

A. Background

For background on the proceedings in this investigation, please see prior notices including: 82 FR 40213 (August 23, 2017), 83 FR 14906 (April 6, 2018), 83 FR 28710 (June 20, 2018), 83 FR 33608 (July 17, 2018), 83 FR 38760 (August 7, 2018), 83 FR 40823 (August 16, 2018), 83 FR 47974 (September 21, 2018), 83 FR 65198 (December 19, 2018), 83 FR 67463 (December 28, 2018), 84 FR 7966 (March 5, 2019), 84 FR 11152 (March 25, 2019), 84 FR 16310 (April 18, 2019), 84 FR 21389 (May 14, 2019), 84 FR 25895 (June 4, 2019), 84 FR 32821 (July 9, 2019), 84 FR 49564 (September 20, 2019), 84 FR 52567 (October 2, 2019), 84 FR 69016 (December 17, 2019), and 85 FR 7816 (February 11, 2020).

Effective July 6, 2018, the U.S. Trade Representative imposed additional 25 percent duties on goods of China classified in 818 8-digit subheadings of the Harmonized Tariff Schedule of the United States (HTSUS), with an approximate annual trade value of \$34 billion. *See* 83 FR 28710. The U.S. Trade Representative's determination included a decision to establish a process by which U.S. stakeholders could request exclusion of particular products classified within an 8-digit HTSUS subheading covered by the \$34 billion action from the additional duties. The U.S. Trade Representative issued a notice setting out the process for the product exclusions and opened a public docket. *See* 83 FR 32181 (the July 11 notice).

Under the July 11 notice, requests for exclusion had to identify the product subject to the request in terms of the physical characteristics that distinguish the product from other products within the relevant 8-digit subheading covered by the \$34 billion action. Requestors also had to provide the 10-digit subheading of the HTSUS most applicable to the particular product requested for exclusion, and could submit information on the ability of U.S. Customs and Border Protection to administer the requested exclusion. Requestors were asked to provide the quantity and value of the Chinese-origin product that the requestor purchased in the last three years. With regard to the rationale for the requested exclusion, requests had to address the following factors:

- Whether the particular product is available only from China and, specifically, whether the particular product and/or a comparable product is available from sources in the United States and/or third countries.

- Whether the imposition of additional duties on the particular product would cause severe economic harm to the requestor or other U.S. interests.

- Whether the particular product is strategically important or related to "Made in China 2025" or other Chinese industrial programs.

The July 11 notice stated that the U.S. Trade Representative would take into account whether an exclusion would undermine the objectives of the Section 301 investigation.

The July 11 notice required submission of requests for exclusion from the \$34 billion action no later than October 9, 2018, and noted that the U.S. Trade Representative periodically would announce decisions. In December 2018, the U.S. Trade Representative granted an initial set of exclusion requests. *See* 83 FR 67463. The U.S. Trade Representative granted additional exclusions in March, April, May, June, July, September, October, and December 2019, and February 2020. *See* 84 FR 49600; 84 FR 52553; 85 FR 10808; 84 FR 11152; 84 FR 16310; 84 FR 21389; 84 FR 25895; 84 FR 32821; 84 FR 49564; 84 FR 52567; 84 FR 69016; and 85 FR 7816.

B. Technical Amendments to Exclusions

Subparagraph A of the Annex makes two technical amendments to U.S. notes 20(q)(184), and 20(q)(228) to subchapter III of chapter 99 of the HTSUS, as set out in the Annex of the notice published at 84 FR 49564 (September 20, 2019).

The U.S. Trade Representative will continue to issue determinations on a periodic basis as needed.

Annex

A. Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on July 6, 2018:

1. U.S. note 20(q)(184) to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by deleting "AC motors, multi-phase, of an output exceeding 37.5 W but not exceeding 74.6 W, each fitted with a timing belt (described in statistical reporting number 8501.51.4040)" and inserting "AC motors, 3 phase, fitted with a timing belt and of an output no less than 90 W but not exceeding 135 W (described in statistical reporting number 8501.51.4040)" in lieu thereof.

2. U.S. note 20(q)(228) to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by deleting "each valued not over \$18" and

inserting "each valued not over \$39" in lieu thereof.

