



United States  
International Trade Commission

# Andean Trade Preference Act:

Impact on U.S. Industries and  
Consumers and on Drug Crop Eradication  
and Crop Substitution, 2013

Sixteenth Report

September 2014

Publication Number: 4486

Investigation Number: 332-352

# United States International Trade Commission

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# Preface

The Andean Trade Preference Act (ATPA or “Act”) requires the U.S. International Trade Commission (“Commission” or “USITC”) to submit biennial reports—currently, in even-numbered years—to the President and the Congress on the economic impact of the ATPA program on U.S. industries and consumers, and on the effectiveness of the program in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.<sup>1</sup> More specifically, the Act requires that the Commission, in each report, include an assessment regarding:

- (a) the actual effect of the program, for the period covered by the report, on the U.S. economy generally and on specific domestic industries that produce articles like or directly competitive with those imported from beneficiary ATPA countries;
- (b) the probable future effect that the program will have on the U.S. economy generally, as well as on such domestic industries, before the provisions of the program terminate; and
- (c) the estimated effect that the program has had on the drug-related crop eradication and crop substitution efforts of the beneficiary countries.<sup>2</sup>

In preparing its assessments, the Commission is required to analyze the production, trade, and consumption of U.S. products affected by the program, taking into consideration employment, profit levels, and use of productive facilities for the domestic industries concerned. It must also consider such other economic factors as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production. Further, the Commission is required to describe the nature and extent of any significant changes in a variety of factors—employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned—which it believes are attributable to the program.<sup>3</sup>

This report to the President and the Congress is the Commission’s 16th report on ATPA, fulfilling the Commission’s reporting requirement for calendar years 2012 and 2013. The Commission is required to submit its report to the President and the Congress by September 30 of the year following the period covered in each report.

ATPA, enacted on December 4, 1991, authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. ATPA has been amended and the authority to provide preferential treatment has been extended several times, most recently by

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<sup>1</sup> 19 U.S.C. § 3204(a). The Commission submits such reports in each year in which it does not submit the report required by section 215 of the Caribbean Economic Recovery Act (19 U.S.C. § 2704). The Commission currently is required to submit those reports biennially in odd-numbered years.

<sup>2</sup> 19 U.S.C. § 3204(b)(1).

<sup>3</sup> 19 U.S.C. § 3204(b)(2).

Public Law 112-42. The President's authority to provide preferential treatment expired on July 31, 2013.

The number of countries eligible for ATPA preferences has fallen in recent years. Only two countries—Colombia and Ecuador—were eligible during the period covered in this report. The U.S.-Colombia Trade Promotion Agreement (TPA) entered into force on May 15, 2012, at which time Colombia lost its ATPA beneficiary status. Ecuador ceased to receive ATPA trade benefits after the President's authority to provide preferential treatment under ATPA expired on July 31, 2013.

Because of these changes, this report's analysis of the economic impact of ATPA on the United States reflects imports from Ecuador in 2012 and the first half of 2013 and from Colombia in the first four and one-half months of 2012. In addition, the analysis of the probable future effect of ATPA on U.S. domestic shipments, consumers, and tariff revenues covers only Ecuador. The "future effects" analysis also assumes that the President's authority to provide preferential treatment will be extended and that Ecuador receives preferential treatment.

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# Abbreviations and Acronyms

Acronym	Term
ATPA	Andean Trade Preference Act (original 1991 legislation)
ATPDEA	Andean Trade Promotion and Drug Eradication Act (2002 amendments)
CBERA	Caribbean Basin Economic Recovery Act
CBP	U.S. Customs and Border Protection
c.i.f.	cost, insurance, and freight
Commission	U.S. International Trade Commission
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	foreign direct investment
FTA	free trade agreement
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GSP	Generalized System of Preferences
ha	hectare (2.47105 acre)
HS	Harmonized System (international tariff nomenclature structure)
HTS	Harmonized Tariff Schedule of the United States
INCSR	International Narcotics Control Strategy Report
n.e.s.i or n.e.s.o.i.	not elsewhere specified or included
NTR	normal trade relations (commonly and historically called most-favored-nation status)
OTEXA	Office of Textiles and Apparel, U.S. Department of Commerce
SMEs	square meter equivalents
TPA	Trade Promotion Agreement (term for U.S. FTAs with the Andean countries)
TRQ	tariff-rate quota
UNODC	United Nations Office on Drugs and Crime
USAID	U.S. Agency for International Development
USDOC	U.S. Department of Commerce
USITC	U.S. International Trade Commission
U.S.-Colombia TPA	United States-Colombia Trade Promotion Agreement
U.S.-Peru TPA	United States-Peru Trade Promotion Agreement
USTR	U.S. Trade Representative



# Executive Summary<sup>4</sup>

The Andean Trade Preference Act (ATPA)<sup>5</sup> was enacted in 1991 to promote the development of viable economic alternatives to coca cultivation and cocaine production by offering duty-free or other preferential treatment to imports of eligible goods from Bolivia, Colombia, Ecuador, and Peru.<sup>6</sup> ATPA requires the U.S. International Trade Commission (“Commission” or “USITC”) to submit biennial reports—currently, in even-numbered years—to the President and the Congress on the economic impact of the ATPA program on U.S. industries and consumers, and on the effectiveness of the program in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.<sup>7</sup>

This report, the 16th in this series, covers the period 2012–13, and it focuses chiefly on Ecuador, the only remaining ATPA beneficiary country in 2013. Colombia was a beneficiary country at the start of the period, but ceased to be a beneficiary when the U.S.-Colombia Trade Promotion Agreement entered into force on May 15, 2012. The report primarily assesses the actual and the probable future effects of imports from Ecuador under ATPA on the U.S. economy generally, on U.S. industries, and on U.S. consumers. It also assesses the estimated effect of ATPA on Ecuador’s drug-related crop eradication and crop substitution efforts.

## Overview

Since its enactment in 1991, ATPA has had a minimal economic impact on the U.S. economy as a whole and on the great majority of U.S. industries and consumers. This continued to be the case during 2012 and 2013. The probable future effect of ATPA on the U.S. economy generally and on U.S. industries is likely to continue to be minimal, because Ecuador was the only remaining ATPA beneficiary by 2013—and only for part of that year—and because recent investments in the Ecuadorian industries that most often take advantage of ATPA preferences have been inhibited by Ecuador’s loss of preferential treatment on July 31, 2013.

The Commission estimates that the effect of ATPA in reducing illicit coca cultivation and promoting crop substitution efforts in Ecuador during 2012–13 continued to be small and mostly indirect, given that no significant coca cultivation exists in Ecuador and that U.S. alternative development assistance emphasizes the prevention rather than the eradication of coca cultivation and subsequent licit crop substitution. U.S. government programs in 2012–13 continued to provide alternative development assistance to Ecuador for current projects,

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<sup>4</sup> This report incorporates the latest official revision of data for 2010–13 from the Census Bureau of the U.S. Department of Commerce. For this reason, data may differ somewhat from previous ATPA reports and other Commission reports.

<sup>5</sup> 19 U.S.C. § 3201 et seq.

<sup>6</sup> Coca leaves are the raw material used in the production of cocaine. Essentially all cocaine worldwide originates in Bolivia, Colombia, and Peru. Ecuador has no significant coca cultivation, but serves as a major transit country for illegal drugs.

<sup>7</sup> 19 U.S.C. § 3204(a).

although negotiations between both governments to reach an agreement to renew such assistance reached an impasse toward the end of the period covered.

## Impact of ATPA in 2013

**The effect of ATPA on the United States continued to be negligible.** The actual effect of ATPA-exclusive imports (imports that were eligible to receive tariff preferences only under ATPA provisions) from Colombia and Ecuador on the U.S. economy and U.S. consumers was negligible during the period 2012–13 when imports from those countries were eligible for ATPA preferential treatment. U.S. imports from Ecuador under ATPA preferences during 2013 represented a minor share (0.11 percent) of the total value of U.S. merchandise imports from the world, of which ATPA-exclusive imports from Ecuador accounted for most of the share.

The President's authority to provide preferential treatment under ATPA terminated on July 31, 2013, and, as of September 2014, had not been extended. This termination and the earlier exit of Colombia from the agreement resulted in a sharp drop in recorded imports under ATPA. Imports entered under ATPA and ATPA-exclusive imports fell by 78 percent in 2013.

**Most U.S. imports from Ecuador that entered under ATPA preferences were eligible for duty-free treatment only under ATPA.** Of the \$2.6 billion in U.S. imports from Ecuador that were entered under ATPA in 2013, imports valued at \$2.5 billion could not have received tariff preferences under any other program. The remaining imports that were entered under ATPA could have been entered free of duty under the Generalized System of Preferences (GSP) as well. The ATPA-exclusive imports accounted for 21.6 percent of the value of total U.S. imports from Ecuador in 2013.

**Petroleum and petroleum products dominated the list of leading imports from Ecuador that benefited exclusively from ATPA,** accounting for 92.8 percent of the value of the 20 leading items in 2013. The five leading items benefiting exclusively from ATPA in 2013 were heavy crude oil, fresh cut roses, tuna in airtight containers, light crude oil, and light oil mixtures.

## Effect on the U.S. Economy and on U.S. Industries

**The potential relative displacement effect on U.S. producers was small for all 20 leading items analyzed.** The analysis indicates that ATPA preferences did not result in a displacement of more than 5 percent of domestic production for any of the 20 ATPA-exclusive products imported from Ecuador.

## Effect on U.S. Consumers and Tariff Revenues

**Duty-free entry of tuna in airtight containers and fresh cut roses from Ecuador provided the largest gains in U.S. consumer welfare.** Fresh cut roses imported from Ecuador under ATPA provided the largest consumer welfare gain (\$4.4 million), followed by tuna in airtight containers (\$4.0 million). However, tuna in airtight containers and fresh cut roses also

accounted for the largest losses of U.S. tariff revenues from ATPA preferences, offsetting much of the gain to consumers.

## Probable Future Effect on the United States

The probable future effect of ATPA, assuming that Congress extends the President's authority to provide preferential treatment under ATPA and that Ecuador resumes receiving preferential treatment,<sup>8</sup> on the overall U.S. economy, generally and on U.S. industries, is likely to be minimal, given the small share of imports from Ecuador in total U.S. imports. Future effects in most economic sectors are also likely to be minimal, since recent foreign and domestic investments in the Ecuadorian industries that most often take advantage of ATPA preferences have been inhibited by Ecuador's loss of preferential treatment on July 31, 2013.

## Estimated Effect on Drug Crop Eradication and Crop Substitution Efforts

The effectiveness of ATPA in reducing illicit coca cultivation and promoting crop substitution efforts in Ecuador continued to be small and indirect during 2012 and 2013. According to the U.S. State Department, although Ecuador is a drug-transit country, it has not been a significant source of coca cultivation since the early 1990s. In the case of Colombia, the U.S. State Department reported that Colombia continued its counternarcotics efforts in 2012–13, including coca eradication, although Colombia ceased to benefit from ATPA on May 15, 2012. The United States estimated that coca cultivation in Colombia declined from 83,000 hectares (ha) in 2011 to 78,000 ha in 2012 (latest data available), representing a drop in coca cultivation in Colombia of over 50 percent since its most recent peak of 167,000 ha in 2007.

**U.S. economic assistance to Ecuador continued in 2012, but ended in 2013.** U.S. economic assistance programs—both direct aid, such as through USAID, as well as indirect aid through programs such as ATPA and GSP—continued to promote alternatives to illicit coca cultivation and other drug-related activities through crops such as bananas, pineapples, hearts of palm, coffee, and cacao. However, negotiations between the United States and Ecuador to renew an agreement governing future economic assistance reached an impasse in 2013.

## U.S. Imports from Colombia and Ecuador in 2012–13

**Total U.S. imports from Colombia and Ecuador and U.S. imports under ATPA declined in 2012–13.** In 2012, total U.S. imports from the two ATPA beneficiary countries, Colombia and Ecuador, were \$20.2 billion, and U.S. imports under ATPA were \$11.2 billion. In 2013, total U.S.

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<sup>8</sup> Ecuador's National Secretary for Communications announced in a news release on June 27, 2013—about one month before the program was due to expire—that the government was unilaterally renouncing its tariff preferences under the ATPDEA program.

imports from Ecuador were \$11.5 billion and U.S. imports under ATPA from Ecuador were \$2.6 billion.

**Leading imports under ATPA in 2012–13 were petroleum and petroleum-related products.** In 2012–13, petroleum-related products, mostly crude petroleum, dominated total U.S. imports, as well as U.S. imports under ATPA, from Ecuador and Colombia. Fluctuations in petroleum prices and import quantities affected the values of total U.S. imports and U.S. imports under ATPA from these two countries.

**Leading non-petroleum products imported under ATPA in 2012–13 were fresh cut flowers, tuna products, banana products, and apparel.** In 2013, the leading non-petroleum imports under ATPA from Ecuador were fresh cut flowers, tuna in airtight containers or in bulk, and prepared or preserved bananas. In 2012, the leading non-petroleum imports under ATPA from Colombia were fresh cut flowers and apparel.

# Chapter 1

## Introduction

Section 206 of the Andean Trade Preference Act (ATPA or “the Act”)<sup>9</sup> requires the U.S. International Trade Commission (the Commission or USITC) to “submit to Congress and the President biennial reports regarding the economic impact” of ATPA on “United States industries and consumers, and, in conjunction with other agencies, the effectiveness” of ATPA “in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.” This report is the 16th in the series and covers the period since the previous report—that is, it covers calendar years 2012 and 2013. It focuses primarily on Ecuador and on developments in 2013.

ATPA<sup>10</sup> was enacted in 1991 to encourage the Andean countries of Bolivia, Colombia, Ecuador, and Peru to reduce drug-crop cultivation and production by authorizing the U.S. President to grant tariff preferences to qualifying Andean products in order to foster trade. The President’s authority to provide preferential treatment was initially provided for a 10-year period, and this authority was extended several times, sometimes retroactively, through July 31, 2013, when it lapsed. At that time, when the President’s authority to provide preferential treatment terminated, only Ecuador was eligible to receive such treatment. Peru and Colombia were removed from eligibility in 2010 and 2012, respectively, and Bolivia was removed in 2008. As of September 2014, the President’s authority to provide preferential treatment had not been renewed.

Several developments have reduced the number of ATPA beneficiary countries in recent years.<sup>11</sup> (See box 1.1.) Bolivia was suspended as an ATPA beneficiary country effective December 15, 2008,<sup>12</sup> for failure to adhere to its obligations under international counternarcotics agreements.<sup>13</sup> Peru became ineligible for ATPA preferences with the

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<sup>9</sup> 19 U.S.C. § 3204.

<sup>10</sup> Pub. L. 102-182, 105 Stat. 1236. ATPA as amended is codified at 19 U.S.C. § 3201 et seq. ATPA became effective July 22, 1992, for Colombia and Bolivia (Presidential Proclamation 6455, 57 *Fed. Reg.* 30069, and Presidential Proclamation 6456, 57 *Fed. Reg.* 30087, respectively); April 30, 1993, for Ecuador (Presidential Proclamation 6544, 58 *Fed. Reg.* 19547); and August 31, 1993, for Peru (Presidential Proclamation 6585, 58 *Fed. Reg.* 43239).

<sup>11</sup> For a summary of salient dates and facts concerning ATPA and ATPDEA beneficiary countries, see box 1.1. For further details on past developments, see USITC, *Andean Trade Preference Act, Fifteenth Report, 2011*, September 2012, and previous reports.

<sup>12</sup> Proclamation No. 8323 of November 25, 2008, 73 *Fed. Reg.* 72677 (November 28, 2008); USTR, “U.S. Trade Representative Schwab Announces Proposed Suspension of Bolivia’s Tariff Benefits,” September 26, 2008; 73 *Fed. Reg.* 57158 (October 1, 2008).

<sup>13</sup> Presidential Determination No. 2008-28 of September 15, 2008, “Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2009: Memorandum for the Secretary of State,” 73 *Fed. Reg.* 54927 (September 24, 2008), see USITC, *Andean Trade Preference Act, Fifteenth Report, 2011*, September 2012, p. 1-4, footnote 23, for further explanation.

implementation of the U.S.-Peru Trade Promotion Agreement (TPA),<sup>14</sup> effective January 1, 2011. The following year, Colombia became ineligible for ATPA preferences upon entry into force of the U.S.-Colombia TPA on May 15, 2012.<sup>15</sup> Ecuador ceased receiving benefits under ATPA when the President’s authority to provide duty-free treatment under the Act expired on July 31, 2013.<sup>16</sup> In this 2012–13 report, data concerning the ATPA program are reported for Colombia from January 2012 through May 2012, and for Ecuador from January 2012 through July 2013. Unless otherwise specified, references to “ATPA countries” or “ATPA beneficiary countries” in this report means the countries that were designated ATPA beneficiaries at the time being considered in the text or table.

### **Box 1.1** ATPA Beneficiary Countries

As enacted, ATPA authorized the President to designate four Andean countries as beneficiary countries—Bolivia, Colombia, Ecuador, and Peru.

1992: Bolivia and Colombia were designated as ATPA beneficiary countries.

1993: Ecuador and Peru were designated as ATPA beneficiary countries.

2002: All four were designated as APTDEA beneficiary countries in 2002, allowing the duty-free entry of the products added to ATPA by ATPDEA. References in this report to “ATPA countries” or “ATPA beneficiary countries” generally encompass both designations.

2008: Bolivia lost its ATPA beneficiary status on December 15, 2008.

2010: Peru lost its ATPA beneficiary status on December 31, 2010.

2012: Colombia lost its ATPA beneficiary status on May 15, 2012.

2013: After July 31, 2013, when the President’s authority to provide duty-free treatment under ATPA expired, U.S. imports from Ecuador ceased to receive preferential treatment under the program.

## **Overview of the ATPA Program**

ATPA authorizes the President to provide preferential treatment to ATPA beneficiary countries in the form of duty-free treatment for eligible products imported into the customs territory of the United States, based on importer claims for this treatment. ATPDEA amended the original ATPA to expand the number of products eligible for duty-free treatment. As shown in box 1.1,

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<sup>14</sup> The United States-Peru Trade Promotion Agreement Implementation Act was signed into U.S. law on December 14, 2007. Pub. L. 110-138, 19 U.S.C. § 3805 note.

<sup>15</sup> The United States-Colombia Trade Promotion Agreement Implementation Act was signed into U.S. law on October 21, 2011. Pub. L. 112-42, 19 U.S.C. § 3805 note.

<sup>16</sup> USTR, *2014 Trade Policy Agenda and 2013 Annual Report*, March 2014, V-195. In addition to expiration of ATPA import preferences, the President’s authority to provide duty-free treatment under another U.S. preferential import program—the U.S. GSP—also expired on July 31, 2013.

all four ATPA beneficiary countries were also designated as ATPDEA beneficiary countries in 2002. Throughout this report, the term “ATPA” refers to ATPA as amended by ATPDEA.<sup>17</sup>

## Eligible Articles

ATPA provides duty-free treatment to qualifying imports of merchandise from designated beneficiary countries.<sup>18</sup> It does not cover trade in services.

