



INTERNATIONAL TRADE COMMISSION

19 CFR Part 220

Submission and Consideration of Petitions for Duty Suspensions and Reductions

AGENCY: United States International Trade Commission.

ACTION: Proposed amendments to rule with request for comments.

SUMMARY: The United States International Trade Commission (Commission) proposes to amend Part 220 of its Rules of Practice and Procedure. Part 220 governs the submission and consideration of petitions for duty suspensions and reductions under the American Manufacturing Competitiveness Act of 2016. The amendments are necessary to clarify certain provisions and address concerns that have arisen in Commission practice.

DATES: To be assured of consideration, written comments must be received by 5:15 p.m.: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER]

ADDRESSES: You may submit comments, identified by docket number MISC-046, Rulemaking Regarding Petitions for Duty Suspensions/Reductions, by any of the following methods:

-Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.

-Agency Website: <https://edis.usitc.gov>. Follow the instructions for submitting comments on the website.

-Mail: For paper submission. U.S. International Trade Commission, 500 E Street, SW, Room 112A, Washington, DC 20436.

-Hand Delivery/Courier: U.S. International Trade Commission, 500 E Street, SW, Room 112A, Washington, DC 20436. From the hours of 8:45a.m. to 5:15p.m.

Instructions: All submissions received must include the agency name and docket number (MISC-046, Rulemaking Regarding Petitions for Duty Suspensions/Reductions), along with a cover letter stating the nature of the commenter's interest in the proposed rulemaking. All comments received will be posted, without change, to <https://edis.usitc.gov> including any personal information provided. For paper copies, a signed original and 8 copies of each set of comments should be submitted to Lisa R. Barton, Secretary, U.S. International Trade Commission, 500 E Street, SW, Room 112A, Washington, DC 20436.

For access to the docket to read background documents or comments received, go to <https://edis.usitc.gov> and/or the U.S. International Trade Commission, 500 E Street, SW, Room 112A, Washington, DC 20436.

FOR FURTHER INFORMATION CONTACT: Lisa R. Barton, Secretary, telephone (202) 205-2000 or William Gearhart, Esquire, Office of the General Counsel, United States International Trade Commission, telephone (202) 205-3091. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its website at <https://www.usitc.gov>.

SUPPLEMENTARY INFORMATION: The preamble below is designed to assist

readers in understanding these proposed amendments to the Commission's Rules of Practice and Procedure (the Rules). This preamble provides background information, a regulatory analysis of the amendments, a section-by-section explanation of the amendments, and a description of the amendments to the Rules. The Commission encourages members of the public to comment on whether the language of the amendments is sufficiently clear for users to understand, and to submit any other comments they wish to make on the amendments.

These amendments are being promulgated in accordance with the Administrative Procedure Act (5 U.S.C. 553) (APA). If the Commission decides to proceed with this rulemaking after reviewing the comments filed in response to this notice, the proposed rule revisions will be promulgated in accordance with the applicable requirements of the APA and will be codified in 19 CFR Part 220.

Background

Section 335 of the Tariff Act of 1930 (19 U.S.C. 1335) authorizes the Commission to adopt such reasonable procedures, rules and regulations as it deems necessary to carry out its functions and duties. In addition, section 3(b)(5) of the American Manufacturing Competitiveness Act of 2016 (19 U.S.C. 1332 note) (the Act) directs the Commission to prescribe and publish in the Federal Register, and on a publicly available internet website of the Commission, procedures to be complied with by members of the public submitting petitions for duty suspensions and reductions under section 3(b)(1)(A) of that Act.

The Commission is amending its rules governing the submission and

consideration of petitions for duty suspensions and reductions under the Act. Section 3 of the Act establishes a process for the submission and consideration of petitions for duty suspensions and reductions. More specifically, it directs the Commission to publish notices, not later than October 15, 2016, and October 15, 2019, that requests members of the public to submit petitions to the Commission for duty suspensions and reductions, provided they can demonstrate that they are likely beneficiaries of such duty suspensions or reductions. The Act also provides that the petitioners must submit disclosure forms with respect to such duty suspensions and reductions. The petitions and disclosure forms must be submitted during the 60-day period beginning on the date of publication of the Commission's notices. Section 3 of the Act also lists the types of information that must be included in a petition.

