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**FOR IMMEDIATE RELEASE  
OCTOBER 2, 2000**

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**CANADA AND PERU:  
USTR NOTES PROGRESS ON TELECOMMUNICATIONS ISSUES,  
BUT REMAINS CONCERNED ABOUT PACE OF IMPLEMENTATION**

United States Trade Representative Charlene Barshefsky today announced the results of ongoing reviews under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, which requires USTR to review the operation and effectiveness of U.S. telecommunications trade agreements. In April 2000, USTR established an October 2 deadline for reviews of Canada and Peru. While limited progress has been observed in both countries, USTR will continue to monitor each situation closely to ensure full implementation of telecommunications trade commitments. The next 1377 review will be released in March 2001.

**Canada: The USTR will continue to monitor Canadian actions to reform the contribution program, which provides subsidies for universal service.**

"We are disappointed that the Canadian Government has not responded positively to calls for reform of its system for funding universal local telecommunications service - failure to address this issue will have an adverse long-term impact on the development of a competitive telecommunications market in Canada," said Ambassador Barshefsky. "While we are encouraged that the CRTC recognizes this problem and is in the process of developing regulatory solutions to address the anti-competitive aspects of the current regime, we expect timely reform of this system and will continue to closely monitor this situation in advance of our next review in March 2001."

Last summer, Canada denied a petition by competitive carriers to intervene to reform Canada's funding mechanism for ensuring universal service (known as the "contribution system"). This system, which collects funds on a per-minute basis from long-distance traffic, potentially overcompensates the main beneficiaries, incumbent local suppliers, who also compete in the long-distance sector. Canada's

regulator, CRTC, recognizes this problem and has initiated a rulemaking process to devise a more competitively-neutral collection system. USTR will closely monitor the Canadian rulemaking process.

**Peru: The USTR will continue to review Peru's implementation of its WTO commitments, particularly with respect to ensuring further progress on cost-oriented and non-discriminatory interconnection.**

"Peru recently made positive strides by cutting local interconnection rates and setting a schedule for further reductions," said Ambassador Barshefsky. "While this action should encourage competitors to enter the market for local services, we remain seriously concerned that these rate reductions do not apply to more commercially relevant market segments. The current rate of 2.9 cents a minute for these segments contrasts sharply with interconnection rates in competitive markets in the Americas, where rates at or below one cent a minute are common."

In August, Peru's regulator (OSIPTEL) approved local interconnection rate of 1.68 cents per minute, scheduled to drop to .96 cents by 2002. While this action marks a significant step toward expanding telephone access and bringing advanced services to users, OSIPTEL failed to apply these rates to commercially more relevant market segments – long-distance and wireless interconnection. The regulator appears to recognize that there is no obvious reason why these rates should differ significantly, and all rates are expected to converge following the results of an ongoing cost study conducted by the World Bank. At the same time, wireless operators have set a rate for calls terminating on their networks at over 20 cents a minute. This action raises serious questions about whether rates in this key market segment are at competitive levels. USTR will continue to monitor this situation closely with a view to ensuring that the results of the ongoing cost study, anticipated by the end of 2000, are implemented in a timely manner.

## AFRICAN GROWTH AND OPPORTUNITY ACT

On October 2, 2000 President Clinton signed a proclamation designating 34 sub-Saharan African countries as beneficiary countries under the African Growth and Opportunity Act (AGOA - Title I of the Trade and Development Act of 2000). The Presidential proclamation designates these sub-Saharan African countries as beneficiaries for purposes of trade preferences made available under the AGOA. The Proclamation modifies the Harmonized Tariff Schedule of the U.S. to reflect the apparel and textile trade preferences made available under Section 112 of the Act. It also delegates to the Office of the United States Trade Representative the authority to publish (through a *Federal Register* notice) determinations regarding whether a country has established an effective visa system and meets the other customs-related requirements under section 112 of the Act.

### **Summary of AGOA Preferences**

#### General Preferences:

The (AGOA) institutionalizes a process for strengthening U.S. relations with African countries and provides incentives for African countries to achieve political and economic reform and growth. The Act offers beneficiary sub-Saharan African countries duty-free and quota-free U.S. market access for essentially all products through the Generalized System of Preferences (GSP) program, provides additional security for investors and traders in African countries by ensuring GSP benefits for eight years, and eliminates the GSP competitive needs limitation for African countries. In addition, the Act establishes a U.S.-sub-Saharan Africa Trade and Economic Cooperation Forum to facilitate regular trade and investment policy discussions and promotes the use of technical assistance to strengthen economic reforms and development, including assistance to strengthen relationships between U.S. firms and firms in sub-Saharan Africa.

#### Apparel and Textile Preferences:

The Act lifts all existing quotas on textiles and apparel products from sub-Saharan Africa (within 30-days of a U.S. Government determination that Kenya and Mauritius have adopted effective visa systems), and extends duty/quota free U.S. market access for sub-Saharan African apparel made from yarns and fabrics not available in the United States. In addition, the Act extends duty/quota free treatment for apparel made in Africa from U.S. yarn and fabric and for knit-to-shape sweaters made in Africa from cashmere and some merino wools as well as apparel produced in Africa from silk, velvet, linen, and other fabrics not produced in commercial quantities in the United States.

The Act extends duty free and quota free U.S. market access for apparel made in Africa with African/regional fabric and yarn. Such imports, however, are subject to a cap (limit) ranging from 1.5 to 3.5% of the multibillion dollar U.S. apparel import market over an 8 year period. African apparel imports made with African fabric/yarns currently total about \$250 million. Normal MFN duties would be levied on apparel (regional fabric) imports over the cap.

Finally, the Act, which provides an average 17.5% duty advantage on apparel imports in the U.S.

market, promotes economic development and diversification in Africa's poorest countries through a special provision in the cap which allows African countries with an annual GNP of under \$1,500 ("lesser developed beneficiary countries) to use third country fabric inputs for four years. This special investment incentive for the poorest African countries is aimed at providing a market stimulus to economic development for areas with little existing industry.

### **Beneficiary Country Designation**

The thirty-four countries designated as beneficiary sub-Saharan African countries under the AGOA are: Benin, Botswana, Cape Verde, Cameroon, Central African Republic, Chad, Republic of Congo, Djibouti, Eritrea, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone\*, South Africa, Tanzania, Uganda, and Zambia.

Twenty-eight countries have been designated as lesser developed beneficiary sub-Saharan African countries under the AGOA. They are: Benin, Cape Verde, Cameroon, Central African Republic, Chad, Republic of Congo, Djibouti, Eritrea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone\*, Tanzania, Uganda, and Zambia.

### **Eligibility Review Factors**

In considering the eligibility of sub-Saharan African countries for AGOA beneficiary status, the AGOA required the President to consider the countries based on the existing criteria under the Generalized System of Preferences program as well as new AGOA criteria and a new GSP criterion. These new criteria include whether these countries have established or are making continual progress toward establishing a market-based economy, the rule of law, the elimination of barriers to U.S. trade and investment, economic policies to reduce poverty, the protection of internationally recognized worker rights, and a system to combat corruption. Additionally, countries (1) cannot engage in activities that undermine U.S. national security or foreign policy interests, (2) cannot engage in gross violations of internationally-recognized human rights, (3) cannot provide support for acts of international terrorism, and (4) must have implemented their commitments to eliminate the worst forms of child labor.

### **Customs-Related Eligibility Determination**

The AGOA requires that beneficiary countries meet certain customs-related requirements in order to receive the apparel and textile benefits of the AGOA. The Presidential Proclamation delegated to USTR the authority to make this determination and to publish this determination in the *Federal Register*. To receive the apparel and textile benefits of AGOA, a USTR-chaired inter-agency committee must determine, inter alia, that countries have an effective visa system and enforcement procedures to prevent unlawful transshipment and the use of counterfeit documents. In addition, countries must agree to cooperate with U.S. Customs in investigating and preventing transshipment and must have implemented or be making substantial progress toward implementing and following

procedures and requirements similar to those of NAFTA Chapter 5. USTR will publish Federal Register notices as countries meet these requirements and expects that some countries will be determined to be eligible for these benefits shortly. U.S. Customs technical assistance teams will soon travel to the region to work with key apparel producing beneficiary countries on the visa and other customs-related requirements.

### **Eligibility Review Process**

A USTR-chaired Subcommittee of the Trade Policy Staff Committee (TPSC) conducted a review of countries' eligibility for AGOA preferences, based on the criteria required under AGOA. The review relied on information from U.S. Embassies, from sub-Saharan African governments, from U.S. Government agencies, from other reliable information sources, and from public comments received in response to a June 19, 2000 *Federal Register* notice. Through this process country-specific issues and areas of concern were identified. Specific policy objectives to be pursued with specific governments were established. Objectives with respect to economic reform, internationally-recognized worker rights, human rights, anti-corruption actions, intellectual property protection, and elimination of the worst forms of child labor were pursued with a wide-range of countries. USTR's recommendations to the President regarding the designation of AGOA beneficiary countries were based on the results of these efforts.

### **GSP Expansion Process for AGOA Beneficiaries**

Under the AGOA, the President is authorized to provide GSP (duty-free) treatment for selected products from beneficiary sub-Saharan African countries if, after receiving advice from the U.S. International Trade Commission, he determines that the products are not import-sensitive in the context of imports from these countries. A review of almost 1,900 products is now being conducted by the USTR-chaired GSP Subcommittee of the TPSC. A public hearing was held by the TPSC on September 7. The ITC is scheduled to publish its advice to the President on or about October 6. It is expected that the President will designate the products that will be added to the GSP program if imported from beneficiary sub-Saharan African countries before the end of the year.