ATPDEA amended ATPA to authorize the President to extend duty-free treatment to some products previously ineligible for preferences under the original ATPA, including petroleum and petroleum products, certain textiles and apparel, footwear, tuna in foil or other flexible airtight packages (not cans), and watches and watch parts (including cases, bracelets, and straps). In addition, ATPDEA amended ATPA to make certain handbags, luggage, flat goods, work gloves, and leather wearing apparel eligible for duty-free treatment.<sup>19</sup> Under the original ATPA, these goods were eligible only for reduced rates of duty.<sup>20</sup> ATPA authorizes the President to proclaim duty-free treatment for qualifying additional articles if he determines that such articles are “not import sensitive in the context of imports from ATPDEA beneficiary countries.”<sup>21</sup> The following products continue to be excluded by statute from receiving preferential treatment: textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA; canned tuna; rum and tafia; and above-quota imports of certain agricultural products subject to tariff rate quotas (TRQs), including sugars, syrups, and sugar-containing products.<sup>22</sup> (A TRQ sets a ceiling

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<sup>17</sup> Presidential Proclamation 7616 of October 31, 2002, 67 Fed. Reg. 67283 (November 5, 2002). As needed, the term “original ATPA” will be used to identify provisions of the original ATPA program that was enacted in 1991, so that the scope and requirements of that statute can be discussed appropriately.

<sup>18</sup> General Note 3(c) to the Harmonized Tariff Schedule of the United States (HTS) summarizes the special tariff treatment for eligible products of designated countries under various U.S. trade programs, including ATPA. General Note 11 sets out product eligibility rules and country designations under ATPA and ATPDEA. For some products, duty-free entry under ATPA is subject to certain conditions, in addition to basic preference eligibility rules. Certain agricultural products, for example, remain subject to any applicable and generally imposed U.S. tariff-rate quotas (TRQs) as well as U.S. food-safety requirements. In-quota shipments of such products that are subject to TRQs are eligible to enter free of duty under ATPA. In 1990 under the General Agreement on Tariffs and Trade, and in 1995 as part of the establishment of the World Trade Organization, a number of absolute U.S. quotas on imports of certain agricultural products were replaced with these TRQs, under the Uruguay Round Agreements Act, Pub. L. 103-465, that implemented the results agreed under the Uruguay Round multilateral trade negotiations. For further details on eligible articles under the original ATPA and later under ATPDEA, see USITC, *Andean Trade Preference Act, Fifteenth Report, 2011*, September 2012, and previous reports.

<sup>19</sup> ATPDEA repealed sec. 204(c) of the original ATPA, which had provided duty reductions for certain handbags, luggage, flat goods, work gloves, and leather wearing apparel.

<sup>20</sup> 19 U.S.C. § 3203(b)(1)(D).

<sup>21</sup> 19 U.S.C. § 3203(b)(1). However, a number of footwear tariff lines were not included on the basis of their import sensitivity in the context of imports from ATPDEA countries. Presidential Proclamation 7616 of October 31, 2002, 67 Fed. Reg. 67283 (November 5, 2002); USTR, *First Report to the Congress on the Operation of the Andean Trade Preference Act as Amended*, April 30, 2003, 6.

<sup>22</sup> 19 U.S.C. § 3203(b)(2). *Seventh Report to the Congress on the Operation of the Andean Trade Preference Act as Amended*, June 30, 2013, 4. Tafia is a type of cheap rum.

for imports of a given good; if imports of the good into the United States go over the ceiling, a higher duty is assessed.)

Once ATPDEA was enacted, the President extended duty-free treatment to most of the newly eligible products. Of the nearly 6,300 tariff lines or products covered by ATPA trade preferences, about 700 were made eligible for duty-free treatment by ATPDEA.<sup>23</sup>

## Qualifying Rules

To be eligible for ATPA treatment, ATPA products must either (1) be wholly grown, produced, or manufactured in a designated ATPA country or (2) be “new or different” articles made from substantially transformed non-ATPA inputs.<sup>24</sup> The cost or value of the local (ATPA country) materials and the direct costs of processing in one or more ATPA countries must total at least 35 percent of the appraised customs value of the product at the time of entry into the United States. ATPA countries are permitted to pool the value added by each country to meet the value-content requirement and to count inputs from Puerto Rico, the U.S. Virgin Islands, and countries designated under the Caribbean Basin Economic Recovery Act (CBERA)<sup>25</sup> toward the value threshold. In addition, goods with an ATPA content of 20 percent of the customs value and the remaining 15 percent attributable to U.S.-made (excluding Puerto Rican) materials or components are deemed to meet the 35 percent value-content requirement.<sup>26</sup> So too are goods containing third-country inputs that undergo double substantial transformation within the ATPA countries and that are counted with other qualifying inputs to total 35 percent.<sup>27</sup>

ATPDEA amended ATPA to extend duty-free treatment for the first time to certain textile and apparel articles imported from designated ATPDEA beneficiary countries.<sup>28</sup> The ATPDEA amendments authorize unlimited duty-free and quota-free treatment for imports of certain textile and apparel articles made in beneficiary countries. The articles must be made from

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<sup>23</sup> USTR, “New Andean Trade Benefits,” September 25, 2002. About 90 percent of tariff-rate lines provide duty-free treatment to U.S. imports from the ATPA region (60 percent fall under ATPA and 30 percent have normal trade relations, NTR, rates of free). U.S. imports under the remaining tariff-rate lines (about 10 percent) are dutiable.

<sup>24</sup> Products undergoing the following operations do not qualify: simple combining or packaging operations, dilution with water, or dilution with another substance that does not materially alter the characteristics of the article (19 U.S.C. § 3203(a)(2)).

<sup>25</sup> There are currently 17 CBERA beneficiary countries: Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. USTR, “Caribbean Basin Initiative (CBI),” n.d., <http://www.ustr.gov/trade-topics/trade-development/preference-programs/caribbean-basin-initiative-cbi> (accessed July 21, 2014).

<sup>26</sup> 19 U.S.C. § 3203(a).

<sup>27</sup> Double substantial transformation involves transforming foreign material into a new or different product that, in turn, becomes the constituent material used to produce a second new or different article in the beneficiary country. Thus, ATPA countries can import inputs from non-ATPA countries, transform the inputs into intermediate material, and transform the intermediate material into ATPA-eligible articles. The cost or value of the constituent intermediate material can be counted toward the 35 percent ATPA content requirement. For additional information, see USDOC and USAID, *Guidebook to the Andean Trade Preference Act*, 1992, 5.

<sup>28</sup> 19 U.S.C. § 3203(b)(3).

fabrics or fabric components wholly formed, or components knit-to-shape, in the United States from yarns produced in the United States or one or more ATPDEA beneficiary countries, provided the fabrics are also dyed, printed, and finished in the United States.<sup>29</sup> The ATPDEA amendments also provide for unlimited preferential treatment for apparel assembled from ATPDEA-country fabrics or fabric components formed, or components knit-to-shape, of llama, alpaca, or vicuña. Apparel items assembled in ATPDEA beneficiary countries from fabrics or components formed in, or knit-to-shape from yarns produced in, the United States or one or more ATPDEA beneficiary countries (known as “regional fabrics or components”) are also eligible to enter free of duty but are subject to a cap.<sup>30</sup>

## Annual Reviews

ATPA requires the Office of the U.S. Trade Representative (USTR) to submit annual reports to the Congress on the operation of the ATPA program, including with respect to the considerations relating to designation as a beneficiary country.<sup>31</sup>

USTR initiated its 2013 ATPA review on April 8, 2013, requesting the views of interested parties on whether Ecuador is meeting the eligibility criteria under the ATPA as amended.<sup>32</sup> Nineteen parties filed submissions with USTR in response. USTR issued its report on the operation of the ATPA program in June 2013, but none of the submissions constituted petitions that were accepted for review. As a consequence, no actions have been taken to withdraw, suspend, or limit ATPA benefits on the basis of the USTR reviews.<sup>33</sup>

## ATPA and GSP

The ATPA and GSP programs are similar in many ways, with the GSP program providing preferential (duty-free) treatment to U.S. imports from a broad array of beneficiary developing countries, subject to certain limitations, and the ATPA program providing preferential treatment to both GSP-eligible goods and certain additional goods not eligible for GSP preferential treatment. The President’s authority to provide preferential treatment to eligible products from beneficiary countries under both the GSP and ATPA programs is similarly time-

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<sup>29</sup> The dyeing, printing, and finishing requirement does not refer to post-assembly and other operations such as garment dyeing and stone washing.

<sup>30</sup> 19 U.S.C. § 3203(b)(3)(B)(iii). This provision is considered to be one of the most important for apparel in ATPDEA. The cap on U.S. imports of apparel made in the ATPA countries from regionally knit or woven fabrics was set at 2 percent of the aggregate square meter equivalents (SMEs) of total U.S. imports of apparel from the world for the one-year period beginning on October 1, 2002, increasing in each of the four succeeding one-year periods by equal increments up to its current maximum of 5 percent. For the period from October 1, 2012, through September 30, 2013, the fill rate—all from Ecuador—was just 0.30 percent or 3.77 million SME of the 1.24 billion SME allowed under the regional fabric cap. USDOC, International Trade Administration, Office of Textiles and Apparel, “Trade Preference Programs: 2013,” n.d. <http://www.ustr.gov/trade-topics/trade-development/preference-programs/caribbean-basin-initiative-cbi> (accessed July 21, 2014).

<sup>31</sup> 19 U.S.C. § 3202(f)(1).

<sup>32</sup> 78 Fed. Reg. 21002 (April 8, 2013).

<sup>33</sup> USTR, *Seventh Report to the Congress*, June 20, 2013, 4–5.

limited. The President's authority to provide such treatment under both programs terminated on July 31, 2013,<sup>34</sup> and as of September 2014 had not been renewed.

U.S. importers and ATPA beneficiary country exporters historically preferred to enter ATPA country goods under ATPA rather than GSP provisions for three principal reasons. First, ATPA authorizes duty-free treatment for more tariff categories than GSP, including textile and apparel articles ineligible for GSP treatment. Unless specifically excluded, all such products can be eligible for a tariff preference under ATPA. Second, unlike imports under GSP, U.S. imports under ATPA are not subject to competitive-need and country-income restrictions. This fact means that imports of a product under ATPA will not lose their preferential treatment when they exceed a certain threshold, either in absolute terms or as a percentage of U.S. imports (the competitive need limit under GSP). Nor will ATPA countries lose preferential treatment if their national incomes exceed a specified amount. Third, ATPA rules of origin for products are more liberal than those of GSP. GSP requires that 35 percent of the value of the product be added in a single beneficiary country or in a specified association of GSP-eligible countries, whereas ATPA allows regional aggregation within ATPA, plus U.S. and Caribbean content.

## Analytical Approach

The core of ATPA is the duty-free treatment importers can claim when entering qualifying products from designated beneficiary countries. For almost all the eligible products of each ATPA country, duties were eliminated in single actions (rather than through staged duty reductions) when countries were designated as beneficiaries, first under the original ATPA and later under ATPDEA. The direct effects of such a one-time duty elimination can be expected to consist primarily of increased U.S. imports from beneficiary countries resulting from trade and resource diversion to take advantage of lower duties in the U.S. market. Specifically, diversions will include (1) a diversion of U.S. imports from non-beneficiary to beneficiary countries; (2) a diversion of beneficiary-country production away from products for domestic sale and non-U.S. foreign markets; and (3) a diversion of variable resources (such as labor and materials) away from production for domestic and non-U.S. foreign markets. These direct effects likely occurred within a short time (probably one or two years) after the duty eliminations, or by about 1992–93 for the original ATPA, and by about the end of 2004 for the additional product categories made eligible by the ATPDEA amendments.

Over a longer period, the effects of ATPA likely flowed mostly from investment in industries that benefited from the U.S. duty elimination in the eligible ATPA countries—including Ecuador, the principal focus of this report. However, both the short- and long-term effects of ATPA on the United States in this report period are limited by the small value of U.S. imports from Ecuador relative to total U.S. imports, as well as the 2013 expiration of the President's authority to provide duty-free treatment under the Act. In addition, any long-term effect of ATPA on the U.S. economy is likely to be difficult to distinguish from other market forces in play since the programs—first ATPA, and later ATPDEA—were introduced. With these factors in mind, the

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<sup>34</sup> See 19 U.S.C. § 2465 (GSP program) and 19 U.S.C. § 3206 (ATPA program).

Commission collected investment data to examine the trends in, and composition of, export-oriented investment in Ecuador, the only country remaining in the program in 2013, to assess the probable future effect of ATPA.

The Commission assessed the actual effect of ATPA on the U.S. economy, industries, and consumers in 2013 through (1) an analysis of imports entered under the program and trends in U.S. consumption of those imports; (2) estimates of gains to U.S. consumers, losses to the U.S. Treasury from reduced tariff revenues, and potential displacement in U.S. industries competing with the leading U.S. ATPA-exclusive imports in 2013;<sup>35</sup> and (3) an examination of trends in production and other economic factors in the industries identified as likely to be particularly affected by such imports.

As in previous reports in this series, the effects of ATPA are analyzed by estimating the differences in benefits to U.S. consumers, levels of U.S. tariff revenues, and U.S. industry production that would likely have occurred if normal trade relations (NTR) tariffs<sup>36</sup> had been in place for these products from Ecuador in 2013. Actual 2013 market conditions are compared with a hypothetical case in which NTR duties are imposed for the year. The effects of ATPA duty preferences for 2013 are estimated by using a partial-equilibrium model to estimate gains to consumers, losses in tariff revenues, and industrial displacement.<sup>37</sup> Previous analyses in this series have shown that since ATPA went into effect, for a limited number of products, U.S. consumers have benefited from lower prices and higher consumption; competing U.S. producers of these products have had somewhat lower sales; and tariff revenues to the U.S. Treasury have been lower.

The model used in this analysis assumes that the supply of imports and of U.S. domestic production is perfectly elastic; that is, U.S. producer prices do not fall in response to ATPA duty reductions. The effect of ATPA duty reductions on most U.S. industries is expected to be small because both the duty rates on most imports and the U.S. market shares of most imports from Ecuador are relatively small. The analysis reports estimates for consumer welfare and industry displacement, which reflect an assumption about substitution elasticity between ATPA products

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<sup>35</sup> That is, those that are not excluded or do not receive unconditional “column 1” general duty-free treatment or duty-free treatment under other preference programs such as GSP.

<sup>36</sup> This is nondiscriminatory tariff treatment, historically known outside the United States as “most-favored-nation” (MFN) trading status.

<sup>37</sup> A partial-equilibrium (PE) model is a numerical economic model that measures the effects of changes in trade policy at a product level—often at the 8-digit HTS tariff code level—in which each market is analyzed separately. A PE model relies on information about the magnitude of the duty reduction, U.S. market shares for domestic and foreign producers of the product, the degree to which domestic demand for the good responds to price changes, the degree to which domestic and foreign producers respond to price changes, and the degree of substitutability between the domestically produced product and imports from other countries. This is a standard economic approach for measuring the impact of a change in the prices of one or more goods. A more detailed explanation of the approach can be found in appendix C.

and competing U.S. output.<sup>38</sup> The analysis was conducted on the 20 leading product categories that benefited exclusively from ATPA tariff preferences in 2013 (chapter 3).

The Commission assessed the probable future effect of ATPA on the basis of an analysis of economic trends and investment patterns in Ecuador and in competing U.S. industries. To assess the estimated effect of ATPA on the drug-crop eradication and crop substitution efforts of Ecuador, the Commission relied primarily on information from other U.S. government agencies, such as the U.S. Department of State and the U.S. Agency for International Development.

## Organization of the Report

This chapter summarizes the provisions of ATPA and describes the analytical approach used in the report. Chapter 2 analyzes U.S. merchandise imports under ATPA from Ecuador during 2012–13, and from Colombia for the period January through May 2012; it also provides information on total U.S. imports from Ecuador. Chapter 3 analyzes U.S. imports that benefit exclusively from ATPA to assess the actual impact of ATPA in 2013 on the U.S. economy generally, as well as on U.S. industries and consumers. Chapter 3 also assesses the probable future effects of ATPA on the U.S. economy. In addition, chapter 3 assesses the estimated effect of ATPA on drug-related crop eradication and crop substitution efforts by Ecuador during 2012–13.

Appendix A reproduces the *Federal Register* notice by which the Commission solicited public comments.<sup>39</sup> Appendix B summarizes the position of the Government of Colombia, which was the only interested party to provide a written submission in connection with this investigation. Appendix C explains the economic model used to derive the findings presented in chapter 3. Appendix D provides additional statistical tables.

## Data Sources

General economic and trade data come from official statistics of the U.S. Department of Commerce and from relevant information developed by country/regional and industry analysts of the Commission. This report incorporates the latest official revision of data for 2010–13 from the Census Bureau of the U.S. Department of Commerce. For this reason, data may differ somewhat from those in previous ATPA reports and other Commission reports. Other primary sources for more qualitative information include U.S. government departments and offices, international organizations, and the Ecuadorian embassy, as well as written public comments

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<sup>38</sup> Commission industry analysts provided estimates of U.S. production and exports for the 20 leading items that benefited exclusively from ATPA. The elasticity of substitution used in the partial equilibrium models was 5, representing a high level of substitutability between the U.S. domestic product and ATPA imports, which is consistent with the economics literature, including Shiells, Stern, and Deardorff, “Estimates of the Elasticities of Substitution,” 1986, 497–519; Gallaway, McDaniel, and Rivera, “Short-Run and Long-Run Estimates of U.S. Armington Elasticities,” 2003, 49–68. See chapter 3 for more information.

<sup>39</sup> A copy of the notice appears in appendix A of this report.

that were solicited through the *Federal Register* notice found in appendix A and that are summarized in appendix B of this report.



# Chapter 2

## U.S. Imports from Ecuador and Colombia

This chapter describes and analyzes U.S. imports for consumption (hereafter referred to as “imports”)<sup>40</sup> from Ecuador and Colombia, the two ATPA beneficiary countries during 2012–13. In particular, this chapter highlights U.S. imports that entered under the ATPA program. As noted in chapter 1, two major developments affected U.S. imports from ATPA countries in 2012–13: (1) Colombia lost its ATPA eligibility when the U.S.-Colombia Trade Promotion Agreement entered into force on May 15, 2012; and (2) the President’s authority to provide preferential treatment under ATPA expired on July 31, 2013, and as of September 2014 had not been renewed. Thus, U.S. imports from Ecuador ceased to receive duty-free treatment under ATPA after July 31, 2013.