Section 3 of the Act requires that the Commission publish on its website all petitions that contain the required information and the related disclosure forms no later than 30 days after the close of the 60-day filing period. It also provides that members of the public will have 45 days from the date of the notice's publication to submit comments to the Commission regarding the petitions and disclosure forms. The Commission must make those comments available to the public on the Commission's website.

The Commission adopted the rules it is amending as a final rule effective December 26, 2018 (see notice published in the Federal Register on December 26, 2018 (83 FR 66102)). In so doing the Commission adopted, without change, the interim rule published in the Federal Register on September 30, 2016 (61 FR 67144). In its notice promulgating the interim rule, the Commission invited interested parties to file comments

on the interim rule; no comments were filed. In its notice of final rulemaking published on December 26, 2018, the Commission stated that it may propose several amendments to this final rule.

These amendments modify the text of sections 220.5, 220.6, 220.7, 220.9, 220.10, and 220.11 of Part 220. In addition, these amendments re-designate current sections 220.11, 220.12, 220.13, and 220.14 as sections 220.12, 220.13, 220.14, and 220.15, respectively. The Commission is inviting comments only on the changes in the text of the above rule sections.

The changes principally (1) require petitions to include certain additional information to assist the Commission in evaluating a petition, (2) clarify and provide additional instruction with respect to information to be included in a petition, (3) revise the requirement regarding the time when a petition may be withdrawn. The changes also divide section 220.11 into two sections, section 220.11 and section 220.12, and renumber current sections 220.12 through 220.14.

Procedure for Adopting the Proposed Amendments

Consistent with its ordinary practice, the Commission is issuing these proposed amendments in accordance with the notice-and-comment rulemaking procedure in section 553 of the Administrative Procedure Act (APA) (5 U.S.C. 553). That procedure entails the following steps: (1) publication of a notice of proposed rulemaking; (2) solicitation of public comments on the proposed amendments; (3) Commission review of public comments on the proposed amendments, and (4) publication of final amendments at least 30 days prior to their effective date.

Regulatory Analysis of Proposed Amendments to the Commission's Rules.

The Commission has determined that these proposed amendments to the rules do not meet the criteria described in section 3(f) of Executive Order 12866 (58 FR 51735, October 4, 1993) and thus do not constitute a "significant regulatory action" for purposes of the Executive Order.

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.) is inapplicable to this rulemaking because it is not one for which a notice of proposed rulemaking is required under 5 U.S.C. 553(b) or any other statute. Although the Commission has chosen to publish a notice of proposed rulemaking, these proposed regulations are "agency rules of procedure and practice," and thus are exempt from the notice requirement imposed by 5 U.S.C. 553(b).

These proposed rules do not contain federalism implications warranting the preparation of a federalism summary impact statement pursuant to Executive Order 13132 (64 FR 43255, Aug. 4, 1999).

No actions are necessary under title II of the Unfunded Mandates Reform Act of 1995, Pub. L. 104-4 (2 U.S.C. 1531-1538) because the proposed amendments to the rules will not result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more in any one year (adjusted annually for inflation), and will not significantly or uniquely affect small governments, as defined in 5 U.S.C. 601(5).

The proposed rules are not "major rules" as defined by section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.).

Moreover, they are exempt from the reporting requirements of that Act because they contain rules of agency organization, procedure, or practice that do not substantially affect the rights or obligations of non-agency parties.

The Commission previously submitted an information collection request for its secure web portal for the Miscellaneous Tariff Bills Petition System to the Office of Management and Budget for Paperwork Reduction Act clearance. See 81 FR 58531 (Aug. 25, 2016). The Commission received the appropriate clearance. However, this clearance expires on September 30, 2019, and the Commission will be seeking a new clearance. The Commission intends to process the information it collects consistent with these rules as amended, and the Commission intends to obtain the appropriate clearance required by the Paperwork Reduction Act before it begins its next information collection on October 15, 2019.