### **Sierra Leone: Delayed Implementation**

In the Presidential Proclamation, the President authorized the USTR to determine the effective date of Sierra Leone's designation as a beneficiary sub-Saharan African country under AGOA. Sierra Leone has a democratically-elected government trying to restore its control over all the territory of Sierra Leone. While it is confronting difficulties with a brutal armed insurgency, the country has a market-oriented economy with minimal government interference and policies conducive to foreign investment. Problems with effectively implementing rule of law throughout its territory are linked to the insurgency. Developments in Sierra Leone will determine when the benefits will become effective. The trade benefits provided by AGOA could be particularly beneficial for the people of Sierra Leone as they attempt to recover from the traumatic conflict of the last decade.

## CARIBBEAN BASIN TRADE PARTNERSHIP ACT

On October 2, President Clinton signed the Proclamation implementing the Caribbean Basin Trade Partnership Act (CBTPA - Title II of the Trade and Development Act of 2000). The Presidential Proclamation declares the 24 current beneficiary countries of the Caribbean Basin Initiative to be "Beneficiary Countries" for purposes of the enhanced trade preferences made available under the CBTPA. In addition, the Proclamation modifies the Harmonized Tariff Schedule to reflect the new trade preferences. It also delegates to the Office of the United States Trade Representative the authority to publish (through a *Federal Register* notice) additional determinations regarding the compliance of CBTPA Beneficiary Countries with customs-related procedures established in the CBTPA.

### Summary of Enhanced CBTPA Preferences

The CBTPA significantly expands preferential treatment for apparel made in the Caribbean Basin region. Duty- and quota-free treatment is provided for apparel made in the CBI from U.S. fabrics formed from U.S. yarns. Duty/quota-free treatment is also available for certain knit apparel made in CBTPA beneficiary countries from fabrics formed in the Caribbean Basin region, provided that U.S. yarns are used in forming the fabric. This "regional fabric" benefit for knit apparel is subject to an overall yearly limit, with a separate limit provided for T-shirts.

New duty/quota free treatment will also be available for apparel made in the CBI from fabrics determined to be in "short supply" in the United States, and for designated "hand-loomed, handmade, or folklore" articles.

In addition to these apparel preferences, the CBTPA provides NAFTA-equivalent tariff treatment for certain items previously excluded from duty-free treatment under the CBI program (e.g., footwear, canned tuna, petroleum products, watches and watch parts).

### Beneficiary Country Designation

The CBTPA authorized the President to designate individual countries as being "Beneficiary Countries" in order to receive the enhanced trade benefits available under the Act. The twenty-four current beneficiaries of the Caribbean Basin Economic Recovery Act (CBERA) were potentially eligible to be declared CBTPA Beneficiary Countries. These countries are: Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, Panama, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and British Virgin Islands. Through the Proclamation issued today, President Clinton designated all 24 countries as CBTPA Beneficiary Countries.

### Eligibility Review Factors

In considering the eligibility of these countries for CBTPA Beneficiary Country status, the CBTPA required the President to take into account the existing eligibility criteria of the CBERA, as well as several new criteria elaborated in the CBTPA. These new criteria include:

- 1) Whether the beneficiary country has demonstrated a commitment to undertake its obligations under the WTO on or ahead of schedule and participate in negotiations toward the completion of the FTAA or another free trade agreement.
- 2) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights.
- 3) The extent to which the country provides internationally recognized worker rights, including—
  - “(I) the right of association;
  - “(II) the right to organize and bargain collectively;
  - “(III) a prohibition on the use of any form of forced or compulsory labor;
  - “(IV) a minimum age for the employment of children; and
  - “(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;
- 4) Whether the country has implemented its commitments to eliminate the worst forms of child labor.
- 5) The extent to which the country has met U.S. counter-narcotics certification criteria under the Foreign Assistance Act of 1961.
- 6) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.
- 7) The extent to which the country applied transparent, nondiscriminatory and competitive procedures in government procurement, and contribute to efforts in international for to develop an implement rules on transparency in government procurement.

#### **Customs-Related Eligibility Determination**

In addition to Presidential eligibility designations based on the criteria described above, the CBTPA requires an additional determination that countries have implemented or are making substantial progress towards implementing certain customs procedures based on those contained in the NAFTA. Today's Proclamation delegates authority for these additional determinations to USTR. USTR will publish initial determinations on this eligibility criteria in coming days, through a notice in the *Federal Register*.

### **Eligibility Review Process**

The USTR-chaired Trade Policy Staff Committee (TPSC) conducted a review of countries' eligibility for CBTPA preferences, taking into account the criteria established in the Act. This review relied upon information provided by U.S. Embassies, keyed to the various eligibility criteria, as well as on information from other reliable sources, such as the International Labor Organization. In addition, the TPSC took into account public comments regarding the eligibility review, solicited through a *Federal Register* notice published June 19, 2000. The TPSC received 206 comments in response to this notice.

Through a series of meetings, the TPSC identified a number of concerns regarding certain countries' performance with respect to the eligibility criteria established in the CBTPA. For each of these areas of concern, the TPSC further identified specific policy objectives to be pursued with the relevant governments, with the general aim of soliciting assurances that these concerns would be addressed. For those countries for which concerns and objectives had been identified, U.S. Embassy officials in the Caribbean Basin region and other U.S. government officials conducted intensive advocacy with local government officials. TPSC recommendations to the President regarding the designation of CBTPA Beneficiary Countries were based on the results of these efforts.

The eligibility review process involved direct, issue-specific advocacy with a majority of the countries that were potentially eligible for CBTPA benefits. Objectives with respect to intellectual property protection, worker rights, implementation of WTO agreements, and commitments to abide by international anti-corruption guidelines were pursued with a range of countries. The review concluded that CBI countries satisfied the CBTPA criteria regarding commitments to eliminate the worst forms of child labor; however, several countries were urged to expand upon their current efforts to combat all forms of child labor.

### **Guatemala: Additional Review of Worker Rights Issues**

The review of Guatemala's eligibility for the enhanced CBI preferences involved extensive consideration of the worker rights situation in that country. The United States raised specific concerns with respect to anti-union violence, including a 1999 incident in which armed vigilantes threatened and kidnaped leaders of a banana workers' union who were protesting the illegal dismissal of 900 workers. Guatemala was asked to facilitate negotiations to reemploy the 900 fired workers and to commit to speedy and effective implementation of labor code requirements with respect to this case. Guatemala's government was also asked to work with the country's legislature to pass proposed revisions to the labor code, and to provide a commitment, over the longer-term, to continual improvements in law enforcement and judicial administration related to the protection of worker rights.

In their responses to U.S. concerns, Guatemala's Vice President, Minister of Labor, and other officials have demonstrated considerable good faith in seeking to improve the worker rights situation in their

country. The United States welcomes the Ministry of Labor's efforts to date to facilitate a resolution to the situation arising from the 1999 incident involving banana workers. There is evidence of progress in prosecuting those responsible for violence against workers in that case. We also welcome efforts by the government to suspend operating licenses for companies which have violated labor code provisions. In addition, the Guatemalan executive branch has presented legislation to bring the country's labor laws into conformity with ILO recommendations. It is on the basis of these actions and assurances that Guatemala has been designated at this time as a CBTPA Beneficiary Country.

Despite certain forthcoming actions and statements by Guatemalan officials, the United States remains deeply concerned that the overall worker rights environment in Guatemala represents a threat to those seeking to advance basic, internationally-recognized rights for workers. Instances of anti-union violence, including occasional murders, persist. The widespread impunity for those who provoke and carry out such violence is a particularly severe concern.

Consequently, Guatemala's CBTPA beneficiary status will be reviewed in April 2001, with a focus on further improvements in the area of worker rights. This review will include the following objectives: a) an assessment that the Guatemalan executive branch is taking all actions within its authority to ensure the physical safety and human and civil rights of union leaders and the effective criminal prosecution of persons charged with provoking anti-union violence, including killings of union leaders; b) assurances that the Government of Guatemala is taking all steps within its power to provide for the re-employment of the 900 fired banana workers and settlement of related labor law violations; c) further progress towards enacting the new Labor Code; and d) further improvements in labor law enforcement and judicial administration related to the protection of labor rights.

As a further sign of the seriousness with which the United States views these issues, Ambassador Barshefsky is initiating immediately a review of Guatemala's eligibility as a beneficiary country under the Generalized System of Preferences (GSP). This unprecedented self-initiated review will also be concluded in April 2001, and will focus on the government's response to anti-union violence and other aspects of internationally recognized worker rights.

### **Worker Rights Monitoring in El Salvador, Honduras, and Nicaragua**

Worker rights issues were also pursued in the context of the CBTPA eligibility review of El Salvador, Honduras, and Nicaragua. With respect to El Salvador, the United States raised concerns regarding the effect of certain privatization programs in restricting union activity, as well as excessive legal formalities applied to the establishment of trade unions. In Honduras, the United States focused on the government's efforts to revise the Honduran labor code to reflect recommendations made by the International Labor Organization. In Nicaragua, the U.S. expressed particular concern with respect to anti-union activity at two apparel factories in the Las Mercedes Free Trade Zone, and successfully sought the government's assurances that workers at those factories would be informed of their rights under Nicaragua's Labor Code.

