This notice shall be published in the Federal Register.


Dated: March 1, 2021.

Antony J. Blinken,
Secretary of State.

BILLING CODE 4710–AD–P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Number USTR–2021–0001; Dispute Number DS597]

WTO Dispute Settlement Proceeding Regarding United States-Origin Marking Requirement (Hong Kong, China)

AGENCY: Office of the United States Trade Representative.

ACTION: Notice with request for comments.

SUMMARY: The Office of the United States Trade Representative (USTR) is providing notice that Hong Kong, China has requested the establishment of a dispute settlement panel under the Marrakesh Agreement Establishing the World Trade Organization (WTO Agreement). You can find that request at www.wto.org in a document designated as WT/DS597/1. USTR invites written comments from the public concerning the issues raised in this dispute.

DATES: Although USTR will accept any comments during the course of the dispute settlement proceedings, you should submit your comment on or before April 12, 2021 to be assured of timely consideration by USTR.

ADDRESSES: USTR strongly prefers electronic submissions made the Federal eRulemaking Portal: http://www.regulations.gov (Reg$s.gov). Follow the instructions for submitting comments in Section III below. The docket number is USTR–2021–0001. For alternatives to submission through Reg$s.gov, please contact Sandy McKinzy at (202) 395–9483.

FOR FURTHER INFORMATION CONTACT: Assistant General Counsel Heng Loke at (202) 395–9655 or YueHeng.Loke@ustr.eop.gov, or Senior Associate General Counsel Leigh Bacon at (202) 395–5859 or Leigh_Bacon@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Section 127(b)(1) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3537(b)(1)) requires notice and opportunity for comment after the United States submits or receives a request for the establishment of a WTO dispute settlement panel. Pursuant to this provision, USTR is providing notice that Hong Kong, China, has requested the establishment of a dispute settlement panel pursuant to the WTO Understanding on Rules Procedures Governing the Settlement of Disputes (DSU). In normal circumstances, once the WTO establishes a dispute settlement panel, the panel typically holds its meetings in Geneva, Switzerland.

II. Major Issues Raised by Hong Kong, China

On October 30, 2020, Hong Kong, China, requested consultations with the United States concerning certain measures affecting marks of origin with respect to imported goods produced in Hong Kong, China. You can find the consultation request at www.wto.org in a document designated as WT/DS597/1. The United States and Hong Kong, China, held consultations on November 24, 2020. On January 14, 2021, Hong Kong, China, made its request to the WTO to establish a WTO dispute settlement panel. On February 22, 2021, the WTO established a dispute settlement panel to examine Hong Kong, China’s complaint.

Hong Kong, China’s panel request appears to concern measures that goods produced in Hong Kong, China, be marked to indicate that their origin is in “China” rather than “Hong Kong”. These measures include Executive Order 13936 on Hong Kong Normalization, which suspends the application of Section 201(a) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5721(a)) to Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304), among other statutes; Section 304 of the Tariff Act of 1930; Part 134, Customs Regulations (19 CFR 134); Section 201(a) of the United States-Hong Kong Policy Act of 1992; and Country of Origin Marking of Products of Hong Kong, 85 FR 48551 (August 11, 2020). Hong Kong, China alleges that these measures are inconsistent with Articles I:1, IX:1, X:3(a) of the WTO General Agreement on Tariffs and Trade 1994; Articles 2(c), (d), and (e) of the WTO Agreement on Rules of Origin; and Article 2.1 of the WTO Agreement on Technical Barriers to Trade.

III. Public Comments: Requirements for Submissions

USTR invites written comments concerning the issues raised in this dispute. All submissions must be in English and sent electronically via Reg$s.gov. To submit comments via
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Modification of Section 301 Action: Enforcement of U.S. WTO Rights in Large Civil Aircraft Dispute

AGENCY: Office of the United States Trade Representative (USTR).

ACTION: Notice.

SUMMARY: The U.S. Trade Representative has determined to modify the action being taken in the investigation by suspending the additional tariffs on goods of the United Kingdom for a period of four months. The suspension is in accord with a joint U.S.-UK statement that promotes a resolution of the large civil aircraft dispute.

DATES: As of 12:01 a.m. eastern standard time on March 4, 2021, the additional duties on products of the United Kingdom covered by the action taken in this investigation are suspended for a period of four months.

FOR FURTHER INFORMATION CONTACT: For questions about the investigation or this notice, contact Associate General Counsel Megan Grimball, at (202) 395–5725, or Director for Europe Michael Rogers, at (202) 395–3320.

SUPPLEMENTARY INFORMATION:

A. Proceedings in the Investigation

For background on the proceedings in this investigation, please see prior notices including: Notice of initiation, 84 FR 15028 (April 12, 2019); notice of determination and action, 84 FR 54245 (October 9, 2019); and notices of revision of action, 85 FR 10204 (February 21, 2020), 85 FR 50866 (August 18, 2020), 86 FR 674 (January 6, 2021), and 86 FR 9420 (February 12, 2021).

B. Modification of Action

Section 307(a) of the Trade Act of 1974, as amended, (Trade Act) provides that the U.S. Trade Representative may modify or terminate any action subject to the specific direction, if any, of the President with respect to such action, that is being taken under section 301 if any of the conditions described in section 301(a)(2) exist. Section 301(a)(2)(B)(iv) of the Trade Act provides that the U.S. Trade Representative is not required to take action under section 301(a)(1) “in extraordinary cases, where the taking of action . . . would have an adverse impact on the United States economy substantially out of proportion to the benefits of such action, taking into account the impact of not taking such action on the credibility of actions taken under Section 301.”

Since its withdrawal from the European Union, the United Kingdom has demonstrated an increasing willingness to find a negotiated resolution to the disputes regarding trade in large civil aircraft. On March 4, 2021, for four months, the United States and the United Kingdom issued a Joint Statement promoting a resolution of the Large Civil Aircraft dispute:

The United Kingdom and the United States are undertaking a four-month tariff suspension to ease the burden on industry and take a bold, joint step towards resolving the longest running disputes at the World Trade Organization.

The United Kingdom ceased applying retaliatory tariffs in the Boeing dispute from January 1, 2021 to de-escalate the issue and create space for a negotiated settlement to the Airbus and Boeing disputes.

The United States will now suspend retaliatory tariffs in the Airbus dispute from March 4, 2021, for four months. This will allow time to focus on negotiating a balanced settlement to the disputes, and begin seriously addressing the challenges posed by new entrants to the civil aviation market from non-market economies, such as China. This will benefit a wide range of industries on both sides of the Atlantic, and allow for