### Key Findings

In 2013, total U.S. imports from Ecuador, the only remaining ATPA country that year, were \$11.5 billion,<sup>41</sup> and imports under ATPA were \$2.6 billion.<sup>42</sup> In 2012, total U.S. imports from the

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<sup>40</sup> This chapter reflects the Census’s latest revision of trade statistics for 2010–13. Thus, the trade data for these years in this chapter could differ from those in the previous ATPA reports and other USITC reports. All trade discussed in the report is merchandise trade, as ATPA does not cover trade in services. “Imports for consumption” measures the total value of merchandise that physically clears U.S. Customs and Border Protection (CBP) for entry into the United States, as well as goods withdrawn from CBP bonded warehouses or U.S. Foreign Trade Zones which immediately enter U.S. consumption channels. Merchandise being held in bonded warehouses or U.S. Foreign Trade Zones is included in statistics on general imports but is not included in statistics on imports for consumption until it is specifically withdrawn for consumption. To measure U.S. trade with ATPA countries, this report uses imports for consumption, because ATPA is a tariff preference program, and tariffs are only applied to imports for consumption. See USDOC, ITA, “Trade data basic,” USITC, “A Note on U.S. Trade Statistics,” August 2014.

<sup>41</sup> The figure for total U.S. imports from the only remaining ATPA country, Ecuador, covers full-year 2013.

<sup>42</sup> U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President’s authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August–October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted “privileged foreign (PF) status” before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, “About Foreign-Trade Zones and contact info,” (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, “Foreign-Trade Zone definitions,” (accessed on September 18, 2014).

two ATPA beneficiary countries, Colombia and Ecuador, were \$20.2 billion, and U.S. imports under ATPA were \$11.2 billion (table 2.1, appendix table D.1).<sup>43</sup> In 2012–13, petroleum-related products, mostly crude petroleum, dominated total U.S. imports as well as U.S. imports under ATPA from those two countries. In 2013, the leading non-petroleum imports under ATPA from Ecuador were fresh cut flowers, tuna in airtight containers or in bulk, and prepared or preserved bananas. In 2012, the leading non-petroleum imports under ATPA from Colombia were fresh cut flowers and apparel.

As noted earlier, because Ecuador and Colombia were the two remaining ATPA beneficiary countries during 2012–13, and Colombia was an ATPA beneficiary country for only four and one-half months in 2012, the rest of this chapter discusses U.S. imports from Ecuador and Colombia separately. For Ecuador, the analysis focuses on 2013, while for Colombia, the analysis focuses on 2012.

## U.S. Imports from Ecuador

In 2013, nearly three-quarters of U.S. imports from Ecuador were petroleum-related products: 68.1 percent were crude petroleum, and 5.1 percent were other petroleum products. Shrimp, non-monetary gold, bananas, cacao beans, and fresh cut roses led the non-petroleum imports. For more information about leading U.S. imports from Ecuador at the HTS 2-digit and 8-digit levels, see appendix tables D.2 and D.3, respectively.

With the global recession and the decline of petroleum prices and import quantities, U.S. imports from Ecuador fell from \$9.0 billion in 2008 to \$5.2 billion in 2009. As the U.S. economy and global petroleum prices recovered, U.S. imports from Ecuador rose from \$5.2 billion in 2009 to a record high of \$11.5 billion in 2013 (figure 2.1).

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<sup>43</sup> Total U.S. imports from ATPA countries in 2012 include total U.S. imports from Ecuador for the full year and total U.S. imports from Colombia through May 2012, when Colombia ceased to be an ATPA beneficiary country.

**Table 2.1** U.S. imports for consumption from ATPA countries, 2009–13

Year	U.S. imports from ATPA countries	ATPA countries' share of U.S. imports from the world	U.S. imports under ATPA	Share of U.S. imports under ATPA in total U.S. imports from ATPA countries
	Value (million \$)	Percent	Value (million \$)	Percent
2009	20,690	1.3	9,714	47.0
2010	28,342	1.5	14,411	50.8
2011 <sup>a</sup>	31,888	1.5	4,381	13.7
2012 <sup>b</sup>	20,221	0.9	11,183	55.3
2013 <sup>c</sup>	11,455	0.5	2,575	22.5

Source: USITC compilation, USITC DataWeb/USDOC (accessed on July 14, 2014).

Note: ATPA countries in 2009–10 included Colombia, Ecuador, and Peru. ATPA countries in 2011–12 included Ecuador and Colombia. In 2013, Ecuador was the only ATPA country. This table reflects the Census's latest revision of trade statistics for 2010–13, and might differ somewhat from those in the previous ATPA reports and other USITC reports.

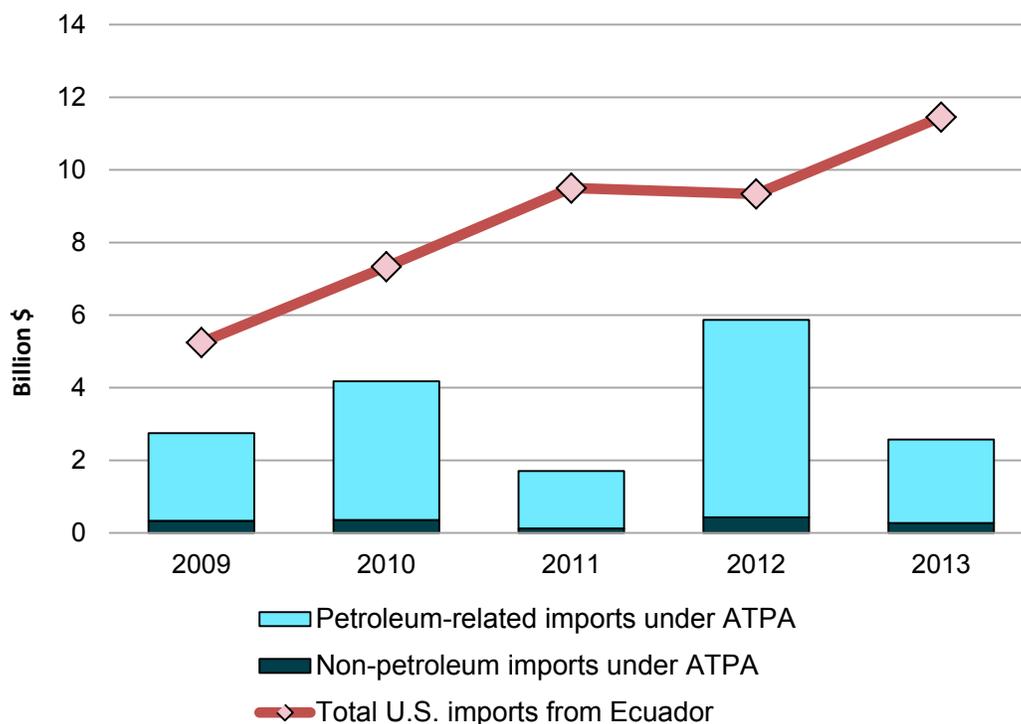
<sup>a</sup> The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup> U.S. imports from ATPA countries in 2012 include U.S. imports from Ecuador through 2012 and U.S. imports from Colombia through May 2012, when Colombia ceased to be an ATPA beneficiary country.

<sup>c</sup> U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President's authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August–October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted "privileged foreign (PF) status" before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, "About Foreign-Trade Zones and contact info," (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, "Foreign-Trade Zone definitions," (accessed on September 18, 2014).

**Figure 2.1** U.S. imports for consumption from Ecuador, 2009–13



Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

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## Duty Treatment

In 2013, as in the previous years that ATPA was in effect, U.S. imports from Ecuador entered the country free of duty in one of the following ways: (1) free of duty under normal trade relations (NTR) tariff rates; (2) conditionally free of duty under ATPA; (3) conditionally free of duty under GSP; and (4) conditionally free of duty under other special programs. Table 2.2 shows U.S. imports from Ecuador by duty treatment during 2009–13.

In recent years when preferential treatment under ATPA was in effect for the entire year (2009, 2010, and 2012), over 75 percent of U.S. imports from Ecuador were free of duty, and over 50 percent of U.S. imports from Ecuador entered free of duty under ATPA. In 2011, due to the eight-month suspension of duty-free access under ATPA, 62.7 percent of U.S. imports from Ecuador were dutiable.<sup>44</sup> In 2013, having access to preferential treatment under ATPA for only seven months, 52.9 percent of U.S. imports from Ecuador were dutiable. Nonetheless, the total value of U.S. imports from Ecuador in 2011 and 2013 increased from the prior years.

## **U.S. Imports under ATPA from Ecuador**

As the U.S. economy recovered and petroleum prices strengthened, U.S. imports under ATPA from Ecuador increased from \$2.7 billion in 2009 to \$4.2 billion in 2010 and \$5.9 billion in 2012. In 2011 and 2013, U.S. imports under ATPA from Ecuador were at \$1.7 billion and \$2.6 billion, respectively. Because of the eight-month suspension of duty-free access under ATPA in 2011, and the loss of access to ATPA trade preference after July 31, 2013, the values of U.S. imports under ATPA from Ecuador in these two years were lower than the values from other years when Ecuador had full-year access (figure 2.1, table 2.2).

As table 2.3 and 2.4 show, in January–July 2013, 89.2 percent of U.S. imports under ATPA from Ecuador involved petroleum-related products (under HTS chapter 27—mineral fuels, oils, and other products). Almost all of them were crude petroleum (HTS 2709.00.10 and 2709.00.20). Compared to the same period in 2012, the value of U.S. petroleum related imports under ATPA from Ecuador plunged 41.0 percent. The decline accelerated in the last five months before the expiration of ATPA trade benefit.

In January–July 2013, non-petroleum imports accounted for about 10.8 percent of U.S. imports under ATPA from Ecuador, led by fresh cut roses (HTS 0603.11.00) and other fresh cut flowers (HTS 0603.19.01), classified in HTS chapter 6 (live trees, plants, and cut flowers). Other significant imports under ATPA from Ecuador were tunas in airtight containers or in bulk (HTS 1604.14.30, 1604.14.10, and 1604.14.40), found in HTS chapter 16 (edible preparations of meat, fish, crustaceans, molluscs, or other aquatic invertebrates), and prepared or preserved bananas (HTS 2008.99.15), found in HTS chapter 20 (preparations of vegetables, fruit, nuts, or other parts of plants). Compared to the same period in 2012, U.S. imports under ATPA from Ecuador that fall under HTS chapter 85 (electrical machinery and equipment) and HTS chapter 39 (plastics and articles of plastics) experienced the largest increases, with rises of 143.9 and 96.9 percent, respectively. These imports were led by insulated electric conductors (HTS 8544.49.90) and polyethylene terephthalate in primary forms (HTS 3907.60.00) (tables 2.3 and 2.4).

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<sup>44</sup> The lapse of ATPA trade preferences lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Pub. L. 112-42, section 501(c)(1). Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

**Table 2.2** U.S. imports for consumption from Ecuador, by duty treatment, 2009–13

	2009	2010	2011	2012	2013
<b>Value (million \$)</b>					
Dutiable imports	\$989.8	\$1,826.9	\$5,954.5	\$1,564.4	\$6,057.9
Duty-free imports:	\$4,256.2	\$5,507.3	\$3,545.5	\$7,771.3	\$5,397.2
NTR duty-free	\$1,444.8	\$1,273.7	\$1,691.6	\$1,793.7	\$2,638.4
ATPA	\$2,748.4	\$4,179.1	\$1,705.5 <sup>a</sup>	\$5,869.5	\$2,575.1 <sup>b</sup>
GSP <sup>c</sup>	\$52.3	\$54.3	\$147.4	\$106.9	\$183.3
Other duty-free	\$10.7	\$0.2	\$0.9	\$1.2	\$0.3
Total imports	\$5,245.9	\$7,334.4	\$9,499.7	\$9,335.7	\$11,455.1
<b>Percent of total</b>					
Dutiable imports	18.9	24.9	62.7	16.8	52.9
Duty-free imports:	81.1	75.1	37.3	83.2	47.1
NTR duty-free	27.5	17.4	17.8	19.2	23.0
ATPA	52.4	57.0	18.0	62.9	22.5
GSP <sup>c</sup>	1.0	0.7	1.6	1.1	1.6
Other duty-free	0.2	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
Total imports	100.0	100.0	100.0	100.0	100.0

Source: USITC staff compilation, USITC Dataweb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup> Data reflect the lapse of ATPA trade preference from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Pub. L. 112-42, section 501(c)(1). Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup> U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President's authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August–October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted "privileged foreign (PF) status" before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, "About Foreign-Trade Zones and contact info," (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, "Foreign-Trade Zone definitions," (accessed on September 18, 2014).

<sup>c</sup> On December 21, 2010, the President's authority to provide duty-free treatment under the GSP program expired, and was renewed retroactively on October 21, 2011. Most recently, the President's authority to provide duty-free treatment under the GSP program expired on July 31, 2013, and as of September 2014 had not been renewed.

<sup>d</sup> Less than 0.05 percent.

**Table 2.3** Leading U.S. imports for consumption under ATPA from Ecuador, by HTS chapter, 2009–13

HTS number	Description	2009	2010	2011 <sup>a</sup>	2012	2012 (Jan.–Jul.)	2013 <sup>b</sup> (Jan.–Jul.)	Change 2012–13 (Jan.–Jul.)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	2,412.5	3,822.6	1,580.3	5,440.5	3,773.1	2,226.0	-41.0
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	118.3	136.8	60.2	169.3	113.4	123.9	9.2
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	60.8	60.9	13.4	84.1	49.3	60.2	22.2
20	Preparations of vegetables, fruit, nuts, or other parts of plants	35.9	33.6	10.3	46.0	26.7	25.6	-4.0
07	Edible vegetables and certain roots and tubers	40.6	37.4	10.5	40.1	22.3	23.0	3.5
08	Edible fruit and nuts; peel of citrus fruit or melons	35.1	29.7	19.9	36.3	15.0	9.7	-35.6
39	Plastics and articles thereof	0.9	2.8	0.9	6.4	3.2	6.3	96.9
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	0.3	0.3	1.0	6.1	2.2	5.3	143.9
61	Articles of apparel and clothing accessories, knitted or crocheted	6.5	6.6	1.9	5.0	2.3	3.4	46.2
69	Ceramic products	2.6	2.9	0.9	3.7	2.2	2.2	-3.7
	Subtotal	2,713.5	4,133.5	1,699.2	5,837.5	4,009.8	2,485.6	-38.0
	All other	35.0	45.7	6.4	32.0	13.9	9.3	-33.1
	Total	2,748.4	4,179.1	1,705.5	5,869.5	4,023.8	2,495.0	-38.0
		Percent of total imports under ATPA						Percentage point
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	87.8	91.5	92.7	92.7	93.8	89.2	-4.6
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	4.3	3.3	3.5	2.9	2.8	5.0	2.1
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	2.2	1.5	0.8	1.4	1.2	2.4	1.2
20	Preparations of vegetables, fruit, nuts, or other parts of plants	1.3	0.8	0.6	0.8	0.7	1.0	0.4
07	Edible vegetables and certain roots and tubers	1.5	0.9	0.6	0.7	0.6	0.9	0.4

HTS number	Description	2009	2010	2011 <sup>a</sup>	2012	2012 (Jan.–Jul.)	2013 <sup>b</sup> (Jan.–Jul.)	Change 2012–13 (Jan.–Jul.)
		<b>Percent of total imports under ATPA</b>						<b>Percentage point</b>
08	Edible fruit and nuts; peel of citrus fruit or melons	1.3	0.7	1.2	0.6	0.4	0.4	0.0
39	Plastics and articles thereof	0.0	0.1	0.1	0.1	0.1	0.3	0.2
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	0.0	0.0	0.1	0.1	0.1	0.2	0.2
61	Articles of apparel and clothing accessories, knitted or crocheted	0.2	0.2	0.1	0.1	0.1	0.1	0.1
69	Ceramic products	0.1	0.1	0.1	0.1	0.1	0.1	0.0
	Subtotal	98.7	98.9	99.6	99.5	99.7	99.6	-0.1
	All other	1.3	1.1	0.4	0.5	0.3	0.4	0.1
	Total	100.0	100.0	100.0	100.0	100.0	100.0	0.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

<sup>a</sup>The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup>U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President's authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August–October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted "privileged foreign (PF) status" before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, "About Foreign-Trade Zones and contact info," (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, "Foreign-Trade Zone definitions," (accessed on September 18, 2014).

**Table 2.4** Leading U.S. imports for consumption under ATPA preferences from Ecuador, by HTS 8-digit subheading, 2009–13

HTS number	Description	2009	2010	2011 <sup>d</sup>	2012	2012	2013 <sup>e</sup> (Jan. –Jul.)	Change 2012–13 (Jan.–Jul.)
						(Jan.–Jul.)	(Jan.–Jul.)	Percent
		Value (million \$)						Percent
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	2,331.0	3,767.9	1,522.4	5,268.1	3,669.6	2,137.7	-41.7
0603.11.00	Sweetheart, Spray and other roses, fresh cut	60.4	74.1	37.4	91.7	65.4	71.7	9.6
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	0.0	9.9	40.3	36.0	0.0	49.2	n.a.
0603.19.01 <sup>a</sup>	Fresh cut anthuriums, alstroemeria, gypsophilia, lilies, snapdragons, and flowers, n.e.s.o.i.	57.4	61.8	21.8	67.7	41.3	46.7	13.1
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	43.4	44.5	10.0	52.8	29.4	41.7	41.7
2710.12.45 <sup>b</sup>	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	16.4	44.8	17.7	31.2	21.1	39.1	85.3
2008.99.15	Bananas, other than pulp, otherwise prepared or preserved, n.e.s.o.i.	11.0	11.7	3.9	21.9	13.6	12.9	-5.3
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	13.6	12.1	2.2	12.3	7.0	12.5	79.6
0710.80.97	Vegetables n.e.s.o.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	22.6	20.9	5.5	22.6	12.7	11.0	-13.3
0714.90.10	Fresh or chilled dasheens, whether or not sliced or in the form of pellets	12.6	11.5	3.2	10.8	5.6	7.7	37.9
8544.49.90	Insulated electric conductors n.e.s.o.i., not of copper, for a voltage not exceeding 1,000 V, not fitted with connectors	0.3	0.0	0.8	4.3	1.9	4.4	135.3
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	0.3	0.4	0.0	15.2	10.3	4.0	-61.6
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	14.5	10.0	14.5	20.7	4.1	3.5	-14.0
3907.60.00	Polyethylene terephthalate in primary forms	0.0	0.0	0.0	1.1	0.3	3.4	1,223.8
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	0.3	2.2	0.8	4.5	2.4	2.3	-4.2
0811.90.10	Bananas and plantains, frozen, in water or containing added sweetening	1.4	3.8	0.7	5.7	3.3	2.2	-32.0

HTS number	Description	2009	2010	2011 <sup>d</sup>	2012	2012	2013 <sup>e</sup> (Jan. –Jul.)	Change 2012–13 (Jan.–Jul.)
						(Jan.–Jul.)	(Jan.–Jul.)	Percent
		Value (million \$)					Percent	
2008.99.90	Fruit n.e.s.i., and other edible parts of plants n.e.s.o.i., other than pulp and excluding mixtures, otherwise prepared or preserved, n.e.s.o.i.	2.1	1.6	0.3	3.1	1.3	2.2	63.7
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	2.9	4.3	1.5	3.0	1.3	2.2	69.0
0604.90.60 <sup>c</sup>	Other than fresh, bleached or dried: Foliage, branches, parts of plants and grasses, suitable for ornamental purposes, except mosses and lichen	0.0	0.0	0.0	3.2	1.9	2.1	12.0
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	2.6	3.7	1.5	4.0	2.5	2.0	-16.7
	Subtotal	2,592.6	4,085.8	1,684.4	5,679.8	3,895.0	2,458.5	-36.9
	All other	155.8	93.8	21.2	189.7	128.8	36.5	-71.7
	Total	2,748.4	4,179.1	1,705.5	5,869.5	4,023.8	2,495.0	-38.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviations n.e.s.o.i. and n.e.s.i. stand for “not elsewhere specified or included.”