In each of these cases, the governments in question provided responses which were helpful in addressing U.S. concerns. Nonetheless, the Administration believes that worker rights practices in these countries should be subject to ongoing monitoring. This monitoring will focus on follow-through to the commitments made by these governments in the context of the CBTPA eligibility review. In addition, the United States will request bilateral consultations with each of the three governments to discuss worker rights concerns by June 30, 2001.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 2, 2000

TO IMPLEMENT THE UNITED STATES-CARIBBEAN BASIN  
TRADE PARTNERSHIP ACT

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. Section 211 of the United States-Caribbean Basin Trade Partnership Act (Title II of Public Law 106-200) (CBTPA), which amends section 213(b) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(b)), provides that certain preferential tariff treatment may be provided to eligible articles that are the product of any country that the President designates as a "CBTPA beneficiary country" pursuant to section 213(b)(5)(B) of the CBERA (19 U.S.C. 2703(b)(5)(B)), provided that the President determines that the country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA (19 U.S.C. 2703(b)(4)(A)(ii)) relating to the implementation of procedures and requirements similar to those in chapter 5 of the North American Free Trade Agreement (NAFTA).

2. Section 211 of the CBTPA, which amends section 213(b) of the CBERA (19 U.S.C. 2703(b)), provides that eligible textile and apparel articles of a designated CBTPA beneficiary country shall enter the United States free of duty and free of quantitative limitations, provided that the President determines that the country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA relating to the implementation of procedures and requirements similar to those in chapter 5 of the NAFTA.

3. Section 212 of the CBTPA, which amends section 213(a) of the CBERA (19 U.S.C. 2703(a)), provides duty-free treatment for certain liqueurs and spirituous beverages produced in Canada from rum that originates in a designated beneficiary country or the Virgin Islands of the United States.

4. In order to implement the tariff treatment provided under the CBTPA, it is necessary to modify the Harmonized Tariff Schedule of the

United States (HTS), thereby incorporating the substance of the relevant provisions of the CBTPA.

5. Section 604 of the Trade Act of 1974 (the "1974 Act") (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

6. I have determined that it is appropriate to authorize the United States Trade Representative (USTR) to perform the functions specified in section 213(b)(4)(A)(ii) of the CBERA and certain functions under section 604 of the 1974 Act.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including section 301 of title 3, United States Code, sections 211 and 212 of the CBTPA, section 213 of the CBERA, and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide for the preferential treatment provided for in section 213 of the CBERA (19 U.S.C. 2703), as amended by the CBTPA, the HTS is modified as provided in the Annex to this proclamation.

(2) The following countries are designated as CBTPA beneficiary countries pursuant to section 213(b)(5)(B) of the CBERA:

Antigua and Barbuda  
Aruba  
Bahamas  
Barbados  
Belize  
Costa Rica  
Dominica  
Dominican Republic  
El Salvador  
Grenada  
Guatemala  
Guyana  
Haiti  
Honduras  
Jamaica  
Montserrat

Netherlands Antilles  
Nicaragua  
Panama  
St. Kitts and Nevis  
Saint Lucia  
Saint Vincent and the Grenadines  
Trinidad and Tobago  
British Virgin Islands

(3) The USTR is authorized to determine whether each designated beneficiary country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA relating to the implementation of procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA. To implement such determination or determinations, the USTR is authorized to exercise the authority provided to the President under section 604 of the 1974 Act to embody modifications and technical or conforming changes in the HTS. The determination or determinations of the USTR under this paragraph shall be set forth in a notice or notices that the USTR shall cause to be published in the Federal Register. Such notice or notices shall modify general note 17 of the HTS by listing the countries that satisfy the requirements of section 213(b)(4)(A)(ii) of the CBERA.

(4) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(5) This proclamation is effective on the date of signature of this proclamation, except that the modifications to the HTS made by the Annex to this proclamation, as further modified by any notice to be published in the Federal Register as described in paragraph 3 of this proclamation, shall be effective on the date announced by the USTR in such notice.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fifth.

WILLIAM J. CLINTON

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ANNEX

Section A. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date published by the United States Trade Representative in the Federal Register, the Harmonized Tariff Schedule of the United States (HTS) is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled "Heading/Subheading", "Article Description", and "Rates of Duty 1-Special".

- (1). General note 3(c)(i) to the tariff schedule is modified by inserting at the end thereof a new line reading "United States-Caribbean Basin Trade Partnership Act...R".
- (2). General notes 16, 17, 18, 19, 20 and 21 to the tariff schedule are redesignated as general notes 18, 19, 20, 21, 22 and 23.
- (3). The following new general note 17 to the tariff schedule is inserted in numerical sequence:

"17. Products of Countries Designated as Beneficiary Countries under the United States-Caribbean Basin Trade Partnership Act of 2000.

- (a) The Caribbean Basin countries that will be enumerated in this note in a Federal Register notice by the United States Trade Representative, having previously been designated by the President pursuant to section 211 of the United States-Caribbean Basin Trade Partnership Act (CBTPA), shall be treated as beneficiary countries for purposes of this note on and after the effective date announced in such notice.
- (b) Articles provided for in a provision for which a rate of duty appears in the "Special" subcolumn followed by the symbol "R" in chapters 1 through 97 of the tariff schedule are those designated by the President to be eligible articles for purposes of the CBTPA pursuant to section 211 of that Act. Whenever an eligible article which is a good of one or more designated beneficiary CBTPA countries enumerated in subdivision (a) of this note is imported directly into the customs territory of the United States, such article shall be entitled to receive the duty-free or reduced duty treatment provided for herein, provided that such good--

- (i) was wholly obtained or produced entirely in the territory of one or more designated beneficiary countries enumerated in subdivision (a) of this note, or
- (ii) would be an originating good for purposes of general note 12 to the tariff schedule, if such good were imported thereunder.

No article or material of a designated beneficiary country enumerated in subdivision (a) of this note and receiving the tariff treatment specified in this note shall be eligible for such duty-free treatment by virtue of having merely undergone simple combining or packing operations, or mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

- (c) Whenever a rate of duty other than "Free" appears in the "Special" rates of duty subcolumn for any heading or subheading followed by the symbol "E" or "E\*" and a lower rate of duty appears in such subcolumn followed by the symbol "R", an eligible article under the terms of this note entered under such provision from a designated beneficiary CBTPA country enumerated in subdivision (a) of this note shall receive such lower rate of duty.
  - (d) The duty-free treatment provided for in this note shall be effective with respect to eligible articles from a designated CBTPA country enumerated in subdivision (a) of this note that are entered, or withdrawn from warehouse for consumption, on or after the date announced in a Federal Register notice issued by the United States Trade Representative, and shall remain in effect through the earlier of--
    - (i) the close of September 30, 2008; or
    - (ii) the date on which the Free Trade Area of the Americas or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103-182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the CBTPA beneficiary country."
- (4). The Rates of Duty 1-Special subcolumn in the HTS is modified for each

of the following HTS provisions by inserting the symbol "R" in alphabetical order in the parentheses following the "Free" rate of duty.

Annex (con.)

7

2710.00.35  
2710.00.40  
4602.10.21  
4602.10.22

4602.10.25  
4602.10.29  
6401.92.60  
6402.19.15

6402.19.50  
6402.19.70  
6402.19.90  
6402.30.60

6402.99.14  
6403.19.40  
6403.59.15  
6404.11.40

6404.11.90  
6404.19.40  
6404.19.90  
6406.10.50

(5). Subchapter XVII of chapter 98 of the HTS is modified by inserting in numerical sequence the following new U.S. note and heading:

"6. For purposes of heading 9817.22.05, the duty-free treatment shall apply to liqueurs and spirituous beverages produced in the territory of Canada from rum if--

- (i) such rum is the growth, product, or manufacture of a designated Caribbean Basin Economic Recovery Act (CBERA) beneficiary country enumerated in general note 7(a) to the tariff schedule or of the Virgin Islands of the United States;
- (ii) such rum is imported directly from a designated CBERA beneficiary country enumerated in general note 7(a) to the tariff schedule or from the Virgin Islands of the United States into the territory of Canada, and such liqueurs and spirituous beverages are imported directly from the territory of Canada into the customs territory of the United States;
- (iii) when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.40 or 2208.90 of the tariff schedule; and
- (iv) such rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.

9817.22.05 Rum, tafia, liqueurs and spirituous beverages, of a type classifiable in subheading 2208.40 or 2208.90 and described in U.S. note 6 to this subchapter”

Section B. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date published in the Federal Register by the United States Trade Representative, chapter 98 of the Harmonized Tariff Schedule of the United States is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled “Heading/Subheading”, “Article Description”, and “Rates of Duty 1-Special”.

(1). The following new U.S. note is inserted in numerical sequence in subchapter II of chapter 98 of the tariff schedule:

“7. For purposes of heading 9802.00.80, duty-free treatment shall be accorded to the following articles imported directly from a beneficiary United States-Caribbean Basin Trade Partnership Act (CBTPA) country previously designated by the President in a proclamation issued pursuant to such Act and enumerated in general note 17(a) to the tariff schedule--

- (i) apparel articles assembled in one or more such beneficiary countries from fabrics wholly formed and cut in the United

States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of chapter 56 and are wholly formed and cut in the United States); or

- (ii) textile luggage assembled in a designated beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States.

Articles otherwise eligible to enter under this heading, and which satisfy the conditions set forth in U.S. note 3 to subchapter XX of this chapter, shall not be ineligible to enter under this heading. Articles covered by the terms of this note shall be admitted into the customs territory of the United States free of quantitative limitations.”

