

INTERNATIONAL TRADE COMMISSION
Washington, DC

19 CFR Part 220

Submission and Consideration of Petitions for Duty Suspensions and Reductions

AGENCY: United States International Trade Commission.

ACTION: Final rule.

SUMMARY: The United States International Trade Commission (Commission) amends 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 and Competitiveness Act of 2016. The amendments are necessary to clarify certain provisions and to address concerns that have arisen in Commission practice.

DATES:

Effective date: [Insert date that is 30 days after publication in Federal Register].

FOR FURTHER INFORMATION CONTACT:

Lisa R. Barton, Secretary, United States International Trade Commission, 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 may obtain information on this matter 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 this final rule. This preamble provides background information and a regulatory analysis of the rule.

These amendments to the rule are being promulgated in accordance with the Administrative Procedure Act (5 U.S.C. 553) (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 in submitting petitions for duty suspensions and reductions under section 3(b)(1)(A) of the Act.

This rulemaking effort began when the Commission published a notice in the *Federal Register* on December 26, 2018, making final the existing interim rule in Part 220 of its Rules of Practice and Procedure governing the submission and consideration of petitions for duty suspensions and reductions under the Act. In that notice the Commission stated that it might propose several amendments to the final rule in the near future in light of experience gained in applying the interim rule, with the intent that the amendments be in place before October 15, 2019. See notice published in the *Federal Register* on December 26, 2018 (83 FR 66102), making final the interim rule published in the *Federal Register* on September 30, 2016 (81 FR 67144).

The Commission published a notice of proposed amendments to Part 220 and a request for comments in the *Federal Register* on March 14, 2019 (84 FR 9273). The 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 changes principally (1) require petitions and comments 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 and comment, and (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.

The notice invited members of the public to file written comments on the proposed amendments no later than 30 days after the day of publication of the notice, in this case, by April 15, 2019. The Commission received written comments from 13 interested parties: The American Association of Exporters and Importers (AAEI); the American Chemistry Council (ACC); the American Apparel & Footwear Association (AAFA); Ann, Inc. (Ann); Element Electronics (Element); W. L. Gore & Associates, Inc. (W. L. Gore); Mannington Mills, Inc. (Mannington); the Manufacturing Tariff Bill Coalition (MTB Coalition); the National Association of Manufacturers (NAM); Newell Brands, Inc. (Newell); Outdoor Industry Association (Outdoor); PetSmart, Inc. (PetSmart); and Simms Fishing Products, LLC (Simms).

The Commission carefully considered all comments that it received. The Commission provides its response to comments in a section-by-section analysis provided below. The Commission appreciates the time and effort of the commentators in preparing their submissions.

As required by the Regulatory Flexibility Act, the Commission certifies that these amendments will not have a significant impact on small business entities.

Procedure for Adopting the Proposed Amendments

Consistent with its ordinary practice, the Commission is making these amendments in accordance with the notice-and-comment rulemaking procedure in section 553 of the 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 the APA in 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 is 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.

Overview of the Amendments to the Regulations

The final regulations contain 3 (three) changes from those proposed in the Notice of Proposed Rulemaking (NPRM). These changes are summarized here.

First, with regard to rule 220.6(a)(4), the Commission has determined to retain, rather than delete, the wording in the current rule that requires the article description to be “sufficiently clear as to be administrable by CBP.” The Commission has determined not to adopt the proposed substitute wording.

Second, with regard to rule 220.7(b)(2), the Commission has determined to retain, rather than delete, the word “generally”.

Third, with regard to rule 220.11(c)(4), the Commission has determined to revise the rule to read “a statement as to whether such product is generally available for sale, and if not, an explanation of its lack of availability for sale”.

Section-by-Section Explanation of the Amendments, Comments Received, and Commission Response

Part 220—Process for Consideration of Petitions for Duty Suspensions and Reductions

Section 220.5

Section 220.5 lists the types of information that must be set forth in a petition. The proposed amendment would modify 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).

