

June 2008

## USTR Begins Investigation Regarding Whether to Designate Vietnam as a GSP Beneficiary Developing Country

On June 20, 2008, the Office of the U.S. Trade Representative (“USTR”) initiated a review to consider the designation of the Socialist Republic of Vietnam as a Beneficiary Developing Country (“BDC”) under the Generalized System of Preferences (“GSP”). The USTR’s office has initiated this review to determine whether to make a recommendation to the president that Vietnam meets the eligibility criteria under the GSP statute.

Under the GSP, many articles originating in countries designated as BDCs may be imported duty-free. The GSP is one of the largest and most widely used programs by U.S. companies to receive duty-free treatment for imported merchandise, and well over 100 countries and associations of countries are currently designated as BDCs.

The president has the authority to designate a country as a BDC. In doing so, the president must consider a number of factors as defined by the GSP statute, including the level of economic development, market access and openness to U.S. exports, protection of intellectual property rights, reduction of trade barriers and trade-distorting practices, and protection of worker rights in the country.

The USTR is soliciting comments by interested parties on whether Vietnam meets the criteria for GSP eligibility. Comments in this investigation are due by August 4, 2008.

### We Can Help

If you have any questions about how the designation of Vietnam as a BDC could affect your business, or if you would like assistance in submitting a response to the USTR within the notice and comment period, either individually or as part of a client coalition Katten plans to organize, please contact one of the Katten Muchin Rosenman LLP Customs and International Trade attorneys or professionals listed below.

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