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TO FACILITATE POSITIVE ADJUSTMENT TO COMPETITION FROM IMPORTS OF FINE DENIER POLYESTER STAPLE FIBER

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

DOCUMENTS TO THE CONGRESS THAT DESCRIBE THE SAFEGUARD ACTION PROCLAIMED ON IMPORTS OF FINE DENIER POLYESTER STAPLE FIBER, PURSUANT TO 19 U.S.C. 2253(b); PUBLIC LAW 93–618, SEC. 203(b); (88 STAT. 2015)

NOVEMBER 12, 2024.—Referred to the Committee on Ways and Means and ordered to be printed

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THE WHITE HOUSE,
Washington, November 8, 2024.

Hon. MIKE JOHNSON,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: In accordance with section 203(b) of the Trade Act of 1974, as amended (the "Act"), I hereby transmit documents to the Congress that describe the safeguard action that I have proclaimed on imports of fine denier polyester staple fiber, pursuant to the authority vested in me by the Constitution and the laws of the United States, including sections 201 and 203(a)(1) of the Act, and the reasons for taking these actions.

Sincerely,

JOSEPH R. BIDEN, Jr.

To Facilitate Positive Adjustment to Competition From Imports of Fine Denier Polyester Staple Fiber

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By the President of the United States of America

A Proclamation

1. On August 26, 2024, the United States International Trade Commission (USITC) transmitted to the President a report (USITC Report) on its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of fine denier polyester staple fiber (fine denier PSF). The product subject to the USITC's investigation and determination excluded certain fine denier PSF described in the USITC's Notice of Institution, 89 *FR* 18435 (March 13, 2024), and listed in subdivision (c)(ii) of Note 32 in the Annex to this proclamation.

2. The USITC reached an affirmative determination under section 202(b) of the Trade Act (19 U.S.C. 2252(b)) that fine denier PSF is being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing an article like or directly competitive with the imported article.

3. Pursuant to section 301(a) of the United States-Mexico-Canada Agreement Implementation Act (the "USMCA Implementation Act") (19 U.S.C. 4551(a)), the USITC made findings as to whether imports of Canada and Mexico, considered individually, account for a substantial share of total imports and contribute importantly to the serious injury caused by imports. The USITC made negative findings of substantial share and contribution to injury with respect to imports of fine denier PSF from Canada and Mexico, considered individually.

4. Pursuant to statutes implementing certain free trade agreements to which the United States is a party, the USITC further found that imports of fine denier PSF that are a product of Australia, each Dominican Republic-Central America-United States Free Trade Agreement country (i.e., Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) (CAFTA-DR countries), Colombia, Jordan, the Republic of Korea, Panama, Peru, and Singapore, individually, are not a substantial cause of serious injury or threat thereof.

5. Furthermore, pursuant to section 403 of the Trade and Tariff Act of 1984 (Public Law 98–573, 98 Stat. 2948, 3016 (1984)) (19 U.S.C. 2112 note), the USITC found that the serious injury substantially caused by imports to the domestic industry producing a like or directly competitive article does not result from the reduction or elimination of any duty provided for under the United States-Israel Free Trade Agreement. The USITC also found, pursu-

ant to 19 U.S.C. 2703(e), that the serious injury substantially caused by imports to the domestic industry producing a like or directly competitive article does not result from duty-free treatment provided for under the Caribbean Basin Economic Recovery Act (CBERA) provisions of the Caribbean Basin Initiative trade program or the Generalized System of Preferences (GSP) program.

6. The USITC Commissioners transmitted to the President their individual recommendations that each of them considered would address the serious injury to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

7. On September 10, 2024, the United States Trade Representative (USTR) requested additional information from the USITC under section 203(a)(5) of the Trade Act (19 U.S.C. 2253(a)(5)). On October 10, 2024, the USITC provided a response that identified unforeseen developments that led to the importation of fine denier PSF into the United States in such increased quantities as to be a substantial cause of serious injury (USITC Supplemental Report). The USITC Supplemental Report also reported, inter alia, that increased imports of fine denier PSF products of all countries other than Australia, Canada, the CAFTA-DR countries, Colombia, Israel, Jordan, the Republic of Korea, Mexico, Panama, Peru, and Singapore are a substantial cause of serious injury to the domestic industry.

8. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act (19 U.S.C. 2253(a)(2)), the USITC Report, and the USITC Supplemental Report, I have determined to implement action of a type described in section 203(a)(3) (19 U.S.C. 2253(a)(3)) (safeguard measure), with regard to the following fine denier PSF: fine denier PSF, not carded or combed, measuring less than 3.3 decitex (3 denier) in diameter, whether coated or uncoated. Fine denier PSF is classifiable in the Harmonized Tariff Schedule of the United States (HTS) in subheading 5503.20.00 and described in statistical reporting number 5503.20.0025 or 9813.00.0520.

9. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), the action I have determined to take shall be a safeguard measure in the form of a quantitative restriction on imports of fine denier PSF described in paragraph 8 of this proclamation, admitted temporarily free of duty under bond and entered under subheading 5503.20.00 and described in statistical reporting number 5503.20.0025 or 9813.00.0520, imposed for a period of 4 years, with annual reductions in the within-quota quantities in the second, third, and fourth years. Admission of certain imported articles free of duty under bond is commonly known as a Temporary Importation under Bond (TIB). TIB entries are subject to the conditions appearing in Chapter 98, Subchapter XIII, of the HTS (19 U.S.C. 1202) as well as regulations promulgated by U.S. Customs and Border Protection and the Department of the Treasury.

10. The quantitative restriction of TIB entries described in paragraph 9 of this proclamation shall be allocated among all countries except those countries the products of which are excluded from

such quantitative restriction, pursuant to paragraphs 13 through 16 of this proclamation.

11. This safeguard measure shall apply to imports of all countries, except as provided in paragraphs 13 through 16 of this proclamation.

12. I have found, pursuant to section 203(e)(4) of the Trade Act (19 U.S.C. 2253(e)(4)), that the most recent 3 years that are representative of imports of fine denier PSF and for which data are available are 2018 through 2020, because that period covers the 3 most recent years before the surge in imports, particularly under TIB entry, from 2021 to 2023. Setting a quantitative restriction of zero pounds for the first year of this action is consistent with this representative period because the USITC Report indicates that there were no imports of fine denier PSF under TIB entry during 2018 through 2020.

13. This safeguard measure shall not apply to imports of any product described in paragraph 8 of this proclamation of a developing country, as listed in subdivision (b)(iii) of Note 32 in the Annex to this proclamation, as long as such a country's share of total imports of the product, based on imports during a recent representative period, does not exceed 3 percent, provided that imports that are the product of all such countries with less than 3 percent import share collectively account for not more than 9 percent of total imports of the product. If I determine that a surge in imports of a product described in paragraph 8 of this proclamation of a developing country that is a World Trade Organization (WTO) Member results in imports of that product from that developing country exceeding either of the thresholds described in this paragraph, I may modify this action to apply to such product of such country.

14. Pursuant to section 302(a) of the USMCA Implementation Act (19 U.S.C. 4552(a)), I have determined after considering the USITC Report and the USITC Supplemental Report that imports of fine denier PSF that are the product of Canada and Mexico, considered individually, do not account for a substantial share of total imports and do not contribute importantly to the serious injury found by the USITC. Accordingly, pursuant to section 302(b) of the USMCA Implementation Act (19 U.S.C. 4552(b)), I have excluded fine denier PSF that is the product of Canada or Mexico from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253).

15. After considering the USITC Report and the USITC Supplemental Report, I have also made the following determinations with regard to fine denier PSF that is the product of the following trading partners:

(a) I have determined that imports of fine denier PSF that are the product of Australia are not a substantial cause of the serious injury found by the USITC, and I have therefore determined to exclude such imports that are the product of Australia from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), pursuant to section 331(b) of the United States-Australia Free Trade Agreement Implementation Act (Public Law 108–286, 118 Stat. 919, 949 (2004)) (19 U.S.C. 3805 note);

(b) In light of the USITC's finding that imports of fine denier PSF that are the product of each CAFTA-DR country individually are not a substantial cause of serious injury or threat thereof, I have determined to exclude such imports that are the product of each of the CAFTA-DR countries from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), pursuant to section 331(b) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act (the "CAFTA-DR Act") (Public Law 109–53, 119 Stat. 462, 495 (2005)) (19 U.S.C. 4101(b));

(c) In light of the USITC's finding that imports of fine denier PSF that are the product of Colombia are not a substantial cause of serious injury or threat thereof, I have determined to exclude such imports that are the product of Colombia from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), pursuant to section 331(b) of the United States-Colombia Trade Promotion Agreement Implementation Act (Public Law 112–42, 125 Stat. 462, 493–94 (2011)) (19 U.S.C. 3805 note);