Section-by-Section Explanation of the Proposed Amendments

PART 220 – PROCESS FOR CONSIDERATION OF PETITIONS FOR DUTY

SUSPENSIONS AND REDUCTIONS

Sections 220.1 through 220.4 of part 220, which refer, respectively, to the applicability of this part, set out applicable definitions, and state who may file a petition and the time for filing, are not changed.

Section 220.5 lists the types of information that must be set forth in a petition. The amendment modifies section 220.5 in five respects. First, it amends section 220.5(e)(1) to clarify that the U.S. Customs and Border Protection (CBP) ruling requested should be one that indicates CBP's classification of the article. Second, it

divides section 220.5(h) into two parts. New paragraph (1) requires petitions to include an estimate of both total value and, in addition, dutiable value in U.S. dollars for the next 5 calendar years, and new paragraph (2) requires petitions to include an estimate of the share of total imports represented by the petitioner's imports of the subject article. Third, the amendment modifies section 220.5(j) to require that the petition include "The names of any domestic producers of the article, if available." Fourth, it adds a new subsection (n) that requires the petition to include a certification that the information supplied in the petition is complete and correct to the best of the petitioner's knowledge and belief and that the petitioner understands that the information submitted is subject to audit and verification by the Commission. Fifth, it re-designates existing subsection (n) as subsection (o).

Section 220.6 describes the information that should be included in the description of the article for which a duty suspension or reduction is being sought. The Commission proposes to amend section 220.6(a)(4) to delete current wording that requires that the description be "sufficiently clear as to be administrable by CBP." The Commission would substitute more specific wording that requires the petition to describe the article based on the existing Harmonized Tariff Schedule (HTS) category's description (at the 8- or 10-digit level) in HTS chapters 1 through 97, or to delineate an article representing a subset of the coverage of the applicable HTS category using terminology already included in the HTS or interpreted in pertinent CBP rulings.

Section 220.7 describes what constitutes a properly filed petition and describes how the Commission will treat identical and overlapping petitions filed by the same

petitioner. The Commission proposes to make two changes to this section. First, it proposes to expand the title of the rule section to indicate that the rule also applies to identical and overlapping petitions filed by the same petitioner. Second, it proposes to amend section 220.7(b)(2) to delete the word “generally.” Section 220.7(b)(2) currently states that when a petitioner has filed one or more identical or overlapping petitions, the Commission will “generally” consider the earliest filed pending petition to be the petition of record, leaving open the possibility that the Commission might consider a different petition for another reason. In the few instances in which the Commission received a petition that fell into this category during the 2016 filing period, the Commission considered the earliest filed petition to be the petition of record. This change removes any uncertainty.

Section 220.8 states that, in the case of petitions for identical or overlapping articles received from multiple petitioners, the Commission may consolidate those petitions and publish a single recommendation. The Commission is not proposing any changes.

Section 220.9 addresses withdrawal of petitions, submission of new petitions, and amendments to petitions. The Commission proposes to amend section 220.9(a), which currently states that a petitioner may withdraw a petition at any time prior to the time the Commission transmits its final report to Congress. The Commission proposes to revise this subsection to state that a petitioner may withdraw a petition “no later than 30 days after the Commission submits its preliminary report.”

Current section 220.10 addresses Commission publication and public availability

of petitions and opportunity for the public to comment on such petitions. The Commission proposes to divide section 220.10 into two separate sections, with section 220.10 retitled “Commission publication and public availability of petitions,” and new section 220.11 titled “Public comment period.” Revised section 220.10 tracks the text of current section 220.10(a). The Commission proposes to delete the title of subsection (a) of current 220.10 and incorporate it into the new title of section 220.10.

