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Presidential Documents

Title 3—

The President

Executive Order 12547 of February 6, 1986

Establishing Procedures for Facilitating Presidential Review of International Aviation Decisions Submitted by the Department of Transportation

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 801 of the Federal Aviation Act, as amended (49 U.S.C. 1461), and in order to provide Presidential guidance to department and agency heads and facilitate Presidential review of decisions submitted to the President for his review by the Department of Transportation pursuant to the Federal Aviation Act, it is hereby ordered as follows:

Section 1. (a) Except as otherwise provided in this section, decisions of the Department of Transportation (hereinafter referred to as the "DOT") transmitted to the President pursuant to Section 801 of the Federal Aviation Act, as amended, may be made available by the DOT for public inspection and copying following submission to the President.

(b) In the interests of national security, and in order to allow for consideration of appropriate action under Executive Order No. 12356, decisions of the DOT transmitted to the President under Section 801 shall be withheld from public disclosure for a period not to exceed five days after submission to the President.

(c) At the same time that decisions of the DOT are submitted to the President pursuant to Section 801, the DOT shall transmit copies thereof to the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, the Attorney General, the Assistant to the President for National Security Affairs, the Director of the Office of Management and Budget and any other Executive department or agency that the DOT deems appropriate.

(d) The Secretary of State and the Secretary of Defense, or their designees, shall review the decisions of the DOT transmitted pursuant to subsection (c) above, and shall promptly advise the Assistant to the President for National Security Affairs or his designee, whether action pursuant to Executive Order No. 12356 is deemed appropriate. If, after considering these recommendations, the Assistant to the President for National Security Affairs determines that classification under Executive Order No. 12356 is appropriate, he shall take such action and immediately so inform the DOT. Action pursuant to this subsection shall be completed by the persons designated herein within five days of receipt of the decision by the President.

(e) On and after the sixth day following receipt by the President of a DOT decision submitted pursuant to Section 801, or upon earlier notification by the Assistant to the President for National Security Affairs or his designee, the DOT is authorized to disclose all unclassified portions of the text of such decision. Nothing in this section is intended to affect the ability to withhold material under any Executive Order or statute other than Section 801.

Sec. 2. (a) Departments and agencies outside of the Executive Office of the President shall raise only matters of national defense or foreign relations in the course of the Presidential review established by this Order. All other matters, including those related to regulatory policy, shall be presented to the DOT in accordance with the procedures of the DOT.

(b) Departments and agencies outside of the Executive Office of the President that identify matters of national defense or foreign relations while a decision is pending before the DOT shall, except as confidentiality is required for reasons of defense or foreign policy, make those matters known to the DOT in the course of its proceedings.

Sec. 3. (a) After transmitting a decision under Section 801 to the President for review, the DOT shall obtain the recommendations, addressed to the President, of the departments and agencies referred to in section 1(c) of this Order.

(b) Departments or agencies outside of the Executive Office of the President making recommendations on matters of national defense or foreign relations with respect to any decision submitted by the DOT to the President under Section 801 shall submit their recommendations in writing to the DOT: (1) within four days of the DOT's issuance of a decision subject to a 10-day statutory review period under Section 801(b); and (2) within twenty-one days of the DOT's issuance of a decision subject to a 60-day statutory review period under Section 801(a), or in exceptional cases, within the period specified by the DOT in its letter of transmittal.

(c) The DOT shall, as soon as practical after the deadlines specified in section 3(b) of this Order: (1) if no recommendations are received from the departments and agencies specified in section 1(c) of this Order, transmit to the President, through the Assistant to the President for National Security Affairs, a memorandum stating that no department or agency advises disapproval of the decision; or (2) if recommendations are received, transmit them to the Assistant to the President for National Security Affairs, who upon review, shall transmit a memorandum to the President with a recommendation as to whether or not the President should disapprove the proposed decision.

Sec. 4. (a) In advising the President with respect to his review of a decision submitted to him pursuant to Section 801, departments and agencies outside of the Executive Office of the President shall identify with particularity the defense or foreign policy implications of the DOT decision which are deemed appropriate for the President's consideration.

(b) If any department or agency which made recommendations to the President pursuant to Section 801 believes that, if the President decides not to disapprove a decision, the letter so advising the DOT should include a statement that the decision not to disapprove was based on national defense or foreign relations reasons, it should so indicate separately and explain why.

