E. Do the interconnection, unbundling, and resale requirements of the Telecommunications Act of 1996 reduce incumbent local exchange carriers' (ILECs') incentives to invest in broadband facilities and services?

1. Are their investment disincentives attributable to the regulated rates for interconnection, unbundled network elements, and resold services?

2. To what extent are those disincentives due to ILECs' uncertainties about their ability to recover the added network costs needed to accommodate potential requests from competitors? What are the magnitude of those additional costs? What mechanisms could be used to share the risks of those costs efficiently and equitably among ILECs, competitors, or users?

3. To what extent are the returns on ILECs' investments in new infrastructure uncertain? Is the uncertainty of gaining an adequate return on each infrastructure improvement (attributable in part to other firms' ability to use those facilities to offer competing services) significant enough to deter investment?

4. What are the principal strengths and weaknesses of the FCC's total element long run incremental cost (TELRIC) [1] methodology? What changes could be made to render TELRIC an effective deterrent to the exercise of market power and conducive to efficient infrastructure investment? Would it be possible to construct an alternative methodology that would not depend on cost information controlled by regulated firms?

F. Some have suggested that a regulatory dividing line should be drawn between legacy ''non-broadband'' facilities and/or services and new ''broadband'' facilities and/or services. Is this a feasible approach? If so, how would it work?

1. What effects would changes in the regulatory structure for broadband services and facilities have on regulation and competition with respect to voice telephone and other non-broadband services?

2. If ILECs deploy broadband services using a mixture of new and old facilities, will competitors be able to use the older shared facilities that they previously had access to?

3. If ILECs deploy broadband facilities to replace portions of their existing copper plant, will the displaced copper plant give competitors a viable opportunity to offer alternative services? What would be the annual costs to the ILEC (or to a purchaser of the displaced copper plant) of a continuing obligation to maintain that plant?

4. What regulations, if any, should apply to new broadband facilities and/or services to ensure a competitive marketplace?

G. To what extent have competitive firms deployed their own (a) transport, (b) switching, and (c) loop facilities? Are those investments limited to particular areas of the country or to particular portions of communities and metropolitan areas? What market characteristics must exist for competitors to make facilities-based investments? Do competitors have the ability to deploy their facilities in ways that minimize costs and facilitate efficient network design?

H. What cable companies are currently conducting trials to evaluate giving multiple Internet service providers access to broadband cable modem services? Describe the terms and conditions of ISP access in such trials. What technical, administrative, and operational considerations must be addressed to accommodate multiple ISP access? How can cable firms manage the increased traffic load on their shared distribution systems caused by multiple ISPs?

I. What problems have companies experienced in deploying broadband services via wireless and satellite? What regulatory changes would facilitate further growth in such services? Is available spectrum adequate or inadequate? What additional spectrum allocations, if any, are needed?

J. How should the broadband product market be defined? What policy initiatives would best promote intra-modal and inter-modal broadband competition?

K. Would it be appropriate to establish a single regulatory regime for all broadband services? Are there differences in particular broadband network architectures (e.g., differences between cable television networks and traditional telephone networks) that warrant regulatory differences? What would be the essential elements of a unified broadband regulatory regime?

L. Are there local issues affecting broadband deployment that should be addressed by federal policies? Please provide specific information or examples regarding these problems. Should fees for rights of way and street access reflect costs in addition to the direct administrative costs to the municipalities affected? To what extent do state laws and regulations limit municipalities' ability to establish nondiscriminatory charges for carriers' use of public rights-of-way? Please discuss the most appropriate relationship between federal, state, and local governments to ensure minimal regulation while removing disincentives or barriers to broadband deployment.

M. Are there impediments to federal lands and buildings that thwart broadband deployment? Please provide specific data. What changes, if any, may be necessary to give service providers greater access to federal property?

N. With respect to any proposed regulatory changes suggested in response to the above questions, can those changes be made under existing authority or is legislation required?

Nancy J. Victory,

Assistant Secretary for Communications and Information.

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[1] TELRIC is a method of determining the cost of telephone service based on the forward-looking, incremental cost of equipment and labor without taking into account the historical, or embedded cost. The pricing method is based on a hypothetical network using the most efficient technology available. *See* 47 CFR 51.503, 51.505 (1997); In Re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket Nos. 96–98 and 95–185, 11 FCC Rcd 15499 (1996), *vacated,* 120 F.3d 753 (8th Cir. 1997), *remanded,* 219 F.3d 744 (8th Cir. 2000), *cert. granted,* General Comm., Inc. v. Iowa Util. Bd., 121 S.Ct. 879 (2001).

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Designations under the Textile and Apparel Short Supply Provisions of the African Growth and Opportunity Act (AGOA) and the United States-Caribbean Basin Trade Partnership Act (CBTPA)

November 13, 2001.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Determination

SUMMARY: The Committee for the Implementation of Textile Agreements (Committee) has determined, under the AGOA and CBTPA, that rayon filament yarn, classified in subheading 5403.31 and 5403.32 of the Harmonized Tariff Schedule of the United States (HTS) for use in fabric for apparel, cannot be supplied by the domestic industry in commercial quantities in a timely manner. The Committee hereby designates apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in an eligible country, from fabric formed in the United States containing rayon filament yarn not formed in the United States, as eligible for quota-free and duty-free treatment under the textile and apparel

short supply provisions of the AGOA and the CBTPA, and eligible under HTS subheadings 9819.11.24 or 9820.11.27 to enter free of quotas and duties, provided all other yarns are U.S. formed and all other fabrics are U.S. formed from yarns wholly formed in the U.S.

