ACTION: Notice of termination and initiation, request for comment.

SUMMARY: The United States Trade Representative (USTR) has terminated an investigation under section 302(a) of the Trade Act of 1974, (Trade Act) concerning the European Union's (EU) practices with respect to the importation of bananas. Pursuant to section 302(b)(1) of the Trade Act, the USTR has initiated a second investigation concerning the EU's acts, policies and practices relating to the importation, sale and distribution of bananas and, pursuant to section 303(a) of the Trade Act, has requested consultations with the EU pursuant to the World Trade Organization's (WTO) Understanding on Rules and Procedures Concerning the Settlement of Disputes (DSU). USTR invites public comment concerning the matter under investigation.

DATES: Investigation 301–94 was terminated on September 27, 1995, and investigation 301–100 was initiated on September 27, 1995. Written comments from the public are due on or before November 1, 1995.

ADDRESSES: Office of the United States Trade Representative, 600 17th Street, NW., Washington, DC 20508.

FOR FURTHER INFORMATION CONTACT: Edward Kaska, Director for European Services and Agriculture, (202) 395– 4620; or Rachel Shub, Assistant General Counsel, (202) 395–7305.

SUPPLEMENTARY INFORMATION: On September 2, 1994, Chiquita Brands International, Inc. and the Hawaii Banana Industry Association filed a petition pursuant to section 302(a) of the Trade Act (19 U.S.C. 2412(a)) alleging that various policies and practices of the EU, Colombia, Costa Rica, Nicaragua and Venezuela concerning trade in bananas are discriminatory, unreasonable and burden or restrict United States commerce. On October 17, 1994, pursuant to section 302(a) of the Trade Act, the USTR initiated an investigation of the following practices of the EU: (1) Council Regulation (EEC) No. 404/93 and related rules implementing a EU banana policy discriminating against U.S. banana marketing companies importing bananas from Latin America, including a restrictive and discriminatory licensing scheme designed to transfer market share to firms traditionally trade bananas from Africa, Caribbean and Pacific (ACP) sources and from EU overseas territories and dependencies; and (2) the March 29, 1994, Framework Agreement on Bananas between the EU and Colombia, Costa Rica, Nicaragua and Venezuela.

Upon initiation and again in January of 1995, the USTR requested public comment on the issues raised in the petition, the actionability under section 301 of the EU practices under investigation and what action would be appropriate under subsections (a) or (b) of section 301 of the Trade Act (19 U.S.C. 2411 (a) or (b)) if the practices were determined to be actionable. (See 59 FR 53495 of October 24, 1994, and 60 FR 3285 of January 13, 1995.) Numerous comments were received in response to both requests (Docket No. 301–94).

Since initiation of investigation 301–94, the USTR has conducted numerous consultations and bilateral discussions with the EU concerning the issues in the petition. These efforts have failed to bring about reform of the EU practices.

On the basis of the consultations with the EU, the comments received and consultations with the petitioner and with the relevant private sector advisory committees established pursuant to section 135 of the Trade Act, the USTR decided that issues raised in the investigation involve agreements annexed to the Agreement Establishing the WTO, including the General Agreement on Tariffs and Trade, the Agreement on Import Licensing Procedures and the General Agreement on Trade in Services, and should most appropriately be addressed by resort to the procedures of the DSU. In light of the foregoing and the consent of the petitioners, the USTR on September 27 terminated the section 301 investigation of the EU banana regime initiated on October 17, 1994 (Docket No. 301-94) and, based on information obtained in the prior investigation, decided to initiate a second investigation of the EU's regime for the importation, sale and distribution of bananas (Docket No. 301-100).

Investigation and Consultations

On September 27, 1995, pursuant to section 302(b)(1) of the Trade Act (19 U.S.C. 2412(b)(1)), the USTR initiated an investigation of the acts, policies and practices of the EU concerning the importation, sale and distribution of bananas. The investigation will be conducted in accordance with the regulations set forth in 15 CFR part 2006. Pursuant to section 304 of the Trade Act (19 U.S.C. 2414), the USTR will be required to make a determination on actionability under section 301 in this investigation by no later than 30 days after the conclusion of WTO dispute settlement procedures or March 27, 1997, whichever is earlier.

On September 27, 1995, the USTR also requested consultations with the

EU, as required by section 303(a) of the Trade Act. These consultations were requested in accordance with DSU procedures. In preparing for such consultations, USTR will seek information and advice from the appropriate committees established pursuant to section 135 of the Trade Act, as provided in section 303(a)(3) of that Act.

Public Comment

Interested persons are invited to submit written comments concerning the acts, policies and practices of the EU which are the subject of this investigation, the amount of burden or restriction on U.S. commerce caused by these acts, policies and practices and the determinations required under section 304 of the Trade Act. Comments must be filed in accordance with the requirements set forth in 15 CFR 2006.8(b) (55 FR 20593) and must be filed no later than 12 noon, Wednesday, November 1, 1995. Comments must be in English and provided in twenty copies to: Sybia Harrison, Staff Assistant to the Section 301 Committee, Room 223. Office of the U.S. Trade Representative, 600 17th Street, NW, Washington, DC 20508.

Comments will be placed in a file (Docket 301–100) open to public inspection pursuant to 15 CFR 2006.13, except confidential business information exempt from public inspection in accordance with 15 CFR 2006.15. Confidential business information submitted in accordance with 15 CFR 2006.15 must be clearly marked "BUSINESS CONFIDENTIAL" in a contrasting color ink at the top of each page on each of 20 copies, and must be accompanied by a nonconfidential summary of the confidential information. The nonconfidential summary shall be placed in the file that is open to public inspection. An appointment to review the docket (Docket No. 301-100) may be made by calling Brenda Webb (202) 395-6186. The USTR Reading Room is open to the public from 10 a.m. to 12 noon and 1 p.m. to 4 p.m., Monday through Friday, and is located in Room 101.

Irving A. Williamson,

Chairman, Section 301 Committee.

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