Sec. 5. Individuals within the Executive Office of the President shall follow a policy of: (a) refusing to discuss matters relating to the disposition of a case subject to the review of the President under Section 801 with any interested private party, or an attorney or agent for any such party, prior to the President's decision; and (b) referring any written communication from an interested private party, or an attorney or agent for any such party, to the appropriate department or agency outside of the Executive Office of the President. Exceptions to this policy may be made only when the head of an appropriate department or agency outside of the Executive Office of the President personally finds, on a nondelegable basis, that direct written or oral communication between a private party and a person within the Executive Office of the President is needed for reasons of defense or foreign policy.

Sec. 6. Departments and agencies outside of the Executive Office of the President which regularly make recommendations to the President in connection with the Presidential review pursuant to Section 801 shall, consistent with application law, including the provisions of Chapter 5 of Title 5 of the United States Code:

(a) establish public dockets for all written communications (other than those requiring confidential treatment for defense or foreign policy reasons) between their officers and employees and private parties in connection with the preparation of such recommendations; and

(b) prescribe such other procedures governing oral and written communications as they deem appropriate.

Sec. 7. This Order is intended solely for the internal guidance of the departments and agencies in order to facilitate the Presidential review process. This Order does not confer rights on any private parties.

Sec. 8. (a) None of the time deadlines specified in this Order shall be construed as a limitation on expedited Presidential review of any decision submitted under Section 801.

(b) Executive Order No. 11920 of June 10, 1976, is revoked.

(c) The provisions of this Order shall become effective 30 days after its publication in the **Federal Register**.

Ronald Reagan

THE WHITE HOUSE,
February 6, 1986.

[FR Doc. 86-3104
Filed 2-7-86; 4:38 pm]
Billing code 3195-01-M

Presidential Documents

Proclamation 5439 of February 7, 1986

Small Business Week, 1986

By the President of the United States of America

A Proclamation

The business of America begins with small business—millions of men and women, bold and imaginative self-starters, seizing opportunities and providing the jobs that help to ensure that our Nation will remain economically strong and free.

The flexibility of small business people is exemplified by their willingness to adapt to change, their determination to test untapped markets for new products and services, and their ability to contribute to the competitive marketplace in such a way as to improve efficiency, thus benefitting the consumer and spurring economic growth. Nothing characterizes the American economy better than our 14 million small businesses. They should be a source of pride for all Americans.

It is especially gratifying that in recent years greater numbers of young Americans are preparing for careers in independent business. Their innovative entrepreneurial spirit has brought a new excitement to the campus and to the marketplace. All Americans can take hope from their optimism, their creativity, and their impressive achievements.

This year, thousands of business owners will express their views at State preparatory sessions for the National White House Conference on Small Business—an example of free enterprise at its best. The recommendations prepared by the delegates to the National White House Conference in August will help us in formulating a small business agenda designed to make sure that our economy continues to grow and to prosper. All Americans benefit when small business is the force behind a vigorous and expanding economy.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week of May 18 through May 24, 1986, as Small Business Week and ask that all Americans join with me in saluting our small business men and women by observing that week with appropriate activities.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of February, in the year of our Lord nineteen hundred and eighty-six, and of the Independence of the United States of America the two hundred and tenth.

Ronald Reagan

[FR Doc. 86-3105
Filed 2-7-86; 4:39 pm]
Billing code 3195-01-M

Rules and Regulations

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DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 907

[Navel Orange Reg. 625]

Navel Oranges Grown in Arizona and Designated Part of California; Limitation of Handling

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: Regulation 625 establishes the quantity of California-Arizona navel oranges that may be shipped to market during the period February 7 through February 13, 1986. Such action is needed to provide for the orderly marketing of fresh navel oranges for the period specified due to the marketing situation confronting the orange industry.

DATE: Regulation 625 (§ 907.925) is effective for the period February 7–13, 1986.

FOR FURTHER INFORMATION CONTACT: George J. Kelhart, Acting Chief, Marketing Order Administration Branch, F&V, AMS, USDA, Washington, D.C. 20250, telephone: 202–475–3919.

SUPPLEMENTARY INFORMATION: This rule has been reviewed under Secretary's Memorandum 1512-1 and Executive Order 12291 and has been designated a "non-major" rule. The Administrator, Agricultural Marketing Service, has certified that this action will not have a significant economic impact on a substantial number of small entities.

This rule is issued under Order No. 907, as amended (7 CFR Part 907), regulating the handling of navel oranges grown in Arizona and designated part of California. The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). This action is based upon the recommendation and information submitted by the Navel Orange Administrative Committee and upon other available information. It is hereby found that this action will tend to effectuate the declared policy of the act.