<sup>a</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0603.19.00.

<sup>b</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.11.45.

<sup>c</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0604.99.60.

<sup>d</sup> The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>e</sup> U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President’s authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August–October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted “privileged foreign (PF) status” before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, “About Foreign-Trade Zones and contact info,” (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, “Foreign-Trade Zone definitions,” (accessed on September 18, 2014).

## U.S. Imports from Colombia

Among the four original ATPA countries, Colombia was the United States' largest trading partner. When the United States-Colombia Trade Promotion Agreement Implementation Act (U.S.-Colombia TPA) entered into force on May 15, 2012, Colombia lost its eligibility for both GSP and ATPA.<sup>45</sup> Therefore, the analysis in this section focuses on U.S. imports from Colombia in 2012 only.

As the U.S. economy recovered from the 2008-09 recession and global petroleum prices strengthened, U.S. imports from Colombia rebounded and reached a record high of \$24.6 billion in 2012 (table 2.5). In 2012, about 59.5 percent of total U.S. imports from Colombia were crude petroleum, 7.7 percent were other petroleum products, and 2.4 percent were coal. Non-monetary gold, coffee, fresh cut flowers, and bananas dominated the rest of U.S. imports from Colombia in 2012 (appendix tables D.4 and D.5).

## Duty Treatment

U.S. imports from Colombia entered the country free of duty in one of the following ways in 2009–12: (1) free of duty under NTR tariff rates; (2) conditionally free of duty under ATPA; (3) conditionally free of duty under GSP; (4) conditionally free of duty under the U.S.-Colombia TPA, and (5) conditionally free of duty under other special programs (table 2.5).

In all years 2009–2012 except 2011, over 80 percent of total U.S. imports from Colombia entered the United States free of duty. Imports under ATPA accounted for 49.9 and 60.4 percent of total U.S. imports from Colombia in 2009 and 2010, respectively. In 2011, due to the 8-month suspension of duty-free access under ATPA,<sup>46</sup> and in 2012, due to the exit of Colombia from the ATPA program in May 2012, imports under ATPA accounted for only 11.9 and 21.6 percent, respectively, of total U.S. imports from Colombia.

## U.S. Imports under ATPA from Colombia

U.S. imports under ATPA from Colombia in 2011 and 2012 were \$2.7 billion and \$5.3 billion, respectively, lower than other years when Colombia had full-year access to ATPA trade benefits (table 2.5).<sup>47</sup>

In 2012, 84.7 percent of U.S. imports under ATPA from Colombia were crude petroleum (HTS 2709.0020 and 2710.19.06), and 5.4 percent were refined petroleum products (mainly HTS 2710.19.06 and 2710.12.45). Non-petroleum imports, led by fresh cut flowers (HTS chapter 06)

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<sup>45</sup> Presidential Proclamation 8818 of May 14, 2012, 77 Fed. Reg. 29519 (May 18, 2012).

<sup>46</sup> The lapse of ATPA trade preferences lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Pub. L. 112-42, section 501(c)(1). Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>47</sup> Ibid

and apparel (HTS chapter 61 and 62), accounted for 9.8 percent of U.S. imports under ATPA from Colombia in 2012 (tables 2.6 and 2.7).

**Table 2.5** U.S. imports for consumption from Colombia, by duty treatment, 2009–12

	2009	2010	2011	2012
<b>Value (million \$)</b>				
Dutiable imports	\$1,250.8	\$1,140.0	\$10,184.1	\$4,640.8
Duty-free imports:	\$9,958.5	\$14,544.8	\$12,204.4	\$20,001.3
NTR duty-free	\$4,175.2	\$4,894.3	\$9,135.3	\$6,729.3
ATPA	\$5,589.5	\$9,472.9	\$2,675.4 <sup>a</sup>	\$5,313.6 <sup>b</sup>
GSP <sup>c</sup>	\$188.7	\$158.7	\$383.5	\$76.5
U.S.-Colombia TPA	\$0.0	\$0.0	\$0.0	\$7,864.9
Other duty-free	\$5.1	\$18.9	\$10.2	\$17.0
Total imports	\$11,209.4	\$15,684.7	\$22,388.6	\$24,642.0
<b>Percent of total</b>				
Dutiable imports	11.2	7.3	45.5	18.8
Duty-free imports:	88.8	92.7	54.5	81.2
NTR duty-free	37.2	31.2	40.8	27.3
ATPA	49.9	60.4	11.9	21.6
GSP <sup>c</sup>	1.7	1.0	1.7	0.3
U.S.-Colombia TPA	0.0	0.0	0.0	31.9
Other duty-free	( <sup>d</sup> )	0.1	( <sup>d</sup> )	0.1
Total imports	100.0	100.0	100.0	100.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup> Data reflect the lapse of ATPA trade preference from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011. Pub. L. 112-42, section 501(c)(1). Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup> Colombia incurred imports under ATPA only for the first five months of 2012 while it was an ATPA beneficiary country.

<sup>c</sup> On December 21, 2010, the President's authority to provide duty-free treatment under the GSP program expired, and was renewed retroactively on October 21, 2011. Most recently, the President's authority to provide duty-free treatment under the GSP program expired on July 31, 2013, and as of September 2014 had not been renewed.

<sup>d</sup> Less than 0.05 percent.

**Table 2.6** Leading U.S. imports for consumption from Colombia under ATPA preferences, by HTS chapter, 2009–12

HTS number	Description	2009	2010	2011 <sup>a</sup>	2012 <sup>b</sup>	Change 2011–12
		Value (million \$)				Percent
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	4,567.2	8,277.6	2,313.2	4,792.1	107.2
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	507.5	549.6	206.5	308.6	49.4
62	Articles of apparel and clothing accessories, not knitted or crocheted	109.5	127.3	26.4	38.3	45.2
61	Articles of apparel and clothing accessories, knitted or crocheted	100.4	115.6	24.0	35.7	48.8
39	Plastics and articles thereof	53.2	86.2	24.3	28.2	16.1
76	Aluminum and articles thereof	29.9	41.9	9.5	16.1	69.8
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	7.1	23.4	7.0	16.1	129.2
17	Sugars and sugar confectionery	34.1	57.4	7.2	12.1	67.2
69	Ceramic products	24.3	38.8	7.8	10.1	29.2
96	Miscellaneous manufactured articles	16.8	18.3	5.4	9.2	71.3
	Subtotal	5,449.9	9,336.0	2,631.3	5,266.5	100.1
	All other	139.6	136.9	44.1	47.1	6.8
	Total	5,589.5	9,472.9	2,675.4	5,313.6	98.6
		Percent of total imports under ATPA				Percentage Point
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	81.7	87.4	86.5	90.2	3.7
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	9.1	5.8	7.7	5.8	-1.9
62	Articles of apparel and clothing accessories, not knitted or crocheted	2.0	1.3	1.0	0.7	-0.3
61	Articles of apparel and clothing accessories, knitted or crocheted	1.8	1.2	0.9	0.7	-0.2
39	Plastics and articles thereof	1.0	0.9	0.9	0.5	-0.4
76	Aluminum and articles thereof	0.5	0.4	0.4	0.3	-0.1
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	0.1	0.2	0.3	0.3	0.0

HTS number	Description	2009	2010	2011 <sup>a</sup>	2012 <sup>b</sup>	Change
						2011-12
Percent of total imports under ATPA						Percentage Point
17	Sugars and sugar confectionery	0.6	0.6	0.3	0.2	-0.1
69	Ceramic products	0.4	0.4	0.3	0.2	-0.1
96	Miscellaneous manufactured articles	0.3	0.2	0.2	0.2	0.0
	Subtotal	97.5	98.6	98.4	99.1	0.8
	All other	2.5	1.4	1.6	0.9	-0.8
	Total	100.0	100.0	100.0	100.0	0.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.”

<sup>a</sup> The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup> Colombia lost its ATPA eligibility on May 15, 2012, when the U.S.-Colombia TPA entered into force.

**Table 2.7** Leading U.S. imports for consumption from Colombia under ATPA preferences, by HTS 8-digit subheading, 2009–12

HTS number	Description	2009	2010	2011 <sup>f</sup>	2012 <sup>g</sup>	Change 2011–12
		Value (million \$)				Percent
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	3,404.2	4,751.7	1,250.0	3,021.0	141.7
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	914.0	3,162.5	816.5	1,481.7	81.5
2710.19.06 <sup>a</sup>	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	0.0	16.0	0.0	253.1	n.a.
0603.11.00	Sweetheart, spray and other roses, fresh cut	244.5	239.4	102.6	153.2	49.3
0603.19.01 <sup>b</sup>	Fresh cut anthuriums, alstroemeria, gypsophilia, lilies, snapdragons, and flowers n.e.s.o.i.	129.6	149.1	42.6	57.1	0.3
0603.14.00	Chrysanthemums, fresh cut	75.1	97.0	33.7	51.6	53.1
2710.12.45 <sup>c</sup>	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	0.0		30.4	36.3	0.2
0603.12.70	Other carnations, fresh cut	33.6	39.9	18.5	25.9	40.1
6203.42.40	Men's or boys' trousers and shorts, not bibs, not knitted or crocheted, of cotton, not containing 15% or more by weight of down, etc.	43.6	63.4	9.9	15.2	54.8
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	6.7	22.6	6.1	14.1	131.7
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms	18.8	22.6	7.8	13.5	73.3
0603.12.30	Miniature (spray) carnations, fresh cut	21.5	21.7	8.5	13.4	58.2
7610.10.00	Aluminum, doors, windows and their frames, and thresholds for doors	12.6	17.4	5.3	11.9	123.6
1704.90.35	Sugar confections or sweetmeats ready for consumption, not containing cocoa, other than candied nuts or cough drops	15.9	20.9	5.1	7.1	39.0
9602.00.50	Vegetable, mineral or gum materials, worked and articles of these materials	8.5	11.4	4.1	6.8	66.7

HTS number	Description	2009	2010	2011 <sup>f</sup>	2012 <sup>g</sup>	Change 2011–12
		Value (million \$)				Percent
3921.12.11	Non-adhesive plates, sheets, film, foil, strip, cellular, of polymers of vinyl chloride, with manmade textile fibers, over 70% plastics	8.3	13.6	4.9	6.7	38.6
7007.19.00	Toughened (tempered) safety glass, not of size or shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels	12.0	10.5	2.4	5.8	135.9
6204.62.40	Women's or girls' trousers, breeches and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	14.3	18.9	3.1	5.7	85.3
6109.10.00	T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of cotton	10.8	19.0	3.8	5.6	49.0
0603.15.00	Fresh cut lilies ( <i>Lillium</i> spp.)	0.0	0.0	0.0	5.4	n.a.
	Subtotal	4,844.5	8,532.5	2,282.1	5,191.0	127.5
	All other	745.0	940.4	393.4	122.6	-68.8
	Total	5,589.5	9,472.9	2,675.4	5,313.6	98.6

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

<sup>a</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.19.10.

<sup>b</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0803.00.20.

<sup>c</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0603.19.00.

<sup>d</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.19.10.

<sup>e</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.11.45.

<sup>f</sup> The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>g</sup> Colombia lost its ATPA eligibility on May 15, 2012, when the U.S.-Colombia TPA entered into force.

# Chapter 3

## Economic Impact of ATPA on the United States and on Drug-Related Crop Eradication and Alternative Development

As noted in chapter 1, the Commission did not include Colombia in its assessment in this report of the actual effect of ATPA on the U.S. economy and U.S. industries, nor did it include Colombia in its assessment of the probable future effect of ATPA or of the estimated effect of ATPA on drug-related crop eradication and crop substitution efforts of beneficiary countries. The reason for this is that by statute, Colombia was no longer eligible for ATPA beneficiary country status once the United States-Colombia TPA entered into force on May 15, 2012.<sup>48</sup> Therefore, imports from Colombia were eligible to enter under ATPA only during the first four and one-half months of 2012. Import patterns would likely have been distorted to some extent by seasonal factors (e.g., for flowers) and by the impending entry into force of the United States-Colombia TPA, which was widely anticipated at the time.<sup>49</sup> Further, the analysis in this chapter takes into account that U.S. imports from Ecuador ceased to be eligible for preferential treatment after July 31, 2013, when the President's authority to provide preferential treatment under ATPA expired.

This chapter thus presents the Commission's assessment of the economic impact of U.S. imports from Ecuador under ATPA on the U.S. economy, industries, and consumers in 2012 and 2013, and also provides the Commission's assessment of the probable future effect of the program on the U.S. economy generally. It also presents the Commission's assessment of the estimated effect of ATPA on the drug-crop eradication and crop substitution efforts of Ecuador. The assessment of ATPA's actual effect on the U.S. economy focuses on the 20 HTS 8-digit products from Ecuador that entered free of duty only under ATPA preferences and that had the highest import values in 2013. The assessment of ATPA's probable future effect is based largely on information about ATPA-related investment in Ecuador in recent years.

Most of this investment information was collected from international sources such as the United Nations, augmented by information from reports, as available, from the Ecuadorian embassy. The assessment of ATPA's estimated effect on the drug-crop eradication and crop substitution efforts of Ecuador is largely based on the U.S. Department of State's estimates of

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<sup>48</sup> See section 201(a)(3) of the United States-Colombia Trade Promotion Agreement Implementation Act, 19 U.S.C. § 3805 note.

<sup>49</sup> U.S. legislation approving the agreement and implementing legislation was signed into law on October 21, 2011 (Public Law 112-42, 125 Stat. 462, 19 U.S.C. § 3805 note); see also press release issued by the USTR on April 15, 2012, announcing that the agreement would enter into force on May 15, 2012, "United States, Colombia Set Date for Entry into Force of U.S.-Colombia Trade Agreement."

drug-crop cultivation reports, the United Nations Office on Drugs and Crime, and illicit crop monitoring reports.

## Key Findings

The overall impact of ATPA-exclusive imports from Ecuador<sup>50</sup> on the U.S. economy and on U.S. industries and consumers continued to be negligible in 2013. The five leading ATPA-exclusive U.S. imports from Ecuador in 2013 were heavy crude oil, fresh cut roses, light crude oil, tuna in airtight containers, and light oil mixtures. Fresh cut roses and tuna in airtight containers provided the largest gains in consumer welfare. The analysis indicates that the potential relative displacement effects on domestic production were less than 5 percent for all of the 20 products analyzed.

This analysis also indicates that 2012–13 investment in Ecuador is unlikely to boost U.S. imports from Ecuador in a way that will have a measurable economic impact on U.S. consumers and producers. Ecuador is, and is likely to remain, a small supplier, except for fresh cut roses, relative to the U.S. market. Future effects in most economic sectors are also likely to be minimal, because expiration of ATPA trade preferences and uncertainty over their future has discouraged or inhibited ATPA-oriented investment. In addition, uncertainty over the future of ATPA prompted Ecuador to petition to extend coverage under GSP to some products that were ATPA-eligible in 2012.<sup>51</sup>

The assessment of ATPA's effect on the drug-crop eradication and crop substitution efforts of Ecuador suggests that the effect of the program on Ecuador was limited. The principal reason for this is that Ecuador cultivates very little coca in comparison with other Andean countries, although Ecuador is increasingly a drug transit zone.

## Impact of ATPA on the United States in 2013

Since its implementation, ATPA has had a minimal effect on the overall economy of the United States. The year 2013 was no different, mainly because Ecuador is a small supplier of U.S. imports. Since ATPA was initially implemented in 1992, the value of ATPA duty-free U.S. imports has been equivalent to 0.1 percent or less of U.S. GDP. In 2013, the value of U.S. imports under ATPA provisions from Ecuador was equivalent to 0.02 percent of U.S. GDP and 0.11 percent of total U.S. imports from the world.

In evaluating the impact of ATPA, the Commission considered U.S. imports from Ecuador that can receive preferential treatment only under ATPA—that is, U.S. imports from Ecuador that benefit exclusively from ATPA. Because many ATPA-eligible products are also eligible for duty-free entry under GSP, they were excluded from the analysis.

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<sup>50</sup> As indicated earlier, “ATPA-exclusive imports” are imported products that can receive tariff preferences only under ATPA provisions.

<sup>51</sup> The products for which GSP coverage was petitioned included fresh cut roses, broccoli, tuna in airtight containers, pantyhose and tights, and artichokes. Also see: USITC. “Advice Concerning Possible Modifications,” April 2013.

The following section (1) identifies products that benefited exclusively from ATPA; and (2) presents quantitative estimates of the impact of ATPA on U.S. industries (as measured by domestic shipments) whose products compete with ATPA imports, on the U.S. Treasury (as measured through tariff revenues), and on U.S. consumers.

## **Products That Benefited Exclusively from ATPA in 2013**

U.S. imports of products benefiting exclusively from ATPA in 2013, as in previous reports, are defined as those that entered free of duty under ATPA and were not eligible to enter free of duty under NTR rates or under other programs, such as GSP.<sup>52</sup> Consistent with this definition, GSP-eligible products imported from Ecuador that were entered under ATPA preferences were considered to benefit exclusively from ATPA only if imports of the product from Ecuador had exceeded GSP competitive need limits and had therefore lost GSP eligibility.<sup>53</sup>

In 2013, the value of U.S. imports from Ecuador that benefited exclusively from ATPA was \$2.5 billion, a decline of 77.2 percent from 2012. The share of ATPA-exclusive imports in total U.S. imports from Ecuador was 21.6 percent in 2013 (table 3.1).

The 20 leading imports from Ecuador that benefited exclusively from ATPA in 2013 are shown in table 3.2. As in the past, petroleum and petroleum products dominated the list of leading imports that benefit exclusively from ATPA, accounting for approximately 90 percent of the value of the 20 leading items in 2013.

