ACTION: Notice of termination and initiation, request for comment.

SUMMARY: The United States Trade Representative (USTR) has terminated an investigation under section 302(a) of the Trade Act of 1974, (Trade Act) concerning the European Union's (EU) practices with respect to the importation of bananas. Pursuant to section 302(b)(1) of the Trade Act, the USTR has initiated a second investigation concerning the EU's acts, policies and practices relating to the importation, sale and distribution of bananas and, pursuant to section 303(a) of the Trade Act, has requested consultations with the EU pursuant to the World Trade Organization's (WTO) Understanding on Rules and Procedures Concerning the Settlement of Disputes (DSU). USTR invites public comment concerning the matter under investigation.

DATES: Investigation 301–94 was terminated on September 27, 1995, and investigation 301–100 was initiated on September 27, 1995. Written comments from the public are due on or before November 1, 1995.

ADDRESSES: Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Edward Kaska, Director for European Services and Agriculture, (202) 395–4620; or Rachel Shub, Assistant General Counsel, (202) 395–7305.

SUPPLEMENTARY INFORMATION: On September 2, 1994, Chiquita Brands International, Inc. and the Hawaii Banana Industry Association filed a petition pursuant to section 302(a) of the Trade Act (19 U.S.C. 2412(a)) alleging that various policies and practices of the EU, Colombia, Costa Rica, Nicaragua and Venezuela concerning trade in bananas are discriminatory, unreasonable and burden or restrict United States commerce. On October 17, 1994, pursuant to section 302(a) of the Trade Act, the USTR initiated an investigation of the following practices of the EU: (1) Council Regulation (EEC) No. 404/93 and related rules implementing a EU banana policy discriminating against U.S. banana marketing companies importing bananas from Latin America, including a restrictive and discriminatory licensing scheme designed to transfer market share to firms traditionally trade bananas from Africa, Caribbean and Pacific (ACP) sources and from EU overseas territories and dependencies; and (2) the March 29, 1994, Framework Agreement on Bananas between the EU and Colombia, Costa Rica, Nicaragua and Venezuela.

Upon initiation and again in January of 1995, the USTR requested public comment on the issues raised in the petition, the actionability under section 301 of the EU practices under investigation and what action would be appropriate under subsections (a) or (b) of section 301 of the Trade Act (19 U.S.C. 2411 (a) or (b)) if the practices were determined to be actionable. (See 59 FR 53495 of October 24, 1994, and 60 FR 3285 of January 13, 1995.) Numerous comments were received in response to both requests (Docket No. 301–94).

Since initiation of investigation 301–94, the USTR has conducted numerous consultations and bilateral discussions with the EU concerning the issues in the petition. These efforts have failed to bring about reform of the EU practices.

On the basis of the consultations with the EU, the comments received and consultations with the petitioner and with the relevant private sector advisory committees established pursuant to section 135 of the Trade Act, the USTR decided that issues raised in the investigation involve agreements annexed to the Agreement Establishing the WTO, including the General Agreement on Tariffs and Trade, the Agreement on Import Licensing Procedures and the General Agreement on Trade in Services, and should most appropriately be addressed by resort to the procedures of the DSU. In light of the foregoing and the consent of the petitioners, the USTR on September 27 terminated the section 301 investigation of the EU banana regime initiated on October 17, 1994 (Docket No. 301–94) and, based on information obtained in the prior investigation, decided to initiate a second investigation of the EU's regime for the importation, sale and distribution of bananas (Docket No. 301–100).

Investigation and Consultations

On September 27, 1995, pursuant to section 302(b)(1) of the Trade Act (19 U.S.C. 2412(b)(1)), the USTR initiated an investigation of the acts, policies and practices of the EU concerning the importation, sale and distribution of bananas. The investigation will be conducted in accordance with the regulations set forth in 15 CFR part 2006. Pursuant to section 304 of the Trade Act (19 U.S.C. 2414), the USTR will be required to make a determination on actionability under section 301 in this investigation by no later than 30 days after the conclusion of WTO dispute settlement procedures or March 27, 1997, whichever is earlier.