This action is consistent with the marketing policy for 1985–86 adopted by the Navel Orange Administrative Committee. The committee met publicly on February 4, 1986, at Visalia, California, to consider the current and prospective conditions of supply and demand and recommended a quantity of navel oranges deemed advisable to be handled during the specified week. The committee reports that the market for fresh navel oranges continues weak. The regulation is needed to continue providing stability in the market and promote orderly marketing.

It is further found that it is inpracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking, and postpone the effective date until 30 days after publication in the **Federal Register** (5 U.S.C. 553), because of insufficient time between the date when information became available upon which this regulation is based and the effective date necessary to effectuate the declared policy of the act. To effectuate the declared purposes of the act, it is necessary to make this regulatory provision effective as specified, and handlers have been apprised of such provision and the effective time.

List of Subjects in 7 CFR Part 907

Marketing agreements and orders, California, Arizona, Oranges (Navel).

1. The authority citation for Part 907 continues to read:

Authority: Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674.

2. Section 907.925 Navel Orange Regulation 625 is hereby added to read:

PART 907—[AMENDED]

§ 907.925 Navel Orange Regulation 625.

The quantities of navel oranges grown in California and Arizona which may be handled during the period February 7, 1986, through February 13, 1986, are established as follows:

(a) District 1: 1,400,000 cartons;

(b) District 2: Unlimited cartons;

(c) District 3: Unlimited cartons;

(d) District 4: Unlimited cartons.

Dated: February 5, 1986.

Joseph A. Gribbin,

Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 86–2929 Filed 2–10–86; 8:45 am]

BILLING CODE 3410-02-M

UNITED STATES TRADE REPRESENTATIVE

15 CFR Part 2007

Revision of Regulations Relating to the Generalized System of Preferences (GSP)

AGENCY: United States Trade Representative.

ACTION: Final regulations.

SUMMARY: The United States Generalized System of Preferences Program was extended for a period of eight and one-half years pursuant to section 505(a) of Title V of the Trade and Tariff Act of 1984 (Pub. L. No. 98–573, October 30, 1984). In order to ensure that the administration of the GSP program conforms to the amendments included in Title V of the Trade and Tariff Act of 1984 and responds to concerns raised by members of Congress and constituent groups during the consideration of the renewal legislation, we revised the administrative regulations governing the operation of the GSP program. In order to allow members of the public adequate opportunity to comment, revised regulations were issued as interim regulations on May 10, 1985. Having taken into account comments received on the interim regulations, we are now issuing final regulations.

EFFECTIVE DATE: The final regulations shall become effective on February 11, 1986.

FOR FURTHER INFORMATION CONTACT: Operations Aspects: David Shark, GSP Program Office (202–395–6971); Legal Aspects: Richard W. Parker, Office of the General Counsel (202–395–6800); Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, D.C. 20506.

SUPPLEMENTARY INFORMATION:

Discussion of Comments

Two comments were received concerning procedural follow-through in respect of requests for action relating to country practices pursuant to sections 502 (b) and 502(c) of Title V of the Trade Act of 1974 (the Act), as amended, and the definition of "interested party" as described in § 2007.0(d). The commentors expressed concern that the regulations did not clearly specify the procedures that would be followed after receipt of a request for action relating to GSP beneficiary treatment of intellectual property rights and internationally recognized workers rights. With respect to the term "interested party", the commenters expressed a desire to have the definition broadened. Specifically, they requested that its definition be expanded to provide standing to parties with interests in intellectual property rights and internationally recognized worker rights concerns for the purpose of initiating product related reviews under the procedures explained in § 2007.2.

In response to these comments, the Office of the United States Trade Representative (USTR) revised the regulations to establish specific procedural steps to be taken following the receipt of a request for action relating to country practices. These revisions, in short, provide for consideration of such request as an integral part of the annual review. The term "annual product review" was changed to "annual review" to reflect this modification. These changes will ensure that those parties not provided "interested party" status have the opportunity, equivalent to those with interested party status, to express their concerns during annual reviews with respect to the country eligibility criteria in sections 502 (b) and (c) of the Act. The specific modifications can be found in §§ 2007.0(b), 2007.2, 2007.4 and 2007.5.

Regarding the definition of "interested party", USTR noted that sections 502(b) and 502(c) of the Act, and its legislative history, make clear that intellectual property rights and internationally recognized worker rights concerns will receive full consideration in all product specific actions under the program, including review of petitions to add, remove or graduate products. Parties with concerns relating to these issues will be welcome to testify and submit information relating to such petitions during each annual review. In view of this fact, and the modifications in procedures outlined above, USTR did not deem it appropriate to broaden the definition of "interested party."