New section 220.11, titled as “Public comment period,” contains four subsections. New subsection (a), “Time for filing,” largely tracks the wording in current section 220.10(b). New subsection (b) includes a list of information items that must be included in a comment, including certain information about the commenter; a statement about whether the comment supports, opposes, or takes no position on the petition; and a certification statement. It also refers commenters to the Commission’s Handbook on MTB Filing Procedures and requires that commenters comply with those requirements. New subsection (c) sets out a list of requirements that apply to comments from domestic producers. Comments must include: (1) a description of the product alleged to be identical, like, or directly competitive with the product that is the subject of the petition; (2) the Chemical Abstracts Services registry number (if any); (3) certain information about production or likely production of an identical, like, or directly competitive article within the United States; (4) information relating to commercial availability; (5) addresses for the locations of U.S. production facilities; and (6) evidence demonstrating the existence of domestic production and citing possible examples. Subsection (d) states that the Commission may provide additional opportunity for public comment and, if it

does so, will publish notice of that opportunity in the Federal Register.

The Commission proposes to re-designate current section 220.11 as section 220.12. The section describes the contents of the Commission's preliminary report to the Committees. The Commission proposes only one change: it would delete the parenthetical in subsection (b)(2) that relates to corrections of article descriptions.

The Commission proposes to re-designate current section 220.12 as section 220.13. The section describes the timing and content of Commission final reports. The Commission is not proposing any other changes to this section.

The Commission proposes to re-designate current section 220.13 as section 220.14. The section describes the treatment of confidential business information. The Commission is not proposing any other changes to this section.

The Commission proposes to re-designate current section 220.14 as section 220.15. The section identifies certain rules in subpart B of part 201 of subchapter A of chapter II that would not apply to Commission proceedings under part 220 of subchapter D of chapter II. The Commission is not proposing any other changes to this section.

List of Subjects in 19 CFR Part 220

Administrative practice and procedure, miscellaneous tariff bills

For the reasons stated in the preamble, the United States International Trade Commission proposes to amend 19 CFR part 220 to read as follows:

PART 220 – PROCESS FOR CONSIDERATION OF PETITIONS FOR DUTY

SUSPENSIONS AND REDUCTIONS

1. The authority citation for part 220 continues to read as follows:

Authority: 19 U.S.C. 1335; Pub. L. 114-159, 130 Stat. 396 (19 U.S.C. 1332 note).

2. Amend § 220.5 by revising paragraphs (e), (h), (j), re-designating paragraph (n) as paragraph (o), and adding a new paragraph (n) to read as follows:

§ 220.5 Contents of petition.

* * * * *

- (e) To the extent available –

- (1) A classification ruling of U.S. Customs and Border Protection (CBP) that indicates CBP’s classification of the article; and

- (2) A copy of other CBP documentation indicating where the article is classified in the HTS.

* * * * *

- (h) For each HTS number included in the article description,

- (1) An estimate of the total and dutiable value (in United States dollars) of imports of the article covered by the petition for the calendar year preceding the year in which the petition is filed, for the calendar year in which the petition is filed, and for each of the 5 calendar years after the calendar year in which the petition is filed, including an estimate of the value of such imports by the person who submits the petition and by any other importers, if available, and

- (2) An estimate of the share of total imports represented by the petitioner’s imports of the article that is the subject of the petition.

* * * * *

(j) The names of any domestic producers of the article, if available.

* * * * *

(n) A certification from the petitioner that the information supplied is complete and correct to the best of the petitioner's knowledge and belief, and an acknowledgement from the petitioner that the information submitted is subject to audit and verification by the Commission.

3. Amend § 220.6 by revising paragraph (a)(4) to read as follows:

§ 220.6 Article description.

(a) * * *

(4) describes all of the merchandise covered by the article's permanent subheading in chapter 1 through 97 by setting forth that subheading's article description, or describes a clearly delineated subset of that coverage, which may comprise the description of one or more statistical reporting numbers of the applicable subheading, and

4. Amend § 220.7 by revising the section heading and paragraph (b)(2) to read as follows:

§ 220.7 Properly filed petition; identical and overlapping petitions from same petitioner.

(b) * * *

(2) Should the Commission find that a petitioner has filed one or more identical or overlapping petitions and that such earlier filed petitions have not been withdrawn, the Commission will consider the earliest filed pending petition to be the petition of the petitioner.

5. Amend § 220.9 by revising paragraph (a) to read as follows:

§ 220.9 Withdrawal of petitions, amendments to petitions.

