

Florida Power and Light Company (Licensee) should be prepared to respond in a didactic manner through its experts to questions and issues raised in the various filings:

For example:

• The calculations used to determine critical heat flux (CHF) and peak cladding temperature (PCT) for Low-parasitic (LOPAR) fuel, Optimized Fuel Assemblies (OFA) and mixed LOPAR/OFA fuel.

• The hydraulic and thermal effect of spacer grids (as related to calculations of CHF and PCT values).

• The procedure and calculations used in arriving at the 10°F increase in PCT identified in items 5 and 8 of the Parvin affidavit.

• The uncertainties listed in Joette Lorion's affidavit at pages 4, 5 and 8 and item 9(d) of Dr. Edward's affidavit at pages 6-7.¹

It is so ordered.

Dated at Bethesda, MD, this 8th day of February 1985.

For the Atomic Safety and Licensing Board.

Robert M. Lazo,

Chairman, Administrative Judge.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Initiation of General Review Under the U.S. Generalized System of Preferences (GSP)

Summary

The purpose of this notice is to announce the initiation of a general review under the U.S. Generalized System of Preferences (GSP), as described in section 504(c)(2) of the Trade and Tariff Act of 1984 (the Act), to be completed by January 4, 1987. The purpose of this review is to determine which particular GSP-eligible articles from which particular beneficiary countries should be subjected to lower limitations regarding their duty-free entry into the United States under the GSP. In addition, requests for competitive need limit waivers with respect to specific articles from specific beneficiaries will be entertained during the course of this review, as will comments concerning waivers of the 50-percent competitive need limit on the basis of a finding of no U.S. production of like or directly competitive products. Finally, this notice sets forth the

procedures and timetable pertaining to the submission of views by interested parties.

Part 2007 of Chapter XX of Title 15 of the Code of Federal Regulations is currently being revised to accommodate the implementation of the amendments to Title V of the Trade Act of 1974 contained in the Trade and Tariff Act of 1984. The revised regulations will be published on an interim basis in the Federal Register in the near future. The regulations will address, inter alia, issues such as the designation and removal of articles and beneficiaries which do not fall within the scope of the general review described herein.

1. Lowering Competitive Need Limits on Specific Articles From Specific Beneficiaries

a. Background

The recently passed Trade and Tariff Act of 1984 directs the President to complete by January 4, 1987, a general review of GSP-eligible articles to determine whether beneficiary countries have demonstrated a sufficient degree of competitiveness. It is important to note that the President is to examine separately each individual article from each individual beneficiary.

For those products for which a beneficiary is determined to have demonstrated a sufficient degree of competitiveness, the GSP's competitive need limits will be lowered. Specifically, the beneficiary will lose GSP duty-free treatment with respect to the article if U.S. imports of the article from the beneficiary during the preceding calendar year exceeded (1) 25 percent of the value of total U.S. imports of the article or (2) \$25 million (1984 base year). The latter dollar value limit will be adjusted annually in accordance with changes in the nominal U.S. GNP. For any instances in which the beneficiary is not found to have demonstrated a sufficient degree of competitiveness, the GSP's original limits will continue to apply. Those limits are 50 percent and \$83.8 million (1974 base year), respectively.¹

Any changes resulting from this aspect of the general review will be implemented by Executive order and announced by January 4, 1987. The changes will take effect on July 1, 1987.

b. Factors To Be Considered

In determining whether a beneficiary country should be subjected to the lower

¹ Actually, the statute refers to the latter dollar value limit as \$25 million, with 1974 as the base year. After allowing for the appropriate indexing, the number was adjusted to the indicated \$83.8 million figure for 1984.

competitive need limits with respect to a particular article, the President is directed to take into account the factors listed in sections 501 and 502(c) of the Act. These factors generally fall into three areas, as discussed below.

First, the President must take into account the beneficiary country's general level of development. In this context, consideration must be given to a beneficiary's per capita gross national product, the living standards of its inhabitants and other factors relevant to the beneficiary's level of economic development.