One comment recommended that § 2007.0(f) be modified to state that the TPSC may at any time, on its own motion, initiate a review based on the country eligibility criteria in sections 502 (b) and (c) of the Act. USTR clarified § 2007.0 (f) as recommended.

A related change was made in response to a comment concerning § 2007.6. The first sentence in this section was altered to make clear that any "person", as opposed to any "interested person", may, upon request, inspect at USTR's GSP Information Center the material described in § 2007.6.

One comment was received concerning §§ 2007.0 and 2007.3 and the procedures and timeframe for the acceptance and rejection of petitions requesting modifications in the list of articles eligible for GSP benefits. The group commenting wanted the regulations altered to make clear that requests for additions to the product eligibility list which had been previously rejected after a formal review in the prior year be summarily rejected before the July 15 deadline. The concern of the group commenting was that the relevant domestic industry is burdened with a sense of unnecessary uncertainty during the June 1–July 15 time period while waiting for the decision as announced by USTR.

When respect to the comment concerning §§ 2007.0 and 2007.3, as discussed above, USTR concluded that it was inappropriate to alter the regulations. The regulation clearly states that a petition to add a product will be rejected if it has been the subject of a review within the three preceding calendar years. Therefore, there is no reason for uncertainty on the part of the domestic industry.

Two comments were received requesting the development of a standard petition for those interested in requesting modifications to the list of eligible articles. The commentors' interest was to ensure compliance with requirements that sufficient information be included in petitions.

USTR noted that the interim regulations have, to a large degree, met these concerns by specifying in greater detail the information which must be included for a petition to be accepted. However, USTR agreed that it would facilitate the understanding of, and compliance with, these requirements to develop additional written guidance to assist interested parties in preparing petitions. Such written guidance has been developed and will be incorporated in the "Guide to the U.S. Generalized System of Preferences", which is distributed to all U.S. Embassies, and is available at the GSP Information Center.

Two comments were received requesting additional information be added to the informational requirements listed in § 2007.1. In response to these requests, USTR altered § 2007.1 in two respects. An additional informational requirement was added to the list for petitioners requesting the designation of additional articles to the list of eligible items. An analysis of costs, including materials, labor and overhead is now required. USTR also altered § 2007.1(a)(2) to include language that requires the petitioner to clarify their request involving the list of eligible articles when it involves a basket category of the TSUS by providing a "detailed description of the product or products of interest." USTR did not revise the regulations to incorporate some suggested points because it felt that these points were already sufficiently covered in the regulations or were inappropriate.

One comment was received concerning § 2007.8 and whether USTR concludes that this provision is adequately clear in providing for the consideration of tariff and non-tariff barriers in beneficiary developing countries (BDCs) in considering petitions. USTR concludes that § 2007.8 is adequately clear.

One comment was received concerning the difficulty beneficiary country exporters will have in complying with informational requirements when requesting that products be added to the list of eligible articles. USTR concluded that the informational requirements are reasonable and that the regulations are adequately clear for those interested in requesting modifications to the list of eligible articles to understand them and comply.

Inapplicability of Notice and Delayed Effective Date Provisions

These regulations are not subject to the public notice and comment requirements of 5 U.S.C. 553 because they are procedural in nature and because they are specifically exempted pursuant to subsection (a)(1) of section 553 as within the foreign affairs function of the United States.

Additionally, as the amendments contained in this document are necessary to conform the regulations to amendments made to Title V of the Trade Act of 1974 by Title V of the Trade and Tariff Act of 1984, it is believed that good cause exists under the provisions of 4 U.S.C. 553 (d)(1) and (d)(3) for dispensing with the normal 30 day delayed effective date requirement.

Effective Order 12291

This regulation is not a "major rule" as defined by section 1(b) of Executive Order 12291. Accordingly, a regulatory impact and analysis is not required under Executive Order 12291.

Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to this regulation because the rulemaking is not one for which published general notice is required and because the regulation will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 603. Any economic impact flows directly from the GSP program as authorized by Title V of the Trade Act of 1974, as amended, and not from the implementing regulations.

Paperwork Reduction Act

The regulations are not subject to the Paperwork Reduction Act of 1980, (44 U.S.C. 3500 et seq.) because the regulations do not involve the collection of information within the meaning of the term as defined in the Act at 44 U.S.C. 3502(4) and subsection (c) of § 1320.7 of the regulations implementing the Act (5 CFR 1320.7(c)).

List of Subjects in 15 CFR Part 2007

Administrative practice and procedure, Foreign trade.