Joseph Barloon,

General Counsel, Office of the United States Trade Representative.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of product exclusions.

SUMMARY: On August 20, 2019, at the direction of the President, the U.S. Trade Representative determined to modify the action being taken in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation by imposing additional duties of 10 percent *ad valorem* on goods of China with an annual trade value of approximately \$300 billion. The additional duties on products in List 1, which is set out in Annex A of that action, became effective on September 1, 2019. On August 30, 2019, at the direction of the President, the U.S. Trade Representative determined to increase the rate of the additional duty applicable to the tariff subheadings covered by the action announced in the August 20 notice from 10 percent to 15 percent. On January 22, 2020, the U.S. Trade Representative determined to reduce the rate from 15 percent to 7.5 percent. The U.S. Trade Representative initiated a product exclusion process in October 2019, and interested persons have submitted requests for the exclusion of specific products. This notice announces the U.S. Trade Representative's determination to grant certain exclusion requests, as specified in the Annex to this notice, and corrects a technical error in a previously announced exclusion. The U.S. Trade Representative will continue to issue decisions on pending requests on a periodic basis.

DATES: The product exclusions announced in this notice will apply as of September 1, 2019, the effective date of List 1 of the \$300 billion action, and will extend to September 1, 2020.

FOR FURTHER INFORMATION CONTACT: For general questions about this notice, contact Assistant General Counsels Philip Butler or Megan Grimboll, or

Director of Industrial Goods Justin Hoffmann at (202) 395-5725. For specific questions on customs classification or implementation of the product exclusions identified in the Annex to this notice, contact traderemedy@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

A. Background

For background on the proceedings in this investigation, please see prior notices including: 82 FR 40213 (August 24, 2017), 83 FR 14906 (April 6, 2018), 83 FR 28710 (June 20, 2018), 83 FR 33608 (July 17, 2018), 83 FR 38760 (August 7, 2018), 83 FR 40823 (August 16, 2018), 83 FR 47974 (September 21, 2018), 83 FR 49153 (September 28, 2018), 84 FR 20459 (May 9, 2019), 84 FR 43304 (August 20, 2019), 84 FR 45821 (August 30, 2019), 84 FR 57144 (October 24, 2019), 84 FR 69447 (December 18, 2019), 85 FR 3741 (January 22, 2020), 85 FR 13970 (March 10, 2020), 85 FR 15244 (March 17, 2020), and 85 FR 17936 (March 31, 2020).

In a notice published on August 20, 2019, the U.S. Trade Representative, at the direction of the President, announced a determination to modify the action being taken in the Section 301 investigation by imposing an additional 10 percent *ad valorem* duty on products of China with an annual aggregate trade value of approximately \$300 billion. 84 FR 43304 (August 20, 2019) (the August 20 notice). The August 20 notice contains two separate lists of tariff subheadings, with two different effective dates. List 1, which is set out in Annex A of the August 20 notice, was effective September 1, 2019. List 2, which is set out in Annex C of the August 20 notice, was scheduled to take effect on December 15, 2019.

On August 30, 2019, the U.S. Trade Representative, at the direction of the President, determined to modify the action being taken in the investigation by increasing the rate of additional duty from 10 to 15 percent *ad valorem* on the goods of China specified in Annex A (List 1) and Annex C (List 2) of the August 20 notice. *See* 84 FR 45821. On October 24, 2019, the U.S. Trade Representative established a process by which U.S. stakeholders could request exclusion of particular products classified within an 8-digit Harmonized Tariff Schedule of the United States (HTSUS) subheading covered by List 1 of the \$300 billion action from the additional duties. *See* 84 FR 57144 (the October 24 notice). Subsequently, the U.S. Trade Representative announced a determination to suspend until further notice the additional duties on products set out in Annex C (List 2) of the August

20 notice. *See* 84 FR 69447 (December 18, 2019). The U.S. Trade Representative later determined to further modify the action being taken by reducing the additional duties for the products covered in Annex A of the August 20 notice (List 1) from 15 percent to 7.5 percent. *See* 85 FR 3741 (January 22, 2020).