(d) In light of the USITC's finding that the serious injury substantially caused by imports to the domestic industry producing a like or directly competitive article does not result from the reduction or elimination of any duty provided for under the United States-Israel Free Trade Agreement, I have determined, as part of the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), not to suspend the reduction or elimination of any duty on imports of fine denier PSF that are the product of Israel, pursuant to section 403 of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note);

(e) In light of the USITC's finding that imports of fine denier PSF that are the product of Panama are not a substantial cause of serious injury or threat thereof, I have determined to exclude such imports that are the product of Panama from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), pursuant to section 331(b) of the United States-Panama Trade Promotion Agreement Implementation Act (Public Law 112–43, 125 Stat. 497, 529 (2011)) (19 U.S.C. 3805 note);

(f) In light of the USITC's finding that imports of fine denier PSF that are the product of Peru are not a substantial cause of serious injury or threat thereof, I have determined to exclude such imports that are the product of Peru from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2553), pursuant to section 331(b) of the United States-Peru Trade Promotion Agreement Implementation Act (Public Law 110–138, 121 Stat. 1455, 1486 (2007)) (19 U.S.C. 3805 note);

(g) I have determined that imports of fine denier PSF that are the product of Singapore are not a substantial cause of the serious injury found by the USITC, and I have therefore determined to exclude such imports that are the product of Singapore from the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), pursuant to section 331(b) of the United States-Singapore Free Trade Agreement Implementation Act (Public Law 108–78, 117 Stat. 948, 970 (2003)) (19 U.S.C. 3805 note); and

(h) In light of the USITC's finding that the serious injury substantially caused by imports to the domestic industry producing a like or directly competitive article does not result from duty-free treatment provided for under the CBERA provisions of the Caribbean Basin Initiative trade program, I have determined, as part of the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253), not to suspend duty-free treatment pursuant to subsection 1 of 19 U.S.C. 2703(e), with respect to imports of fine denier PSF that are the product of any CBERA beneficiary country or territory.

16. Although the USITC found that imports of fine denier PSF that are a product of the Republic of Korea are not a substantial cause of serious injury or threat thereof, I have determined to include imports of fine denier PSF that are the product of the Republic of Korea in the action I am taking under section 203 of the Trade Act (19 U.S.C. 2253). Specifically, consistent with the recommendations of certain USITC Commissioners, I have found that excluding imports of the Republic of Korea from the quantitative restriction could significantly undermine this action.

17. While the USITC recommended excluding Jordan from this action under the United States-Jordan Free Trade Area Implementation Act (Public Law 107–43, 115 Stat. 243 (2001)) (19 U.S.C. 2112 note), I have instead determined to exclude such imports that are the product of Jordan as imports of a developing country from the action I am taking, pursuant to paragraph 13 of this proclamation.

18. While the USITC Commissioners recommended that I impose a tariff-rate quota on fine denier PSF imports, I have determined not to do so. The USITC Report indicates that TIB entries of fine denier PSF contributed significantly to the serious injury to the domestic industry. In addition, such TIB entries are undermining the effectiveness of existing trade actions on fine denier PSF. Therefore, I have decided to tailor this safeguard remedy to TIB entries of fine denier PSF. Furthermore, I have determined not to impose a tariff-rate quota on imports of fine denier PSF in the interest of balancing the competing interests of domestic fine denier PSF manufacturers and the impact of the safeguard remedy on downstream United States producers, including manufacturers of textiles, defense products, and consumer products, that rely on fine denier PSF.

19. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have determined that this safeguard measure will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs. If I determine that further action is appropriate and feasible to facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs, or if I determine that the conditions under section 204(b)(1) of the Trade Act (19 U.S.C. 2254(b)(1)) are met, I shall reduce, modify, or terminate the action established in this proclamation accordingly. In addition, if I determine within 30 days of the date of this proclamation, as a result of consultations between the United States and other WTO Members pursuant to Article 12.3 of the WTO Agreement on Safeguards, that it is necessary to reduce, modify, or terminate the safeguard measure, I shall proclaim the corresponding reduction, modification, or termination of the safeguard measure within 40 days of the date of this proclamation.

20. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, JOSEPH R. BIDEN JR., President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including sections 203 and 604 of the Trade Act (19 U.S.C. 2253 and 2483), section 302 of the USMCA Implementation Act (19 U.S.C. 4552), section 331(b) of the United States-Australia Free Trade Agreement Implementation Act (19 U.S.C. 3805 note), section 331(b) of the CAFTA-DR Act (19 U.S.C. 4101(b)), section 331(b) of the United States-Colombia Free Trade Promotion Agreement Implementation Act (19 U.S.C. 3805 note), section 403 of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), section 331(b) of the United States-Panama Trade Promotion Agreement Implementation Act (19 U.S.C. 3805 note), section 331(b) of the United States-Peru Trade Promotion Agreement Implementation Act (19 U.S.C. 3805 note), section 331(b) of the United States-Singapore Free Trade Agreement Implementation Act (19 U.S.C. 3805 note), and 19 U.S.C. 2703(e), do proclaim that:

(1) In order to establish a quantitative restriction on imports of fine denier PSF described in paragraph 9 of this proclamation, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) The modifications to the HTS made by this proclamation, included in the Annex to this proclamation, shall be effective with respect to goods admitted temporarily free of duty under bond which are entered under HTS statistical reporting number 9813.00.0520, on or after 12:01 a.m. eastern standard time 15 days after the date of this proclamation, and shall continue in effect as provided in the Annex to this proclamation, unless such action is earlier expressly reduced, modified, or terminated.

(3) Imports of fine denier PSF that are the product of Australia, Canada, the CAFTA-DR countries, CHERA beneficiary countries and territories, Colombia, Israel, Mexico, Panama, Peru, or Singapore shall be excluded from the safeguard measure established in this proclamation, and such imports shall not be counted toward the quantitative restriction.

(4) Except as provided in clause (5) below, imports of fine denier PSF that are the product of developing countries, as listed in subdivision (b)(iii) of Note 32 in the Annex to this proclamation, shall be excluded from the safeguard measure established in this proclamation, and such imports shall not be counted toward the quantitative restriction.

(5) If, after the safeguard measure established in this proclamation takes effect, I determine that:

(a) the share of total imports of the product of a country listed in subdivision (b)(iii) of Note 32 in the Annex to this proclamation, based on imports during a recent representative period, exceeds 3 percent;

(b) imports of the product from all listed countries with less than 3 percent import share collectively account for more than 9 percent of total imports of the product; or

(c) a country listed in subdivision (b)(iii) of Note 32 in the Annex to this proclamation is no longer a developing country for purposes of this proclamation; then I may revise subdivision (b)(iii) of Note 32 in the Annex to this proclamation to remove the relevant country from the list or suspend operation of that subdivision, as appropriate.

(6) One year from the termination of the safeguard measure established in this proclamation, the United States note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

(7) Any provision of previous proclamations and Executive Orders that is inconsistent with the action taken in this proclamation is superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this eighth day of November, in the year of our Lord two thousand twenty-four, and of the Independence of the United States of America the two hundred and forty-ninth.

JOSEPH R. BIDEN, Jr.

ANNEX I

TO MODIFY CHAPTER 99 OF THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods admitted temporarily free of duty under bond which are entered under subheading 9813.00.0520, on or after 12:01 a.m. eastern standard time on November 23, 2024, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States (HTS) is hereby modified by inserting in numerical sequence the following new U.S. note and provisions:

"32 Action Applicable to Imports of Fine Denier Polyester Staple Fiber.

(a) For the purposes of subheading 9903.55.01 of this subchapter, the maximum annual aggregate quantity of all fine denier PSF products as defined in paragraph (c) below, that are admitted into the United States temporarily free of duty under bond and entered under statistical reporting number 9813.00.0520, when such goods are not the product of a country subject to exclusion as defined in paragraph (b), in any of the periods enumerated below shall be as follows:

If entered during the period from November 23, 2024, through November 22, 2025 .... 0 kilograms
If entered during the period from November 23, 2025, through November 22, 2026 .... 453,592 kilograms
If entered during the period from November 23, 2026, through November 22, 2027 .... 907,185 kilograms
If entered during the period from November 23, 2027, through November 22, 2028 .... 1,360,777 kilograms

(b) For the purposes of this note and the application of subheading 9903.55.01, the following countries shall not be subject to the quantitative restriction for goods admitted into the United States temporarily free of duty under bond which are entered under statistical reporting number 9813.00.0520 provided for herein:

(i) Canada and Mexico;

(ii) Australia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Colombia, Israel, Panama, Peru, and Singapore;

(iii) The following developing countries:

Afghanistan, Albania, Algeria, Angola, Armenia, Azerbaijan, Belize, Benin, Bhutan, Bolivia, Bosnia and Hercegovina, Botswana, Brazil, Burkina Faso, Burma, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Ecuador, Egypt, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, The Gambia, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kyrgyzstan, Lebanon, Lesotho, Liberia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mauritius, Moldova, Mongolia, Montenegro, Mozambique, Namibia, Nepal, Niger, Nigeria, North Macedonia, Pakistan, Papua New Guinea, Paraguay, Philippines, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tomé and Principe, Senegal, Serbia, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, Suriname, Tanzania, Timor-Leste, Togo, Tonga, Tunisia, Tuvalu, Uganda, Ukraine, Uzbekistan, Vanuatu, Yemen (Republic of), Zambia and Zimbabwe; and

(iv) The following Caribbean Basin Economic Recovery Act beneficiary countries and territories:

Antigua and Barbuda, Aruba, the Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, and Trinidad and Tobago.

(c) Scope.

(i) For the purposes of subheading 9903.55.01 of this subchapter, the term "fine denier polyester staple fiber" ("fine denier PSF") means fine denier polyester staple fiber, not carded or combed, measuring less than 3.3

decitex (3 denier) in diameter, whether coated or uncoated. The scope covers products classifiable in subheading 5503.20.00 and described in statistical reporting number 5503.20.0025 or 9813.00.0520.

(ii) Subheading 9903.55.01 shall not cover—

(1) PSF equal to or greater than 3.3 decitex (more than 3 denier, inclusive) currently classifiable under HTS subheading 5503.20.00 and described in statistical reporting numbers 5503.20.0045 and 5503.20.0065; and

(2) Low-melt PSF defined as a bi-component polyester fiber having a polyester fiber component that melts at a lower temperature than the other polyester fiber component, which is currently classifiable in HTS statistical reporting number 5503.20.0015."

Report Submitted to the United States Congress Pursuant to Section 203(b) of the Trade Act of 1974, as Amended, Regarding a Safeguard Measure on Imports of Fine Denier Polyester Staple Fiber

Introduction

President Joseph R. Biden Jr. has decided to impose a temporary safeguard measure on fine denier polyester staple fiber (fine denier PSF) to provide appropriate relief to U.S. producers of PSF that have been seriously injured by a recent surge in imports. The President is providing this relief in response to the determination by the independent, bipartisan United States International Trade Commission (ITC) that increased imports of fine denier PSF are a substantial cause of serious injury to U.S. PSF producers. This action is consistent with the President's commitment to enforce U.S. trade laws to help maintain the competitiveness of American manufacturing, provide well-paying jobs for American workers, promote affordable prices for U.S. consumers, and sustain a robust economy for American communities. In taking such action, the President has considered section 203(a)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2253(a)(1)(A)), which states that the President "shall take all appropriate and feasible action within his power which the President determines will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs." The President also took into account the various statutory factors and the limitations on safeguard actions found in sections 203(a)(2) and 203(e) of the Trade Act of 1974 (19 U.S.C. 2253(a)(2) and (e)), respectively. The section 203(a)(2) statutory factors include efforts being made by the domestic industry to make a positive adjustment to import competition, probable effectiveness of the measure under the safeguard law, social and economic costs and benefits of taking action, the national economic interest of the United States, and potential circumvention of the measure.

The domestic industry previously sought, and in 2018 received, relief under the antidumping (AD) and countervailing duty (CVD) laws on fine denier PSF imports from China, India, the Republic of Korea, and Taiwan. Petitioners explained in their petition seeking section 201 relief that, while the AD/CVD orders initially benefitted the domestic industry, such relief was short-lived and inadequate because fine denier PSF imports from other countries began surging into the U.S. market between 2019 and 2020. Petitioners state that imports increased from 195.2 million pounds in 2019 to 282.3 million pounds in 2023, an increase of 44.6 percent.

According to petitioners, these large import volumes are a substantial cause of serious injury, or threat thereof, to the domestic industry. The ITC based aspects of its serious injury determination on the fact that fine denier PSF imports from certain economies, including India and Taiwan, were being entered into the United States under the Temporary Import under Bond (TIB) program, which allows importers to enter PSF for further processing into other products so long as they are reexported within a certain amount of time. This results in the non-payment of import duties, which has included AD/CVD duties, including for imports from India and Taiwan.

Agencies will monitor the state of the fine denier PSF industry, including the progress and specific efforts made by domestic firms to make a positive adjustment to import competition and bring their facilities to full production to ensure that the safeguard measure is having its intended effect.