## **Economic Impact of ATPA on U.S. Industries and Consumers in 2012 and 2013**

Although a large number of products were eligible for tariff preferences under ATPA in 2012 and 2013, a relatively small group accounts for most of the imports from Ecuador that benefited exclusively from ATPA during that period. Table 3.2 presents the 20 leading ATPA-exclusive products from Ecuador in 2013. They are ranked and selected on the basis of their landed duty-paid import values. The five leading ATPA-exclusive imports from Ecuador in 2013 were (1) heavy crude oil (HTS 2709.00.10), (2) fresh cut roses (HTS 0603.11.00), (3) light crude oil (HTS 2709.00.20), (4) tuna in airtight containers (HTS 1604.14.30), and (5) light oil mixtures (HTS 2710.12.45).

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<sup>52</sup> Because ATPDEA amended ATPA, imports under ATPA and imports benefiting exclusively from ATPA include imports made eligible for preferential treatment by ATPDEA.

<sup>53</sup> Legal authorization of the GSP program expired on July 31, 2013. The U.S. Congress is considering legislation that would extend the authorization of GSP beyond this date.

**Table 3.1** Total imports from Andean countries, imports entered under ATPA, and imports that benefited exclusively from ATPA, 2009–13<sup>a</sup>

Item	2009	2010	2011 <sup>e</sup>	2012 <sup>d</sup>	2013 <sup>d,f</sup>
Total imports from ATPA-eligible countries: Value (million \$ <sup>b</sup> )	20,690	28,342	31,888	20,221	11,455
Imports entered under ATPA: <sup>c</sup> Value (million \$ <sup>b</sup> )	9,714	14,411	4,381	11,183	2,575
Percentage of total	47.0	50.8	13.7	55.3	22.5
Imports that benefited exclusively from ATPA: Value (million \$ <sup>b</sup> )	7,963	13,008	4,190	10,831	2,470
Percentage of total	38.5	45.9	13.1	53.6	21.6

Source: Estimated by the U.S. International Trade Commission from official statistics of the U.S. Department of Commerce.

<sup>a</sup> Figures for 2013 include Ecuador only; those for 2012 include Ecuador and Colombia; and those for 2009–11 include Ecuador, Colombia, and Peru. This table incorporates the latest official revision of data for 2010–13 from the Census Bureau of the U.S. Department of Commerce. For this reason, data may differ somewhat from previous ATPA reports and other Commission reports.

<sup>b</sup> Customs value.

<sup>c</sup> Includes articles that entered free of duty under ATPA provisions, but that could have entered under other preferential programs such as GSP. Those provisions are discussed in chapter 1.

<sup>d</sup> Data for 2012 and 2013 are latest revised data by the U.S. Department of Commerce and may differ with previous ATPA reports and other Commission reports.

<sup>e</sup> Data reflect the lapse of ATPA trade preferences from February 12, 2011, through October 20, 2011.

<sup>f</sup> Data reflect the expiration of the President’s authority to provide ATPA trade preferences on July 31, 2013.

For the 20 leading ATPA-exclusive products from Ecuador (table 3.2), the Commission used a partial equilibrium model to estimate the effects of the ATPA preferences on U.S. domestic shipments, consumer welfare, and tariff revenues. The technical details of this economic model are provided in appendix C.<sup>54</sup>

For any particular product, the size of the U.S. market share accounted for by ATPA-exclusive imports was a major factor in determining the estimated impact on competing domestic producers.<sup>55</sup> (This market share is the ratio of the value of ATPA-exclusive imports to total apparent U.S. consumption of that product.) Market shares for these 20 products varied considerably in 2013. For instance, the market share of ATPA-exclusive imports of fresh cut roses was approximately 18 percent, whereas the market shares of ATPA-exclusive imports of many of the products, such as the petroleum products, were less than 1 percent.

<sup>54</sup> Also, chapter 1 includes a description of the analytical approach.

<sup>55</sup> Other factors include the NTR tariff rate and the degree of substitutability among beneficiary imports, nonbeneficiary imports, and domestic production.

**Table 3.2** Leading ATPA-exclusive products from Ecuador, value of U.S. imports in 2013 (thousand \$)

HTS number	Description	Landed duty-paid value of total U.S. imports	Landed duty-paid value of imports under ATPA preferences
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	109,126,799	2,290,016
0603.11.00	Sweetheart, spray, and other roses, fresh cut	476,951	89,700
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	90,968,110	50,050
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	827,530	43,646
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	6,965,455	39,836
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	45,984	13,104
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	435,508	12,673
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	407,312	4,097
3907.60.00	Polyethylene terephthalate in primary forms	1,168,553	3,655
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	2,021,824	2,427
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	230,204	2,239
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	88,472	2,140
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	1,402,714	1,908
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	613,304	1,359
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October 1 through the following June 30, inclusive	4,018	1,257
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	10,384	1,183
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	31,079	918
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex containing under 70% by weight of silk, knitted or crocheted	28,797	745
6908.10.50	Glazed ceramic tiles, cubes, and similar articles with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	36,029	690
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	111,201	637

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."

## Estimated Effect on U.S. Domestic Shipments

Table 3.3 reports the value of domestic production and the estimates of the reduction in the value of U.S. domestic shipments in 2013 for each of the 20 leading ATPA-exclusive products in the United States, using an elasticity of substitution between the ATPA and non-ATPA imports and the domestic product equal to 5. Elasticity of substitution is a measure of how much demand shifts between the different types of products (the two types of imports and the domestic product) in response to the change in their relative prices. It is greater (5 rather than 3) if the different types of products are more similar in the eyes of consumers. Estimates of the potential displacement of domestic production were small (less than 5 percent) for all 20 individual sectors analyzed.<sup>56</sup>

## Estimated Effect on U.S. Consumers

For each of the 20 leading ATPA-exclusive imports from Ecuador, table 3.4 reports apparent U.S. consumption and gives an estimate of the effect of Ecuador's ATPA preferences on U.S. consumer welfare. The effect on consumer welfare is reported as an equivalent variation<sup>57</sup> measure based on the difference between the actual prices of the imports in 2013 and the model's estimates of the prices that would have prevailed in the absence of the ATPA preferences. The estimates assume a magnitude of the elasticity of substitution (ES) equal to 5 between the ATPA and the non-ATPA imports and the domestic product.<sup>58</sup>

In 2013, fresh cut roses from Ecuador provided the largest gain in consumer welfare (\$4.4 million), followed by tuna in airtight containers (\$4.0 million) resulting exclusively from ATPA tariff preferences (table 3.4). Without ATPA, the price U.S. consumers would have paid for imports of fresh cut roses and tuna in airtight containers from Ecuador would have been higher. In general, the ATPA-exclusive items providing the largest gains in consumer welfare have either the highest NTR tariff rates or the largest values of imports from ATPA countries, or both.

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<sup>56</sup> U.S. market share, tariff rates, and the elasticity of substitution between beneficiary imports and competing U.S. production are the main factors that affect the estimated displacement of U.S. domestic shipments.

<sup>57</sup> Equivalent variation is a measure of income that would be equivalent to the cost to consumers of re-imposing tariffs.

<sup>58</sup> The range of substitution elasticities used in the partial equilibrium models is consistent with the economics literature, as discussed in chapter 1.

**Table 3.3** Estimated effect of Ecuador's ATPA preferences on the value of U.S. domestic shipments in 2013 (thousand \$)

HTS number	Description	Potential reduction in domestic shipments if ES=5		
		Value of U.S. domestic production	Value of reduction	Percent of domestic production
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	40,000,000	1,184	0.00
0603.11.00	Sweetheart, spray and other roses, fresh cut	16,708	422	2.53
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	205,000,000	129	0.00
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	730,000	7,540	1.03
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	3,300,000	15	0.00
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	100,000	2,456	2.45
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	39,000	368	0.94
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	20,000	1	0.01
3907.60.00	Polyethylene terephthalate in primary forms	2,730,000	504	0.02
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	7,500,000	209	0.00
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	165,400	344	0.21
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	0	-	-
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	95,000	20	0.02
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	60,000	5	0.01
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October 1 through the following June 30, inclusive	0	-	-
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	1,100	46	4.18
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	600,000	103	0.02
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex, containing under 70% by weight of silk, knitted or crocheted	31,000	131	0.42
6908.10.50	Glazed ceramic tiles, cubes and similar articles with largest area enclosable in square with sides under 7 cm, n.e.s.o.i.	700,000	152	0.02
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	1,000,000	257	0.03

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included." ES stands for elasticity of substitution.

**Table 3.4** Estimated effect of Ecuador's ATPA preferences on U.S. consumer welfare in 2013 (thousand \$)

HTS number	Description	Apparent consumption	Effect on consumer welfare if ES = 5
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	149,126,794	1,103
0603.11.00	Sweetheart, spray and other roses, fresh cut	488,536	4,392
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	291,149,665	47
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	1,548,890	4,031
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	7,786,515	36
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	145,534	2,349
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	470,608	1,230
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	427,062	7
3907.60.00	Polyethylene terephthalate in primary forms	3,353,038	193
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	9,521,824	66
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	353,799	246
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	88,472	222
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	1,470,389	106
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	663,262	17
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered Oct. 1 through the following June 30, inclusive	4,018	5
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	11,484	119
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	566,647	27
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex containing under 70% by weight of silk, knitted or crocheted	50,180	77
6908.10.50	Glazed ceramic tiles, cubes and similar articles with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	731,726	40
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	1,017,798	72

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included." ES stands for elasticity of substitution.

## Estimated Effect on U.S. Tariff Revenues

ATPA preferences reduced U.S. tariff revenues, offsetting much of the gain to consumers. Table 3.5 reports the total tariff revenues collected by the United States in 2013 for each of the 20 products imported from Ecuador, as well as an estimate of the effect of Ecuador's ATPA preferences on these tariff revenues. Again, the estimates reflect the assumption about the magnitude of the elasticity of substitution between the two types of imports (ATPA and non-ATPA) and the domestic product, with the elasticity of substitution assumed to be equal to 5.

Overall, the above estimates suggest that the impact of ATPA in 2013 on the U.S. economy, industries, and consumers was minimal, mainly because of the very small portion of U.S. imports that come from Ecuador—the only remaining ATPA beneficiary country in 2013.

## Assessment of the Probable Future Effect of ATPA

ATPA also directs that the Commission provide an “assessment” of the “probable future effect” that the Andean Trade Preference provisions will have on the U.S. economy generally, as well as on U.S. domestic industries, “before the provisions of this chapter terminate.”<sup>59</sup> In providing this assessment, the Commission took into account the fact that the President's authority to provide duty-free treatment or other preferential treatment terminated on July 31, 2013, and as of September 2014 had not been renewed, but that the ATPA provisions otherwise remain in place. The Commission also considered the fact that Ecuador is currently the only country potentially eligible for designation as a beneficiary country if the President's authority is renewed. In making its assessment, the Commission considered the probable future effect on the U.S. economy and U.S. industries of (1) renewal of the President's authority to provide duty-free/preferential treatment for a multiyear period and designation of Ecuador only, and (2) non-renewal of the President's authority to provide duty-free/preferential treatment and/or non-designation of Ecuador.

Based on an analysis of ATPA-related investment activity in Ecuador and on an assessment of the impact that investment might have on future imports under the program, the probable future effect of ATPA on the U.S. economy, on U.S. domestic industries, and on U.S. consumers is likely to continue to be minimal if the President's authority is renewed. The effect is likely to be minimal with respect to most products because Ecuador is a relatively small global producer, small exporter, and small supplier of U.S. imports.<sup>60</sup> Total foreign direct investment in Ecuador during 2013 continued to increase from low levels in 2009–10 following the global economic downturn, but still remained relatively small compared to other Andean countries. Exporters from Ecuador noted that the expiration of ATPA will limit or prevent further investments in

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<sup>59</sup> 19 U.S.C. § 3204(b)(1).

<sup>60</sup> As noted earlier, both U.S. imports from Ecuador and U.S. imports exclusively under ATPA from Ecuador represented a small portion of total U.S. imports in 2013 (approximately 0.11 percent).

Ecuador in the sectors that export under ATPA preferences.<sup>61</sup> They also stated that the expiration of ATPA would eliminate their ability to export competitively.

As noted above, the direct effects on the U.S. economy and consumers of a one-time elimination of duties under a preference program such as ATPA generally occur within two years of the program's implementation. However, other effects may occur over time as a result of an increase in export-oriented investment in the ATPA beneficiary countries. Such investment—in new production facilities or in the expansion of existing facilities—may occur in response to the availability of ATPA tariff preferences and may lead to increased exports under ATPA to the United States. This report limits the probable future effects analysis to one beneficiary country—Ecuador—because the other Andean countries are no longer designated ATPA beneficiaries.

To the extent possible, the Commission identified potential ATPA-related investment in Ecuador as a proxy for the future trade effects of ATPA on the United States.<sup>62</sup> Because the President's authority to provide preferential treatment under ATPA expired on July 31, 2013—and it has not been renewed—U.S. imports from Ecuador no longer have preferential treatment under the program. This is likely to discourage further investments in Ecuador in the sectors that export under the ATPA preferences. This was noted by the Ecuadorian embassy, which stated that uncertainty over the future of ATPA had discouraged investments in some of these sectors and reported that it has petitioned to add some formerly ATPA-eligible products to the GSP list.<sup>63</sup>

The section below provides more detailed information on ATPA-related investments during 2012–13. Information on ATPA-related investment activity and trends during 2012–13 was drawn largely from written submissions to USTR by the Ecuadorian embassy.<sup>64</sup> Because disaggregated ATPA-related investment data are not available, overall FDI data are presented to provide context.

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<sup>61</sup> USTR, hearing transcript, February 28, 2013 (testimony of Ambassador Nathalie Cely, Embassy of Ecuador in the United States); Embassy of Ecuador in the United States, USTR written submissions, October 5, 2014.

<sup>62</sup> It is assumed that increased investment expands the capital stock and therefore the production base used to produce goods for export, extending the probable future effects of ATPA beyond the direct effects of tariff reductions. The practice of using investment to assess probable future economic effects on the United States was developed as part of the Commission's reporting requirement on the Caribbean Basin Economic Recovery Act, where similar analysis is provided for Caribbean countries. For a more detailed discussion of the methodology, see USITC, *CBERA: First Report, 1984–85*, 1986, 4-1.

<sup>63</sup> USTR, hearing transcript, February 28, 2013 (testimony of Ambassador Nathalie Cely); Embassy of Ecuador in the United States, USTR written submissions, October 5, 2014.

<sup>64</sup> These statements are excerpts from submissions to the U.S. Trade Representative by the Ecuadorian embassy to request that certain products to be added to the GSP program.

**Table 3.5** Estimated effect of Ecuador's ATPA preferences on U.S. tariff revenues in 2013 (thousand \$)

HTS number	Description	Actual tariff revenues in 2013	Potential tariff revenue loss if ES=5
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	24,957	1,102
0603.11.00	Sweetheart, spray, and other roses, fresh cut	12,399	3,978
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	39,053	47
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	83,317	3,887
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	5,030	36
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	5,153	1,441
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	4,032	945
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	634	7
3907.60.00	Polyethylene terephthalate in primary forms	20,080	171
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	35,518	63
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	19,422	224
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	3,681	195
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	72,629	111
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	30	16
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October 1 through the following June 30, inclusive	6	5
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	146	94
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	809	25
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex containing under 70% by weight of silk, knitted or crocheted	2,181	68
6908.10.50	Glazed ceramic tiles, cubes and similar arts. with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	2,063	34
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	257	49

Source: Estimated by USITC from official statistics of the U.S. Department of Commerce.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included." ES stands for elasticity of substitution.

# Foreign Direct Investment in Ecuador

According to the U.N. Economic Commission for Latin America and the Caribbean (ECLAC), in 2013 Ecuador received \$703 million of foreign direct investment (FDI) inflows, 20 percent above the 2012 level. In 2013, 43.2 percent of FDI inflows were in the services sectors, 37.7 percent in the natural resources sector (almost all of them went to oil extraction),<sup>65</sup> and 19.1 percent in manufacturing.<sup>66</sup> Within the services sector, FDI in construction and retail industries increased substantially.<sup>67</sup> FDI inflows to Ecuador more than tripled from 2010 to 2011 (table 3.6).

FDI in Ecuador as a share of GDP remains among the lowest in Latin America (approximately 0.9 percent in 2013, compared to an average 5.8 percent for Latin America and the Caribbean).<sup>68</sup> While the Ecuadorian government has tried to provide incentives for private investment through its investment promotion program, Invest Ecuador, and through the inclusion of tax incentives for certain products in its production code, FDI remains modest.<sup>69</sup>

As noted earlier, in October 2012, in a bid to continue duty-free access for certain products past the anticipated expiration of ATPA, the Ecuadorian embassy and a few private sector entities petitioned to add certain products to the GSP list.<sup>70</sup> The products for which GSP petitions were accepted included fresh cut roses, broccoli, tuna in airtight containers, and artichokes.<sup>71</sup> The Ecuadorian embassy noted that uncertainty over the future of ATPA had discouraged investments in some sectors and argued that adding these products to GSP would benefit both the U.S. and Ecuadorian economies, as was the case under ATPA.<sup>72</sup> In July 2013, the USTR announced that the Administration had deferred a decision on whether to add these four products to the GSP program.<sup>73</sup> A decision on these products is dependent on the re-authorization of the GSP program, which lapsed on July 31, 2013.<sup>74</sup>

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<sup>65</sup> ECLAC, *Foreign Direct Investment in Latin America and the Caribbean 2013*, 2014, p. 37.

<sup>66</sup> ECLAC, *Foreign Direct Investment in Latin America and the Caribbean 2013*, 2014, p. 52, table I.A.2.

<sup>67</sup> ECLAC, *Foreign Direct Investment in Latin America and the Caribbean 2013*, 2014, p. 37.

<sup>68</sup> EIU, "Ecuador: Country Report," June 2012, 16. In 2011, Ecuador ranked the lowest among all Latin American and Caribbean countries in terms of FDI. See ECLAC, *Foreign Direct Investment in Latin America and the Caribbean, 2010*, 2011, figure I.6, 28.

<sup>69</sup> U.S. Department of State, "2012 Investment Climate Statement—Ecuador," June 2012, 1.

<sup>70</sup> See, e.g., Embassy of Ecuador in the United States, USTR written submissions, October 5, 2012. The U.S. GSP is a unilateral trade preference program designed to promote economic growth in developing countries which grants Ecuador and other designated beneficiaries duty-free access to the United States for up to 5,000 products.

<sup>71</sup> See the GSP 2012 Annual Review Docket USTR-2012-0013, available at Regulations.gov.

<sup>72</sup> USTR, hearing transcript, February 28, 2013 (testimony of Ambassador Nathalie Cely, United States); Embassy of Ecuador in the United States, USTR written submissions, October 5, 2012.