Under the October 24 notice, requests for exclusion had to identify the product subject to the request in terms of the physical characteristics that distinguish the product from other products within the relevant 8-digit subheading covered by the \$300 billion action. Requestors also had to provide the 10-digit subheading of the HTSUS most applicable to the particular product requested for exclusion, and could submit information on the ability of U.S. Customs and Border Protection to administer the requested exclusion. Requestors were asked to provide the quantity and value of the Chinese-origin product that the requestor purchased in the last three years, among other information. With regard to the rationale for the requested exclusion, requests had to address the following factors:

- Whether the particular product is available only from China and specifically whether the particular product and/or a comparable product is available from sources in the United States and/or third countries.
- Whether the imposition of additional duties on the particular product would cause severe economic harm to the requestor or other U.S. interests.
- Whether the particular product is strategically important or related to “Made in China 2025” or other Chinese industrial programs.

The October 24 notice stated that the U.S. Trade Representative would take into account whether an exclusion would undermine the objectives of the Section 301 investigation.

The October 24 notice required submission of requests for exclusion from List 1 of the \$300 billion action no later than January 31, 2020, and noted that the U.S. Trade Representative periodically would announce decisions. In March 2020, the U.S. Trade Representative announced three sets of exclusions. *See* 85 FR 13970, 85 FR 15244, and 85 FR 17936. The Office of the United States Trade Representative regularly updates the status of each pending request on the Exclusions Portal at <https://exclusions.ustr.gov/s/docket?docketNumber=USTR-2019-0017>.

B. Determination to Grant Certain Exclusions

Based on the evaluation of the factors set out in the October 24 notice, which are summarized above, pursuant to sections 301(b), 301(c), and 307(a) of the Trade Act of 1974, as amended, and in accordance with the advice of the interagency Section 301 Committee, the U.S. Trade Representative has determined to grant the product exclusions set out in the Annex to this notice. The U.S. Trade Representative’s determination also takes into account advice from advisory committees and any public comments on the pertinent exclusion requests.

As set out in the Annex, the exclusions are reflected in three 10-digit HTSUS subheadings and five specially prepared product descriptions, which together respond to 27 separate exclusion requests.

In accordance with the October 24 notice, the exclusions are available for any product that meets the description in the Annex, regardless of whether the importer filed an exclusion request. Further, the scope of each exclusion is governed by the scope of the 10-digit HTSUS subheading as described in the Annex, and not by the product descriptions set out in any particular request for exclusion.

Paragraph A, subparagraphs (3)–(4) of the Annex contain conforming amendments to the HTSUS reflecting the modifications made by the Annex.

Paragraph B, subparagraph (1) makes a technical correction to U.S. note 20(uu)(9), published at 85 FR 15244 (March 17, 2020).

As stated in the October 24 notice, the exclusions will apply from September 1, 2019, the effective date of List 1 of the \$300 billion action, and will extend for one year to September 1, 2020. U.S. Customs and Border Protection will issue instructions on entry guidance and implementation.

The U.S. Trade Representative will continue to issue determinations on pending requests on a periodic basis.

Joseph Barloon,

General Counsel, Office of the United States Trade Representative.

Annex

A. Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on September 1, 2019, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTSUS) is modified:

1. By inserting the following new heading 9903.88.47 in numerical

sequence, with the material in the new heading inserted in the columns of the HTSUS labeled “Heading/Subheading”, “Article Description”, and “Rates of Duty 1—General”, respectively:

Heading/sub-heading	Article description	Rates of duty		
		1		2
		General	Special	
“9903.88.47	Articles the product of China, as provided for in U.S. note 20(zz) to this subchapter, each covered by an exclusion granted by the U.S. Trade Representative.	The duty provided in the applicable subheading”.		

