

**UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436**

**Inv. No. 332-494**

***U.S. - Israel Agricultural Trade: Probable Economic Effect on U.S. and Israeli Agricultural Industries of Conducting Such Trade in a Free Trade Environment***

**AGENCY:** United States International Trade Commission

**ACTION:** Institution of investigation and scheduling of hearing

**SUMMARY:** Following receipt on October 23, 2007, 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. 332-494, *U.S. - Israel Agricultural Trade: Probable Economic Effect on U.S. and Israeli Agricultural Industries of Conducting Such Trade in a Free Trade Environment*.

**DATES:**

December 21, 2007: Deadline for filing requests to appear at public hearing.

January 3, 2008: Deadline for filing pre-hearing briefs and statements.

January 10, 2008: Public hearing.

January 16, 2008: Deadline for filing post-hearing briefs and statements.

February 1, 2008: Deadline for all other submissions.

April 23, 2008: Transmittal of Commission report to USTR.

**ADDRESSES:** All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions, including requests to appear at the hearing, should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436.

**FOR FURTHER INFORMATION CONTACT:** Project leader Mark Simone (202-205-2049 or [mark.simone@usitc.gov](mailto:mark.simone@usitc.gov)) or deputy project leader Erick Oh (202-205-3033 or [erick.oh@usitc.gov](mailto:erick.oh@usitc.gov)) for information specific to this investigation. For information on the 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](mailto:william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations at 202-205-1819 or [margaret.olaughlin@usitc.gov](mailto:margaret.olaughlin@usitc.gov). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal at 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 this investigation may be viewed on the Commission's electronic docket (EDIS-ONLINE) at <http://usitc.gov/secretary/edis.htm>. 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.

**BACKGROUND:** According to the USTR's letter, the Governments of the United States and Israel are scheduled to initiate discussion in January 2008 of the United States-Israel Agreement on Trade in Agricultural Products (ATAP) to seek ways to improve the ATAP prior to its expiration on December 31, 2008. The ATAP is an adjunct to the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America (FTA), which was implemented in 1985 and applies to trade in all products between the two countries. According to the

letter, the United States and Israel have held differing views as to the meaning of certain rights and obligations related to agricultural products under the FTA. The ATAP was intended to address issues that have arisen based on these differing interpretations. Following the implementation of the 1985 FTA, most Israeli agricultural products exported to the United States had duty-free access to the U.S. market. The letter indicates that U.S. exporters of agricultural products, however, have continued to face significant market access barriers in Israel despite the ATAP; the letter states that an objective of the proposed negotiations on the ATAP is to address these barriers.

To assist USTR in preparing for these negotiations, the USTR requested, under authority delegated by the President and pursuant to section 332(g) of the Tariff Act of 1930, that the Commission initiate an investigation and prepare a report that provides advice as to the probable economic effect on both the U.S. and Israeli agricultural industries, respectively, if U.S.- Israel agricultural trade was conducted in a free trade environment. The USTR asked that the Commission, to the extent practicable, include the following in its report:

- Advice at the industry level that focuses on the main products traded or likely to be traded between the United States and Israel. The USTR asked that the Commission, in preparing its advice, assume that the new ATAP would include elimination of tariffs and tariff-rate quotas (TRQs) on all agricultural products so as to calculate its maximum potential impact. The USTR asked that the Commission seek to measure these effects, to the extent data permit, through the use of partial equilibrium analysis or other quantitative methods.
- A list of the principal existing Israeli non-tariff barriers to agricultural trade, whether or not justified (such as technical barriers to trade, sanitary and phytosanitary measures, and TRQ administration) and information on TRQ fill rates, compiled from publicly available sources, and an analysis of their impact on U.S. agricultural exports to Israel.
- A description of Israeli agricultural trade, covering the major products and trading partners during 2002-2006, focusing on the countries and regions that have free trade agreements in effect with Israel.
- A description of the Israeli agricultural sector compiled from publicly available sources, including, to the extent possible, regional production and employment patterns, and principal factors affecting the competitiveness of the Israeli agricultural sector in domestic and international markets.

As requested by the USTR, the Commission expects to deliver its report by April 23, 2008. The USTR indicated that portions of the report will be classified as confidential.

**PUBLIC HEARING:** A public hearing in connection with this investigation will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on January 10, 2008. All persons have the right to appear by counsel or in person, to present information, and to be heard. Requests to appear at the public hearing should be filed with the Secretary, no later than 5:15 p.m., December 21, 2007, in accordance with the requirements in the "Written Submissions" section below. In the event that, as of the close of business on December 21, 2007, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant may call the Secretary to the Commission (202-205-2000) after December 21, 2007, for information concerning whether the hearing will be held.

**WRITTEN SUBMISSIONS:** In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements and briefs concerning this investigation. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary. Pre-hearing briefs and statements should be filed not later than 5:15 p.m., January 3, 2008; and post-hearing briefs and statements should be filed not later than 5:15 p.m., January 16, 2008. All other submissions should be filed not later than 5:15 p.m., February 1, 2008. 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 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a 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 authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, [http://www.usitc.gov/secretary/fed\\_reg\\_notices/rules/documents/handbook\\_on\\_electronic\\_filing.pdf](http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf)). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

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 "non-confidential" 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. If the Commission publishes a public version of the report, the published version will not include portions of the report that the USTR has classified as confidential and will also not include any confidential business information.

By order of the Commission.

/s/  
Marilyn R. Abbott  
Secretary to the Commission

Issued: November 21, 2007