A beneficiary's general level of development has been an important factor in GSP deliberations regarding the policy of discretionary graduation. Under that policy, products of several of the program's leading beneficiary countries (Taiwan, Korea, Hong Kong, Mexico, Brazil, Singapore and Israel) have been affected. Parties may wish to refer to the President's Report to the Congress on the First Five Years' Operation of the U.S. Generalized System of Preferences (GSP), April 1980, which announced that policy.

A second area to be considered concerns practices maintained by beneficiary countries. In determining the extent to which the lower competitive need limits might be applied to the products of a particular beneficiary, the President is directed to take into account the following:

- The extent to which the beneficiary has assured the United States that it will provide equitable and reasonable access to its markets and basic commodity resources (section 502(c)(4));
- The extent to which the beneficiary has assured the United States that it will refrain from engaging in unfair export practices (section 502(c)(5));
- The extent to which the beneficiary is providing adequate and effective means under its laws for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patents, trademarks and copyrights (section 502(c)(5));
- The extent to which the beneficiary has taken action to reduce and eliminate distorting investment practices and policies, including export performance requirements (section 502(c)(6));
- The extent to which the beneficiary has taken action to reduce or eliminate barriers to trade in services (section 502(c)(6)); and
- Whether the beneficiary has taken steps to afford to work the beneficiary (including any designated zone in the country

Announces Annual Review and MR clause
"initiation of general review"

ationally recognized workers (section 502(c)(7)).

the President is directed to account the beneficiary's competitiveness with respect to individual products which are eligible for treatment. In this regard, the President will examine the beneficiary's competitiveness with respect to other developing countries, with respect to producers of like or directly competitive products. In evaluating a beneficiary's competitiveness with respect to a product, consideration will be given to such factors as the beneficiary's share of U.S. imports and U.S. consumption of the product, its price competitiveness, to its production capacity and degree of technological sophistication, and to any other data or information that may be available.

For further information regarding the Act and its legislative

Solicitation of Comments From Interested Parties

For organizational purposes, the review will be divided into two components. One will consist of issues relating to practices in beneficiary countries; the other will consist of issues relating to specific beneficiary products and their competitiveness in the United States. The two components will differ with respect to the timetable and, to some extent, the process for participation by interested parties, as explained below.

Beneficiary Country Practices

Any interested party desiring to submit written comments with respect to beneficiary country practices should submit such comments by the date of business July 15, 1985. In addition to the general requirements noted in section 6 of this notice, such comments should include: (1) A detailed description of the practice of concern; (2) An estimate of the value of trade affected by the practice, if applicable; (3) A measure of what a beneficiary would do to reduce or eliminate any adverse effect resulting from the practice. Also, parties will be afforded an opportunity to testify at a public hearing to be held in June in Washington, D.C. Details concerning the hearing will be contained in a Federal Register notice to be published in the near future.

For those parties interested in commenting on the issue of intellectual property rights (section 502(c)(5)), it

should be noted that all written comments provided to the Trade Policy Staff Committee (TPSC) pursuant to the notice published on January 28, 1985 (50 FR 3853) will be examined in the context of the general review. Thus, there is no need for those parties who have submitted statements in accordance with that notice to make separate representation in this review.

ii. Beneficiaries' Competitiveness With Respect to Individual Articles

The other component of the general review will commence with a request by the U.S. Trade Representative on behalf of the President for U.S. International Trade Commission (USITC) advice regarding the competitiveness of beneficiaries with respect to all GSP-eligible articles on a product-by-product basis. Public reviews will be conducted by both the TPSC and the USITC. The timetable for the USITC's review will be announced in a separate notice. Regarding the TPSC's review, any party interested in submitting a written statement concerning the competitiveness of a beneficiary with respect to a particular product must file such a statement by November 15, 1985. Any party interested in submitting a written statement rebutting a statement filed pursuant to the above procedures must do so by December 15, 1985. Also, parties will be afforded an opportunity to testify at a public hearing to be held in October in Washington, D.C. Details concerning the hearing, including the date, place and deadline for submitting requests to appear, will be contained in a Federal Register notice to be published on or about August 1, 1985.