2. by inserting the following new U.S. note 20(zz) to subchapter III of chapter 99 in numerical sequence:

“(zz) The U.S. Trade Representative determined to establish a process by which particular products classified in heading 9903.88.15 and provided for in U.S. notes 20(r) and (s) to this subchapter could be excluded from the additional duties imposed by heading 9903.88.15. See 84 FR 43304 (August 20, 2019), 84 FR 45821 (August 30, 2019), 84 FR 57144 (October 24, 2019) and 85 FR 3741 (January 22, 2020). Pursuant to the product exclusion process, the U.S. Trade Representative has determined that the additional duties provided for in heading 9903.88.15 shall not apply to the following particular products, which are provided for in the following enumerated statistical reporting numbers:

- (1) 3306.20.0000
- (2) 6506.10.6030
- (3) 8512.10.4000
- (4) Tumblers or disposable graduated liners for pitchers, of plastics, of a kind used in healthcare facilities (described in statistical reporting number 3924.10.4000)
- (5) Disposable identification wristbands of plastics, designed to be worn by patients during medical procedures, each consisting of a plastics strip with an integrated window for inserting paper with relevant patient identification information, such as bracelets measuring 0.95 cm or more but not more than 3.2 cm in width and having a secure closure (described in statistical reporting number 3926.90.9990)
- (6) Manually operated pill or tablet crushers of plastics, presented with attachable pouches of plastics for capturing and storing the resulting powders (described in statistical reporting number 8479.82.0080)
- (7) Tracking devices, each device measuring not more than 86 mm on a side (if rectangular) or 28 mm in diameter (if circular) and not more than 7.5 mm in thickness, not weighing more than 15 g, designed to

be attached to another article and to establish a Bluetooth connection with another device for the purposes of providing relative location information (described in statistical reporting number 8517.62.0090)

(8) Wireless communication apparatus capable of receiving audio data to be distributed to wireless speakers (described in statistical reporting number 8517.62.0090)”

3. by amending the last sentence of the first paragraph of U.S. note 20(r):
a. By deleting “or (3)” and by inserting “(3)” in lieu thereof; and
b. by inserting “; or (4) heading 9903.88.47 and U.S. note 20(zz) to subchapter III of chapter 99” after “U.S. note 20(ww) to subchapter III of chapter 99”.

4. by amending the article description of heading 9903.88.15:

a. By deleting “9903.88.42 or” and by inserting “9903.88.42,” in lieu thereof; and

b. by inserting “or 9903.88.47” after “9903.88.44”.

B. Effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on September 1, 2019:

1. U.S. note 20(uu)(9) to subchapter III of chapter 99 of the Harmonized Tariff schedule of the United States is modified by deleting “, single use” and inserting “and particulate facepiece respirators” in lieu thereof.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Number USTR–2020–0020]

Annual Review of Country Eligibility for Benefits Under the African Growth and Opportunity Act

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of initiation of review and request for comments.

SUMMARY: The Office of the U.S. Trade Representative (USTR) is announcing the initiation of the annual review of the eligibility of the sub-Saharan African countries to receive the benefits of the African Growth and Opportunity Act (AGOA). The AGOA Implementation Subcommittee of the Trade Policy Staff Committee (AGOA Subcommittee) is developing recommendations for the President on AGOA country eligibility for calendar year 2021. The AGOA Subcommittee requests comments for this review. Due to COVID–19, the AGOA Subcommittee will foster public participation via written submissions rather than an in-person hearing. This notice includes the schedule for submission of comments and responses to questions from the AGOA Subcommittee related to this review.

DATES:

June 24, 2020 at 11:59 p.m. EDT: Deadline for submission of written comments on the eligibility of sub-Saharan African countries to receive the benefits of AGOA.

July 7, 2020 at 11:59 p.m. EDT: Deadline for the AGOA Subcommittee to pose any questions on written comments.

July 16, 2020 at 11:59 p.m. EDT: Deadline for submission of commenters’ responses to questions from the AGOA Subcommittee.

July 25, 2020 at 11:59 p.m. EDT: Deadline for replies from other interested parties to the written comments and responses to questions.

August 4, 2020 at 11:59 p.m. EDT: Deadline for the AGOA Subcommittee to pose any additional questions on written comments.

August 13, 2020 at 11:59 p.m. EDT: Deadline for submission of responses to any additional questions from the AGOA Subcommittee.

ADDRESSES: USTR strongly prefers electronic submissions made through the Federal eRulemaking Portal: <https://www.regulations.gov> (Regulations.gov), using Docket Number USTR–2020–0020. Follow the instructions for submitting comments in “Requirements