Comments

AAEI expressed concern that the amendment to subsection (h) that requires petitioners to provide estimated total value and dutiable value data in U.S. dollars appears to apply to the specific petitioner, without allowing the petitioner to redact confidential information or provide it in an alternative form, such as in quantified or percentage values. AAEI also expressed concern that the new certification requirement in subsection (n) would open petitioners to a “quick response audit.”

The ACC expressed similar concerns about the possible disclosure of data relating to an estimate of the share of total imports. It expressed concern that the change, in the absence of a Commission process for considering whether it needs the information for its review, would discourage companies from filing petitions. It recommended that the Commission provide a discrete confidential business information process if the Commission decides such information is necessary for its review of a petition.

The MTB Coalition did not propose any changes to the proposed amendments to section 220.5. It also did not oppose the new requirements. However, the MTB Coalition asked that the Commission be “lenient” when auditing estimates. The MTB Coalition said that petitioners may have only limited knowledge about imports by other importers, particularly when the imported article does not directly correspond to an 8- or 10-digit HTS number. The MTB Coalition also stated that a petitioner may not know the names of domestic producers of the article. If a company does list a domestic producer, the MTB Coalition expressed concern that a petition may be “automatically denied.”

NAM asked that the Commission treat estimates submitted by petitioners of their total share of imports as confidential business information when petitioners so request.

Commission response

The Commission is adopting as a final rule the amendments to section 220.5. The Commission considered AAIE’s concern about requiring that a petition include an estimate of dutiable value data. The Commission notes that it required petitioners to submit such data as part of their 2016 petitions, and thus this change simply incorporates prior Commission practice. The Commission did not encounter difficulties or concerns in collecting such data in 2016. The Commission is aware that disclosure of dutiable value data could help a competitor, in some instances and with the help of other data, gain insight into the dutiable value data reported by a petitioner. When a petitioner has reason to believe this may occur, the petitioner may request confidential treatment for the information it considers to qualify for such treatment.

The Commission considered the concerns expressed by ACC and NAM about possible disclosure of a petitioner’s data relating to an estimate of the share of total imports. As in the preceding paragraph, the Commission notes that a petitioner may seek confidential treatment for business information that it believes qualifies for such treatment. However, the Commission also notes that sections 3(b)(C) and (D) of the Act, which set out the content requirements for the Commission’s preliminary and final reports to the Committees, require the Commission to provide an estimate of the amount of revenue loss to the United States if a duty suspension or reduction takes effect. For this and certain other information the Commission requires be included in a petition, the Commission has notified petitioners, in accordance with the confidential treatment provision in section 332(g) of the Tariff Act of 1930, that certain specific information provided may be disclosed in the reports it sends to the Committees.

The Commission appreciates the concerns expressed by the MTB Coalition. The Commission notes it has already prefaced several of the petitioning requirements at issue in current section 220.5 with the term “if available.” The Commission also notes that it permits petitioners to provide additional explanation regarding any domestic production and considers all available information obtained with respect to each petition in preparing its final report and recommendation.

Section 220.6

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 amendment would delete

wording in section 220.6(a)(4) that requires that the description be “sufficiently clear as to be administrable by CBP.” The Commission would substitute more specific wording that requires the petitioner (1) 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 (2) 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.

Comments

ACC opposed the change and said that the current “administrable” wording “strikes the right balance.” ACC indicated that the proposed wording would introduce “unnecessary complexities,” make the rules “too stringent,” and might discourage the filing of petitions.

Element opposed deletion of the wording “sufficiently clear as to be administrable by CBP” in the current rule and replacement with wording that would require a petitioner to describe the imported article in terms of existing 8-digit HTS subheadings or 10-digit HTS statistical reporting numbers. Element cited four reasons: (1) the terminology in the HTS is frequently out of date; (2) existing 8-digit and 10-digit HTS numbers often cover a range of products, and more detailed descriptions may be necessary to address potential concerns of or objections from producers of other similar products that fall within that tariff line; (3) “other” categories offer little in the way of description that could be used to narrow the scope of an MTB; and (4), even where HTS subheadings are further broken down into statistical reporting numbers that describe an article with some specificity, such descriptions may still be too broad and require further narrowing. Element urged the Commission to amend the proposed rule change to make clear that petitioners should draft article descriptions using the existing terminology of the HTS, and allow petitioners to rely on examples of terminology found “anywhere” within the HTS.