(a) Withdrawal of petitions. A petitioner may withdraw a petition for duty suspension or reduction filed under this part no later than 30 days after the Commission submits its preliminary report, as described in § 220.12. It shall do so by notifying the Commission through the Commission's designated secure web portal of its withdrawal and the notification shall include the name of the petitioner, the Commission identification number for the petition, and the HTS number for the article concerned.

6. Revise § 220.10 to read as follows:

§ 220.10 Commission publication and public availability of petitions.

Not later than 30 days after expiration of the 60-day period for filing petitions for duty suspensions and reductions, the Commission will publish on its website the petitions for duty suspensions and reductions submitted under § 220.3 that were timely filed and contain the information required under § 220.5. When circumstances allow, the Commission may post such petitions on its website earlier than 30 days after expiration

of the 60-day period for filing petitions.

7. Re-designate §§ 220.11 through 220.14 as §§ 220.12 through 220.15 and add a new § 220.11 to read as follows:

§ 220.11 Public comment period

(a) Time for filing. Not later than 30 days after expiration of the 60-day period for filing petitions, the Commission will also publish in the Federal Register and on its website a notice requesting members of the public to submit comments on the petitions for duty suspensions and reductions. To be considered, such comments must be filed through the Commission's secure web portal during the 45-day period following publication of the Commission's notice requesting comments from members of the public. For purposes of this section, all petitions posted by the Commission on its website, whether or not posted early, shall be deemed to be officially published by the Commission on its website on the date of publication of the notice seeking written comments from members of the public on the petitions.

(b) In general. The comment shall include the following information:

(1) The name, telephone number, and postal and email address of the commenter, and if appropriate, its representative in the matter,

(2) A statement as to whether the commenter is a U.S. producer, importer, government entity, trade association or group, or other,

(3) A statement as to whether the comment supports the petition; objects to the petition; or takes no position with respect to the petitions/provides other comment,

(4) If the commenter is an importer, a list of the leading source countries of the

product,

(5) A certification from the commenter that the information supplied is complete and correct to the best of the commenter's knowledge and belief, and an acknowledgement from the commenter that the information submitted is subject to audit and verification by the Commission,

(6) Comments, including any attachments thereto, must comply with the Commission's Handbook on MTB Filing Procedures as posted on the Commission's website.

(c) Comments from domestic producers. Comments from a firm claiming to be a domestic producer, as defined in § 220.2(g), shall also include:

(1) A description of the product alleged to be identical, like, or directly competitive with the product that is the subject of the petition,

(2) The Chemical Abstracts Service registry number for the product (if applicable),

(3) A statement as to whether an identical, like, or directly competitive product was produced in the current calendar year and, if not, the year in which the product was last produced or in which production is expected to begin within the United States,

(4) A statement as to whether such product is commercially available and, if not commercially available, an explanation of its lack of availability,

(5) The physical address(es) for the location(s) of the production facility(ies) producing the product within the United States, and

(6) Evidence demonstrating the existence of domestic production (e.g., catalogs,

press releases, marketing materials, specification sheets, copies of orders for the product).

(d) The Commission may provide additional opportunity for public comment and, if so, will announce that comment period in the Federal Register.

8. Amend newly re-designated § 220.12 by revising paragraph (b)(2) to read as follows:

§ 220.12 Commission preliminary report.

(b) * * *

(2) A list of petitions for duty suspensions and reductions for which the Commission recommends technical corrections in order to meet the requirements of the Act, with the correction specified.

9. Amend newly re-designated § 220.13 by revising the section heading to read as follows:

§ 220.13 Commission final report.

10. Amend newly re-designated § 220.14 by revising the section heading to read as follows:

§ 220.14 Confidential business information.

11. Amend newly re-designated § 220.15 by revising the section heading to read

as follows

§ 220.15 Application of other Commission rules.

By order of the Commission.

Katherine Hiner
Acting Secretary to the Commission

Issued: March 1, 2019

[FR Doc. 2019-04095 Filed: 3/13/2019 8:45 am; Publication Date: 3/14/2019]