

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

AUG 24 2016

The Honorable Irving Williamson
Chairman
United States International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Chairman Williamson:

Chapter 4 and Annex 4-A of the United States – Morocco Free Trade Agreement (FTA) set out rules of origin for textiles and apparel for applying the tariff provisions of the FTA. These rules are reflected in General Note 27 of the Harmonized Tariff Schedule of the United States (HTS).

Section 203(j)(2)(B)(i) of the United States – Morocco Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover provisions of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement with Morocco pursuant to Article 4.3.6 of the FTA. Section 104(1) requires that the President obtain advice regarding the proposed action from the U.S. International Trade Commission (the Commission).

Our negotiators have recently reached agreement in principle with representatives of the government of Morocco on proposed modifications to the FTA textiles and apparel rules of origin. These proposed modifications are reflected in the enclosure. They reflect preliminary determinations that U.S. and Moroccan producers are unable to produce certain fabrics, as described in the enclosure, in commercial quantities in a timely manner.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable economic effect of the modifications reflected in the enclosed proposal on U.S. trade under the FTA, total U.S. trade, and on domestic producers of the affected articles; an addendum providing guidance on the scope of the investigation is attached for clarification. I request that the Commission provide this advice at the earliest possible date, but not later than five months from the date of delivery of this request. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,



Ambassador Michael B. G. Froman

Enclosure

Enclosure

U.S.-Morocco Free Trade Agreement

**Proposed Revision to Annex 4-A, Rules of Origin for Textile or Apparel Goods
for Chapters 42, 50 through 63, 70, and 94**

Chapter 62

Chapter Rule 4: The products listed in this rule are read in conjunction with the product - specific rules set out in this Annex. For purposes of determining whether a good is originating, a product listed in this rule is originating, notwithstanding the origin of the input mentioned in the rule, provided that the product meets all other requirements to be originating.

(a) Dresses, skirts, blouses and tops classified in chapter 62, of 100 percent viscose rayon woven fabric classified in subheading 5408.24.

(b) Women's or girls' cotton corduroy skirts and divided skirts classified in subheading 6204.52, of cotton corduroy fabrics classified in subheading 5801.22.

(c) Women's or girls' man-made fiber blouses, shirts and shirt-blouses classified in subheading 6206.40, of polyester corduroy fabrics classified in subheading 5801.32.

(d) Women's pants classified in subheading 6204, of synthetic bi-stretch fabric of 45 to 52 percent by weight of polyester, 45 to 52 percent by weight of rayon, and 1 to 7 percent by weight of spandex, classified in subheading 5515.11.

(e) Women's pants classified in subheading 6204, of woven fabric of 60 to 68 percent by weight of polyester, 29 to 37 percent by weight of rayon, and 1 to 7 percent by weight of spandex, classified in subheading 5515.11.

(f) Women's pants classified in subheading 6204, of woven herringbone fabric of 31 to 37 percent by weight of viscose rayon, 17 to 23 percent by weight of polyester, 17 to 23 percent by weight of cotton, 13 to 19 percent by weight of wool, 5 to 11 percent by weight of nylon, and 1 to 6 percent by weight of spandex, classified in subheading 5408.33.

Addendum:

Guidance for the U.S. International Trade Commission on the Scope of the Investigation Regarding the Probable Economic Effect of Proposed Changes to the Rules of Origin under the U.S-Morocco Free Trade Agreement

With respect to the investigation by the U.S. International Trade Commission (the Commission) to provide advice on the probable economic effect of the modifications reflected in the enclosed proposal for a modification to the rules of origin under the U.S. Morocco Free Trade Agreement, the Office of the U.S. Trade Representative provides the following guidance to the Commission on the scope of its investigation, based on the proposed changes to the rules of origin, as described in the enclosure:

- For the proposed change to the rule of origin described under (a): “Dresses, skirts, blouses and tops, classified in chapter 62, of 100 percent viscose rayon woven fabric classified in subheading 5408.24,” “dresses, skirts, blouses and tops” are defined as apparel classified in subheadings 6204.44.40, 6204.59.30, 6206.40.30, 6204.29.20, and 6211.43.00, of the Harmonized Tariff Schedule of the United States (HTS).
- For the proposed change to the rule of origin described under (d): “Women’s pants of heading 6204, of synthetic bi-stretch fabric of 45 to 52 percent by weight of polyester, 45 to 52 percent by weight of rayon, and 1 to 7 percent by weight of spandex, classified in subheading 5515.11,” “women’s pants of heading 6204” are defined as women’s pants classified in subheadings 6204.63.35, 6204.69.25, and 6204.69.90 of the HTS.
- For the proposed change to the rule of origin described under (e): “Women’s pants of heading 6204, of woven fabric of 60 to 68 percent by weight of polyester, 29 to 37 percent by weight of rayon, and 1 to 7 percent by weight of spandex, classified in subheading 5515.11,” “women’s pants of heading 6204” are defined as women’s pants classified in subheadings 6204.63.35 and 6204.69.90 of the HTS.
- For the proposed change to the rule of origin described under (f): “Women’s pants of 6204, of woven herringbone fabric of 31 to 37 percent by weight of viscose, 17 to 23 percent by weight of polyester, 17 to 23 percent by weight of cotton, 13 to 19 percent by weight of wool, 5 to 11 percent by weight of nylon, and 1 to 6 percent by weight of spandex, classified in subheading 5408.33,” “women’s pants of heading 6204” are defined as women’s pants classified in subheadings 6204.69.25 and 6204.69.90 of the HTS.