- (2). (a) The article description of heading 9802.00.80 is modified by inserting immediately after “heading 9802.00.90” the expression “and goods imported under provisions of subchapter XX”.
  - (b) The Special rates of duty subcolumn for such heading is modified by inserting below the last rate in such subcolumn the expression “Free, for products described in U.S. note 7 to this subchapter”.
- (3). The following new subchapter XX is inserted in chapter 98 of the HTS, together with its U.S. notes and tariff provisions:

**SUBCHAPTER XX  
GOODS ELIGIBLE FOR SPECIAL TARIFF BENEFITS UNDER THE  
UNITED STATES-CARIBBEAN BASIN TRADE  
PARTNERSHIP ACT**

**U.S. Notes**

- 1. The tariff treatment provided in this subchapter shall be accorded only to textile and apparel articles that are described in such subheadings and imported directly into the customs territory of the United States from a designated United States-Caribbean Basin Trade Partnership Act (CBTPA) beneficiary country enumerated in general note 17(a) to the tariff schedule.
- 2. (a) Except as provided in this note, textile and apparel articles described in subheadings 9820.11.03 through 9820.11.30,

inclusive, of this subchapter that are imported directly into the customs territory of the United States from a designated beneficiary CBTPA country enumerated in general note 17(a) to the tariff schedule shall be eligible to enter free of duty and free of any quantitative limitations, except as provided in this subchapter, under the terms of the provisions set forth in such subheadings and applicable legal notes, as indicated by the rate of duty of "Free" in the Special rates of duty subcolumn for such provisions.

- (b) Imports of apparel articles under subheading 9820.11.09 shall be limited, in the period beginning on the date announced in a Federal Register notice issued by the United States Trade Representative and continuing through the close of September 30, 2001, to an aggregate quantity not to exceed 250,000,000 square meter equivalents. Such imports of apparel articles shall be limited, during each of the one-year periods provided for herein, to the following aggregate quantity of square meter equivalents:

12-Month Period	Square Meter Equivalents
October 1, 2001 through September 30, 2002.....	290,000,000
October 1, 2002 through September 30, 2003.....	336,400,000
October 1, 2003 through September 30, 2004 and subsequent 12-month periods.....	390,224,000

- (c) Imports of t-shirts under subheading 9820.11.12 shall be limited, in the period beginning on the date announced in a Federal Register notice issued by the United States Trade Representative and continuing through the close of September 30, 2001, to an aggregate quantity not to exceed 4,200,000 dozen. Such imports of such t-shirts shall be limited, during each of the one-year periods provided for herein, to the following aggregate quantity:

12-Month Period	Aggregate Quantity in Dozens
October 1, 2001 through September 30, 2002	4,872,000
October 1, 2002 through September 30,	

2003	5,651,520
October 1, 2003 through September 30,	
2004	6,555,763
October 1, 2004 through September 30, 2005	
and subsequent 12-month	
periods	7,604,685

- (d) For purposes of subheading 9820.11.15, imports of brassieres of a producer or an entity controlling production, during the period beginning on October 1, 2001, and during each of the six succeeding 1-year periods, shall be eligible for preferential treatment only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period. The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the provisions of this paragraph. If the Customs Service finds that a producer or an entity controlling production has not satisfied such provisions in a 1-year period, then such apparel articles of that producer or entity shall be ineligible for preferential treatment under subheading 9820.11.15 during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity in the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.
3. (a) An article otherwise eligible for preferential treatment under any provision of this subchapter shall not be ineligible for such treatment because the article contains--
- (i) findings or trimmings of foreign origin, if the value of such findings and trimmings does not exceed 25 percent of the cost of the components of the assembled article; or
  - (ii) certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings of foreign origin) does not exceed 25 percent of the cost of the

components of the assembled article; or

- (iii) fibers or yarns not wholly formed in the United States or in one or more designated beneficiary countries enumerated in general note 17(a) to the tariff schedule, provided that the total weight of all such fibers and yarns is not more than 7 percent of the total weight of the article.

Notwithstanding subdivision (iii) above, an apparel article containing elastomeric yarns shall be eligible for preferential tariff treatment under this note only if such yarns are wholly formed in the United States.

- (b) For purposes of subdivision (a)(i) above, findings or trimmings eligible under such subdivision include sewing thread, hooks and eyes, snaps, buttons, "bow buds", decorative lace trim, elastic strips, zippers (including zipper tapes and labels) and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 2.54 cm in width and used in the production of brassieres. For purposes of articles described in subheading 9820.11.06 and 9820.11.18, sewing thread shall not be considered to be findings or trimmings.
- (c) For purposes of subdivision (a)(ii) above, the interlinings eligible under such subdivision include only a chest type plate, a "hymo" piece, or "sleeve header", of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.
- (d) For purposes of U.S. note 7(i) to subchapter II of this chapter and subheadings 9820.11.03, 9820.11.06 and 9820.11.18, an article otherwise eligible for preferential treatment under such subheadings shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5401.41.90, 5402.51.00 or 5402.61.00 of the tariff schedule that entered free of duty as a product of Israel under the terms of general note 8 to the tariff schedule or as a good of Canada or a good of Mexico under the terms of general note 12 to the tariff schedule.

4. For purposes of subheading 9820.11.30, goods entered under this provision must be certified, by a competent authority of a designated beneficiary country enumerated in general note 17(a) to the tariff schedule, as eligible products of such country, in accordance with requirements established by the appropriate U.S. government authority.

Articles imported from a designated beneficiary Caribbean Basin Trade Partnership country enumerated in general note 17(a) to the tariff schedule

9820.11.03 Apparel articles of chapter 61 or 62 assembled in one or more such countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed and cut in the United States), the foregoing which (1) are embroidered or were subjected to stone-washing, enzyme-washing, acid washing, permapressing, oven-baking, bleaching, garment-dyeing, screen printing or other similar processes, and (2) but for such embroidery or processing are of a type otherwise described in heading 9802.00.80 of the tariff schedule

9820.11.06 : Apparel articles cut in one or more such countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed in the United States), if such articles are assembled in one or more such countries with thread formed in the United States

9820.11.08 Apparel articles (other than socks provided for in heading 6115 of the tariff schedule) knit to shape in such a country from yarns wholly formed in the United States; knitted or crocheted apparel articles (except t-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 and described in subheading 9820.11.12) cut and wholly assembled in one or more such countries from fabrics formed in one or more such countries or from fabrics formed in one or more such countries and the United States, all the foregoing from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 of the tariff schedule and are formed in one or more such countries) and subject to the provisions of U.S. note 2(b) to this subchapter

9820.11.12 T-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 of the tariff schedule, made in one or more such countries from fabric formed in one or more such countries from yarns wholly formed in the United States, subject to the provisions of U.S. note 2(c) to this subchapter.

9820.11.15 Brassieres classifiable in subheading 6212.10 of the tariff schedule, both cut and sewn or otherwise assembled in the United States or one or more such countries or both, subject to the provisions of U.S. note 2(d) to this subchapter

9820.11.18 Knitted or crocheted apparel articles (except t-shirts, other than underwear, classifiable in subheadings 6109.10.00 and 6109.90.10 and described in subheading 9820.11.12) cut and assembled in one or more such countries from fabrics wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 of the tariff schedule and are formed wholly in the United States), if such assembly is with thread formed in the United States

9820.11.21 Textile luggage assembled in such a country from fabric cut in a beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States

9820.11.24 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn not formed in the United States or in one or more such countries, provided that such apparel articles of such fabrics or yarn would be considered an originating good under the terms of general note 12(t) to the tariff schedule without regard to the source of the fabric or yarn if such apparel article had been imported from the territory of Canada or the territory of Mexico directly into the customs territory of the United States

9820.11.27 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn designated by the appropriate U.S. government authority in the Federal Register as fabrics or yarn not available in commercial quantities in the United States, under any terms as such authority may provide

9820.11.30 Handloomed, handmade or folklore textile and apparel goods, under the terms of U.S. note 4 to this subchapter...

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 2, 2000

TO IMPLEMENT THE AFRICAN GROWTH AND OPPORTUNITY ACT AND TO  
DESIGNATE ERITREA AS A BENEFICIARY DEVELOPING COUNTRY FOR PURPOSES  
OF THE GENERALIZED SYSTEM OF PREFERENCES

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. Section 111(a) of the African Growth and Opportunity Act (Title I of Public Law 106-200) (AGOA) amends Title V of the Trade Act of 1974, as amended (the "1974 Act"), to provide, in new section 506A(a) (19 U.S.C. 2466a(a)), that the President is authorized to designate countries listed in section 107 of the AGOA as "beneficiary sub-Saharan African countries."

2. Section 112(a) of the AGOA (19 U.S.C. 3721(a)) provides that eligible textile and apparel articles that are imported directly into the customs territory of the United States from a beneficiary sub-Saharan African country shall enter the United States free of duty and free of quantitative limitations, provided that the country has satisfied the requirements of section 113(a) of the AGOA (19 U.S.C. 3722(a)) relating to the establishment of procedures to protect against unlawful transshipments, and section 113(b)(1)(B) of the AGOA (19 U.S.C. 3722(b)(1)(B)) relating to the implementation of procedures and requirements similar to those in chapter 5 of the North American Free Trade Agreement (NAFTA).

3. Section 112(b)(3)(B) of the AGOA (19 U.S.C. 3721(b)(3)(B)) provides special rules for certain apparel articles imported from "lesser developed beneficiary sub-Saharan African countries."