Amendments to Regulations

15 CFR Part 2007, Office of the U.S. Trade Representative Regulations, is revised to read as set forth below:

PART 2007—REGULATIONS OF THE U.S. TRADE REPRESENTATIVE PERTAINING TO ELIGIBILITY OF ARTICLES AND COUNTRIES FOR THE GENERALIZED SYSTEM OF PREFERENCE PROGRAM (GSP (15 CFR PART 2007))

Authority: 19 U.S.C. 2461–65, 88 Stat. 2066–2071, as amended by Title V of the Trade and Tariff Act of 1984, Pub. L. No. 98–573, 98 Stat. 3018–3024; EO 11846 of March 27, 1975 (40 FR 14291), EO 12188 of January 2, 1980 (45 FR 989).

§ 2007.0 Requests for reviews.

(a) An interested party may submit a request (1) That additional articles be designated as eligible for GSP duty-free treatment, provided that the article has not been accepted for review within the three preceding calendar years; or (2) that the duty-free treatment accorded to eligible articles under the GSP be withdrawn, suspended or limited; or (3) for a determination of whether a like or directly competitive product was produced in the United States on January 3, 1985 for the purposes of section 504(d)(1) (19 U.S. 2464(d)(1)); or (4) that the President exercise his waiver authority with respect to a specific article or articles pursuant to section 504(c)(3) (19 U.S.C. 2464(c)(3)); or (5) that product coverage be otherwise modified.

(b) During the annual reviews and general reviews conducted pursuant to the schedule set out in § 2007.3 any person may file a request to have the GSP status of any eligible beneficiary developing country reviewed with respect to any of the designation criteria listed in subsections 502(b) or 502(c) (19 U.S.C. 2642 (b) and (c)). Such requests must (1) specify the name of the person or the group requesting the review; (2) identify the beneficiary country that would be subject to the review; (3) indicate the specific section 502(b) or 502(c) criteria which the requestor believes warrants review; (4) provide a statement of reasons why the beneficiary country's status should be reviewed along with all available supporting information; (5) supply any other relevant information as requested by the GSP Subcommittee. If the subject matter of the request has been reviewed pursuant to a previous request, the request must include substantial new information warranting further consideration of the issue.

(c) An interested party or any other person may make submissions supporting, opposing or otherwise commenting on a request submitted pursuant to either paragraph (a) or (b) of this section.

(d) For the purposes of the regulations set out under § 2007.0 et seq., an interested party is defined as a party who has 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, or a foreign government.

(e) 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 United States Trade Representative, 600 17th Street, NW., Washington, D.C. 20506. Requests by foreign governments may be made in the form of diplomatic correspondence provided that such requests comply with the requirements of 2007.1.

(f) The Trade Policy Staff Committee (TPSC) may at any time, on its own motion, initiate any of the actions described in paragraphs (a) or (b) of this section.

§ 2007.1 Information required of interested parties in submitting requests for modifications in the last of eligible articles.

(a) *General Information Required.* A request submitted pursuant to this Part, hereinafter also referred to as a petition, except requests submitted pursuant to § 2007.0(b), 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 must contain all information listed in this paragraph and in paragraphs (b) and (c). Petitions which do not contain the information required by this paragraph shall not be accepted for review except upon a showing that the petitioner made a good faith effort to obtain the information required. Petitions shall contain, in addition to any other information specifically requested, 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 claiming to be affected by the operation of the GSP;

(2) An identification of the product or products of interest to the petitioner, including a detailed description of products and their uses and the identification of the pertinent item number of the Tariff Schedules of the United States (TSUS). Where the product or products of interest are included with other products in a basket category of the TSUS, provide a detailed description of the product or products of interest;

(3) A description of the action requested, together with a statement of the reasons therefor and any supporting information;

(4) A statement of whether to the best of the Petitioner's knowledge, the reasoning and information has been

presented to the TPSC previously either by the petitioner or another party. If the Petitioner has knowledge the request has been made previously, it must include either new information which indicates changed circumstances or a rebuttal of the factors supporting the denial of the previous request. If it is a request for a product addition, the previous request must not have been formally accepted for review within the preceding three calendar year period; and

(5) A statement of the benefits anticipated by the petitioner if the request is granted, along with supporting facts or arguments.