On September 27, 1995, the USTR also requested consultations with the EU, as required by section 303(a) of the Trade Act. These consultations were requested in accordance with DSU procedures. In preparing for such consultations, USTR will seek information and advice from the appropriate committees established pursuant to section 135 of the Trade Act, as provided in section 303(a)(3) of that Act.

Public Comment

Interested persons are invited to submit written comments concerning the acts, policies and practices of the EU which are the subject of this investigation, the amount of burden or restriction on U.S. commerce caused by these acts, policies and practices and the determinations required under section 304 of the Trade Act. Comments must be filed in accordance with the requirements set forth in 15 CFR 2006.8(b) (55 FR 20593) and must be filed no later than 12 noon, Wednesday, November 1, 1995. Comments must be in English and provided in twenty copies to: Sybia Harrison, Staff Assistant to the Section 301 Committee, Room 223, Office of the U.S. Trade Representative, 600 17th Street, NW, Washington, DC 20508.

Comments will be placed in a file (Docket 301–100) open to public inspection pursuant to 15 CFR 2006.13, except confidential business information exempt from public inspection in accordance with 15 CFR 2006.15. Confidential business information submitted in accordance with 15 CFR 2006.15 must be clearly marked ''BUSINESS CONFIDENTIAL'' in a contrasting color ink at the top of each page on each of 20 copies, and must be accompanied by a nonconfidential summary of the confidential information. The nonconfidential summary shall be placed in the file that is open to public inspection. An appointment to review the docket (Docket No. 301–100) may be made by calling Brenda Webb (202) 395–6186. The USTR Reading Room is open to the public from 10 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday, and is located in Room 101.

Irving A. Williamson,

Chairman, Section 301 Committee.

[FR Doc. 95–24677 Filed 10–3–95; 8:45 am]

BILLING CODE 3190–01–M

Report on Identification of Trade Expansion Priorities Pursuant to Section 310 of the Trade Act of 1974

AGENCY: Office of United States Trade Representative.

ACTION: Notice.

SUMMARY: Notice is hereby given that the United States Trade Representative (USTR) transmitted on September 28, 1995, the report published herein to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the United States House of Representatives identifying trade expansion priorities pursuant to the provisions in section 310 of the Trade Act of 1974 (''Super 301'') (19 U.S.C. 2420). Section 310 was last amended by section 314(f) of the Uruguay Round Agreements Act.

FOR FURTHER INFORMATION CONTACT: Irving Williamson, Chairman, Section 301 Committee, Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, DC 20506, (202) 395–3432.

SUPPLEMENTARY INFORMATION: The text of the USTR report is as follows:

Identification of Trade Expansion Priorities Pursuant to Section 310 of the Trade Act of 1974

This report is submitted pursuant to the provisions in section 310 of the Trade Act of 1974. Section 310 requires the United States Trade Representative (USTR) to ''review United States trade expansion priorities and identify priority foreign country practices, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent.''

In identifying priority foreign country practices, the USTR must take into account all relevant factors, including:

(a) The major barriers and trade distorting practices described in the National Trade Estimate Report;

The trade agreements to which a country is a party and its compliance with those agreements;

The medium- and long-term implications of foreign government procurement plans; and

The international competitive position and export potential of U.S. products and services.

Section 310 permits the USTR to include, if appropriate, ''a description of foreign country practices that may in the future warrant identification as priority foreign country practices that may in the future warrant identification as priority foreign country practices.'' The USTR may also include ''a statement about other foreign country practices that were not identified because they are already being addressed by provisions of United States trade law, by existing bilateral trade agreements, or as part of trade negotiations with other countries and progress is being made toward the elimination of such practices.''