4. Section 112(c) of the AGOA (19 U.S.C. 3721(c)) provides that the President shall eliminate the existing quotas on textile and apparel articles imported into the United States (a) from Kenya within 30 days after that country adopts an effective visa system to prevent unlawful

transshipment of textile and apparel articles and the use of counterfeit documents relating to the importation of the articles into the United States, and (b) from Mauritius within 30 days after that country adopts such a visa system.

5. In order to implement the tariff treatment provided under the AGOA, it is necessary to modify the Harmonized Tariff Schedule of the United States (HTS), thereby incorporating the substance of the relevant provisions of the AGOA.

6. Sections 501 and 502 of the 1974 Act (19 U.S.C. 2461 and 2462) authorize the President to designate countries as beneficiary developing countries for purposes of the Generalized System of Preferences (GSP).

7. Section 604 of the 1974 Act (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

8. I have determined that it is appropriate to authorize the United States Trade Representative (USTR) to perform the functions specified in sections 112(c) and 113(b)(1)(B) of the AGOA and to make the findings identified in section 113(a) of the AGOA and to perform certain functions under section 604 of the 1974 Act.

9. For Sierra Leone, I have determined that it is appropriate to authorize the USTR to determine the effective date of its designation as a beneficiary sub-Saharan African country.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including section 301 of title 3, United States Code, sections 111, 112, and 113 of the AGOA, and sections 501, 502, 506A, and 604 of the 1974 Act, do proclaim that:

(1) In order to provide for the preferential treatment provided for in section 112(a) of the AGOA, the HTS is modified as provided in the Annex to this proclamation.

(2) The following countries are designated as beneficiary sub-Saharan African countries pursuant to section 506A(a) of the 1974 Act:

Republic of Benin  
Republic of Botswana  
Republic of Cape Verde  
Republic of Cameroon  
Central African Republic  
Republic of Chad  
Republic of Congo  
Republic of Djibouti  
State of Eritrea  
Ethiopia  
Gabonese Republic  
Republic of Ghana  
Republic of Guinea  
Republic of Guinea-Bissau  
Republic of Kenya  
Kingdom of Lesotho  
Republic of Madagascar  
Republic of Malawi  
Republic of Mali  
Islamic Republic of Mauritania  
Republic of Mauritius  
Republic of Mozambique  
Republic of Namibia  
Republic of Niger  
Federal Republic of Nigeria  
Republic of Rwanda  
Democratic Republic of São Tomé and Príncipe  
Republic of Senegal  
Republic of Seychelles  
Republic of Sierra Leone  
Republic of South Africa  
United Republic of Tanzania  
Republic of Uganda  
Republic of Zambia

(3) For purposes of section 112(b)(3)(B) of the AGOA, the following designated beneficiary sub-Saharan African countries shall be considered lesser developed beneficiary sub-Saharan African countries:

Republic of Benin  
Republic of Cape Verde  
Republic of Cameroon  
Central African Republic

Republic of Chad  
Republic of Congo  
Republic of Djibouti  
State of Eritrea  
Ethiopia  
Republic of Ghana  
Republic of Guinea  
Republic of Guinea-Bissau  
Republic of Kenya  
Kingdom of Lesotho  
Republic of Madagascar  
Republic of Malawi  
Republic of Mali  
Islamic Republic of Mauritania  
Republic of Mozambique  
Republic of Niger  
Federal Republic of Nigeria  
Republic of Rwanda  
Democratic Republic of São Tomé and Príncipe  
Republic of Senegal  
Republic of Sierra Leone  
United Republic of Tanzania  
Republic of Uganda  
Republic of Zambia

(4) The USTR is authorized to determine whether each designated beneficiary sub-Saharan African country has satisfied the requirements of section 113(a) of the AGOA relating to the establishment of procedures to protect against unlawful transshipments and section 113(b)(1)(B) of the AGOA relating to the implementation of procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA. The determination or determinations of the USTR under this paragraph shall be set forth in a notice or notices that the USTR shall cause to be published in the Federal Register. Such notice or notices shall modify the HTS by listing the countries that satisfy the requirements of sections 113(a) and 113(b)(1)(B) of the AGOA. To implement such determination or determinations, the USTR is authorized to exercise the authority provided to the President under section 604 of the 1974 Act to embody modifications and technical or conforming changes in the HTS.

(5) The USTR is authorized to determine whether Kenya and Mauritius have satisfied the requirements of section 112(c) of the AGOA. The determination or determinations of the USTR under this paragraph shall be

set forth in a notice or notices that the USTR shall cause to be published in the Federal Register. Within 30 days after any such determination by the USTR, the USTR shall cause the existing quotas on textile and apparel articles imported into the United States from such country to be eliminated by direction to the appropriate agencies or departments. To implement such determination or determinations, the USTR is authorized to exercise the authority provided to the President under section 604 of the 1974 Act to embody modifications and technical or conforming changes in the HTS.

(6) The USTR is authorized to determine the effective date of the designation of the Republic of Sierra Leone as a beneficiary sub-Saharan African country and, therefore, the date upon which Sierra Leone will be considered a lesser developed beneficiary sub-Saharan African country. The determination of the USTR under this paragraph shall be set forth in a notice that the USTR shall cause to be published in the Federal Register. To implement such determination, the USTR is authorized to exercise the authority provided to the President under section 604 of the 1974 Act to embody modifications and technical or conforming changes in the HTS.

(7) Pursuant to sections 501 and 502 of the 1974 Act, Eritrea is designated as a beneficiary developing country for purposes of the GSP.

(8) In order to reflect in the HTS the designation of Eritrea as a beneficiary developing country under the GSP, general note 4(a) to the HTS is modified by inserting in alphabetical sequence "Eritrea" in the list of independent countries.

(9) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(10) This proclamation is effective on the date of signature of this proclamation, except that (a) the modifications to the HTS made by the Annex to this proclamation, as further modified by any notice to be published in the Federal Register as described in paragraph 4 of this proclamation, shall be effective on the date announced by the USTR in such notice, and (b) the designation of the Republic of Sierra Leone as a beneficiary sub-Saharan African country shall be effective on the date announced by the USTR in the Federal Register.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord two thousand, and of the

Independence of the United States of America the two hundred and twenty-fifth.

WILLIAM J. CLINTON

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ANNEX

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the date published in the Federal Register by the United States Trade Representative, chapter 98 of the Harmonized Tariff Schedule of the United States is modified as set forth herein, with the material in the new tariff provisions being inserted in the columns labeled "Heading/Subheading", "Article Description", and "Rates of Duty I-Special".

(1). The following new U.S. note is inserted in numerical sequence in subchapter II of chapter 98 of the tariff schedule:

7. For purposes of the special tariff treatment authorized by the African Growth and Opportunity Act (AGOA) (title I of Pub.L. No. 106-200) for certain goods of heading 9802.00.80 imported directly from those beneficiary sub-Saharan African countries previously designated by proclamation that are subsequently enumerated in a notice published in the Federal Register by the United States Trade Representative (USTR) as having been determined to have satisfied the requirements of the AGOA and therefore to be afforded such tariff treatment, the duty-free treatment indicated for such heading shall apply only to apparel articles assembled in one or more such beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of chapter 56 and are wholly formed and cut in the United States). Articles otherwise eligible to enter under this

heading, and which satisfy the conditions set forth in U.S. note 3 to subchapter XIX of this chapter, shall not be ineligible to enter under this heading. Such countries shall be enumerated in this note whenever the USTR issues a Federal Register notice as described herein. Articles covered by the provisions of this note shall be eligible to enter the customs territory of the United States free of quantitative limitations.?

- (2). (a) The article description of heading 9802.00.80 is modified by inserting immediately after heading 9802.00.90 the expression "and goods imported under provisions of subchapter XIX of this chapter".
- (b) The Rates of Duty 1-Special subcolumn for such heading is modified by inserting below the last rate in such subcolumn the expression "Free, for qualifying articles from sub-Saharan African countries enumerated in U.S. note 7 to this subchapter".
- (3). The following new subchapter XIX is inserted in chapter 98 of the HTS, together with its U.S. notes and tariff provisions:

SUBCHAPTER XIX  
TEXTILE AND APPAREL GOODS ELIGIBLE FOR  
SPECIAL TARIFF BENEFITS  
UNDER THE AFRICA GROWTH AND OPPORTUNITY ACT

U.S. Notes

1. For purposes of this subchapter, the tariff treatment provided herein shall be accorded only to textile and apparel articles that are described in such subheadings and imported directly into the customs territory of the United States from those beneficiary sub-Saharan African countries previously designated by proclamation which have subsequently been determined in a Federal Register notice issued by the United States Trade Representative (USTR) to have satisfied the requirements of the African Growth and Opportunity Act (AGOA) (title I of Pub.L. No. 106-200) and therefore should be afforded the tariff treatment authorized in such Act and set forth in the provisions of this subchapter. Such countries shall be enumerated in this note whenever the USTR issues a Federal Register notice as described herein. Such articles shall be eligible to enter free of duty and free of any quantitative limitations, except as provided in the notes to this subchapter.

2. (a) Imports of apparel articles under subheadings 9819.11.09 and 9819.11.12 shall be limited, in the period beginning on the date announced in a notice published in the Federal Register by the United States Trade Representative and continuing through the close of September 30, 2001, to an aggregate quantity not to exceed 1.5 percent of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available. Of that aggregate quantity, an amount not to exceed 1 percent of such aggregate square meter equivalents shall be eligible to enter under such subheadings during the period beginning on the date announced in such Federal Register notice and continuing through the close of December 31, 2000. The remaining 0.5 percent of such aggregate square meter equivalents, together with any quantity remaining unfilled from the 1 percent eligible to enter prior to January 1, 2001, shall be eligible to enter under such subheadings during the period beginning on January 1, 2001 and continuing through the close of September 30, 2001.
- (b) Such imports of apparel articles under subheadings 9819.11.09 and 9819.11.12 shall be limited, in each of the seven one-year periods beginning on October 1, 2001, to an aggregate quantity not to exceed the applicable percentage set forth herein of aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available:

Annex (con.)