(b) *Requests to withdraw, limit or suspend eligibility with respect to designated articles.* Petitions requesting withdrawal or limitation of duty-free treatment accorded under GSP to an eligible article or articles must include the following information with respect to the relevant United States industry for the most recent three year period:

(1) The names, number and locations of the firms producing a like or directly competitive product;

(2) Actual production figures;

(3) Production capacity and capacity utilization;

(4) Employment figures, including number, type, wage rate, location, and changes in any of these elements;

(5) Sales figures in terms of quantity, value and price;

(6) Quantity and value of exports, as well as principal export markets;

(7) Profitability of firm on firms producing the like product, if possible show profit data by product line;

(8) Analysis of cost including materials, labor and overhead;

(9) A discussion of the competitive situation of the domestic industry;

(10) Identification of competitors; analysis of the effect imports receiving duty-free treatment under the GSP have on competition and the business of the interest on whose behalf the request is made;

(11) Any relevant information relating to the factors listed in section 501 and 502(c) of Title V of the Trade Act of 1974, as amended (19 U.S.C. 2501, 502(c)) such as identification of tariff and non-tariff barriers to sales in foreign markets;

(12) Any other relevant information including any additional information that may be requested by the GSP Subcommittee.

This information should be submitted with the request for each article that is the subject of the request, both for the party making the request, and to the extent possible, for the industry to which the request pertains.

(c) *Requests to designate new articles.* Information to be provided in petitions requesting the designation of new articles submitted by interested parties must include for the most recent three year period the following information for the beneficiary country on whose behalf the request is being made and, to the extent possible, other principal beneficiary country suppliers:

(1) Identification of the principal beneficiary country suppliers expected to benefit from proposed modification;

(2) Name and location of firms;

(3) Actual production figures (and estimated increase in GSP status is granted);

(4) Actual production and capacity utilization (and estimated increase if GSP status is granted);

(5) Employment figures, including numbers, type, wage rate, location and changes in any of these elements if GSP treatment is granted;

(6) Sales figures in terms of quantity, value and prices;

(7) Information on total exports including principal markets, the distribution of products, existing tariff preferences in such markets, total quantity, value and trends in exports;

(8) Information on exports to the United States in terms of quantity, value and price, as well as considerations which affect the competitiveness of these exports relative to exports to the United States by other beneficiary countries of a like or directly competitive product. Where possible, petitioners should provide information on the development of the industry in beneficiary countries and trends in their production and promotional activities;

(9) Analysis of cost including materials, labor and overhead;

(10) Profitability of firms producing the product;

(11) Information on unit prices and a statement of other considerations such as variations in quality or use that affect price competition;

(12) If the petition is submitted by a foreign government or a government controlled entity, it should include a statement of the manner in which the requested action would further the economic development of the country submitting the petition;

(13) If appropriate, an assessment of how the article would qualify under the GSP's 35 percent value-added requirements; and

(14) Any other relevant information, including any information that may be requested by the GSP Subcommittee.

Submissions made by persons in support of or opposition to a request made under this Part should conform to the requirements for requests contained in § 2007.1(a) (3) and (4), and should supply such other relevant information as is available.

§ 2007.2 Action following receipt of requests for modifications in the list of eligible articles and for reviews of the GSP status of eligible beneficiary countries with respect to designation criteria.

(a)(1) If a request submitted pursuant to § 2007.0(a) 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 shall not be accepted for review. Upon written request, requests which are not accepted for review will be returned together with a written statement of the reasons why the request was not accepted.

(2) If a request submitted pursuant to § 2007.0(b) does not conform to the requirements set forth above, or if the request does not provide sufficient information relevant to subsections 502(b) or 502(c) (19 U.S.C. 2642 (b) and (c)) to warrant review, or if it is clear from available information that the request does not fall within the criteria of subsections 502(b) or 502(c), the request shall not be accepted for review. Upon written request, requests which are not accepted for review will be returned together with a written statement of the reasons why the request was not accepted.

(b) Requests which conform to the requirements set forth above or for which petitioners have demonstrated a good faith effort to obtain information in order to meet the requirements set forth above, and for which further consideration is deemed warranted, shall be accepted for review.

(c) The TPSC shall announce in the **Federal Register** those requests which will be considered for full examination in the annual review and the deadlines for submissions made pursuant to the review, including the deadlines for submission of comments on the U.S. International Trade Commission (USITC) report in instances in which USITC advice is requested.

(d) In conducting annual reviews, the TPSC shall hold public hearings in order to provide the opportunity for public testimony on petitions and requests filed pursuant to paragraphs (a) and (b) of § 2007.0.

(e) As appropriate, the USTR on behalf of the President will request advice from the USITC.

(f) 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.

(g) 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. The Chairman of the TPSC shall report the results of the TPSC's review to the U.S. 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. The U.S. Trade Representative, after receiving the advice of the TPSC, TPRG or TPC, shall make recommendations to the President on any modifications to the GSP under this part, including recommendations that no modifications be made.