2. Requests for a Waiver of Competitive Need Limits With Respect to Specific Articles From Specific Beneficiaries

a. Background

Under section 504(c)(3) of the Act, the President may waive completely the competitive need limits applicable to a particular GSP-eligible article from a particular beneficiary beginning in 1987. During the general review, consideration will be given to requests to exercise this waiver with respect to a particular GSP-eligible article. Any waivers granted pursuant to the review will take effect on July 1, 1987.

The President's authority to exercise the waiver authority is limited. The value of imports from all beneficiaries benefiting from the waiver during any calendar year cannot exceed 30 percent of the value of total imports entering duty free under the GSP program during the preceding calendar year. There is a further restriction pertaining to those

beneficiaries with per capita GNPs in excess of \$5,000 and/or those which account for over 10 percent of the value of total imports entering under the GSP program.² The value of imports from this latter group of beneficiaries that benefits from the waiver cannot exceed 15 percent of the value of total duty-free GSP imports.

b. Factors To Be Considered

Before exercising the competitive need waiver with respect to any beneficiary's product, the President is required to take into account advice by the U.S. International Trade Commission (USITC) on whether any industry in the United States is likely to be affected adversely by the waiver. He is also required to examine the factors listed in sections 501 and 502(c) (see 1(b) above). Of this latter list of factors, "great weight" must be given to:

- The extent to which the beneficiary has assured the United States that it will provide equitable and reasonable access to its markets and basic commodity resources; and
- The extent to which the beneficiary provides adequate and effective means under its law for foreign nationals to secure, exercise and enforce exclusive rights in intellectual property, including patent, trademark and copyright rights.

The President must then determine, based on the above-described advice and considerations, that the waiver would be in the national economic interest of the United States. Those requests for competitive need waivers which are granted will take effect on July 1, 1987.

c. Solicitation of Requests and Comments

Any party interested in submitting a request that the waiver be exercised with respect to a particular article from a particular beneficiary must file such a request by May 31, 1985. In addition to the general requirements noted in section 6 of this notice, such requests should contain the type of information identified at 15 CFR Part 2007 that applies to requests to add new articles to GSP eligibility.

The TPSC will examine all requests, taking into account relevant statutory considerations, and will publish in the Federal Register a list of those requests which have been accepted for formal review. The TPSC reserves the right to reject for review those requests which,

² Beneficiaries included in these categories at this time are: Taiwan, Korea, Hong Kong, Singapore, Israel, Brunei and Trinidad and Tobago.

in its view, fail to conform to the requirements set forth above or which, based on available information, do not warrant further consideration. It is anticipated that the list of those requests accepted for review will be published on or about August 1. There will be no separate notification to parties as to whether or not their requests have been accepted for formal review.

Any party interested in submitting a written statement with respect to a waiver request that has been accepted for review may do so by November 15, 1985. Any party interested in submitting a written statement rebutting a statement filed pursuant to the above procedures must do so December 15, 1985. Parties are also invited to testify in the public hearing referred to in section 1(c)(ii) of this notice.

3. Determinations of No U.S. Production of Like or Directly Competitive Articles

a. Background

Under the GSP's original statutory authorization in section 504(d) of Title V of the Trade Act of 1974, the President could not apply the 50-percent competitive need limit with respect to any article for which he determined there was no production in the United States of a product like or directly competitive with the GSP article on January 3, 1975.³ The new Act has extended section 504(d) but the relevant date for determining the existence of like or directly competitive production has been changed to January 3, 1985.