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12-Month Period	Applicable Percentage
October 1, 2001 through September 30, 2002	1.7857
October 1, 2002 through September 30, 2003	2.0714
October 1, 2003 through September 30, 2004	2.3571
October 1, 2004 through September 30, 2005	2.6428
October 1, 2005 through September 30, 2006	2.9285
October 1, 2006 through September 30, 2007	3.2142
October 1, 2007 through September 30, 2008	3.5

- (c) The aggregate quantity of imports allowed during each enumerated 12-month period shall be published in the Federal Register by the Committee for the Implementation of Textile Agreements.

(d) For purposes of subheading 9819.11.12, only those designated beneficiary sub-Saharan African countries that have been enumerated in U.S. note 1 to this subchapter, following publication of a notice by the United States Trade Representative, shall be eligible to be treated as lesser developed beneficiary countries pursuant to section 112(b)(3)(B) of the AGOA (19 U.S.C. 3721(b)(3)(B)). Countries qualifying for designation as a lesser developed beneficiary country shall be enumerated in this note whenever the USTR issues a Federal Register notice as described herein and shall be eligible to enter goods under such subheading as of the effective date announced in such notice.

3. (a) An article otherwise eligible for preferential treatment under any provision of this subchapter shall not be ineligible for such treatment because the article contains--
- (i) findings or trimmings of foreign origin, if the value of such findings and trimmings does not exceed 25 percent of the cost of the components of the assembled article; or
  - (ii) certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings of foreign origin) does not exceed 25 percent of the cost of the components of the assembled article; or
  - (iii) fibers or yarns not wholly formed in the United States or in one or more designated beneficiary countries enumerated in U.S. note 1 to this subchapter, provided that the total weight of all such fibers and yarns is not more than 7 percent of the total weight of the article.
- (b) For purposes of subdivision (a)(i) above, findings or trimmings eligible under such subdivision include sewing thread, hooks and eyes, snaps, buttons, "bow buds", decorative lace trim, elastic strips, and zippers, including zipper tapes and labels. Elastic strips are considered findings or trimmings only if they are each less than 2.54 cm in width and used in the production of brassieres. For purposes of articles described in subheading 9819.11.06, sewing thread shall not be considered to be findings or trimmings.
- (c) For purposes of subdivision (a)(ii) above, the interlinings

eligible under such subdivision include only a chest type plate, a "hymo" piece, or "sleeve header", of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

4. For purposes of subheading 9819.11.27, goods entered under this provision must be certified, by a competent authority of a designated beneficiary country enumerated in U.S. note 1 to this subchapter, as eligible products of such country, in accordance with any requirements established by the appropriate U.S. government authority.

Articles imported from a designated beneficiary sub-Saharan African country enumerated in U.S. note 1 to this subchapter: 9819.11.03 Apparel articles of chapter 61 or 62 assembled in one or more such countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed and cut in the United States), the foregoing which (1) are embroidered or were subjected to stone-washing, enzyme-washing, acid washing, permapressing, oven-baking, bleaching, garment-dyeing, screen printing or other similar processes, and (2) but for such embroidery or processing are of a type otherwise described in heading 9802.00.80 of the tariff schedule.

9819.11.06 Apparel articles cut in one or more such countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable in heading 5602 or 5603 and are wholly formed in the United States), where such articles are assembled in one or more such countries with thread formed in the United States

9819.11.0 Apparel articles wholly assembled in one or more such countries from fabric wholly formed in one or more such countries from yarn originating in either the United States or one or more such countries (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 and are wholly formed and cut in one or more such countries), subject to the provisions of U.S. note 2 to this subchapter

9819.11.12 Apparel articles wholly assembled in a lesser developed such country enumerated in U.S. note 2(d) to this subchapter, subject to the provisions of U.S. note 2 to this subchapter, if entered during the period beginning on the date announced in a Federal Register notice issued by the United States Trade Representative and continuing through September 30, 2004, inclusive

9819.11.15 Sweaters, in chief weight of cashmere, knit-to-shape in one or more such

countries, the foregoing classifiable in subheading 6110.10

9819.11.18 Sweaters containing 50 percent or more by weight of wool measuring 18.5 microns in diameter or finer, knit-to-shape in one or more such countries

9819.11.21 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn that is not formed in the United States or a beneficiary country, provided that such apparel articles of such fabrics or yarn would be considered an originating good under the terms of general note 12(t) to the tariff schedule without regard to the source of the fabric or yarn if such apparel article had been imported from the territory of Canada or the territory of Mexico directly into the customs territory of the United States

9819.11.24 Apparel articles both cut (or knit-to-shape) and sewn or otherwise assembled in one or more such countries from fabrics or yarn designated by the appropriate U.S. government authority in the Federal Register as fabrics or yarn not available in commercial quantities in the United States, under any terms as such authority may provide

9819.11.27 Handloomed, handmade or folklore textile and apparel goods, under the provisions of U.S. note 4 to this subchapter.

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OCTOBER 2, 2000**

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**USTR ANNOUNCES AGOA/CBI COUNTRY DESIGNATIONS**

President Clinton today signed proclamations designating 34 sub-Saharan African countries as beneficiary countries under the African Growth and Opportunity Act (AGOA) and the 24 current beneficiary countries of the Caribbean Basin Initiative as Beneficiary Countries under the Caribbean Basin Trade Partnership Act (CBTPA). AGOA and CBTPA were passed by Congress earlier this year under the Trade and Development Act of 2000, which provides greater duty-free access to U.S. markets for countries in sub-Saharan Africa, the Caribbean and Central America.

"We have seen impressive strides in economic development and political reform in Africa, the Caribbean and Central America. These designations reflect the Clinton Administration's commitment to promoting economic growth and reducing poverty in these regions, while creating new economic opportunity in the U.S. These initiatives illustrate the importance of trade in fostering peace abroad and prosperity at home," said United States Trade Representative Charlene Barshefsky.

**African Growth and Opportunity Act**

African country designations are based on the eligibility criteria set forth in the AGOA. Such criteria assess whether a country has established or is making continued progress toward a market-based economy, the rule of law, economic policies to reduce poverty, the protection of internationally recognized worker rights, a system to combat corruption, and the elimination of barriers to U.S. trade and investment. As this is a new trade preferences program for Africa, the U.S. is engaging in consultations with many sub-Saharan African countries to promote progress in meeting a number of criteria in the Act.

The 34 countries designated as beneficiary sub-Saharan African countries under the AGOA are: Benin, Botswana, Cape Verde, Cameroon, Central African Republic, Chad, Republic of Congo, Djibouti, Eritrea, Ethiopia, Gabon, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe,

Senegal, Seychelles, Sierra Leone\*, South Africa, Tanzania, Uganda, and Zambia. (\* Effective date to be determined by USTR.)

A USTR-chaired inter-agency committee, in cooperation with U.S. Embassies, is working with countries to assist them in meeting and complying with the customs-related requirements they must meet to be determined eligible for apparel and textile benefits. Determinations of beneficiary sub-Saharan African country eligibility for apparel and textile benefits will be announced by USTR through *Federal Register* notices. The customs-related requirements are meant to prevent unlawful transshipment of textile or apparel articles, thus assuring that the Act's benefits accrue to beneficiary African countries instead of those outside of Africa.

#### **Caribbean Basin Trade Partnership Act**

The CBTPA expands on the current CBI program by allowing duty-free and quota-free treatment for imports of certain apparel from the Caribbean Basin region, and by extending NAFTA-equivalent tariff treatment to a number of other products previously excluded from the CBI program.

Today's action by the President concludes an intensive review of the eligibility of CBI countries to receive the new trade benefits, based on a series of criteria established in the CBTPA. During the review process, U.S. Government officials engaged in direct discussions with representatives of CBI countries, raising specific concerns with respect to particular eligibility factors and seeking assurances that those concerns would be addressed. In light of these concerns, Guatemala, El Salvador, Honduras and Nicaragua will be subject to further review or monitoring with respect to worker rights issues.

The 24 countries designated by the President as CBTPA Beneficiary Countries are: Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and British Virgin Islands.

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OCTOBER 5, 2000**

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**CARIBBEAN BASIN TRADE PARTNERSHIP ACT:  
CUSTOMS PROCEDURES DESIGNATION**

The Office of the United States Trade Representative has determined that 10 Beneficiary Countries of the Caribbean Basin Trade Partnership Act (CBTPA) have implemented or demonstrated substantial progress towards implementing certain customs procedures required by the Act. The countries -- Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, and Panama -- are now fully eligible for the preferential trade provisions of the CBTPA. The determination, which has an effective date of October 2, 2000, will be published in a forthcoming *Federal Register* notice.

This determination follows President Clinton's October 2 decision to declare all 24 current countries of the Caribbean Basin Initiative as "Beneficiary Countries" under the CBTPA. In addition to this Presidential eligibility designation, and in order for the new trade benefits to be in effect for specific countries, the CBTPA requires an additional determination that countries have implemented or are making substantial progress towards implementing certain customs procedures based on those contained in the NAFTA. The President's October 2 Proclamation delegated authority for these additional determinations to USTR.

