by the GSP was announced by Federal Register notice of Monday, May 16, 1977 (42 FR 24878) and will be conducted pursuant to the new regulations (15 CFR 2007) accompanying this notice. The May 18, 1977 Federal Register notice stated that in order to be considered in the next full review, requests for modifications of the list of articles receiving duty-free treatment under the GSP must be received no later than the close of business on Thursday, September 15, 1977.

In order to allow parties making requests for modifications of the GSP product coverage to conform to the new Part 2007, notice is hereby given that the September 15, 1977 deadline for receiving requests is extended according to the following timetable for the next full review of products covered by the GSP:

- **Oct. 3, 1977** — Deadline for receiving requests for modifications to the list of articles receiving duty-free treatment under the GSP (extended from former deadline of Sept. 15, 1977).
- **Oct. 7, 1977** — Announcement of petitions accepted for review.
- **Nov. 7, 1977** — Public hearings.

Dated: September 1, 1977.

WILLIAM B. KELLEY,
Chairman, Trade Policy Staff Committee.