Trade Expansion Priorities

We remain committed to ensuring that our trade policies support our effort to promote U.S. economic growth, competitiveness, and high-wage jobs. The principal components of U.S. trade policy remain enforcement of U.S. trade laws and U.S. rights under trade agreements and securing increasing and reciprocal access to the markets of our trading partners.

We are dedicated to achieving our trade policy goals by using all mechanisms at our disposal: multilateral fora such as the World Trade Organization (WTO); regional or bilateral agreements; and our trade laws.

In the multilateral context, the United States will continue to push for full and rapid implementation of the results of the Uruguay Round. The Round produced the most comprehensive trade agreement in history and provided for significant reductions in tariff and non-tariff barriers, the establishment of the WTO and a new and effective dispute resolution mechanism. We will continue to make maximum use of the WTO to require our trading partners to accept their share of responsibility for global growth and maintenance of the global trading system and to open their markets to competitive U.S. exports.

In the regional and bilateral context, we are continuing our pursuit of U.S. trade interests under the historic North American Free Trade Agreement (NAFTA) and the NAFTA dispute settlement procedures, and are committed to negotiating Chile's accession to the NAFTA. In the Americas, we are committed to achieving a Free Trade Area of the Americas (FTAA) by 2005. In the Pacific, we are pursuing market opening objectives under the Asia Pacific Economic Cooperation (APEC) forum. With Europe, we are exploring market opening through the Trans Atlantic Agreement (TAA) initiative.

Finally, we will continue to make maximum use of our trade laws to advance U.S. interests. Section 301 remains a key tool for enforcing U.S. rights under existing trade agreements and, where necessary, for addressing foreign unfair trade barriers not covered by trade agreements. In this regard, we have used the review of our trade expansion priorities required by Super 301 to ensure that we are pursuing effectively the elimination of trade barriers that inhibit the growth of U.S. exports and the growth in employment resulting from increased exports.

Priority Foreign Country Practices

As a result of the review of the United States trade expansion priorities under section 310 and recent negotiations, the USTR has decided not to identify any priority foreign country practices at this time.

Other Practices

A. The following practices may in the future warrant identification as priority foreign country practices:

- Japan Market Access for Paper & Paper Products: In the April 1992 U.S.-Japan paper agreement, Japan, agreed to take GATT-consistent measures to increase substantially market access in Japan for foreign paper and paperboard products. Nevertheless, structural barriers such as exclusionary business practices and a closed distribution system continue to impede U.S. paper companies' access to the Japanese paper and paper products market. In addition, the U.S. remains concerned about lax Japanese implementation of the measures contained in the paper agreement and inadequate enforcement of Japan's Anti-Monopoly Act. The United States and Japan have consulted on ways to strengthen and enhance implementation of the agreement. Further consultations are planned later this year with a view to reaching agreement on ways to strengthen and enhance implementation.
- Japan Market Access for Wood Products: In the 1990 U.S.-Japan Wood Products Agreement, Japan agreed to reduce tariffs substantially, to reduce subsidies, to speed up product certification, and to adopt performance-based standards and building codes. Although Japan has made progress in implementing the agreement, barriers continue to impede market access. Tariffs, although reduced in the Uruguay Round, remains a significant impediment. Adoption of performance-based standards and building codes continues to be slow, and Japan still maintains a parallel unliberalized set of building standards for housing loans. Subsidies to the wood products industry still appear to be rising. The United States has consulted with Japan on these issues, and further consultations are planned later this year with a view to reaching agreement on ways to strengthen and enhance implementation.

• China Market Access for Agricultural Products: China continues to apply to U.S. exports of citrus fruit and Pacific Northwest wheat phytosanitary standards that are not based on scientific principles and which act as a virtual ban on these exports. Under the 1992 U.S.-China Market Access Memorandum of Understanding, China committed to remove by October 1993 any unscientific phytosanitary standards on a number of agricultural items, including citrus and wheat. China is a major potential market for U.S. citrus and what producers. Despite further commitments on the part of China and repeated efforts by the U.S. to negotiate a resolution of these issues, China has yet to remove these unscientific restrictions. The United States and China are continuing bilateral discussions.

