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114TH CONGRESS
1ST SESSION

S. 340

To make certain luggage and travel articles eligible for duty-free treatment under the Generalized System of Preferences, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 2015

Mr. BLUNT (for himself, Mrs. SHAHEEN, Mr. PORTMAN, Ms. AYOTTE, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To make certain luggage and travel articles eligible for duty-free treatment under the Generalized System of Preferences, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "GSP Update for Production Diversification and Trade Enhancement Act" or "GSP UPDATE Act".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Generalized System of Preferences under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) was enacted to promote economic development in developing and least-developed countries.

(2) Many articles referred to as luggage or travel articles and classified under chapter 42 of the Harmonized Tariff Schedule of the United States may not be designated as eligible articles for purposes of the Generalized System of Preferences.

(3) Global trade and manufacturing dynamics have changed since the enactment of the Generalized System of Preferences in 1974, and many luggage and travel articles may no longer be import-sensitive to industries in the United States.

(4) By removing certain luggage and travel articles from the list of articles excluded from eligibility under the Generalized System of Preferences, Congress is not changing rates in the Harmonized Tariff Schedule of the United States, but instead is allowing those articles access to the annual review process under the Generalized System of Preferences, which relies on investigations and recommendations from the independent United States

International Trade Commission, among other agencies of the United States Government.

(5) As of 2013, 61 of the 122 countries designated as beneficiary developing countries under the Generalized System of Preferences export articles classified under heading 4202 of the Harmonized Tariff Schedule of the United States to the United States. Sixteen of those countries have been designated as least-developed beneficiary developing countries for purposes of the Generalized System of Preferences.

(6) As of 2013, the People's Republic of China has a nearly 70 percent share of the market for certain luggage and travel articles being imported into the United States. This dominance leaves little room for competition from smaller developing countries. For example, countries designated as beneficiary developing countries under the Generalized System of Preferences account for only 5 percent of imports of those articles into the United States.

(7) The provision of duty-free treatment under the Generalized System of Preferences for certain luggage and travel articles imported into the United States may result in a shift in the production of those articles from China to countries designated as

beneficiary developing countries or least-developed beneficiary developing countries under the Generalized System of Preferences.

SEC. 3. ELIGIBILITY OF CERTAIN LUGGAGE AND TRAVEL ARTICLES FOR DUTY-FREE TREATMENT UNDER THE GENERALIZED SYSTEM OF PREFERENCES.

Section 503(b) of the Trade Act of 1974 (19 U.S.C. 2463(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''paragraph (4),'' and inserting ''paragraphs (4) and (5),''; and

(B) in subparagraph (E), by striking ''Footwear,'' and inserting ''Except as provided in paragraph (5), footwear,''; and

(2) by adding at the end the following:

''(5) CERTAIN LUGGAGE AND TRAVEL ARTICLES.—Notwithstanding subparagraph (A) or (E) of paragraph (1), the President may designate the following as eligible articles under subsection (a):

''(A) Articles classifiable under subheading

4202.11.00,	4202.12.40,	4202.21.60,
4202.21.90,	4202.22.15,	4202.22.45,
4202.31.60,	4202.32.40,	4202.32.80,

4202.92.15, 4202.92.20, 4202.92.45, or 4202.99.90 of the Harmonized Tariff Schedule of the United States.

"(B) Articles classifiable under statistical reporting number 4202.12.2020, 4202.12.2050, 4202.12.8030, 4202.12.8070, 4202.22.8050, 4202.32.9550, 4202.32.9560, 4202.91.0030, 4202.91.0090, 4202.92.3020, 4202.92.3031, 4202.92.3091, 4202.92.9026, or 4202.92.9060 of the Harmonized Tariff Schedule of the United States.".

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