During the course of the general review, section 504(d) determinations will be made with respect to each GSP-eligible article on the basis of the revised date. Interested parties are invited to submit comments with respect to this issue as it applies to any GSP-eligible article. Any modifications made as a result of this provision will take effect on July 1, 1986.

b. Factors To Be Considered

In deciding whether to grant the waiver of the 50-percent competitive need limits pursuant to this provision of the Act, the President is directed to examine the existence or non-existence of U.S. production of a like or directly competitive article on January 3, 1985.

c. Solicitation of Comments

Any party interested in submitting a written statement concerning the existence or non-existence of production in the United States on January 3, 1985 of an article like or

³ This provision does not apply to the competitive need limit based on a specific dollar value.

directly competitive with a GSP-eligible article must file such a statement by November 15, 1985. Any party interested in submitting a written statement rebutting a statement filed pursuant to the above procedures must do so by December 15, 1985. Parties are also invited to testify at the public hearing referred to in section 1(c)(ii) of this notice.

4. Other Issues

The general review announced in this notice is not intended to encompass and/or replace consideration of all types of GSP determinations. Matters to be addressed separately include: (1) The complete removal of beneficiary status from a country for its failure to meet the mandatory criteria set forth in section 502(b); (2) the complete removal of a product from GSP treatment; (3) the addition of a new product to the list of articles eligible for GSP treatment; and (4) the exemption of "least" developed beneficiaries from competitive need limits.

As has been the case in the past, any party wishing to request that a country be removed from beneficiary status based on any of the criteria set forth in section 502(b) may submit such a request at any time. In making any recommendations with respect to the section 502(b) criteria, the Trade Policy Staff Committee (TPSC) will also take into account all information pertaining to parallel criteria in section 502(c) that is submitted during the course of the general review.

Petitions to add or remove products from the list of articles eligible for GSP treatment will not be considered during the general review. Such petitions will continue to be examined in accordance with the GSP program's regular "product review" procedures. Because of the complexity and scope of the issues to be addressed during the general review, the next product review will not begin until 1986. In the meantime, only those petitions which "indicate the existence of unusual circumstances warranting an immediate review" (section 2007.3(b) of the applicable regulations) will be accepted for review.

Further information regarding the above issues will be contained in proposed changes to the applicable regulations (15 CFR Part 2007), which will be published in the Federal Register in the near future.

Another issue to be addressed outside the context of the general review concerns the designation of least developed beneficiaries. Under the Act, the President is directed to designate a list of such countries that will be exempted completely from the

application of the GSP's competitive need limits. It is anticipated that the President will notify the Congress in the near future of the list of beneficiaries to be designated as least developed that the competitive need exemption will take effect no later than July 1, 1986. It is further anticipated that the list will include all countries currently recognized by the United Nations as least developed countries, with the exception of those that are not beneficiaries under the U.S. GSP program.⁴

5. Chronology of Deadlines for Comments by Interested Parties

May 31, 1985—deadline for submission of product-specific competitive need waiver requests.

July 15, 1985—deadline for comments regarding beneficiary country status.

August 1, 1985—announcement of TPSC of competitive need waiver requests accepted for formal review.

November 15, 1985—deadline for comments regarding competitive need beneficiaries with respect to GSP articles.

November 15, 1985—deadline for comments regarding competitive need waiver requests accepted for formal review.

November 15, 1985—deadline for comments regarding issue of U.S. production of like or directly competitive articles.

December 15, 1985—deadline for statements rebutting submissions pursuant to the above time schedule by November 15 deadline.

6. Procedures for Submitting Comments and Requests

All comments and communications concerning beneficiary country status, product competitive need practices, product competitive need waiver of competitive need limits, and other issues must be submitted in 20 copies and addressed to the Chairman, Trade Policy Subcommittee, Trade Policy Staff Committee, Office of the United States Representative, 600 17th Street, Washington, D.C. 20506. All comments except those labeled as confidential in accordance with 15 CFR 2007.207 will be open to public inspection by appointment at the GSP Information Center located in Room 3000 of the

⁴ The list of countries to be included in the status is expected to include: Bhutan, Botswana, Burundi, Cambodia, Comoros, Democratic Republic of Congo, Equatorial Guinea, Gambia, Guinea, Haiti, Lesotho, Malawi, Maldives, Mauritania, Niger, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Sudan, Tanzania, Upper Volta, Western Samoa.