B. The following practices were determined not to be appropriate for identification because they are already being addressed by other provisions of U.S. trade law, existing bilateral or multilateral agreements, or in trade negotiations with other countries, and progress is being made in addressing them. These practices do, however, remain significant trade negotiating objectives of the United States.

• Korea Market Access for Autos: The United States has had serious concerns regarding access to the Korean market for automobiles. Korea has maintained a number of barriers to market access for foreign autos, including taxes that particularly burden imports, measures which have created anti-import sentiments, and standards barriers. As a result of recent negotiations, the United States has reached agreement with Korea on measures to improve access to the Korean auto market and will be consulting with Korea on further steps to open that market to foreign competition. The United States will monitor closely progress in implementing the agreement and the results of ongoing consultations with a report due to the USTR on June 1, 1996.

• Korea Market Access for Medical Devices: Korean Government regulations impede market access for U.S. medical devices. The regulations require unwarranted local testing for certain products. For example, for eleven categories of medical devices that Korea classifies as ''sensitive,'' testing is required for each piece, even if the product has been previously imported. Korea also requires disclosure of proprietary and other product information without adequate protection from disclosure to local competitors. Competition from imports is further limited by a requirement that a local medical equipment trade association monitor each import shipment for product, volume and price information. The United States is continuing to negotiate with Korea to resolve outstanding issues.

• Korea Market Access for Agricultural Products: The United States has reached agreement with Korea to address the adverse impact of government-mandated shelf-life standards on imports of meat and other agricultural products, but market access barriers to other agricultural products, including citrus and almonds, continue to exist. Korea has designated a cooperative, which produces and markets Korea's only citrus product, to manage the tariff rate quota on U.S. oranges. Consumer acceptance of U.S. fruit is discouraged because the cooperative allows entry of only low-quality fruit. Also, market access is inhibited by Korean delays in clearing incoming agricultural products. Cumbersome commercial import procedures, such as government-required approval on letters of credit, have a further adverse effect on market access for almonds and other agricultural products.

• EU Utilities—Telecommunications Procurement: The European Union (EU) member states continue to apply discriminatory requirements under the EU Utilities Directive to procurements of telecommunications equipment. The Directive requires telecommunications utilities to penalize bids of equipment with less than 50 percent EU content by a 3 percent margin and allows them to reject such bids altogether at their discretion. In 1993, the United States implemented sanctions against the EU under Title VII of the 1988 Trade Act. These sanctions remain in force and were recently extended to the three new member states—Austria, Finland and Sweden. The United States continues to work toward a liberalized telecommunications market in the EU through fora such as the WTO Negotiating Group on Basic Telecommunications Services.

• German Market Access for Power Generation Equipment: Power generation utilities in EU member states are covered by the 1993 U.S.-EU Memorandum of Understanding (MOU) on Government Procurement, which expires at the end of 1995, and the U.S.-EU Marrakesh Agreement on Government Procurement, which will be implemented through the new WTO Government Procurement Code beginning January 1, 1996. Germany has failed to fully adhere to its obligations under two EU directives that implement EU obligations under the 1993 MOU (the Utilities Directive and the Remedies for Utilities Directive) with respect to a steam turbine procurement associated with the Lippendorf project undertaken by the German utility, VEAG. A German review body, the BVS, concluded on September 14 that the contract for the steam turbine procurement had been awarded illegally but declined to overturn the contract. Therefore, the United States will continue to monitor developments in the case and Germany efforts to provide transparent award procedures and rapid and effective remedy procedures for other pending and future procurements. The United States also will work with the EU Commission to ensure that the WTO Government Procurement Agreement is fully implemented when it enters into force on January 1, 1996.