(h) In considering whether to recommend: (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 limited; (3) that product coverage be otherwise modified; or (4) that changes be made with respect to the GSP status of eligible beneficiary countries, the GSP Subcommittee on behalf of the TPSC, TPRG, or 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, as amended (19 U.S.C. 2461–2465).

§ 2007.3 Timetable for reviews.

(a) *Annual review.* Beginning in calendar year 1986, 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, deadline for acceptance of petitions for review;

(2) July 15, **Federal Register** announcement of petitions accepted for review;

(3) September/October—public hearings and submission of written briefs and rebuttal materials;

(4) December/January—opportunity for public comment on USITC public reports;

(5) Results announced on April 1 will be implemented on July 1, the statutory effective date of modifications to the program. If the date specified is on or immediately follows a weekend or holiday, the effective date will be on the second working day following such weekend or holiday.

(b) Requests filed pursuant to paragraphs (a) or (b) of § 2007.0 which indicate the existence of unusual circumstances warranting an immediate review may be considered separately. Requests for such urgent consideration should contain a statement of reasons indicating why an expedited review is warranted.

(c) *General Review.* Section 504(c)(2) of Title V of the Trade Act of 1974 (19 U.S.C. 2464(c)(2)) requires that, not later than January 4, 1987 and periodically thereafter, the President conduct a general review of eligible articles based on the considerations in sections 501 and 502(c) of Title V. The initiation and scheduling of such reviews as well as the timetable for submission of comments and statements will be announced in the **Federal Register.** The first general review was initiated on February 14, 1985 and will be completed by January 3, 1987.

The initiation of the review and deadlines for submission of comments and statements were announced in the **Federal Register** on February 14, 1985 (50 FR 6294).

§ 2007.4 Publication regarding requests.

(a) Whenever a request is received which conforms to these regulations or which is accepted pursuant to § 2007.2 a statement of the fact that the request has been received, the subject matter of the request (including if appropriate, the TSUS item number or numbers and description of the article or articles covered by the request), and a request for public comment on the petitions received shall be published in the **Federal Register.**

(b) 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:

(1) A list of actions taken in response to requests; and

(2) A list of requests which are pending.

(c) Whenever, following a review, there is to be no change in the status of an article with respect to the GSP in response to a request filed under § 2007.0(a), the party submitting a request with respect to such articles may request an explanation of factors considered.

(d) Whenever, following a review, there is to be no change in the status of a beneficiary country with respect to the GSP in response to a request filed under § 2007.0(b), the GSP Subcommittee will notify the party submitting the request in writing of the reasons why the requested action was not taken.

§ 2007.5 Written briefs and oral testimony.

Sections 2003.2 and 2003.4 of this chapter shall be applicable to the submission of any written briefs or requests to present oral testimony in connection with a review under this part. For the purposes of this section, the term "interested party" as used in §§ 2003.2 and 2003.4 shall be interpreted as including parties submitting petitions and requests pursuant to § 2007.0(a) or (b) as well as any other person wishing to file written briefs or present oral testimony.

§ 2007.6 Information open to public inspection.

With exception of information subject to § 2007.7 any person may, upon request inspect at the Office of the United States Trade Representative:

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

(b) Any stenographic record of any public hearings 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 of any particular information may be denied if it is determined that such information is not entitled to exemption under law. In the event of such a 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 after the beginning of each calendar year as relevant trade data for the preceding year are available, modifications of the GSP in accordance with section 504(c) of the Trade Act of 1974 as amended (19 U.S.C. 2464) will be considered.

(b) *General Review.* Section 504(c)(2) of Title V of the Trade Act of 1974 as amended (19 U.S.C. 2464(c)(2)) requires that not later than January 4, 1987 and periodically thereafter, the President conduct a general review of eligible articles based on the considerations in sections 501 and 502 of Title V. The purpose of these reviews is to determine which articles from which beneficiary countries are "sufficiently competitive" to warrant a reduced competitive need limit. Those articles determined to be "sufficiently competitive" will be subject to a new lower competitive need limit set at: (1) 25 percent of the value of total U.S imports of the article; or (2) $25 million (this figure will be adjusted annually in accordance with nominal changes in U.S. gross national product (GNP), using 1984 as the base year). All other articles will continue to be subject to the original competitive need limits of 50 percent or $25 million (this figure is adjusted annually using 1974 as the base year).

