

Administration of Barack Obama, 2016

Proclamation 9466—To Implement the World Trade Organization Declaration on the Expansion of Trade in Information Technology Products and for Other Purposes

June 30, 2016

By the President of the United States of America

A Proclamation

1. On July 28, 2015, the United States and other Members of the World Trade Organization (WTO) issued a Declaration on the Expansion of Trade in Information Technology Products (Declaration), which established a framework for eliminating duties on certain information and communication technology products. These products include advanced semiconductors, medical equipment, and a range of audio and video equipment. The Declaration sets forth commitments for immediate or staged elimination of duties on the covered products, expanding on duty-elimination commitments set forth in the 1996 Declaration on Trade in Information Technology Products, which the United States implemented in Proclamation 7011 of June 30, 1997.

2. On December 16, 2015, the United States and other WTO Members issued a Ministerial Declaration in which ministers endorsed the Declaration of July 28, 2015, and acknowledged that the conditions for implementation had been met.

3. Section 111(b) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3521(b)) authorizes the President to proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX for products in tariff categories that were the subject of reciprocal duty elimination or harmonization negotiations during the Uruguay Round, if the United States agrees to such action in a multilateral negotiation under the auspices of the WTO, and after compliance with the requirements of section 115 of the URAA (19 U.S.C. 3524). The products covered by the Declaration were the subject of reciprocal duty elimination negotiations during the Uruguay Round, and the requirements of section 115 of the URAA have been met.

4. Accordingly, pursuant to section 111(b) of the URAA, I have determined to proclaim modifications to the tariff categories and rates of duty set forth in the Harmonized Tariff Schedule (HTS), as set forth in Annexes I and II to this proclamation.

5. Section 103(a) of the Trade Preferences Extension Act of 2015 (TPEA) (Public Law 114–27) amended section 506B of the Trade Act of 1974 (the "1974 Act") (19 U.S.C. 2466b) and section 103(b)(1) amended section 112(g) of the African Growth and Opportunity Act (AGOA) (19 U.S.C. 3721(g)), to provide that in the case of a beneficiary sub-Saharan African country, duty-free treatment provided under title V of the 1974 Act shall remain in effect through September 30, 2025.

6. Accordingly, pursuant to section 506B of the 1974 Act and section 112(g) of the AGOA, I have determined that general note 16(c) of the HTS is modified by striking "September 30, 2015" and by inserting in lieu thereof "September 30, 2025".

7. Section 103(b)(2) of the TPEA amended section 112(b)(3)(A) of the AGOA (19 U.S.C. 3721(b)(3)(A)) to extend the regional apparel article program and section 103(b)(3) of the

TPEA amended section 112(c)(1) of the AGOA (19 U.S.C. 3721(c)(1)) to extend the third-country fabric program through September 30, 2025.

8. Accordingly, pursuant to sections 112(b)(3)(A) and 112(c)(1) of the AGOA, I have determined that chapter 98, subchapter XIX, U.S. note 2(b) of the HTS is modified by striking "September 30, 2015" where stated in "through the period October 1, 2014 through September 30, 2015" and in "each 1-year period thereafter through September 30, 2015" and by inserting in lieu thereof "September 30, 2025".

9. Section 104(c) of the TPEA authorizes the President to proclaim modifications that may be necessary to add the special tariff treatment symbol "D" in the "Special" subcolumn of the HTS for each article classified under a heading or subheading with the special tariff treatment symbol "A" or "A*" in the "Special" subcolumn of the HTS.

10. Accordingly, pursuant to section 104(c) of the TPEA, I have determined it is necessary to add the special tariff treatment symbol "D" in the HTS as set forth in Annex III to this proclamation.

11. Pursuant to sections 501 and 503(a)(1)(B) of the 1974 Act (19 U.S.C. 2461 and 2463(a)(1)(B)), the President may designate certain articles as eligible for preferential tariff treatment under the Generalized System of Preferences (GSP) when imported from a least-developed beneficiary developing country if, after receiving the advice of the United States International Trade Commission (Commission), the President determines that such articles are not import-sensitive in the context of imports from least-developed beneficiary developing countries.

12. Pursuant to sections 501, 503(a)(1)(B), and 503(b)(5) of the 1974 Act (19 U.S.C. 2461, 2463(a)(1)(b), and 2463(b)(5)), and after receiving advice from the Commission in accordance with section 503(e) of the 1974 Act (19 U.S.C. 2463(e)), I have determined to designate certain articles as eligible articles when imported from a least-developed beneficiary developing country.

13. Pursuant to sections 503(b)(1)(E) and 506A(b)(1) of the 1974 Act (19 U.S.C. 2463(b)(1)(E) and 2466A(b)(1)), the President may designate certain articles as eligible for preferential tariff treatment under the AGOA when the articles are the growth, product, or manufacture of a beneficiary sub-Saharan African country if, after receiving the advice of the Commission, the President determines that such articles are not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

14. Pursuant to sections 503(b)(1)(E) and 506A(b)(1) of the 1974 Act, and after receiving advice from the Commission in accordance with section 503(e) of the 1974 Act, I have determined to designate certain articles as eligible articles when the articles are the growth, product, or manufacture of a beneficiary sub-Saharan African country.

15. Pursuant to section 503(c)(1) of the 1974 Act (19 U.S.C. 2463(c)(1)), the President may withdraw, suspend, or limit application of the duty-free treatment accorded to specified articles under the GSP when imported from designated beneficiary developing countries.