The MTB Coalition expressed the view that this change will be helpful in the drafting of article descriptions and expressed the hope it will lead to fewer CBP objections over administrability issues.

NAM urged that the Commission continue to use the “sufficiently clear” wording in the current rule. NAM expressed the view that the proposed substitute wording “is far too narrow and not required by the statutes.”

Commission response

After considering the comments submitted, the Commission has decided to withdraw this proposed change. The Commission did not encounter difficulties during the first round of petitions with the current wording. It proposed the revised wording in the expectation it would provide greater clarity and help petitioners in preparing their petitions.

Section 220.7

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.

Comments

ACC requested that the Commission retain the term “generally” in order to retain the flexibility to permit petitioners to correct improperly filed or overlapping petitions.

AAFA said that the changes regarding overlapping petitions would make the current situation worse. It urged the Commission to provide petitioners with the opportunity to explain how multiple petitions might not be overlapping. It also asserted that the Commission, during the 2017 petition cycle, had applied the rule too narrowly and had rejected petitions that met the statutory requirements.

NAM expressed the view that the proposed revisions regarding overlapping petitions filed by the same petitioner fail to address the concern raised by manufacturers during the 2016-2017 cycle that resulted in the rejection of petitions. NAM asserted that the Commission applied an overly narrow construction of its own rules in rejecting petitions, and it urged the Commission to revise section 220.7 “to establish an opportunity or procedure for petitioners to explain how multiple petitions submitted by the same petitioner may not, in fact, be overlapping petitions.”

Commission response

The Commission is adopting the first of the two proposed changes to this section, the change in the title of the section. However, in consideration of comments favoring retention of the term “generally,” the Commission is withdrawing that proposed change.

Section 220.9

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.”

Comments

The MTB Coalition expressed the view that his change will help the consideration process to be more efficient.

Commission response

In the absence of any adverse comments, the Commission is adopting as a final rule the amendments to section 220.9.

Section 220.10

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.

Comments

The Commission did not receive any comments.

Commission response

The Commission is adopting as a final rule the amendments to section 220.10.

Section 220.11

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) a statement as to whether such product is commercially available and, if not commercially available, an explanation of its lack of 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*.

Comments

AAEI expressed support for the requirement that persons filing comments indicate whether they support, oppose, or take no position on the petition. It also expressed concern that the required submission of additional information without the opportunity to redact may require

persons filing comments to disclose confidential business information.

AAFA expressed support for the inclusion of new subsection (d) and, in addition, asked that the Commission establish a specific public comment period for the report of the U.S. Department of Commerce relating to whether there is domestic production of a like or directly competitive article and whether a domestic producer objects. AAFA expressed the view that the Commission rejected petitions during the prior cycle based on insufficient confidential opposition.

Ann asked that the Commission amend proposed section 220.11(c)(1) to require that domestic producers include more detailed information about the domestic article. Ann asked that the Commission require producers to include the HTS code for the article and, if the producer exports the article, the Schedule B code, and to include information regarding the intrinsic characteristics of the article, including materials from which made, appearance, size and weight, quality, texture, and use. Ann asked that the Commission modify proposed section 220.11(c)(3) and (5) to include additional questions about the process at domestic facilities and for evidence of machinery and production capacity. With regard to section 220.11(c)(4), Ann expressed concern that the term “commercially available” was undefined and asked that the Commission require domestic producers to provide additional details, including quantity produced, the names of purchasers and how the article is distributed, and the retail price.

W.L. Gore, Outdoor, and PetSmart asked the Commission to make revisions to proposed section 220.11(c) that are similar in scope to those requested by Ann.

The MTB Coalition expressed the view that the new requirements will add more transparency to the process and encouraged the U.S. Department of Commerce to adopt a similar mechanism to increase transparency across all agencies reviewing petitions. With respect to new section 220.11(d), the MTB Coalition stated that it found the additional comment period to be helpful in the 2017 petition cycle, and it recommended incorporating the proposed change and opening it to comments on petitions falling in categories III, IV, V, and VI.