"The CBI program is a successful example of how trade can foster development, enhance competitiveness, and strengthen relations between countries," said United States Trade Representative Charlene Barshefsky. "Enactment of the CBTPA last spring represented the fulfillment of a long-sought objective of updating the CBI program to reflect current realities of trade in our region, and to help countries prepare for the opportunities and challenges in the Free Trade Area of the Americas (FTAA)."

Further designations under the CBTPA's customs procedures may be made in the future, as additional CBTPA Beneficiary Countries satisfy the customs-related criteria established in the Act.



**General Council Informal Consultations on External Transparency**  
**October 2000**  
**Submission from the United States of America**

The United States welcomes continued attention to the issue of transparency and looks forward to consultations planned by the Chairman to make tangible progress in this area. This contribution supplements earlier submissions of the United States.<sup>1</sup> Earlier discussions in the General Council have addressed communication among Members (“internal transparency”) and have resulted in improvements to our daily working environment. We believe that similar efforts are needed to improve communications between the WTO and the public (“external transparency”), given the increasing importance that trade and trade agreements play in the global economy and the commitment to sustainable development. Such efforts are essential to ensuring public understanding and support of the WTO’s work. Advances in external transparency will also help internal transparency, particularly for Members with smaller delegations in Geneva. Progress in this area is clearly needed and can be accomplished while preserving the government-to-government character of the WTO, an institution driven by its Members.

The United States intends to work constructively with the Chairman and other WTO Members to build a consensus to improve external transparency. U.S. comments here are focused in two areas: first, ways to enhance timely access to information about the WTO at the national level and by Members acting collectively; and second, important mechanisms to ensure the credibility of the dispute settlement system. These include:

- sharing respective Member experiences of efforts to exchange information and views on developments in the WTO at the national level;
- further building upon the good work of the WTO Secretariat in developing the WTO website;
- begin opening the various WTO council and committee meetings on an experimental basis, including webcasting at least some meetings of the Trade Policy Review Body;
- building upon previous efforts to strengthen the 1996 Derestriction Decision, so that Members may consider experience to date and, as soon as possible, ensure that WTO documents that are most informative of WTO activities are circulated on an unrestricted basis or derestricted more quickly;

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<sup>1</sup> In particular, see Communication from the United States concerning Preparations for the 1999 Ministerial Conference (WT/GC/W/139, 27 January 1999), page 5. Most recently, see Letter of Ambassador Rita Hayes to Ambassador Kare Bryn, Chairman, General Council, March 22, 2000.

- strengthening the 1996 Guidelines on relations with non-governmental organizations, undertaking a regular program of seminars and symposia, and considering the outreach practices of other international organizations, to the extent they may be relevant; and
- in the dispute settlement area, ensuring that all parties' submissions to panels and the Appellate Body are made available to the public, developing a mechanism to permit non-governmental stakeholders to present their views on disputes, and permitting the public to observe WTO panel and appellate proceedings.

## I. Access to Information About the WTO

### A. National Activity

In the 1996 Guidelines for Arrangements on Relations with Non-Governmental Organizations,<sup>2</sup> Members recognized that closer consultations and cooperation with the public can be met constructively through "appropriate processes at the national level where lies primary responsibility for taking into account the different elements of public interest which are brought to bear on trade policy-making." While more external transparency in Geneva is essential, many delegations have stressed the importance of efforts at the national level. We share the view that more can and should be done to enhance dialogue at the national level, along with additional collective action by WTO Members.

The U.S. Government employs both informal and formal consultation processes to inform its policies with respect to the WTO. This year, for example, the U.S. Government twice solicited public comment in order to develop U.S. positions in the WTO, the first time with respect to the built-in agenda and the negotiations on services and agriculture, and the second with respect to institutional issues in the WTO, particularly the issues of transparency and outreach. The requests were published in the *Federal Register* and also circulated through our formal private sector advisory committees established under the Trade Act of 1974. These supplemented the normal U.S. practice of requesting public comment to prepare U.S. positions in WTO dispute settlement proceedings. Every time that the United States submits or receives a request for consultations pursuant to the WTO Dispute Settlement Understanding, the Office of the U.S. Trade Representative (USTR) solicits comment from the public regarding the matters in dispute. Submissions from the public in connection with all public comment procedures are made available in USTR's public reading room. USTR also recently expanded its website, with links to the WTO. The Uruguay Round Agreements Act, the U.S. implementing legislation for the Uruguay Round, mandated several other requirements, including annual reports on the major activities and work programs of the WTO. These are only some examples of activities at the national level to increase public understanding of the WTO and ensure that views of interested members of the public are taken into account.

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<sup>2</sup> Decision adopted by the General Council on 18 July 1996 (WT/L/162) ("1996 Guidelines").

Broad-based domestic discussions of developments in the WTO and the responsibilities flowing from membership can help deepen understanding of the organization. This year, pursuant to Section 125 of the Uruguay Round Agreements Act, the President was required to report to the U.S. Congress on the operation of the WTO over the first five years. The U.S. Congress then undertook a statutory five-year review of U.S. experience in the WTO. The result was an overwhelming vote of support for the continued participation of the United States in the rules-based multilateral trading system. However, the area most singled out for criticism was the lack of transparency in the WTO's operations, particularly dispute settlement, and there was a serious concern that failure to address it would further erode public support for the institution. Accordingly, Congress urged the Administration to seek further transparency in the WTO and improve public outreach.

While there is no one-size-fits-all approach to consultation at the national level, all Members could benefit from an exchange of information on national experiences and approaches. Clearly there is a growing public interest in the work of the WTO, and such a sharing of information will be useful to Members in reflecting on how best to respond. Accordingly, the United States recommends that Members be invited to provide information on their respective approaches to providing their public with information and opportunity for input on developments in the trading system. We note that a number of accession applicants have found it useful to develop national websites focusing on their work to join the WTO. Sharing information in Geneva about respective national experiences should facilitate work at the national level, particularly in providing useful information to small and medium-sized enterprises about trade opportunities and issues of interest in the trade area.

#### **B. WTO Information on Agreements and Ongoing Activities**

The WTO made important strides in 1996 when Members improved the process for derestricting some WTO documents after specified time periods<sup>3</sup> and recognized the importance of contacts with non-governmental organizations.<sup>4</sup> The process initiated by Singapore to advance outreach in preparation for the WTO's first ministerial was an important contribution to WTO Members' collective interaction and outreach efforts with the NGO community.

Subsequent meetings have shown the value of outreach efforts in broadening and informing the debate about the value of the WTO. The Secretariat has done excellent work in disseminating information about the WTO, briefing non-governmental organizations on the WTO's activities and informing Members when documents are received from NGOs. The WTO has also undertaken a series of seminars and outreach programs designed to examine issues on trade and the environment, development, electronic commerce and trade facilitation, to name only a few. Nonetheless, providing

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<sup>3</sup> Procedures for the Circulation and Derestriction of WTO Documents (Decision adopted by the General Council on 18 July 1996) (WT/L/160/Rev.1) ("Derestriction Decision").

<sup>4</sup> 1996 Guidelines (WT/L/162).

timely information about WTO activities to interested members of the public, including small and medium-sized enterprises, remains a challenge. The following are some further immediate steps that could be taken to meet these challenges in the short term.

### *Continued Improvements in the WTO Website*

We commend the Secretariat for the high quality of the WTO website and the staff's ongoing efforts at further improvement. We see this as a continuing activity to which WTO Members can contribute. The use of electronic means to provide information on issues and developments in the WTO is critical, particularly to the newly emerging economies and the development of small and medium-sized enterprises around the world.

Various WTO documents provide important information about the trade regimes of different Members, and should be of interest to traders around the world. Many are not readily accessed through the WTO website, however. The TPRM reports are currently published as books; making their executive summaries available on the WTO website would help their dissemination. Moreover, to the extent the WTO website does include unrestricted documents on its website, the ease of use could be improved. For example, while the document dissemination facility includes notifications of national legislation or regulations, only those aware of notification requirements in the WTO Agreements will encounter them easily. Improved mechanisms to locate and access such documents would do much to assist small and medium-sized enterprises interested in market access opportunities.

With the same purpose in mind – assistance to small and medium-sized enterprises – the website could also be structured so as to expand the array of information on individual Members' trade regimes (including the bound and applied customs duties for a given product, trade data and the trade agreements to which they are party). This kind of information is critical to traders around the world. We recognize that some of this information is not currently readily available, but at a minimum, the website could provide directories for obtaining information from Member governments or provide hyperlinks to Members' own national websites.

### *Written Communications from WTO Members and the Secretariat*

While the Internet and the WTO's website have accelerated access to unrestricted documents, as a practical matter, many documents pertaining to the WTO's core activities are not made available to the public in a timely manner. The WTO's document policy falls short of what is needed to ensure that the work of the WTO is fully understood – and appreciated. Moreover, excessive restriction of access to WTO documents impairs the ability of Members to consult broadly at the national level.

The General Council agreement to review the potential for improving our 1996 Derestriction Decision permits us to proceed promptly, picking up from efforts over the last year to strengthen the 1996 Derestriction Decision. A great deal of progress has been made, and it is now time to bring this

review to a successful conclusion. It should be possible for Members to agree, at a minimum, on the following changes in current practices.

- Minutes of all formal council and committee meetings should be derestricted much more quickly than under the current practice which provides for consideration of derestriction only after 6 months.
- Secretariat background notes, which provide factual information that is important to understanding issues being considered in the various WTO councils and committees, should normally be issued as non-restricted documents. These papers are often critical to obtaining helpful input in consultations with domestic constituencies in preparation for WTO meetings.
- Dispute settlement panel reports should be made available to the public on a much more timely basis.