16. Pursuant to section 503(c)(1) of the 1974 Act, and having considered the factors set forth in sections 501 and 502(c) of the 1974 Act (19 U.S.C. 2462(c)), I have determined to limit the application of duty-free treatment accorded to certain articles from certain beneficiary developing countries.

17. Section 503(c)(2)(A) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)) provides that beneficiary developing countries, except those designated as least-developed beneficiary developing countries or beneficiary sub-Saharan African countries as provided in section 503(c)(2)(D) of the 1974 Act (19 U.S.C. 2463(c)(2)(D)), are subject to competitive need limitations on the preferential treatment afforded under the GSP to eligible articles.

18. Pursuant to section 503(c)(2)(A) of the 1974 Act, I have determined that in 2015 certain beneficiary developing countries exported eligible articles in quantities exceeding the applicable competitive need limitations, and I therefore terminate the duty-free treatment for such articles from such beneficiary developing countries.

19. Section 503(c)(2)(F)(i) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(i)) provides that the President may disregard the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act (19 U.S.C. 2463(c)(2)(A)(i)(II)) with respect to any eligible article from any beneficiary developing country if the aggregate appraised value of the imports of such article into the United States during the preceding calendar year does not exceed an amount set forth in section 503(c)(2)(F)(ii) of the 1974 Act (19 U.S.C. 2463(c)(2)(F)(ii)).

20. Pursuant to section 503(c)(2)(F)(i) of the 1974 Act, I have determined that the competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act should be disregarded with respect to certain eligible articles from certain beneficiary developing countries.

21. Section 503(d)(1) of the 1974 Act (19 U.S.C. 2463(d)(1)) provides that the President may waive the application of the competitive need limitations in section 503(c)(2) of the 1974 Act (19 U.S.C. 2463(c)(2)) with respect to any eligible article from any beneficiary developing country if certain conditions are met.

22. Pursuant to section 503(d)(1) of the 1974 Act, I have received the advice of the Commission on whether any industry in the United States is likely to be adversely affected by waivers of the competitive need limitations provided in section 503(c)(2) of the 1974 Act, and I have determined, based on that advice and on the considerations described in sections 501 and 502(c) of the 1974 Act and after giving great weight to the considerations in section 503(d)(2) of the 1974 Act (19 U.S.C. 2463(d)(2)), that such waivers are in the national economic interest of the United States. Accordingly, I have determined that the competitive need limitations of section 503(c)(2) of the 1974 Act should be waived with respect to certain eligible articles from certain beneficiary developing countries.

23. 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 removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, Barack Obama, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 111(b) of the URAA, section 506B of the 1974 Act, sections 112(g), 112(b)(3)(A), and 112(c)(1) of the AGOA, section 104(c) of the TPEA, and title V and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide for the immediate or staged elimination of duties on the information technology products covered by the Declaration, the HTS is modified as set forth in Annexes I and II to this proclamation;

(2) In order to provide that duty-free treatment provided under the AGOA shall remain in effect through September 30, 2025, general note 16(c) of the HTS is modified by striking "September 30, 2015" and by inserting in lieu thereof "September 30, 2025";

(3) In order to provide that the regional apparel article program and the third-country fabric program are effective through September 30, 2025, chapter 98, subchapter XIX, U.S. note 2 of the HTS is modified by striking "September 30, 2015" where stated in "through the period October 1, 2014 through September 30, 2015" and in "each 1-year period thereafter through September 30, 2015" and by inserting in lieu thereof "September 30, 2025";

(4) In order to provide for the addition of the special tariff treatment symbol "D" in the "Special" subcolumn where necessary in the HTS, the HTS is modified as set forth in Annex III to this proclamation;

(5) In order to designate certain articles as eligible articles only when imported from a least-developed beneficiary developing country for purposes of the GSP, the Rates of Duty 1-Special subcolumn for the corresponding HTS subheadings is modified as set forth in Annex IV to this proclamation;

(6) In order to designate certain articles as eligible articles only when imported from a beneficiary sub-Saharan African country for purposes of the AGOA, the Rates of Duty 1 Special subcolumn for the corresponding HTS subheadings is modified as set forth in Annex IV to this proclamation;

(7) In order to provide that one or more countries should no longer be treated as beneficiary developing countries with respect to one or more eligible articles for purposes of the GSP, the Rates of Duty 1-Special subcolumn for the corresponding HTS subheadings and general note 4(d) to the HTS are modified as set forth in sections A and B of Annex V to this proclamation;

(8) The modifications to the HTS set forth in Annex V to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates set forth in the relevant sections of Annex V to this proclamation;

(9) The competitive need limitation provided in section 503(c)(2)(A)(i)(II) of the 1974 Act is disregarded with respect to the eligible articles in the HTS subheadings and to the beneficiary developing countries listed in Annex VI to this proclamation, effective July 1, 2016;

(10) A waiver of the application of section 503(c)(2) of the 1974 Act shall apply to the articles in the HTS subheadings and to the beneficiary developing countries set forth in Annex VII to this proclamation, effective July 1, 2016; and

(11) 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.

In Witness Whereof, I have hereunto set my hand this thirtieth day of June, in the year of our Lord two thousand sixteen, and of the Independence of the United States of America the two hundred and fortieth.

BARACK OBAMA

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NOTE: This proclamation was published in the *Federal Register* on July 6.

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