

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. Morocco FTA-103-11

EFFECT OF MODIFICATIONS TO THE U.S.-MOROCCO FREE TRADE AGREEMENT

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and request for written submissions

EFFECTIVE DATE: April 15, 2005

SUMMARY: Following receipt of a request on April 14, 2005, from the Acting United States Trade Representative (USTR) under authority delegated by the President and pursuant to section 104 of the United States-Morocco Free Trade Agreement Implementation Act (19 U.S.C. 3805 note), the Commission instituted investigation No. Morocco FTA-103-11, *Effect of Modifications to the U.S.-Morocco Free Trade Agreement*.

FOR FURTHER INFORMATION CONTACT: Information may be obtained from Janis Summers, Office of Tariff Affairs and Trade Agreements (202-205-2605, janis.summers@usitc.gov, or Doug Newman, Office of Industries (202-205-3328, douglas.newman@usitc.gov); for information on legal aspects, contact William Gearhart of the Office of the General Counsel (202-205-3091, william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819, margaret.olaughlin@usitc.gov).

BACKGROUND: On August 17, 2004, the President signed the United States-Morocco Free Trade Agreement Implementation Act (the Act). The Act approved the Agreement and authorized the President to proclaim the tariff and other customs treatment set forth therein. As required by section 2104(f) of the Trade Act of 2002, the Commission submitted its advice concerning the likely impact of the Agreement in June 2004.

According to USTR, the United States and Morocco ("the Parties") drafted the Agreement based on the assumption that it would enter into force at the beginning of a calendar year, and the date on which the Agreement was to enter into force was January 1, 2005. Due to subsequent events, the Parties agreed that the date of entry into force of the Agreement should be delayed until July 1, 2005. Accordingly, the Parties agreed to amend the Agreement so that the first stage of negotiated tariff reductions and related measures will become effective on that date, with the second stage starting on January 1, 2006. In addition, the Parties agreed to amend the Agreement so that the in-quota quantities of the tariff-rate quotas for agricultural and apparel goods and the quantities of textile and apparel goods that receive preferential tariff treatment, as set out in the Agreement, be reduced by fifty percent for the period July 1, 2005 through December 31, 2005, after which the previously agreed treatment would be accorded.

According to USTR, the Parties will exchange letters to modify the Agreement as specified in the preceding paragraph in order to effect a date of entry into force of July 1, 2005; no other amendments to the Agreement will be made.

Section 201 of the Act authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such tariff modifications and other customs treatment as are necessary to carry out or apply specified provisions of the Agreement with Morocco. One of the requirements set out in section 104 of the Act is that the President obtain advice from the United States International Trade Commission.

USTR asked that the Commission provide advice on the probable effect of the modifications to the Agreement described above, with a view toward identifying any changes in the Commission's previous advice concerning the impact of the Agreement.

As requested, the Commission will submit its advice to USTR by April 28, 2005, and shortly thereafter issue a public version of the report with any confidential business information deleted.

The Commission has styled this as a section 103 investigation to make it part of a series of reports, generally submitted under section 103 of the U.S. implementing legislation for a free trade agreement (e.g., section 103 of the NAFTA Implementation Act, section 103 of the United States-Singapore Free Trade Agreement Implementation Act), in which the Commission provides advice to the President on the effect of a modification to the agreement. This investigation is the 11th in a series of such investigations.

WRITTEN SUBMISSIONS: No public hearing is planned. However, interested parties are invited to submit written statements concerning the matters to be addressed by the Commission in this investigation. Submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. In view of the short amount of time that the Commission has to provide its advice, the Commission asks that any written statements related to the Commission's report be submitted to the Commission at the earliest practical date and no later than the close of business on April 25, 2005. The Commission will consider submissions received by that date. The Commission will transmit with its report to the President a copy of all written submissions received by that date as well as any additional submissions received between that date and the close of business on April 27, 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 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 business 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, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000 or edis@usitc.gov).

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 this investigation in the report it sends to the USTR and the President. As requested by 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.

The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) <http://edis.usitc.gov>. Hearing impaired individuals may 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.

By order of the Commission.

/s/

Marilyn R. Abbott
Secretary to the Commission

Issued: April 18, 2005