<sup>73</sup> 78 Fed. Reg. 40822 (July 8, 2013).

<sup>74</sup> See, e.g., USTR website, <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp> (accessed June 18, 2014).

**Table 3.6** Inward foreign direct investment flows, by host regions and by countries, 2009–13

	2009	2010	2011	2012	2013
	Value (million \$)				
Latin America and the Caribbean	83,724	129,428	169,536	177,022	184,920
Andean countries	14,563	16,300	23,315	29,859	29,677
Bolivia	687	936	1,033	1,505	2,030
Colombia	7,137	6,746	13,405	15,529	16,772
Ecuador	308	163	644	585	703
Peru	6,431	8,455	8,233	12,240	10,172

Source: U.N. Economic Commission for Latin America and the Caribbean (ECLAC), *Foreign Direct Investment in Latin America and the Caribbean 2013, 2014*, 51, table I.A.1.

## Tuna in Airtight Containers

Tuna exporters in Ecuador reported that the continuation of ATPA preferences was an important consideration in deciding whether to make further investments in the tuna processing sector in Ecuador. In 2012, the last full year for which ATPA preferences were available, approximately 79 percent of processed tuna imports from Ecuador (i.e., those entering under HTS 1604.14) entered the United States with ATPA preference claimed.<sup>75</sup> This high preference use rate is despite the fact that only certain subheadings within HTS 1604.14—those covering foil-packed and bulk tuna, but not those covering canned tuna—were eligible for ATPA preferences.

Foil-packed tuna, more commonly known as a tuna pouch, was developed through a joint venture between StarKist and an Ecuadorian company in the late 1990s. From the beginning, ATPA preferences for tuna pouches were seen as an essential complement to the ability of the investment to remain competitive, given that the costs of processing it are higher than for canned tuna.<sup>76</sup> StarKist has been the largest foreign investor in the export-oriented Ecuadorian tuna sector since ATPA was enacted, although other companies have served the U.S. market from Ecuador as well.

StarKist and two other companies that export tuna to the United States have stated that the expiration of ATPA would eliminate their ability to competitively source tuna from Ecuador.<sup>77</sup> While it is relatively soon after the expiration of the preferential treatment authority to assess

<sup>75</sup> USITC DataWeb/USDOC (accessed June 23, 2014).

<sup>76</sup> Hernandez, et al. (2010) : The Discovery of New Export Products in Ecuador, IDB Working Paper Series, No. IDB-WP-165

<sup>77</sup> StarKist, written submission to the USTR, May 8, 2013; EUROFISH S.A., written submission to the USTR, May 7, 2013; Wild Planet Foods, Inc., written submission to the USTR, May 6, 2013.

its impact, U.S. imports of processed tuna from Ecuador in the first few months of 2014 are lower by about 10 percent than imports during the comparable period of 2013.<sup>78</sup> There have been conflicting press reports about whether StarKist plans to move any of its investment out of Ecuador, with the governor of American Samoa stating that he had been told that the company planned to close the Ecuadorian plant, while a StarKist representative stated that no immediate changes were planned.<sup>79</sup> Available information and company statements, however, suggest that tuna imports from Ecuador are much less competitive at the MFN rate than they were when they entered duty-free. Non-ATPA preferential rates do not seem to be an immediate possibility, as tuna is not under consideration for GSP eligibility.<sup>80</sup>

## Fresh Cut Roses

In general, Ecuadorian rose growers indicate that they continue to be reluctant to make additional investments in production because of the uncertainties associated with the renewal of preferential trade treatment. In the absence of ATPA, Ecuadorian fresh cut roses are less competitive in the U.S. market than similar roses that have tariff-free access to the United States, including products from Colombia that now benefit from an FTA with the United States.

Ecuadorian growers reported in 2012 that, without ATPA preferences, the U.S. MFN duty rate—6.8 percent ad valorem—was higher than producers' gross margin,<sup>81</sup> and that the duty acted to price Ecuadorian roses out of the U.S. market.<sup>82</sup> The government of Ecuador reported that under this scenario Ecuadorian producers would be forced to stop operating. Further, the government of Ecuador estimated that the removal of duty-free access would lead to production decreases of 8 percent in the first year and 12 percent in the second year, while planted area would shrink by 786 hectares within the first two years, and the sector would lose about 8,900 jobs.<sup>83</sup>

According to several U.S. importers, the considerable investment that has been made over the life of the program is expected to drop off considerably without ATPA preferences.<sup>84</sup> Surveys of Ecuadorian producers yielded similar responses. Many stated that they believed that capacity utilization would decline by 2015 and cited the lack of clear rules regarding preference systems in accessing the U.S. market. The end of the ATPA preference was cited as the main reason for future uncertainty in the sector.<sup>85</sup>

## Pantyhose and Tights

The United States is Ecuador's top export market for textiles and apparel, and ATPA has been a factor in the growth of Ecuador's textile and apparel exports to the United States in recent

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<sup>78</sup> USITC DataWeb/USDOC (accessed June 23, 2014).

<sup>79</sup> Sagapolutele, "StarKist Says Commitment to AmSam Remains Strong," March 9, 2013.

<sup>80</sup> 77 Fed. Reg. 76595 (December 28, 2012).

<sup>81</sup> Marko, *Petition*, October 5, 2012, 22.

<sup>82</sup> Marko, *Petition*, October 5, 2012, 21.

<sup>83</sup> Suarez, *2012 GSP Annual Review, Petition*, October 5, 2012, 11.

<sup>84</sup> Rosen, written submission to USTR, May 2, 2013; Geruso, written submission to USTR, May 8, 2013.

<sup>85</sup> Marko, *Petition*, October 5, 2012, 12.

years.<sup>86</sup> Hence, the expiration of ATPA on July 31, 2013, may lead to a decline in future foreign investment in Ecuador’s textile and apparel sector. The Ecuadorian industry indicates that short-term renewals of ATPA in the years leading up to ATPA’s expiration in 2013 had already created uncertainty and discouraged long-term business planning.<sup>87</sup> A possible decline in future investment coupled with the loss of duty-free preferences in the U.S. market could weaken the ability of Ecuadorian textile and producers to compete effectively in the U.S. market. Nevertheless, in early 2013, the Government of Ecuador announced plans to invest \$2.6 million to establish a Center for the Development of Textiles and Apparel in Atuntaqui, Ecuador, in an effort to improve the technical capacity, productivity, and efficiency of Ecuador’s textile and apparel industry.<sup>88</sup>

Certain pantyhose, tights, and women’s full-length or knee-length hosiery (HTS 6115.21.00 and 6115.30.90) accounted for the majority—58 percent (\$4.0 million)—of U.S. imports of textiles and apparel from Ecuador in 2013. The current NTR U.S. duties on these products range between 14.6 and 16 percent ad valorem, and could present a price barrier in the U.S. market.<sup>89</sup> Ecuador’s textile and apparel exports face additional competitive pressures from the high cost of raw materials<sup>90</sup> and competition from Asian suppliers who offer lower-priced goods and dominate the U.S. market. Consequently, the expiration of ATPA preference can be expected to present a competitive challenge in the near future for Ecuadorian textile and apparel exports to the U.S. market.

## Impact of ATPA on Drug-Related Crop Eradication and Alternative Development

### Background

The ATPA was enacted with a key objective of promoting broad-based economic development and export diversification among four Andean countries—Bolivia, Colombia, Ecuador, and Peru—in support of assistance programs designed to provide licit and sustainable economic alternatives to illicit drug-crop cultivation, production, and trafficking.<sup>91</sup> Ecuador is no longer considered a significant coca-producing country, although it is seen increasingly as a transit zone for processed narcotics (cocaine and heroin) as well as so-called precursor chemicals used

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<sup>86</sup> Representative of Ecuador’s textile and apparel sector, email message to USITC staff, June 27, 2014.

<sup>87</sup> Representative of Ecuador’s textile and apparel sector, email message to USITC staff, June 27, 2014.

<sup>88</sup> Fibre2fashion.com, “Ecuador Government to Set up Center for Textile Development,” January 19, 2013.

<sup>89</sup> So that Ecuadorian producers could maintain their current price structure and stay in business, in October 2013, the Ecuadorian embassy filed a petition to add the pantyhose and hosiery that Ecuador exports to the United States be added to the list of GSP eligible products. Embassy of the Republic of Ecuador in the United States, “Petition from the Embassy of the Republic of Ecuador in the United States on Pantyhose and Tights (Not Graduated Compression) and Women’s Full-length or Knee-length Hosiery, as Eligible Articles from Ecuador under the Generalized System of Preferences,” October 5, 2013. However, the GSP statute excludes most textile and apparel articles from GSP product coverage.

<sup>90</sup> Fibre2fashion.com, “2012 Was Not a Good Year,” January 2, 2013.

<sup>91</sup> USTR, *Seventh Report to the Congress*, June 20, 2013, 1–3.

in illicit drug production.<sup>92</sup> ATPA's preferential tariff treatment of imports from beneficiary countries was intended to complement the economic assistance programs and projects funded in these countries by the U.S. Agency for International Development (USAID).<sup>93</sup>

## Drug-Crop Monitoring

The U.S. Department of State publishes estimates of drug-crop cultivation in its annual *International Narcotics Control Strategy Report (INCSR)* on major drug-producing or drug-transit countries. The State Department stopped reporting Ecuador as a significant source of coca cultivation in terms of hectares starting in 1992, although it continues to report the eradication of minor quantities of coca plants under the country section on Ecuador. The United Nations Office on Drugs and Crime (UNODC) also works with the governments of major drug-growing countries to help them collect and analyze data on drug-crop cultivation that in turn supports government strategies aimed at eliminating drug crops.<sup>94</sup> The most recent UNODC survey for Ecuador in 2013 reported 41,966 coca plants, considered minimal in a regional context but nonetheless significant in the context of the government's counternarcotics campaign.<sup>95</sup>

## Alternative Development

USAID programs in Ecuador during the 1990s aimed to generate sustainable economic growth through nontraditional export production, coupled with a focus on commercial needs of small and micro-enterprises.<sup>96</sup> In the 2000s, a number of USAID alternative development projects focused in Ecuador on economic development through the production and export of agricultural and processed products such as cacao, coffee, fruits and vegetables, and milk products. These efforts were designed to raise employment and incomes, particularly in the isolated northern provinces bordering coca-producing provinces in Colombia.

In Ecuador, USAID's programs continue to support the government of Ecuador through such economic opportunities.<sup>97</sup> However, many of the alternative development projects started under the bilateral assistance agreement signed in 2007 between USAID and the government of

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<sup>92</sup> In 2012 (most recent data available), the U.S. government estimated total Andean coca cultivation at 153,500 hectares (ha), distributed as follows: 25,000 ha in Bolivia (16 percent), 78,000 ha in Colombia (51 percent), and 50,500 ha in Peru (33 percent). The U.S. estimate for coca cultivation in Ecuador was 300 ha in 1987, 240 ha in 1988, 150 ha in 1989, 120 ha in 1990, 40 ha in 1991, and no figure reported for 1992 onward, as reported in the summary table on worldwide illicit drug cultivation in the U.S. State Department's annual drug-crop cultivation estimate, the *International Narcotics Control Strategy Report (INCSR)*. In its country section on Ecuador the INCSR does provide figures for minor coca cultivation, typically reported in numbers of plants and seedlings.

<sup>93</sup> USTR, *Seventh Report to the Congress*, June 20, 2013, 3; USGAO, *Counternarcotics Assistance: U.S. Agencies Have Allotted Billions*, July 2012, 5.

<sup>94</sup> UNODC, "UNODC and Illicit Crop Monitoring," n.d. (accessed June 12, 2014); United Nations Coordination of Outer Space Activities, "United Nations Office on Drugs and Crime (UNODC)," n.d. (accessed June 12, 2014). The methodology used by the U.S. State Department considers 30,000 plants to approximate about one hectare of coca cultivation.

<sup>95</sup> UNODC, *Indicadores de cultivos ilícitos en el Ecuador, 2013* [Indicators of illicit crops in Ecuador, 2013], June 2014, 24.

<sup>96</sup> USAID, "Ecuador: History," December 16, 2013; USAID, *USAID/Ecuador: 50 años*, November 8, 2013, 33, 37.

<sup>97</sup> USAID, "Ecuador: History," December 16, 2013.

Ecuador are reaching completion and cannot be continued without a new agreement, according to the government of Ecuador. After several years of negotiation, however, the two sides have been unable to reach agreement on a new assistance framework.<sup>98</sup> In addition, Ecuador's National Secretary for Communications announced in a news release on June 27, 2013—about one month before the program was due to expire—that the government was unilaterally renouncing its tariff preferences under the ATPDEA program.<sup>99</sup>

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<sup>98</sup> In December 2013, the *Christian Science Monitor* and Reuters news agency reported that the U.S. and Ecuadorian governments had been unable to reach agreement on a new bilateral assistance agreement despite several years of negotiations, the absence of which would prevent USAID's scheduled \$32 million in aid programs from proceeding as planned. Fieser, "At Odds with Ecuador, USAID Moves to Leave," December 14, 2013; Valencia, "United States Cancels Aid Programs to Ecuador," December 15, 2013. In May 2014, the Associated Press and EFE News Agency reported that the U.S. State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) would close its office in Ecuador in 2014. Solano, "Ecuador Won't Renew Agreements," Associated Press News Agency, May 10, 2014; EFE News Agency, "EE.UU. cerrará su oficina de cooperación antidrogas" [United States will close its anti-drug cooperation office], May 8, 2014.

<sup>99</sup> Secretaría Nacional de Comunicación. "En defensa de su soberanía, Ecuador renuncia de manera unilateral e irrevocable a las ATPDEA." Press release, Junio 27, 2013. <http://www.comunicacion.gob.ec/en-defensa-de-su-soberania-ecuador-renuncia-de-manera-unilateral-e-irrevocable-a-las-atpdea/> (accessed August 14, 2014).



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**Appendix A**  
***Federal Register Notice***



collection of information is necessary for the agency to perform its duties, including whether the information is useful; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) enhance the quality, usefulness, and clarity of the information that ONRR collects; and (4) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

The PRA also requires agencies to estimate the total annual reporting "non-hour cost" burden to respondents or recordkeepers resulting from the collection of information. If you have costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. You should describe the methods that you use to estimate (1) major cost factors, including system and technology acquisition, (2) expected useful life of capital equipment, (3) discount rate(s), and (4) the period over which you incur costs. Capital and startup costs include, among other items, computers and software that you purchase to prepare for collecting information and monitoring, sampling, and testing equipment, and record-storage facilities. Generally, your estimates should not include equipment or services purchased (i) before October 1, 1995; (ii) to comply with requirements not associated with the information collection; (iii) for reasons other than to provide information or keep records for the Federal Government; or (iv) as part of customary and usual business or private practices.

We will summarize written responses to this notice and address them in our ICR submission for OMB approval, including appropriate adjustments to the estimated burden. We will provide a copy of the ICR to you, free of charge, upon request. We also will post the ICR at [http://www.onrr.gov/Laws\\_R\\_D/FRNotices/FRInfColl.htm](http://www.onrr.gov/Laws_R_D/FRNotices/FRInfColl.htm).

**Public Comment Policy:** ONRR will post all comments, including names and addresses of respondents at <http://www.regulations.gov>. Before including Personally Identifiable Information (PII), such as your address, phone number, email address, or other personal information in your comment(s), you should be aware that your entire comment (including PII) may be made available to the public at any time. While you may ask us, in your comment, to withhold PII from public view, we cannot guarantee that we will be able to do so.

*ONRR Information Collection Clearance Officer:* David Alspach (202) 219-8526.

Dated: May 6, 2014.

**Gregory J. Gould,**  
*Director, Office of Natural Resources Revenue.*

[FR Doc. 2014-11559 Filed 5-19-14; 8:45 am]

**BILLING CODE 4310-T2-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-352]

### Andean Trade Preference Act: Impact on the U.S. Economy and on Andean Drug Crop Eradication

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of opportunity to submit comments in connection with the 16th report on the Andean Trade Preference Act (ATPA).

**SUMMARY:** Section 206 of the ATPA (19 U.S.C. 3204) requires the Commission to report biennially to the Congress by September 30 of each reporting year on the economic impact of the Act on U.S. industries and U.S. consumers, as well as on the effectiveness of the Act in promoting drug related crop eradication and crop substitution efforts by beneficiary countries. The Commission prepares these reports under investigation No. 332-352, *Andean Trade Preference Act: Impact on the U.S. Economy and on Andean Drug Crop Eradication*.

**DATES:** June 24, 2014: Deadline for filing written submissions.

September 30, 2014: Transmittal of Commission report to Congress.

**ADDRESSES:** All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

**FOR FURTHER INFORMATION CONTACT:** Justino De La Cruz (202-205-3252, or [justino.delacruz@usitc.gov](mailto:justino.delacruz@usitc.gov)), Country and Regional Analysis Division, Office of Economics, U.S. International Trade Commission, Washington, DC 20436. For information on the legal aspects of this investigation, contact William

Gearhart of the Commission's Office of the General Counsel (202-205-3091 or [william.gearhart@usitc.gov](mailto:william.gearhart@usitc.gov)). The media should contact Peg O'Laughlin, Public Affairs Officer (202-205-1819 or [margaret.olaughlin@usitc.gov](mailto:margaret.olaughlin@usitc.gov)). General information concerning the Commission may be obtained by accessing its internet server (<http://www.usitc.gov>).

**Background:** Section 206 of the Andean Trade Preference Act (ATPA) (19 U.S.C. 3204) requires that the Commission submit biennial reports to the Congress regarding the economic impact of the Act on U.S. industries and consumers and, in conjunction with other agencies, the effectiveness of the Act in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries. Section 206(b) of the Act requires that each report include:

(1) The actual effect of ATPA on the U.S. economy generally as well as on specific domestic industries which produce articles that are like, or directly competitive with, articles being imported under the Act from beneficiary countries;

(2) the probable future effect that ATPA will have on the U.S. economy generally and on such domestic industries; and

(3) the estimated effect that ATPA has had on drug-related crop eradication and crop substitution efforts of beneficiary countries.

Notice of institution of this investigation for preparing these reports was published in the **Federal Register** of March 10, 1994 (59 FR 11308). This 16th report, covering 2012-2013, the period since the previous report, is to be submitted by September 30, 2014.

During the period covered by this 16th report, only Colombia and Ecuador were beneficiary countries eligible for preferential treatment, and only for part of the period covered by the report. Colombia's designation as a beneficiary country was terminated on May 15, 2012, when the United States-Colombia Trade Promotion Agreement entered into force; imports from Ecuador ceased to be eligible for preferential treatment after July 31, 2013, when the authority for such treatment expired.

