

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 332-471

ADVICE CONCERNING POSSIBLE MODIFICATIONS TO THE U.S. GENERALIZED SYSTEM OF
PREFERENCES, 2005 SPECIAL REVIEW ON WATCHES

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and scheduling of hearing

SUMMARY: Following receipt on August 9, 2005 of a request from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332 (g)), the Commission instituted investigation No. 332-471, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2005 Special Review on Watches*.

BACKGROUND: As requested by the USTR, in accordance with sections 503(a)(1)(A), 503(e), and 131(a) of the Trade Act of 1974, as amended (1974 Act), and under section 332(g) of the Tariff Act of 1930, the Commission will provide advice with respect to the probable economic effect on U.S. industries producing like or directly competitive articles and on consumers of the elimination of U.S. import duties for all beneficiary developing countries under the GSP for the following HTS subheadings: 9102.11.10, 9102.11.25, 9102.11.30, 9102.11.45, 9102.19.20, 9102.19.40, and 9102.91.40. In providing its advice on these articles, the USTR asked that the Commission assume that the benefits of the GSP would not apply to imports that would be excluded from receiving such benefits by virtue of competitive need limits specified in section 503(c)(2)(A) of the 1974 Act. In his letter, the USTR also requested that the Commission provide advice concerning other modifications to the GSP as part of the 2005 review. The Commission will provide that advice in November 2005 in its report on investigation No. 332-470, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2005 Review*.

In addition, as requested by the USTR, the Commission will provide advice with respect to HTS subheadings 9102.11.10, 9102.11.25, 9102.11.30, 9102.11.45, 9102.19.20, 9102.19.40, and 9102.91.40, as to the probable economic effect on United States industries (defined for watches and watch bands, straps and bracelets as those located in the United States and United States insular possessions) manufacturing or assembling watches, watch bands, straps or bracelets of the elimination of U.S. import duties under the GSP program. In addition to advice on the probable economic effect on these industries as a single geographic unit, the Commission will also provide separate advice on the probable economic effect of such action on the watch manufacturing and assembly industry and the watch band, strap, and bracelet manufacturing and assembly industry and for each geographic area (the United States and the United States insular possessions).

As requested, the Commission will also provide, to the extent possible, data and analysis on the following factors for the most recent three year period for the United States industries (as defined above) manufacturing or assembling watches or manufacturing or assembling watch bands, straps or bracelets: annual production, capacity, capacity utilization, domestic shipments, exports, inventories, employment, wages, financial experience (including prices), the potential decline in output, market share, profits, productivity and return on investment, the potential negative effects on cash flow, the ability to raise capital and investment, any rapid increases in import penetration and the likelihood that such penetration

will rise to an injurious level, factors affecting domestic prices, and any other factors that the Commission deems relevant. The Commission will also provide data for the most recent three-year period, to the extent possible, on the following factors for current and potential foreign producers: current and potential production capacity and capacity utilization, domestic shipments, and exports to the United States and other markets.

As requested by the USTR, the Commission will seek to provide its advice no later than February 17, 2006.

EFFECTIVE DATE: August 9, 2005.

FOR FURTHER INFORMATION, CONTACT:

Project Leader, Cynthia B. Foreso (202-205-3348 or cynthia.foreso@usitc.gov)
Deputy Project Leader, Alan Treat (202-205-3426 or alan.treat@usitc.gov)

The above persons are in the Commission's Office of Industries. For more information on legal aspects of the investigation, contact William Gearhart of the Commission's Office of the General Counsel at 202-205-3091 or william.gearhart@usitc.gov. The media should contact Margaret O'Laughlin, Office of External Relations at 202-205-1819 or margaret.olaughlin@usitc.gov. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on 202-205-1810. General information concerning the Commission may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS-ONLINE) at <http://edis.usitc.gov/hvwebex>.

PUBLIC HEARING: A public hearing in connection with this investigation is scheduled to begin on September 29, 2005 following the close of the hearing on investigation No. 332-470, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2005 Review* (Investigation No. 332-470), at the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All persons have the right to appear by counsel or in person, to present information, and to be heard. Persons wishing to appear at the public hearing should file a letter with the Secretary, United States International Trade Commission, 500 E St., SW, Washington, DC 20436, not later than the close of business (5:15 p.m.) on September 9, 2005, in accordance with the requirements in the "Submissions" section below.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements or briefs concerning these investigations. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. Any prehearing statements or briefs should be filed not later than 5:15 p.m., September 12, 2005; the deadline for filing posthearing statements or briefs is 5:15 p.m., November 7, 2005. All written submissions must conform with the provisions of section 201.8 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 of the rules requires that a signed original (or a copy designated as an original) and fourteen (14) copies of each document be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the rules (see Handbook

for Electronic Filing Procedures, http://hotdocs.usitc.gov/pubs/electronic_filing_handbook.pdf).

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 C.F.R. 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 “nonconfidential” 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 in the Office of the Secretary to the Commission for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of these investigations in the report it sends to the USTR. As requested by the USTR, the Commission will publish a public version of the report. However, in the public version, the Commission will not publish confidential business information in a manner that would reveal the operations of the firm supplying the information.

Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Secretary at 202-205-2000.

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: August 15, 2005