NAM similarly expressed support for an additional public comment period. It also asked that a public comment period be established following the publication of the Commission’s preliminary report, and that the public be permitted to comment during that period on petitions the Commission does not recommend for inclusion (Category VI petitions), including petitions opposed by the U.S. Department of Commerce. NAM also asked that the public also be able to comment on petitions that the Commission has determined do not contain required information or for which the Commission determined that the petition is not a likely beneficiary (Category V petitions).

Newell Brands asked the Commission to make revisions to proposed section 220.11(c) that are similar to those requested by Ann, W.L. Gore, Outdoor, and PetSmart. Newell also asked that the Commission eliminate, to the extent possible, the subjective analysis conducted by the Commission and Commerce for the evaluation of domestic availability and production of an identical, like or directly competitive product. Newell stated that the term “domestic production” is ambiguous, and that a good produced in a country with which the United States has a free trade agreement and which enters the United States duty-free should not be considered “domestic

production.” Newell also said that repackaging and making minor modifications in the United States that result in a change in classification should not qualify as domestic production for purposes of the Act.

Commission response

After taking into consideration the comments received, the Commission is adopting as a final rule the amendments to section 220.11, with one exception: the Commission has redrafted rule 220.11(c)(4). In the Commission’s view, the amendments strike the right balance. First, they take into account the need to provide additional opportunity for public comment and at the same time allow the Commission to prepare and transmit its preliminary and final reports in the time allowed under the statute. Second, they help to address the need for some additional information from domestic producers without placing an undue additional burden on interested parties that are not petitioners or, in most cases, beneficiaries of duty suspensions and reductions sought.

With regard to AAEI’s concern about the opportunity to redact confidential business information in its written comments, the Commission notes that interested parties may seek confidential treatment of business information submitted in response to section 220.11(c)(6).

To address Ann’s concern regarding use of the term “commercially available,” the Commission has redrafted section 220.11(c)(4) to read “a statement as to whether such product is generally available for sale and, if not, an explanation of its lack of availability for sale.” The Commission is seeking this and other relevant information in determining whether there is domestic production of a product.

The Commission also considered the comments submitted by the MTB Coalition and NAM in support of an additional public comment period and in support of providing opportunity to consider petitions that fall in other categories. The rules, as amended, allow for the possibility of an additional comment period. Should the Commission choose to provide an additional comment period, it will publish a notice in the *Federal Register* that sets out specific details and instructions.

The Commission also considered Newell’s view that the term “domestic production” is “ambiguous” and Newell’s view that the term might include goods produced in a free-trade-agreement partner or goods that are merely repackaged or slightly modified. In response, the Commission notes that the term “domestic production” is defined in both the statute (in section 7(5) of the Act) and Commission rule 220.2(h). Both definitions define the term to mean “the domestic production of an article that is identical to, or like or directly competitive with, an article to which a petition for a duty suspension or reduction would apply, for which a domestic producer has demonstrated production, or imminent production, in the United States.” The Commission also defined the terms “identical,” “like” and “directly competitive” in rule 220.2(h), and for the terms “like” and “directly competitive” used definitions in the legislative history of the Trade Act of 1974. The decision as to whether a good is an import or a domestically produced good ultimately depends on the facts, and the Commission considers all available information obtained with respect to each petition in preparing its final report and recommendation.

Section 220.12

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.

Comments

Ann proposed that the Commission amend renumbered section 220.12(a)(3) to require that the Commission take into account the joint report of the Secretary of Commerce and Customs and Border Protection. If the report provides no suggested changes and the description is found not administrable, Ann asked that petitioners be given an opportunity to work with CBP to make technical changes to the article description.

W.L. Gore, Newell, Outdoor, PetSmart, and Simms, asked the Commission to make revisions to proposed section 220.12(a)(3) that are similar in scope to those requested by Ann.