• EU Ecolabeling Directive: The EU Ecolabeling Directive sets forth a scheme whereby EU member states will develop voluntary criteria for granting environmental labels with respect to products in specific sectors. Without objecting to the concept of Ecolabeling, the United States has expressed concern about potential adverse impacts on U.S. exports. In particular, the United States is concerned that the process for developing criteria in certain industry sectors has been insufficiently transparent and has failed to provide for adequate participation by U.S. and other non-EU interests. The United States has also urged that the criteria not reflect a single approach to environmental protection without adequate attention having been given to other potentially comparable approaches and that the EU Ecolabeling program provide sufficient and accurate information to consumers regarding the relative environmental impacts of competing products. The United States is currently negotiating with the EU to ensure that the foregoing concerns are adequately addressed.

• WTO and NAFTA Dispute Settlement Proceedings: The United States continues to make vigorous use of the dispute settlement provisions of the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA) to address significant foreign trade barriers.

The United States is addressing the following barriers in the WTO:

EU/Bananas—The EU has implemented as part of its single market exercise a banana import regime that discriminates against U.S. banana marketing firms in favor of EU firms. Moreover, in April 1994, the EU reached agreement with four Latin American banana exporting countries on a Framework Agreement on Bananas that

contains provisions that further discriminate against U.S. firms.

EU/Grains—The EU has implemented its Uruguay Round market access commitments on grains using a reference price rather than transaction value. This system does not allow for quality differences and is protective in effect.

EU/Scallops—Until recently, scallops of all species have been sold in France under the traditional name ''coquilles St. Jacques.'' French legislation now requires that scallops of certain species occurring outside French waters be sold under the unappealing name ''pétoncles.''

Japan/Alcohol—Japan imposes specific excise taxes on distilled spirits at significantly lower rates on the domestic spirit shochu than on whiskey or other Western-type spirits.

Korea/Residue Testing Requirements—Korean residue testing requirements have delayed imports of perishable agricultural products.

The U.S. is addressing the following barriers under NAFTA:

Canada/Dairy & Poultry—In the Uruguay Round, Canada tariffied its supply-management import quotas on dairy, poultry, eggs and barley. Canada has been applying these tariffs on imports from the U.S. in spite of the prohibition in NAFTA against imposition of new or increased tariffs.

Mexico/Small Package Delivery—Mexico has denied a U.S. firm the ability to operate large trucks in its small package delivery service even though Mexican firms engaged in the same business can do so and Mexico in the NAFTA agreed to accord U.S. firms national treatment in this service sector.

• WTO Accession Negotiations: The United States will continue to seek market openings for goods and services in negotiations with the 28 countries and customs territories currently seeking membership in the WTO. As part of their accession package, all countries must agree to subject their trade practices to the disciplines of the WTO. The agreement establishing the WTO also requires that all members provide market access commitments for industrial and agricultural goods, and services. The United States is committed to gaining appropriate market access commitments and adherence to WTO disciplines from every membership applicant.

Irving A. Williamson,

Chairman, Section 301 Committee.

[FR Doc. 95–24676 Filed 10–3–95; 8:45 am]

BILLING CODE 3190–01–M

DEPARTMENT OF VETERANS AFFAIRS

Voluntary Service National Advisory Committee; Availability of Annual Report

Under section 10(d) of Public Law 92–463 (Federal Advisory Committee Act) notice is hereby given that the Annual Report of the Department of Veterans Affairs Voluntary Service (VAVS) National Advisory Committee has been issued. The Report is a summary of the 48th Annual Meeting of the VAVS National Advisory Committee. It is available for public inspection at two locations:

Federal Document Section, Exchange and Gift Division, LM 632, Library of Congress, Washington, D.C. 20540

and

Department of Veterans Affairs, Voluntary Service Office, Techworld Plaza—Room 643, 801 I Street, N.W., Washington, D.C. 20001

Dated: September 26, 1995.

Heyward Bannister,

Committee Management Officer.

[FR Doc. 95–24634 Filed 10–3–95; 8:45 am]

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