**Written Submissions:** Interested parties are invited to file written submissions containing information and views relating to the subject matter of the investigation. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., June 24, 2014. All written submissions must conform to the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 C.P.R. 201.8). Section

201.8 and the Commission's Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 noon eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

Congressional committee staff has indicated that the receiving committees intend to make the Commission's report available to the public in its entirety, and has asked that the Commission not include any confidential business information or national security classified information in the report that the Commission sends to the Congress. Any confidential business information received by the Commission in this investigation and used in preparing this report will not be published in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission.

Issued: May 14, 2014.

**Lisa R. Barton,**

*Secretary of the Commission.*

[FR Doc. 2014-11581 Filed 5-19-14; 8:45 am]

BILLING CODE 7020-02-P

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-415 and 731-TA-933 and 934 (Second Review)]

### Polyethylene Terephthalate Film, Sheet, and Strip From India and Taiwan; Revised Schedule for the Subject Reviews

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice.

**DATES:** *Effective Date:* May 14, 2014.

**FOR FURTHER INFORMATION CONTACT:** Cynthia Trainor (202-205-3354), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

#### SUPPLEMENTARY INFORMATION:

**Background.**—On January 16, 2014, the Commission established a schedule for the conduct of these reviews (79 FR 2883). Subsequently, counsel for the domestic interested party filed a request to appear at the hearing or, in the alternative, for consideration of cancellation of the hearing. Counsel indicated a willingness to submit responses to any Commission questions in lieu of an actual hearing. No other party filed a timely request to appear at the hearing. Consequently, the public hearing in connection with these reviews, scheduled to begin at 9:30 a.m. on May 20, 2014, at the U.S. International Trade Commission Building, is cancelled. Parties to these reviews should respond to any written questions posed by the Commission in their posthearing briefs, which are due to be filed on May 29, 2014.

For further information concerning these reviews see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published

pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: May 14, 2014.

**Lisa R. Barton,**

*Secretary to the Commission.*

[FR Doc. 2014-11580 Filed 5-19-14; 8:45 am]

BILLING CODE 7020-02-P

## DEPARTMENT OF JUSTICE

### Antitrust Division

#### United States v. Bazaarvoice Inc.; Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. 16(b)-(h), that a proposed Final Judgment, Stipulation and Competitive Impact Statement have been filed with the United States District Court for the Northern District of California in *United States of America v. Bazaarvoice, Inc.*, Civil Action No. 13-00133. On January 8, 2014, the Court held that Bazaarvoice, Inc.'s June 2012 acquisition of PowerReviews, Inc. violated Section 7 of the Clayton Act, 15 U.S.C. 18. The proposed Final Judgment requires Bazaarvoice to divest the assets it acquired from PowerReviews and adhere to other requirements to fully restore competition in the provision of online product ratings and reviews platforms.

Copies of the Complaint, Stipulation, proposed Final Judgment and Competitive Impact Statement are available for inspection at the Department of Justice, Antitrust Division, Antitrust Documents Group, 450 Fifth Street NW., Suite 1010, Washington, DC 20530 (telephone: 202-514-2481), on the Department of Justice's Web site at <http://www.usdoj.gov/atr>, and at the Office of the Clerk of the United States District Court for the Northern District of California. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Public comment is invited within 60 days of the date of this notice. Such comments, including the name of the submitter, and responses thereto, will be posted on the U.S. Department of Justice, Antitrust Division's internet Web site, filed with the Court and, under certain circumstances, published in the **Federal Register**. Comments should be directed to James J. Tierney, Chief, Networks and Technology Enforcement Section, Antitrust

**Appendix B**  
**Summary of Submissions in Response**  
**to the *Federal Register* Notice**



## Summaries of Positions of Interested Parties

In the Commission's notice of institution for this investigation, interested parties were invited to file written submissions. This appendix summarizes the views expressed to the Commission and reflects the principal points made by the parties. The views expressed here should be considered to be those of the submitting parties and not of the Commissioners or Commission staff. In preparing this summary, the Commission did not undertake to confirm the accuracy of, or otherwise correct, the information summarized. For the full text of the written submissions, see entries associated with investigation 332-352 at the Commission's Electronic Docket Information System (<http://edis.usitc.gov>).

### Government of Colombia<sup>100</sup>

In a written submission, Director Enrique Millan, on behalf of the Republic of Colombia, cited the specific regional cumulation clause under ATPDEA, and its importance to the textile and apparel industries in Colombia and Peru. Mr. Millan pointed out that as a legacy of ATPDEA, a mature and highly integrated relationship had developed between (1) yarn and apparel producers in Colombia and Peru, and (2) cotton growers and yarn and textile producers in the United States, as evidenced by the rising textile and apparel trade between the three countries after ATPDEA went into effect. Mr. Millan then referred to what he describes as the comparatively weaker performance of textile and apparel trade between the three countries after the U.S.-Colombia Trade Promotion Agreement (CTPA) and the U.S.-Peru Trade Promotion Agreement (PTPA) entered into force. He said that the weaker performance was due to the absence of a cumulation provision for Colombia and Peru. He cited the case of INCOCO, a Colombia apparel manufacturer, which had to close a part of its operations as a result of reduced production and exports, as an example of the impact of the loss of ATPDEA benefits.

Mr. Millan also expressed concern about the potential impact of the possible Trans-Pacific Partnership Agreement (TPP) and Transatlantic Trade and Investment Partnership Agreement (TTIP) on other U.S. trading partners in the Western hemisphere. These agreements, he stated, might provide an opportunity for Asian countries to increase exports of textiles and raw materials to the U.S. apparel industry. He indicated that a general regional cumulation provision in both CTPA and PTPA would enhance the regional supply chains and ensure a competitive position for the textile and apparel industries in the Andean countries.

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<sup>100</sup> Enrique Millan, Director of the Trade Office of Washington, D.C., the Ministry of Trade, Industry and Tourism of the Republic of Colombia, written submission, June 24, 2014.



# **Appendix C**

## **Technical Notes to Chapter 3**



## Technical Notes to Chapter 3

Chapter 3 reports estimates of the effects of U.S. imports from Ecuador under ATPA preferences on U.S. consumer welfare, tariff revenues, and the value of domestic shipments for 20 HTS 8-digit products. The estimates are based on the partial equilibrium model described in this appendix.

### Theory

The partial equilibrium model for each of the products assumes that the product is differentiated by whether it is a ATPA import (subscript  $A$ ), a non-ATPA import (subscript  $N$ ), or a U.S. domestic product (subscript  $D$ ). The model also assumes that the supply of each of these types of the product is perfectly elastic, at prices  $\bar{p}_A$ ,  $\bar{p}_N$ , and  $\bar{p}_D$ .

In the market equilibrium that prevailed in 2013, the landed duty-paid prices of a given product in the United States were:

$$p_A = \bar{p}_A + f_A \quad (1)$$

$$p_N = \bar{p}_N (1 + a_N) + s_N + f_N \quad (2)$$

$$p_D = \bar{p}_D \quad (3)$$

The variables  $f_i$ ,  $a_i$ , and  $s_i$  are the international freight cost, ad valorem import duty, and specific import duty on type  $i$  imports.

In the absence of the ATPA preferences, the alternative market equilibrium price of the ATPA imports, delivered to the United States, would be:

$$p_A' = \bar{p}_A (1 + a_A) + s_A + f_A \quad (4)$$

The ratio of the price of ATPA imports in the two equilibria is:

$$\frac{p_A'}{p_A} = \frac{\bar{p}_A (1 + a_A) + s_A + f_A}{\bar{p}_A + f_A} \quad (5)$$

The alternative equilibrium prices of the non-ATPA imports and the domestic product would remain unchanged (i.e.,  $p_N' = p_N$  and  $p_D' = p_D$ ).

The model assumes that U.S. consumers have constant elasticity of substitution (CES) preferences. The constant elasticity of substitution among the three types of the HTS 8-digit product (ATPA imports, non-ATPA imports, and the domestic product) is equal to  $\sigma$ . The constant elasticity of substitution between the HTS 8-digit product and other consumer products is equal to one. In other words, there are Cobb-Douglas preferences in this higher, inter-product tier, a common assumption in multisector quantitative models of trade.

Given the CES preferences, the share of expenditures on the ATPA imports in the market equilibrium that prevailed in 2013 was:

$$\theta_A = \frac{\beta_A p_A^{1-\sigma}}{\beta_A p_A^{1-\sigma} + \beta_N p_N^{1-\sigma} + \beta_D p_D^{1-\sigma}} \quad (6)$$

The preference parameters  $\beta_A$ ,  $\beta_N$ , and  $\beta_D$  assign weights to each of the types of the product. The corresponding CES price index was:

$$\begin{aligned} P &= [\beta_A p_A^{1-\sigma} + \beta_N p_N^{1-\sigma} + \beta_D p_D^{1-\sigma}]^{\frac{1}{1-\sigma}} \\ &= \left[ \beta_A p_A^{1-\sigma} + \left( \frac{1-\theta_A}{\theta_A} \right) \beta_A p_A^{1-\sigma} \right]^{\frac{1}{1-\sigma}} \end{aligned} \quad (7)$$

The second equality in equation (7) can be derived from the definition of  $\theta_A$  in equation (6). The alternative equilibrium CES price index, absent the ATPA preferences, would be:

$$\begin{aligned} P' &= [\beta_A (p_A')^{1-\sigma} + \beta_N (p_N)^{1-\sigma} + \beta_D (p_D)^{1-\sigma}]^{\frac{1}{1-\sigma}} = \\ & \left[ \beta_A (p_A')^{1-\sigma} + \left( \frac{1-\theta_A}{\theta_A} \right) \beta_A p_A^{1-\sigma} \right]^{\frac{1}{1-\sigma}} \end{aligned} \quad (8)$$

Therefore, the ratio of the CES price indices in the two equilibria would be:

$$\frac{P'}{P} = \left[ \theta_A \left( \frac{p_A'}{p_A} \right)^{1-\sigma} + (1-\theta_A) \right]^{\frac{1}{1-\sigma}} \quad (9)$$

This index shows the change in the price of the composite bundle, allowing for changes in shares due to the relative price changes.

The effect on consumer welfare of moving from one equilibrium set of prices to the other is represented by the following equivalent variation:

$$EV = E \left( \frac{P'}{P} - 1 \right) \quad (10)$$

The variable  $E$  in equation (10) is total U.S. expenditure on all three types of the product. This is the effect on consumer welfare from the price change *alone*; it does not take into account any change in the disposable income of consumers due to the decrease in tariff revenues. The benefit to consumers could be offset if consumer incomes were reduced by the fiscal consequences of the decrease in tariff revenues—for example, if the lost revenues were offset by increased taxes rather than an increased fiscal deficit. Since the fiscal consequences are unknown, the model does not try to calculate these potential income effects.

However, it is straightforward to calculate the total change in U.S. tariff revenues, without drawing conclusions about its impact on the consumers' disposable income. Absent the ATPA preferences, the tariff revenues on non-ATPA imports would be:

$$TR_N' = TR_N \left( \frac{P'}{P} \right)^{\sigma-1} \quad (11)$$

The variable  $TR_N$  is the tariff revenues on non-ATPA imports that prevailed in 2013. The tariff revenues on ATPA imports would be:

$$TR_A' = \left( \frac{P'}{P} \right)^{\sigma-1} \left( \frac{p_A'}{p_A} \right)^{-\sigma} [V_A a_A + Q_A s_A] \quad (12)$$

The variable  $V_A$  is the customs value of ATPA imports of the product in 2013. The variable  $Q_A$  is the quantity of ATPA imports of the product in 2013. Therefore, the loss of tariff revenues (LOTR) due to the ATPA preferences would be:

$$\begin{aligned} LOTR &= TR_N' + TR_A' - TR_N \\ &= TR_N \left[ \left( \frac{P'}{P} \right)^{\sigma-1} - 1 \right] + \left( \frac{P'}{P} \right)^{\sigma-1} \left( \frac{p_A'}{p_A} \right)^{-\sigma} [V_A a_A + Q_A s_A] \end{aligned} \quad (13)$$

Finally, the effect on the dollar value of domestic shipments would be:

$$V_D' - V_D = V_D \left[ \left( \frac{P'}{P} \right)^{\sigma-1} - 1 \right] \quad (14)$$

The variable  $V_D$  is the value of domestic shipments of the product.

There may be some mitigating positive effects on the value of domestic shipments, including an increase in U.S. exports of intermediate goods to ATPA countries or an increase in domestic exports of final goods to third countries. Prior ATPA reports have tried to quantify the former to a limited extent. However, these effects are not calculated in the partial equilibrium model used in this report, nor are the complex set of general equilibrium effects that result from the ATPA preferences.

## Data Inputs

The tables in chapter 3 report the estimated dollar value in U.S. consumer welfare, tariff revenues, and domestic shipments due to the ATPA preferences under the assumption about the value of the elasticity of substitution:  $\sigma = 5$ . The following three tables report additional inputs into the partial equilibrium models.

**Table C.1** Trade data for the 20 products, 2013

HTS number	Description	Customs value of ATPA imports	C.i.f value of ATPA imports	Landed duty-paid value of ATPA imports	Quantity of ATPA imports	Units of the quantity measure
		Value (thousand \$)			Volume	
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	2,215,782	2,290,016	2,290,016	21,035,841	barrels
0603.11.00	Sweetheart, spray and other roses, fresh cut	72,017	89,700	89,700	254,891,914	number
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	49,156	50,050	50,050	446,872	barrels
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	42,300	43,646	43,646	6,528,540	kilograms
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bitum minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i.,not over 50% any single hydrocarbon	39,056	39,836	39,836	340,135	barrels
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	12,692	13,104	13,104	1,887,825	kilograms
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	11,018	12,673	12,673	8,932,012	kilograms
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	3,969	4,097	4,097	666,871	kilograms
3907.60.00	Polyethylene terephthalate in primary forms	3,442	3,655	3,655	4,047,466	kilograms
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	2,371	2,427	2,427	174,753	thousand units
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	2,177	2,239	2,239	372,953	dozen pairs
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	2,046	2,140	2,140	777,712	kilograms
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	1,455	1,908	1,908	237,088	square meters
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	1,046	1,359	1,359	1,592,256	kilograms
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October. 1 through the following June 30, inclusive	1,147	1,257	1,257	609,229	kilograms

0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	982	1,183	1,183	1,009,467	kilograms
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	918	918	918	1,144,600	kilograms
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex, containing under 70% by weight of silk, knitted or crocheted	719	745	745	274,504	dozen pairs
6908.10.50	Glazed ceramic tiles, cubes and similar articles, with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	555	690	690	99,846	square meters
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	517	637	637	74,127	kilograms

Source: USITC DataWeb/USDOC (accessed July 15, 2014).

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."

**Table C.2** U.S. tariff rates for the 20 products, 2013

HTS number	Description	Ad valorem rate (percentage)	Specific rate (\$ per unit of volume)
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.		0.0525
0603.11.00	Sweetheart, spray and other roses, fresh cut	6.8	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more		0.105
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	12.5	
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bitum minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i.,not over 50% any single hydrocarbon		0.105
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	35.0	
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	14.9	
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each		0.011
3907.60.00	Polyethylene terephthalate in primary forms	6.5	
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	3.0	
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	16.0	
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	14.9	
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	8.5	
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages		0.011
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October 1 through the following June 30, inclusive		0.008
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	16.0	
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	3.2	
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex, containing under 70% by weight of silk, knitted or crocheted	14.6	
6908.10.50	Glazed ceramic tiles, cubes and similar articles, with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	8.5	
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	20.0	

Source: U.S. Harmonized Tariff Schedule, 2013.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."

**Table C.3** Domestic production and exports for the 20 products, 2013 (thousand \$)

HTS number	Description	Domestic production	Domestic exports
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	40,000,000	5
0603.11.00	Sweetheart, spray and other roses, fresh cut	16,708	5,123
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	205,000,000	4,818,445
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	730,000	8,640
2710.12.45	Light oil mixture of hydrocarbons from petroleum oils and bitum minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i.,not over 50% any single hydrocarbon	3,300,000	2,478,940
1604.14.10	Tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers	100,000	450
0710.80.97	Vegetables n.e.s.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	39,000	3,900
1604.14.40	Tunas and skipjack, not in airtight containers, not in oil, in bulk or in immediate containers weighing with contents over 6.8 kg each	20,000	250
3907.60.00	Polyethylene terephthalate in primary forms	2,730,000	545,515
3923.21.00	Sacks and bags (including cones) for the conveyance or packing of goods, of polymers of ethylene	7,500,000	0
6115.21.00	Pantyhose and tights (not graduated compression), knitted or crocheted, of synthetic fibers, measuring per single yarn less than 67 decitex	165,400	41,805
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	0	0
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	95,000	27,326
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	60,000	10,042
0710.29.30	Pigeon peas, uncooked or cooked by steaming or boiling in water, frozen, if entered October 1 through the following June 30, inclusive	0	0
0714.50.10	Fresh or chilled yautia ( <i>Xanthosoma</i> spp.), whether or not sliced or in the form of pellets	1,100	0
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, n.e.s.o.i.	600,000	64,432
6115.30.90	Women's full-length or knee-length hosiery, measuring per single yarn less than 67 decitex, containing under 70% by weight of silk, knitted or crocheted	31,000	9,617
6908.10.50	Glazed ceramic tiles, cubes and similar articles with largest area enclosable in a square with sides under 7 cm, n.e.s.o.i.	700,000	4,303
0709.99.90	Vegetables, not elsewhere specified or included, fresh or chilled	1,000,000	93,402

Source: USITC estimates from industry sources.

Note: The abbreviations n.e.s.o.i. and n.e.s.i. stand for "not elsewhere specified or included."



**Appendix D**  
**Statistical Tables**



**Table D.1** U.S. imports for consumption from ATPA countries, 1991–2013

Year	U.S. Imports from ATPA countries	ATPA countries' share of U.S. imports from the world	U.S. imports under ATPA	The share of U.S. Imports under ATPA in total U.S. imports from ATPA countries
	Value (million \$)	Percent	Value (million \$)	Percent
1991	4,969	1.0	0	0
1992	5,059	1.0	97	1.9
1993	5,282	0.9	401	7.6
1994	5,880	0.9	684	11.6
1995	6,969	0.9	939	13.5
1996	7,868	1.0	1,270	16.1
1997	8,674	1.0	1,353	15.6
1998	8,361	0.9	1,645	19.7
1999	9,830	1.0	1,750	17.8
2000	11,117	0.9	1,982	17.8
2001	9,569	0.8	1,675	17.5
2002	9,611	0.8	1,001	10.4
2003	11,639	0.9	5,836	50.1
2004	15,490	1.1	8,359	54.0
2005	20,060	1.2	11,464	57.1
2006	22,511	1.2	13,484	59.9
2007	20,923	1.1	12,307	58.8
2008	28,483	1.4	17,243	60.5
2009	20,690	1.3	9,714	47.0
2010	28,342	1.5	14,411	50.8
2011 <sup>a</sup>	31,888	1.5	4,381	13.7
2012 <sup>b</sup>	20,221	0.9	11,183	55.3
2013 <sup>c</sup>	11,455	0.5	2,575	22.5

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: ATPA countries in 2009–10 included Colombia, Ecuador, and Peru. ATPA countries in 2011–12 included Ecuador and Colombia. In 2013, Ecuador was the only ATPA country. This table reflects the Census's latest revision of trade statistics for 2010–13, and might differ from those in the previous ATPA reports and other USITC reports.