(1) *Scope of General Reviews.* In addition to an examination the competitiveness of specific articles from particular beneficiary countries, the general review will also include consideration of requests for competitive need limit waivers pursuant to section 504(c)(3)(A) of Title V of the Trade Act of 1974 as amended (19 U.S.C. 2464(c)) and requests for a determination of no domestic production under section 504(d)(1) of Title V of the Trade Act of 1974 as amended (19 U.S.C. 2464(d)(1)).

(2) *Factors To Be Considered.* In determining whether a beneficiary country should be subjected to the lower competitive need limits with respect to a particular article, the President shall consider the following factors contained in sections 501 and 502(c) of Title V:

(i) The effect such action will have on furthering the economic development of developing countries through expansion of their exports;

(ii) The extent to which other major developed countries are undertaking a comparable effort to assist developing countries by granting generalized preferences with respect to imports of products of such countries;

(iii) The anticipated impact of such action on the United States producers of like or directly competitive products;

(iv) The extent of the beneficiary developing country's competitiveness with respect to eligible articles;

(v) The level of economic development of such country, including its per capita GNP, the living standard of its inhabitants and any other economic factors the President deems appropriate;

(vi) Whether or not the other major developed countries are extending generalized preferential tariff treatment to such country;

(vii) The extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country and the extent to which such country has assured the United States that it will refrain from engaging in unreasonable export practices;

(viii) The extent to which such country is providing adequate and effective means under its laws for foreign nationals to secure, to exercise and to enforce exclusive rights in intellectual property, including patents, trademarks and copyrights;

(ix) The extent to which such country has taken action to—

(A) Reduce trade distorting investment practices and policies (including export performance requirements); and

(B) Reduce or eliminate barriers to trade in services; and

(x) Whether or not such country has taken or is taking steps to afford workers in that country (including any designated zone in that country) internationally recognized worker rights.

Donald M. Phillips,

Chairman, Trade Policy Staff Committee.

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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 18, 24, 112, 113, 141, 144, 146, 178 and 191

[T.D. 86-16]

Foreign Trade Zones; Specialized and General Provisions

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document revises Customs Regulations relating to foreign trade zones to provide a new audit-inspection method of zone supervision by Customs. A foreign trade zone is a defined area, considered to be outside the customs territory of the U.S., where certain lawful activities can be conducted with a minimum of formalities. A zone provides a site at or adjacent to a Customs port of entry where operations involving foreign merchandise can take place, which otherwise might have been done abroad for tariff and trade reasons. The revision sets forth the general provisions applicable to the administration of all zones and other specialized provisions applicable to subzones and zone sites. In addition, changes in the language of the regulations will clarify some provisions, eliminate inconsistencies, and conform the regulations to current administrative practices.

EFFECTIVE DATE: May 12, 1986.

FOR FURTHER INFORMATION CONTACT:

Operational Aspects: John Holl, (202-566-8151);

Inventory Control and Recordkeeping System Aspect: Marcus Sircus, (202-566-2812);

Appraisement and Valuation Aspect: Myles Flynn, (202-535-4134);

Liquidated Damages, Penalty and Suspension Aspect: William Lawlor, (202-566-5856);

Economic Aspect: Daniel Norman, (202-535-4138).

All of the above Customs personnel are located at: U.S. Customs Service Headquarters, 1301 Constitution Avenue, NW., Washington, DC 20229.

SUPPLEMENTARY INFORMATION:

Background

In 1934, Congress enacted the Foreign-Trade Zones Act to expedite and encourage foreign commerce. The Act created domestic foreign trade zones and was designed to stimulate international trade and create jobs in the U.S. At that time, zones were envisioned as storage, manipulation, and transshipment (exportation) centers. In 1950, an amendment to the Act was passed, authorizing manufacturing and exhibition inside zones. Foreign trade zones (zones) are areas within the U.S. (but outside the "Customs territory of the U.S.," as defined in § 101.1(e), Customs Regulations (19 CFR 101.1(e)), where foreign or domestic merchandise may be brought for manipulation, manufacture, assembly or other processing, or for storage or exhibition, provided that these operations are not otherwise prohibited by law. Foreign merchandise may be brought into a zone without being subject to the usual Customs entry procedures and payment of duty. Foreign or domestic merchandise may be exported or entered into the Customs territory from a zone. Quota restrictions do not normally apply to foreign merchandise in a zone. Merchandise moved to a zone for export may be considered exported upon its admission to a zone for purposes of excise tax rebates and drawback.

Zones are established under the Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u), and the general regulations and rules of procedure of the Foreign-Trade Zones Board (the Board), Department of