Commission response

In the absence of comments to the contrary, the Commission will delete the parenthetical in subsection (b)(2) as proposed in its notice of proposed rulemaking. With regard to the modifications to section 220.12(a)(3) proposed by several interested parties, the Commission notes that it did not propose or provide notice to the public of such modifications. Accordingly, the Commission will not include the requested amendment. Moreover, the degree to which CBP chooses to work with petitioners is a matter for CBP to decide; the Commission has no authority to direct CBP to work with individual petitioners.

Sections 220.13, 220.14, 220.15

The Commission is re-designating current sections 220.12, 220.13, and 220.14 as sections 220.13, 220.14, and 220.15, respectively, to reflect the division of section 220.10 into two sections. The Commission received no comments on this renumbering. The Commission is not making any other changes to these sections, and is adopting the new numbering as proposed.

Additional matters raised in comments

Several persons submitting comments addressed matters that go beyond the proposed changes to Part 220 and the Commission's notice of proposed rulemaking. For example, Mannington Mills, Inc., of Salem N.J., raised the matter of an earlier effort to persuade the Commission to include a limited number of reliquidations in its 2017 MTB report to the Committees. Mannington asserts that the Commission decided against this "based on incorrect and, in our opinion, false, information provided to it by Customs." Mannington asked that this issue be remedied and addressed in the Commission's new rules.

NAM expressed concern that the Commission's proposed revisions do not address other issues raised by petitioners during the 2016-2017 cycle. NAM cited two examples: (1) "unsubstantiated opposition" to the petition, such as opposition from companies that do not

produce articles classified in the same HTS heading as those produced by the petitioner, or general information on production of overly broad categories without evidence that domestic producers meet the technical requirements needed by petitioning companies; and (2) the inability of stakeholders to engage directly with U.S. Customs and Border Protection (CBP). The Association did not propose any specific amendments to the rules to address its concerns. The AAFA made similar points.

Newell, Outdoor, and Simms proposed two modifications to rule 220.14(b). The first would amend rule 220.14(b) by adding a new paragraph (3) to require that the identity of domestic producers opposing petitions through the U.S. Department of Commerce process be provided to petitioners before the Commission makes its final conclusions and publishes its final report. The second would amend rule 220.14(b) to add a new paragraph (4) to require that domestic producers who express opposition towards any petitions after publication of the final Commission report, and who did not participate in the public comment process, must provide all information required by rule 220.11(c) and be evaluated by the Commission and Commerce in order to be considered.

Commission response

The matter raised by Mannington goes beyond the scope of the Commission's notice of proposed rulemaking and beyond the Commission's authority under the statute. With regard to the comments of NAM, there is no requirement that a domestic article fall within the same HTS product description as an imported article in order to be like or directly competitive with the imported article. The purpose of the HTS subheadings is to classify articles for duty collection and statistical purposes as consistently as possible, not for determining whether domestic and imported articles are like or directly competitive with each other. However, as noted above, in its amendments to section 220.11, the Commission is requiring domestic producers to provide additional information in their comments, especially when such producers raise an objection to any petition. With regard to the ability of stakeholders to engage directly with CBP, that is a matter for CBP, not the Commission.

The proposals by Newell, Outdoor, and Simms to modify rule 220.14(b) are not appropriate at this time. First, the Commission did not provide notice to the public that it is considering modifying this rule at this time. Second, the Commission has no authority to require the U.S. Department of Commerce to share information, including confidential business information, with petitioners or any other interested parties in this proceeding. Commerce determines how it will carry out its responsibilities under the statute and obtain the information required by law.

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 amends 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:

A.

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 subsection (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.

(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 § 220.7 by revising the section heading to read as follows:

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

4. 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.

5. 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.

6. 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 generally available for sale, and if not, an explanation of its lack of availability for sale, and/or

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

(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.

7. 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.

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

§ 220.13 Commission final report.

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

§ 220.14 Confidential business information.

- 10. 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.

A handwritten signature in black ink, appearing to read "Lisa R. Barton".

Lisa R. Barton
Secretary to the Commission

Issued: August 16, 2019