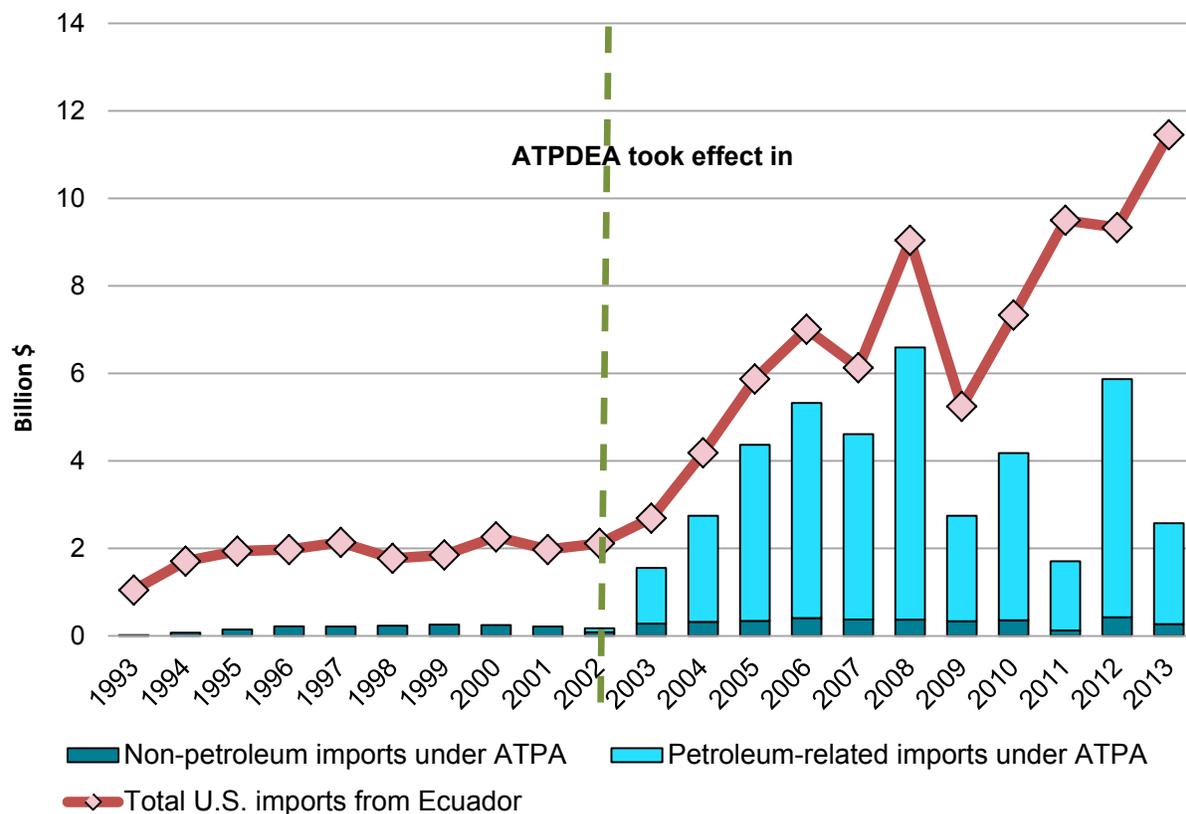
<sup>a</sup> The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

<sup>b</sup> U.S. imports from ATPA countries in 2012 include U.S. imports from Ecuador through 2012 and U.S. imports from Colombia through May 2012 when Colombia ceased to be an ATPA beneficiary country.

<sup>c</sup> U.S. trade statistics reported \$2.495 billion in imports under ATPA from Ecuador in January–July 2013. Although the President’s authority to provide preferential treatment under ATPA expired on July 31, 2013, the trade statistics reported \$80.1 million in imports under ATPA from Ecuador in August –October 2013. Hence imports under ATPA from Ecuador for all of 2013 totaled \$2.575 billion.

The imports recorded under ATPA after July 31, 2013, were ATPA-eligible merchandise that had been imported into U.S. Foreign Trade Zones and granted “privileged foreign (PF) status” before July 31, 2013. This merchandise was classified and appraised, and duties and taxes were determined, as of the date the application for PF was filed. The determined duty rate and taxes were not subject to future change. Although the merchandise was not released from the Foreign Trade Zones into the customs territory of the United States for domestic consumption until after July 31, 2013, it entered as duty free under ATPA based on the duties and taxes in force when PF status was granted. See CBP, “About Foreign-Trade Zones and contact info,” (accessed on September 18, 2014); Foreign-Trade Zone Resource Center, “Foreign-Trade Zone definitions,” (accessed on September 18, 2014).

**Figure D.1** U.S. imports for consumption from Ecuador, 1992–2013



Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: The lapse of ATPA trade preference lasted from February 12, 2011, through October 20, 2011. The renewal legislation was enacted on October 21, 2011, and became effective on the 15th day after it was enacted—November 5, 2011. Although the renewal was retroactive, it is unknown how many previous shipments retroactively received ATPA benefits and whether 2011 trade data reflect such retroactive benefits.

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**Table D.2** Leading U.S. imports for consumption from Ecuador, by HTS chapter, 2009–13

HTS number	Description	2009	2010	2011	2012	2013	Change 2012–13
		Value (million \$)					Percent
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	3,461.7	5,540.2	7,313.8	6,936.9	8,625.6	24.3
03	Fish and crustaceans, molluscs and other aquatic invertebrates	482.9	555.0	672.9	744.3	791.2	6.3
08	Edible fruit and nuts; peel of citrus fruit or melons	484.8	474.9	510.8	461.5	456.4	-1.1
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	15.9	9.2	33.3	316.7	413.0	30.4
18	Cocoa and cocoa preparations	184.2	103.5	246.9	132.5	185.0	39.6
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	118.6	137.5	149.1	170.7	178.1	4.3
29	Organic chemicals	42.6	0.3	2.2	0.3	141.4	47,835.5
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	89.2	93.5	109.8	124.6	135.4	8.7
20	Preparations of vegetables, fruit, nuts, or other parts of plants	58.9	65.3	69.7	83.1	78.3	-5.7
44	Wood and articles of wood; wood charcoal	54.6	69.2	60.4	66.0	61.9	-6.2
	Subtotal	4,993.4	7,048.4	9,168.8	9,036.5	11,066.2	22.5
	All other	252.5	286.0	330.8	299.3	388.9	29.9
	Total	5,245.9	7,334.4	9,499.7	9,335.7	11,455.1	22.7
		<b>Percent of total imports</b>					<b>Percentage Point</b>
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	66.0	75.5	77.0	74.3	75.3	1.0

HTS number	Description	2009	2010	2011	2012	2013	Change 2012-13
Percent of total imports							Percentage Point
03	Fish and crustaceans, molluscs and other aquatic invertebrates	9.2	7.6	7.1	8.0	6.9	-1.1
08	Edible fruit and nuts; peel of citrus fruit or melons	9.2	6.5	5.4	4.9	4.0	-0.9
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	0.3	0.1	0.4	3.4	3.6	0.2
18	Cocoa and cocoa preparations	3.5	1.4	2.6	1.4	1.6	0.2
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	2.3	1.9	1.6	1.8	1.6	-0.2
29	Organic chemicals	0.8	0.0	0.0	0.0	1.2	1.2
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	1.7	1.3	1.2	1.3	1.2	-0.1
20	Preparations of vegetables, fruit, nuts, or other parts of plants	1.1	0.9	0.7	0.9	0.7	-0.2
44	Wood and articles of wood; wood charcoal	1.0	0.9	0.6	0.7	0.5	-0.2
	Subtotal	95.2	96.1	96.5	96.8	96.6	-0.2
	All other	4.8	3.9	3.5	3.2	3.4	0.2
	Total	100.0	100.0	100.0	100.0	100.0	0.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for "not elsewhere specified or included."

**Table D.3** Leading U.S. imports for consumption from Ecuador, by HTS 8-digit subheading, 2009–13

HTS number	Description	2009	2010	2011	2012	2013	Change
							2012–13
		Value (million \$)					Percent
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	3,171.4	5,403.5	6,885.9	6,527.8	7,682.5	17.7
0306.17.00 <sup>a</sup>	Other shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	324.2	401.9	521.5	496.0	619.1	24.7
7108.12.10	Gold, nonmonetary, bullion and doré	14.3	7.7	29.8	302.5	400.3	32.3
0803.90.00 <sup>b</sup>	Bananas, fresh or dried	385.6	386.9	398.1	339.9	337.2	-0.8
2713.11.00	Coke, petroleum, not calcined	74.3	19.6	49.9	31.6	168.3	433.2
1801.00.00	Cocoa beans, whole or broken, raw or roasted	172.5	93.5	234.9	125.1	166.9	33.0
2710.19.06 <sup>c</sup>	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	0.0	0.0	96.7	148.5	133.4	-10.2
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	0.0	9.9	40.3	36.0	123.3	242.9
2711.29.00	Petroleum gases and other gaseous hydrocarbons, except natural gas	31.3	8.8	27.8	23.5	109.7	367.0
0603.11.00	Sweetheart, spray and other roses, fresh cut	60.4	74.2	94.1	91.7	106.5	16.0
2711.12.00	Propane, liquefied	13.7	0.0	4.0	1.2	99.0	8,081.6
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota	61.9	68.3	74.9	69.7	87.8	26.1
2710.12.45 <sup>d</sup>	Light oil mixture of hydrocarbons from petroleum oils and bituminous mineral (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	33.1	44.8	80.5	40.1	86.0	114.4
2901.21.00	Ethylene	3.4	0.0	0.0	0.0	82.8	n/a

HTS number	Description	2009	2010	2011	2012	2013	Change
							2012–13
		Value (million \$)					Percent
2710.12.25 <sup>e</sup>	Naphthas (excluding motor fuel/motor fuel blend. stock) from petroleum oils and bituminous minerals (other than crude) or preps 70%+ by weight from petroleum oils	74.3	0.0	0.0	86.2	68.4	-20.6
0803.10.10 <sup>f</sup>	Plantains, fresh	52.1	48.3	67.9	66.0	62.8	-4.8
0603.19.01 <sup>g</sup>	Fresh cut anthuriums, alstroemeria, gypsophilia, lilies, snapdragons and flowers, n.e.s.o.i.	57.4	61.9	50.2	67.8	61.3	-9.6
2711.14.00	Ethylene, propylene, butylene and butadiene, liquefied	26.1	1.7	0.0	0.0	57.8	n/a
0804.50.40	Guavas, mangoes, and mangosteens, fresh, if entered during the period September 1 through May 31, inclusive	22.3	18.0	22.8	36.9	44.5	20.8
0304.89.50 <sup>h</sup>	Other frozen fish fillets, other than above	55.7	52.2	47.1	58.5	43.5	-25.6
	Subtotal	4,634.1	6,701.3	8,726.4	8,548.9	10,541.3	23.3
	All other	611.8	633.1	773.2	786.8	913.8	16.1
	Total	5,245.9	7,334.4	9,499.7	9,335.7	11,455.1	22.7

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.”

<sup>a</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0306.13.00.

<sup>b</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0803.00.20.

<sup>c</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.19.10.

<sup>d</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.11.45.

<sup>e</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.11.25.

<sup>f</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0803.00.30.

<sup>g</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0603.19.00.

<sup>h</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0304.29.60.

**Table D.4** Leading U.S. imports for consumption from Colombia, by HTS chapter, 2009–12

HTS number	Description	2009	2010	2011	2012	2012 January–May <sup>a</sup>	Change 2011–12	
		Value (million \$)					Percent	
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	6,479.9	10,371.2	15,088.1	17,459.0	7,944.9	15.7	
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	1,210.0	1,646.6	2,248.5	3,180.1	1,119.2	41.2	
09	Coffee, tea, maté and spices	722.9	817.2	1,324.3	907.6	412.4	-31.3	
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	516.5	561.8	577.7	646.2	346.4	11.9	
08	Edible fruit and nuts; peel of citrus fruit or melons	240.0	269.0	210.9	247.6	100.6	17.4	
29	Organic chemicals	88.6	163.0	908.2	187.4	138.2	-79.4	
39	Plastic and articles thereof	107.4	154.9	170.8	153.6	66.5	-10.2	
21	Miscellaneous edible preparations	79.0	125.9	146.2	115.0	51.8	-10.1	
73	Articles of iron or steel	37.6	74.8	110.7	112.8	54.1	47.0	
62	Articles of apparel and clothing accessories, not knitted or crocheted	118.1	139.3	117.3	105.6	46.9	-18.6	
	Subtotal	9,600.0	14,323.6	20,902.7	23,114.8	10,281.0	10.7	
	All other	1,609.4	1,361.1	1,485.9	1,527.2	604.6	0.5	
	Total	11,209.4	15,684.7	22,388.6	24,642.0	10,885.6	10.1	
		Percent of total imports					Percentage Point	
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	57.8	66.1	67.4	70.9	73.0	3.5	
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	10.8	10.5	10.0	12.9	10.3	2.9	
09	Coffee, tea, maté and spices	6.4	5.2	5.9	3.7	3.8	-2.2	
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	4.6	3.6	2.6	2.6	3.2	0.0	
08	Edible fruit and nuts; peel of citrus fruit or melons	2.1	1.7	0.9	1.0	0.9	0.1	
29	Organic chemicals	0.8	1.0	4.1	0.8	1.3	-3.3	

HTS number	Description	2009	2010	2011	2012	2012 January–May <sup>a</sup>	Change 2011–12
<b>Percent of total imports</b>							<b>Percentage Point</b>
39	Plastic and articles thereof	1.0	1.0	0.8	0.6	0.6	-0.1
21	Miscellaneous edible preparations	0.7	0.8	0.7	0.5	0.5	-0.2
73	Articles of iron or steel	0.3	0.5	0.5	0.5	0.5	0.0
62	Articles of apparel and clothing accessories, not knitted or crocheted	1.1	0.9	0.5	0.4	0.4	-0.1
	Subtotal	85.6	91.3	93.4	93.8	94.4	0.4
	All other	14.4	8.7	6.6	6.2	5.6	-0.4
	Total	100.0	100.0	100.0	100.0	100.0	0.0

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.”

<sup>a</sup> Colombia lost its ATPA eligibility on May 15, 2012, when the U.S.-Colombia TPA entered into force.

**Table D.5** Leading U.S. imports for consumption from Colombia, by HTS 8-digit subheading, 2009–12

HTS number	Description	2009	2010	2011	2012	2012 January–May <sup>f</sup>	Change 2011–12
		Value (million \$)					Percent
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	3,769.9	5,003.6	7,410.5	10,811.6	4,346.0	45.9
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	1,042.8	3,374.1	2,382.7	3,846.1	2,001.9	61.4
7108.12.10	Gold, nonmonetary, bullion and doré	1,026.8	1,440.4	1,954.1	2,867.6	1,011.4	46.7
2710.19.06 <sup>a</sup>	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing > 25 degrees A.P.I.	426.6	621.2	1,345.0	1,307.6	721.0	-2.8
0901.11.00	Coffee, not roasted, not decaffeinated	631.8	734.1	1,174.0	813.8	378.2	-30.7
2701.12.00	Coal, bituminous, whether or not pulverized, but not agglomerated	802.1	841.5	606.8	423.7	171.7	-30.2
0603.11.00	Sweetheart, spray and other roses, fresh cut	244.7	239.4	257.7	272.0	163.7	5.5
2713.11.00	Coke, petroleum, not calcined	70.1	106.7	1,176.1	253.0	144.3	-78.5
0803.90.00 <sup>b</sup>	Bananas, fresh or dried	194.5	223.1	174.3	204.2	83.7	17.2
7103.91.00	Rubies, sapphires and emeralds, worked, whether or not graded, but not strung (except for ungraded temporarily strung), mounted or set	119.6	131.4	161.2	172.2	73.2	6.9
2701.19.00	Coal, other than anthracite or bituminous, whether or not pulverized, but not agglomerated	275.8	81.8	180.7	159.9	69.9	-11.5
2711.29.00	Petroleum gases and other gaseous hydrocarbons, except natural gas	34.9	61.1	477.2	149.9	100.5	-68.6
0603.19.01 <sup>c</sup>	Fresh cut anthuriums, alstroemeria, gypsophilia, lilies, snapdragons and flowers, n.e.s.o.i.	129.7	149.2	129.4	135.2	63.6	4.5
0603.14.00	Chrysanthemums, fresh cut	75.2	97.0	105.9	126.2	57.5	19.2
2707.99.90	Other products of high-temperature coal tar distillation and like products in which aromatic constituents exceed nonaromatic constituents, n.e.s.o.i.	7.4	18.3	257.8	104.6	104.6	-59.4
2710.19.11 <sup>d</sup>	Distillate and residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degree A.P.I. or >	1.3	37.6	149.8	99.4	82.5	-33.6

HTS number	Description	2009	2010	2011	2012	2012	Change
						January–May <sup>f</sup>	2011–12
		Value (million \$)				Percent	
2101.11.21	Instant coffee, not flavored	63.1	91.9	104.7	90.0	42.4	-14.0
2710.12.45 <sup>e</sup>	Light oil mixture of hydrocarbons from petroleum oils and bituminous minerals (other than crude) or prep 70%+ weight from petroleum oils, n.e.s.o.i., not over 50% any single hydrocarbon	0.0	25.7	168.4	80.3	51.4	-52.3
7202.60.00	Ferronickel	52.5	104.7	67.1	78.1	34.3	16.4
2503.00.00	Sulfur of all kinds, other than sublimed, precipitated and colloidal sulfur	6.5	14.9	147.4	71.6	48.3	-51.4
	Subtotal	8,974.8	13,397.9	18,430.6	22,067.0	9,750.1	19.7
	All other	2,234.6	2,286.8	3,958.0	2,575.0	1,135.5	-34.9
	Total	11,209.4	15,684.7	22,388.6	24,642.0	10,885.6	10.1

Source: USITC staff compilation; USITC DataWeb/USDOC (accessed July 14, 2014).

Note: Because of rounding, figures may not add to totals shown. The abbreviation n.e.s.o.i. stands for “not elsewhere specified or included.”

<sup>a</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.19.10.

<sup>b</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0803.00.20.

<sup>c</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 0603.19.00.

<sup>d</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.19.10.

<sup>e</sup> Trade in 2009, 2010, and 2011 reported under HTS subheading 2710.11.45.

<sup>f</sup> Colombia lost its ATPA eligibility on May 15, 2012, when the U.S.–Colombia TPA entered into force.