

FOR FURTHER INFORMATION CONTACT: Caratina L. Alston, United States Secretary, NAFTA Secretariat, Suite 2061, 14th and Constitution Avenue, Washington, DC 20230, (202) 482-5438.

SUPPLEMENTARY INFORMATION: Chapter 19 of the North American Free-Trade Agreement ("Agreement") establishes a mechanism to replace domestic judicial review of final determinations in antidumping and countervailing duty cases involving imports from a NAFTA country with review by independent binational panels. When a Request for Panel Review is filed, a panel is established to act in place of national courts to review expeditiously the final determination to determine whether it conforms with the antidumping or countervailing duty law of the country that made the determination.

Under Article 1904 of the Agreement, which came into force on January 1, 1994, the Government of the United States, the Government of Canada and the Government of Mexico established *Rules of Procedure for Article 1904 Binational Panel Reviews* ("Rules"). These Rules were published in the **Federal Register** on February 23, 1994 (59 FR 8686). The panel review in this matter was requested and terminated pursuant to these Rules.

Dated: May 29, 2001.

Caratina L. Alston,

United States Secretary, NAFTA Secretariat.
[FR Doc. 01-14540 Filed 6-8-01; 8:45 am]

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DEPARTMENT OF COMMERCE

International Trade Administration

North American Free Trade Agreement (NAFTA), Article 1904 Binational Panel Reviews: Notice of Termination of Panel Review.

AGENCY: NAFTA Secretariat, United States Section, International Trade Administration, Department of Commerce.

ACTION: Notice of consent motion to terminate the panel review of the final antidumping duty administrative review made by the International Trade Administration, respecting cut-to-length carbon steel plate from Canada (Secretariat File No. USA-CDA-01-1904-01).

SUMMARY: Pursuant to the Notice of Consent Motion to Terminate the Panel Review by the complainants, the panel review is terminated as of May 11, 2001. No panel has been appointed to this panel review. Pursuant to Rule 71(2) of the *Rules of Procedure for Article 1904*

Binational Panel Review, this panel review is terminated.

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Dated: May 29, 2001.

Caratina L. Alston,

United States Secretary, NAFTA Secretariat.
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DEPARTMENT OF COMMERCE

International Trade Administration

Notice of Solicitation of Comments on Modification of Worsted Wool Fabric Tariff Rate Quotas

AGENCY: Department of Commerce, International Trade Administration.

ACTION: Notice of solicitation of comments on a request for modification of tariff rate quota limitations on the import of certain worsted wool fabrics.

DATES: To be considered, comments must be received or postmarked by 5:00 p.m. on July 2, 2001

ADDRESSES: Comments must be submitted to: Deputy Assistant Secretary for Textiles, Apparel and Consumer Goods Industries, Room 3001, United States Department of Commerce, Washington, D.C. 20230. Six copies of comments should be submitted.

FOR FURTHER INFORMATION CONTACT: Sergio Botero, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

The Department of Commerce (Department) hereby solicits comments on a request for an increase in the limitations on the quantity of imports of certain worsted wool fabric under the 2001 tariff rate quotas established by the Trade and Development Act of 2000. To be considered, comments must be received or postmarked by 5:00 p.m. on July 2, 2001 and must comply with the requirements of 15 CFR 340 (66 FR 6459, published January 22, 2001). Thirty days after the end of the comment period, the Department will determine whether the limitations should be modified.

SUPPLEMENTARY INFORMATION:

I. Background

Title V of the Trade and Development Act of 2000 (the Act) creates two tariff rate quotas, providing for temporary reductions in the import duties on two categories of worsted wool fabrics suitable for use in making suits, suit-type jackets, or trousers. For worsted wool fabric with average fiber diameters greater than 18.5 microns (new Harmonized Tariff Schedule of the United States (HTS) heading 9902.51.11), the reduction in duty is limited to 2,500,000 square meter equivalents per year. For worsted wool fabric with average fiber diameters of 18.5 microns or less (new HTS heading 9902.51.12), the reduction is limited to 1,500,000 square meter equivalents per year. Both these limitations may be modified by the President, not to exceed 1,000,000 square meter equivalents per year for each tariff rate quota.

The Act requires the annual consideration of requests by U.S. manufacturers of men's or boys' worsted wool suits, suit-type jackets and trousers for modification of the limitations on the quantity of fabric that may be imported under the tariff rate quotas, and grants the President the authority to proclaim modifications to the limitations. In determining whether to modify the limitations, specified U.S. market conditions with respect to worsted wool fabric and worsted wool apparel must be considered. On January 22, 2001, the Department published regulations establishing procedures for considering requests for modification of the limitations. 66 FR 6459, 15 CFR 340.

On March 29, 2001, the Department published a notice in the Federal Register soliciting requests for modification of the tariff rate quota limitations. The Department received one such request, from Hartmarx

Corporation, Hickey-Freeman and the Tailored Clothing Association. This request was for the maximum increase (1,000,000 square meters) in each of the two tariff rate quota limitations (HTS 9902.51.11 and HTS 9902.51.12). A summary of this request, based on the requesters' executive summary, is provided below. The full text of the request and exhibits, with the exception of business confidential information, is available for inspection between 9:00 a.m. and 4:30 p.m. in Room 2233, United States Department of Commerce, 1401 Constitution Avenue, Washington D.C. 20230.