### *Open Meetings of WTO Bodies*

The United States suggests that the General Council explore the convening of some of the WTO council and committee meetings as open to observers, just as the plenary sessions of the Ministerial Conference have been opened to observers. This can readily be accommodated while preserving the government-to-government character of the WTO. It may be helpful, as suggested by some other delegations, to have annual meetings of WTO bodies to which non-governmental organizations are invited, and to which they may make written submissions to contribute or respond to the WTO Body's analytical work. The United States urges the General Council to consider which council and committee meetings would lend themselves to more open practices on an experimental basis.

Perhaps no WTO meetings reveal more of the central mission of the WTO than those of the Trade Policy Review Body. The WTO has already recognized the importance to the public of the Trade Policy Review Mechanism. The final TPRM reports of both the government being reviewed and the WTO Secretariat are currently published in book form, and even the 1996 Derestriction Decision designated the minutes of the Trade Policy Review Body as unrestricted.<sup>5</sup> Neither these reports, however, nor the TPRB minutes, do full justice to the comprehensive and constructive interaction that takes place among the WTO Members in the exchange of views on a Member's trade policies within the framework of the numerous disciplines of the WTO Agreements. The United States very much supports Canada's suggestion that the General Council consider opening Trade Policy Review meetings as a general rule or at the initiative of the Member being reviewed. We welcome the suggestion that we explore use of webcasting these meetings.

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<sup>5</sup> See also, Appraisal of the Operation of the Trade Policy Review Mechanism (WT/MIN/(99)/2), paras. 4 and 13.

## *Outreach on Current Developments*

The General Council should consider how to strengthen the 1996 Guidelines for Arrangements on Relations with Non-Governmental Organizations, consistent with the WTO's government-to-government character. It is important that the WTO build upon experience to date and consider a variety of approaches. This could include greater use of the Internet, to reach small and medium-sized enterprises, and conducting regular symposia involving Members and interested members of the public, covering a broad range of subject matters relevant to the work of the WTO. The WTO should also consider establishing more formal channels of communication between the WTO and non-governmental organizations.

In considering how to strengthen the 1996 Guidelines, some comparative perspectives may be helpful. Aside from reviewing the WTO's own experience to date, Members may wish to consider the practices of other international organizations for guidance, where they may be relevant. Other organizations have a variety of experiences in their approach to outreach. We recommend that the Secretariat survey these organizations so that Members may engage in a more informed discussion of the merits and drawbacks of various approaches to outreach. In addition, as mentioned above, in line with the 1996 Guidelines, which highlight the importance of consultative processes at the national level, it may be useful for Members to exchange information on, and discuss, their experiences with such processes and the approaches they have found most helpful.

## **II. Dispute Settlement**

During formal and informal discussions among delegations regarding reform of the WTO dispute settlement procedures, the United States has advanced several proposals to improve the transparency of the dispute settlement process.

The WTO dispute settlement procedures should ensure that all parties' submissions to panels and the Appellate Body are made available to the public, include a mechanism to permit non-governmental stakeholders to present their written views on disputes, and permit the public to observe WTO panel and appellate proceedings. The United States has repeatedly proposed that WTO panels and the WTO Appellate Body allow interested persons, on a first-come, first-served basis, to attend their meetings with the parties and listen while the parties make their presentations. This could also be accomplished through alternatives such as audio and video taping and webcasting.

International bodies such as the International Court of Justice and the European Court of Justice have open hearings for government-to-government disputes. National courts also have open hearings. In each case, the court has rules that create and reinforce an atmosphere of decorum and seriousness. WTO panels could do the same. The core caseload of the International Court of Justice consists of matters that are essentially government-to-government in nature: maritime and land

boundaries, rights under treaties, and similar disputes about the rights and obligations of governments. The oral phase of ICJ proceedings takes place in open court in the Hague, and the fact that any interested party can attend has presented no interference with the government-to-government nature of the disputes the ICJ handles.

Greater openness in WTO dispute settlement proceedings would also benefit smaller Members and Members that are not frequently parties to disputes, because they could send their delegations to observe any dispute and gain knowledge about the particular dispute and know-how about the dispute settlement process. All WTO Members, as well as the general public, should have this opportunity.

Increased transparency of the dispute settlement process is critical to the future of the WTO. If WTO dispute settlement proceedings are to play the role of ultimate guarantor of the system, they must be open to observation by the public, and open to receiving input from the public. Openness of this sort is essential to ensuring public support for the legitimacy of WTO dispute settlement. As the WTO takes on more complex and controversial cases, there is an ever-increasing need for such transparency. The lack of openness and public access to WTO dispute settlement makes it harder – not easier – to settle disputes between WTO Members.

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OCTOBER 10, 2000**

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### **U.S. Pushes for Increased Transparency in the WTO**

The United States today presented proposals in Geneva to improve the World Trade Organization's public outreach efforts. The proposals, which seek to provide better and more timely public access to information about the WTO and its operations, build upon previous U.S. efforts to enhance transparency at the WTO.

United States Trade Representative Charlene Barshefsky applauded the work of WTO Director General Mike Moore and the WTO General Council under the leadership of Chairman Kare Bryne of Norway for continued efforts at making the WTO more transparent, but cautioned that more work remains.

"Mike Moore and the WTO staff have taken valuable steps to enhance communications among WTO Members and to improve public understanding of the WTO, but now is the time for WTO Members themselves to step up to the challenge of making the WTO more accessible and responsive to continuing public concerns," said Ambassador Barshefsky. "Given the increasing prominence that trade and trade agreements play in the global economy, it is critical that WTO Members immediately improve their communications with the public.

"To ensure that they do, we will continue to push for the early release of documents and decisions, which are essential to improving public understanding and support of the WTO's work. Greater openness is not only fundamental to ensuring the credibility of the dispute settlement system, but will also help developing countries who are not parties to the dispute gain practical knowledge by observing the proceedings."

The United States has led efforts among WTO Members to make the institution more open and accountable in its day-to-day operations, including through new procedures in 1996 on the release of

WTO documents to the public. Together with Canada, the U.S. has proposed that the WTO further improve its policies on the "derestriction" of documents, including through the more timely release of dispute panel reports. Today's proposals provided another opportunity for the U.S. to reiterate its position that the WTO dispute settlement process should provide the opportunity for parties to observe official proceedings, that all dispute settlement documents should be made publicly available, and that procedures should allow for private parties to submit "friends of the court" briefs in dispute settlement cases.

Other elements of the U.S. proposal include:

- Regularizing WTO outreach programs (such as the WTO High-Level Symposium on Trade and the Environment);
- Opening certain WTO meetings to observers on an experimental basis, in particular the biennial or quadrennial reviews conducted by the Members on individual countries' trade regimes; and
- Continued improvements to the WTO Web site to provide more country-specific information to help small and medium-sized businesses around the world.

In addition, the U.S. proposed that WTO Members study the outreach practices of other international organizations for guidance on how to improve the WTO's communications with the public. Recognizing that individual governments bear the primary responsibility for consulting with their own constituents when they formulate trade policy, the U.S. also proposed that WTO Members discuss their respective consultation processes in Geneva to learn from each other how to ensure that the views of interested members of the public are taken into account.

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**USTR Barshefsky Applauds the Signing  
Of PNTR Legislation for China**

United States Trade Representative Charlene Barshefsky today issued the following statement after the signing ceremony of the legislation establishing Permanent Normal Trade Relations (PNTR) for China:

"President Clinton's signing of the PNTR legislation for China marks a new era in our relations with China. China's accession to the World Trade Organization will provide tremendous new economic opportunities for our workers, farmers and businesses. Bringing China more fully into the community of nations governed by the rule of law is the best way to promote reform in China and stability in the region.

"China's WTO accession agreement is the capstone of the nearly 300 trade agreements negotiated by the Clinton Administration. It embodies the President's use of trade policy, coupled with broader economic and foreign policies, as a means to promote prosperity at home and peace abroad."

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OCTOBER 11, 2000**

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**Barshefsky, Glickman Express Disappointment  
on Canada Decision on U.S. Corn**

U.S. Trade Representative Charlene Barshefsky and Agriculture Secretary Dan Glickman today expressed disappointment over the Canadian government's preliminary decision that U.S. corn exports are injuring Canadian corn producers.

"The Canadian government's finding that U.S. corn shipments have depressed Canadian corn prices is completely unsupported by the facts," Ambassador Barshefsky said.

"I am disappointed in the Canadian decision, as corn prices have declined all around the world and have hit farmers in the United States and Canadian farmers hard," Secretary Glickman said.

The Canadian International Trade Tribunal issued a preliminary finding Tuesday that U.S. corn exports are harming Canadian corn producers, despite the fact that corn production in Manitoba has nearly doubled since 1996 and U.S. corn shipments to Canada decreased in 1999 by about \$33 million.

"Given these numbers, we see no connection between U.S. exports and lower returns to Canadian producers," Ambassador Barshefsky said.

The United States said it would request that the Canadian Customs and Revenue Agency postpone its decisions on the countervailing duty and antidumping investigations of this case. The 45-day delay from Nov. 7 would allow full consideration of the information already provided by the U.S. industry, as well as the state and federal governments.

"We will closely review this decision and others in this proceeding in light of Canada's obligations under WTO Agreements, and will continue to vigorously defend our producers in all aspects of these cases," Glickman said.