FOR FURTHER INFORMATION CONTACT: Philip J. Martello, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482–3400.

SUPPLEMENTARY INFORMATION:

Authority: Section 112(b)(5)(B) of the AGOA and Section 211 of the CBTPA, amending Section 213(b)(2)(A)(v)(II) of the Caribbean Basin Economic Recovery Act (CBERA); Presidential Proclamations 7350 and 7351 of October 2, 2000; Executive Order No. 13191 of January 17, 2001.

Background

The short supply provision of the AGOA provides for duty-free and quota-free treatment for apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more beneficiary sub-Saharan African countries from fabric or yarn that is not formed in the United States or a beneficiary sub-Saharan African country if it has been determined that such yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner and certain procedural requirements have been met. In Presidential Proclamation 7350, the President proclaimed that this treatment would apply to such apparel articles from fabrics or yarns designated by the appropriate U.S. government authority in the Federal Register. In Executive Order 13191, the President authorized the Committee to determine whether particular yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner under the AGOA.

Similarly, the short supply provision of the CBTPA provides for duty-free and quota-free treatment for apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more beneficiary CBTPA country from fabric or yarn that is not formed in the United States or a beneficiary CBTPA country if it has been determined that such yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner and certain procedural requirements have been met. In Presidential Proclamation 7351, the President proclaimed that this treatment would apply to such apparel articles from fabrics or yarns designated by the appropriate U.S. government authority in the Federal Register. In Executive Order 13191, the President authorized the Committee to determine whether particular yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner.

On May 23, 2001, the Committee received a petition alleging that rayon filament yarn, classified in subheading 5403.31 and 5403.32 of the HTS for use in fabric for apparel, cannot be supplied by the domestic industry in commercial quantities in a timely manner under the AGOA and CBTPA and requesting that apparel articles from U.S. formed-fabric containing such yarns be eligible for preferential treatment under the AGOA and CBPTA. On May 31, 2001, the Committee requested public comment on the petition (66 FR 29549). On June 18, 2001, the Committee and the U.S. Trade Representative (USTR) sought the advice of the Industry Sector Advisory Committee for Wholesaling and Retailing and the Industry Sector Advisory Committee for Textiles and Apparel (collectively, the ISACs). On June 19, 2001, the Committee and USTR offered to hold consultations with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (collectively, the Congressional Committees). On July 9, 2001, the U.S. International Trade Commission (USITC) provided advice on the petition. Based on the information and advice received and its understanding of the industry, the Committee determined that the yarn set forth in the petition cannot be supplied by the domestic industry in commercial quantities in a timely manner. On July 19, 2001, the Committee and USTR submitted a report to the Congressional Committees that set forth the action proposed, the reasons for such action, and advice obtained. A period of 60 calendar days since this report was submitted has expired, as required by the AGOA and CBTPA.

The Committee hereby designates as eligible for preferential treatment under subheading 9819.11.24 of the HTS (for purposes of the AGOA), and under subheading 9820.11.27 of the HTS (for purposes of the CBTPA), apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more eligible beneficiary sub-Saharan African countries, or one or more eligible CBTPA beneficiary countries, from fabric formed in the United States containing rayon filament yarn not formed in the United States, provided that all other yarns are wholly formed in the United States and that all other fabrics are wholly formed in the United States from yarns wholly formed in the United States, that are imported directly into the customs territory of the United States from an eligible beneficiary sub-Saharan African country or an eligible CBTPA beneficiary country.

An ''eligible beneficiary sub-Saharan African country'' means a country which the President has designated as a beneficiary sub-Saharan African country under section 506A of the Trade Act of 1974 (19 U.S.C. 2466a) and which has been the subject of a finding, published in the Federal Register, that the country has satisfied the requirements of section 113 of the AGOA (19 U.S.C. 3722) and resulting in the enumeration of such country in U.S. note 1 to subchapter XIX of chapter 98 of the HTS. An ''eligible CBTPA beneficiary country'' means a country which the President has designated as a CBTPA beneficiary country under section 213(b)(5)(B) of the CBERA (19 U.S.C. 2703(b)(5)(B)) and which has been the subject of a finding, published in the Federal Register, that the country has satisfied the requirements of section 213(b)(4)(A)(ii) of the CBERA (19 U.S.C. 2703(b)(4)(A)(ii)) and resulting in the enumeration of such country in U.S. note 1 to subchapter XX of chapter 98 of the HTS.

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

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COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Denial of Short Supply Request under the North American Free Trade Agreement (NAFTA)

November 14, 2001.

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Denial of request alleging that yarns of cashmere and yarns of camel hair cannot be supplied by the domestic industry in commercial quantities in a timely manner.

SUMMARY: On June 14, 2001 the Chairman of the Committee for the Implementation of Textile Agreements (CITA) received a petition from Amicale Industries, Inc., pursuant to Section 7.2 of Annex 300-B of the North American Free Trade Agreement (NAFTA), that certain yarns of camel hair and certain yarns of cashmere, classified in heading 5108.10.60 of the Harmonized Tariff Schedule of the United States (HTSUS), cannot be supplied by the domestic industry in commercial quantities in a timely manner and requesting that the President proclaim a modification of the