RELIEF COMPONENTS

Quantitative Restriction on TIB Imports. As recommended by all ITC Commissioners, the President will impose a quantitative restriction on imports of fine denier PSF admitted under TIB entry to limit the ability of importers to use TIB to avoid AD/CVD and most-favored nation duties. Consistent with the ITC's recommendation, the quota would allow for zero pounds of fine denier PSF under TIB in Year 1. The President found, pursuant to section 203(e)(4) of the Trade Act (19 U.S.C. 2253(e)(4)), that the most recent 3 years that are representative of imports of fine denier PSF and for which data are available are 2018 through 2020 because that period covers the three most recent years before the surge in imports, particularly under the TIB, from 2021 to 2023. Setting a quantitative restriction of zero pounds for the first year of this action is consistent with this representative period because the ITC report indicates that there were no imports of fine denier PSF under TIB during 2018 through 2020.

Duration and Phase Down. As recommended by the ITC Commissioners (and requested by the petitioners in this case), the President is granting relief for an initial period of four years. Consistent with U.S. law, the measure will be phased down during the period the measure is in effect. Specifically, the quantitative restriction on TIB imports will be liberalized by 1 million pounds in each year of safeguard relief, to 1 million pounds in the second year, 2 million pounds in the third year, and then to 3 million pounds in the fourth year.

Imports from Developing Countries. In light of World Trade Organization rules, the President has excluded from this relief imports from those developing countries that exported only small amounts of fine denier PSF to the United States.[1]

Imports from Free Trade Agreement Partners and Beneficiary Program Partners. Consistent with various statutorily-required findings of the ITC, as well as the recommendations of certain ITC Commissioners, the President has excluded the following free trade agreement partners from the safeguard measure, pursuant to U.S. implementing legislation: Australia, the Dominican Republic-Central America- United States Free Trade Agreement countries (*i.e.*, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua), Canada, Colombia, Israel, Mexico, Panama, Peru, and Singapore.

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[1] Afghanistan, Albania, Algeria, Angola, Armenia, Azerbaijan, Belize, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Burkina Faso, Burma, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Ecuador, Egypt, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, The Gambia, Georgia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo, Kyrgyzstan, Lebanon, Lesotho, Liberia, North Macedonia, Madagascar, Malawi, Maldives, Mali, Mauritania, Mauritius, Moldova, Mongolia, Montenegro, Mozambique, Namibia, Nepal, Niger, Nigeria, Pakistan, Papua New Guinea, Paraguay, Philippines, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tomé and Principe, Senegal, Serbia, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, Suriname, Tanzania, Timor-Leste, Togo, Tonga, Tunisia, Tuvalu, Uganda, Ukraine, Uzbekistan, Vanuatu, Yemen (Republic of), Zambia and Zimbabwe.

In light of the current AD order on imports of fine denier PSF from the Republic of Korea, the President has determined to include fine denier PSF imports from the Republic of Korea under the TIB quantitative restriction.

The President determined to exclude other trading partners from relief that are beneficiaries under the Caribbean Basin Economic Recovery Act, consistent with the recommendations of certain ITC Commissioners.

DIFFERENCES FROM THE ITC'S REMEDY RECOMMENDATIONS

Tariff-Rate Quota on Fine Denier PSF Imports. While the ITC Commissioners recommended that the President also impose a tariff-rate quota on fine denier PSF imports, the President has decided not to do so. The Commission's report indicates that TIB entries of fine denier PSF contributed significantly to the serious injury to the domestic industry. In addition, such TIB entries are undermining the effectiveness of existing trade actions on fine denier PSF. Thus, the President has decided to tailor this safeguard remedy to TIB entries of fine denier PSF. Furthermore, the President decided not to impose a tariff-rate quota in the interest of balancing the competing interests of domestic manufacturers and the impact of the safeguard remedy on downstream U.S. producers, including manufacturers of textiles, defense products, and consumer products, that rely on fine denier PSF.

Product Exclusions. While the ITC Commissioners recommended that the President incorporate a product exclusion process for fine denier PSF products subject to this measure, the President has found it is unnecessary to establish such a process. Specifically, the President is not establishing a TRQ, so product exclusions are unnecessary. Moreover, the ITC report and information received through an interagency public comment and hearing process collectively suggest that the domestic industry does, or has the capacity to, produce such products for which exclusions were requested by interested parties.

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