Comments may be submitted by any interested person, including U.S. manufacturers of worsted wool fabric, wool yarn, wool top and wool fiber. Comments must comply with the requirements of 15 CFR 340. If the person submitting comments is a domestic producer of worsted wool fabric, comments should include, to the extent available, the following information for each limitation with respect to which comments are being made: (1) A list of domestic manufacturers of worsted wool suits, suit-type jackets, or trousers for whom orders were filled during the twelve months prior to the submission of the comments, the date of such orders, the total quantity ordered and supplied in square meters of domestically produced worsted wool fabric and of imported worsted wool fabric, and the average price received per square meter of domestically produced worsted wool fabric and of imported worsted wool fabric for such orders; (2) A list of all requests to purchase worsted wool fabric during the twelve months prior to the submission of the comments that were rejected by the person submitting the comments, indicating the dates of the requests, the quantity requested, the price quoted, and the reasons why the request was rejected; (3) Data indicating the increase and/or decrease in production and sales for the most recent six month period for which data is available and the comparable six month period in the previous year of domestically-produced worsted wool fabrics used in the production of worsted wool suits, suit-type jackets and trousers; (4) Evidence of lost sales due to the temporary duty reductions on certain worsted wool fabric under the tariff rate quotas; and (5) Other evidence of the ability of domestic producers of worsted wool fabric to meet the needs of the manufacturers of worsted wool suits, suit-type jackets and trousers in terms of quantity, variety, etc.

Comments must be accompanied by a statement by the person submitting the

request (if a natural person), or an employee, officer or agent of the legal entity submitting the request, with personal knowledge of the matters set forth therein, certifying that the information is complete and accurate, signed and sworn before a Notary Public, and acknowledging that false representations to a federal agency may result in criminal penalties under federal law.

Any business confidential information provided that is marked business confidential will be kept confidential and protected from disclosure to the full extent permitted by law. To the extent business confidential information is provided, a non-confidential submission should also be provided, in which business confidential information is summarized or, if necessary, deleted.

II. Summary of Request

The following is based on the executive summary to the request submitted by Hartmarx Corporation and Hickey-Freeman, on behalf of themselves and the Tailored Clothing Association. The request is dated April 11, 2001 and requests the maximum possible increase (1,000,000 square meters) in each of the two tariff rate quotas (HTS 9902.58.11 and HTS 9902.58.12).

The request states that the current tariff rate quota limitations are significantly less than the quantity required by the industry at the time the Trade and Development Act of 2000 was enacted. The request notes that at the time of enactment, there was a dispute between the domestic textile mills and apparel manufacturers as to the quantity of such fabric that was being imported and the request claims that the petition process was intended to provide an opportunity to determine appropriate limitations that offer sufficient protections to domestic textile producers while accommodating the import needs of domestic apparel manufacturers. The request states that the industry's fabric import needs demonstrably exceed the current limitations, that the U.S. textile industry is unable or unwilling to produce adequate supplies of worsted wool fabric, and that the tariff rate is causing severe harm to domestic apparel manufacturers.

The request claims that since enactment, the domestic textile industry has significantly reduced its commitment to be a supplier to the requesters' industry, stating that in the last 12 months there has been a significant reduction in the production of worsted wool fabric suitable for use

in men's and boys' tailored clothing and that the two remaining U.S. mills have significantly reduced their supply of worsted wool fabric to the industry. The request states that despite claims by domestic mills that there has been insufficient time to determine the impact of the tariff rate quota limitations on the market, the industry has commenced and completed its fabric purchases for 12 months of production (two full seasonal purchases) since the enactment of the Act, fabric imports that will fully benefit from the tariff rate quotas because they will enter during the 2001 calendar year. It states that a third season of designing and purchasing fabric offerings will be complete by the time the petition process is concluded. It claims that one major domestic worsted wool fabric producer, for example, was aware of this timetable when it described its reduction of offerings for the spring of 2000, but now ignores the purchasing and production cycles that have existed at least as long as the requesters have been in business.

The request states that in the month of January 2001, 729,031 square meters of fabric described in HTS heading 9902.51.12 was imported, imports which are subject to a 1.5 million square meter limitation for the 12-month period beginning in January. It also claims that the textile industry has conceded that the majority of these fabrics (i.e., those of these finer yarn diameters) are used in the production of men's and boys' suits, suit-type jackets, and trousers. The request states that one month of imports is consuming nearly 50% of the current tariff rate quota limitation and that imports for the fall 2002 season, already underway in January 2001, will likely consume more than this entire limitation even after adjusting for duty-free imports.

The request claims that government statistics also demonstrate the inadequacy of the limitation on fabric described in HTS heading 9902.51.11. In January 2001, 1,161,603 square meters of such fabric was imported. This is about 45% of the limitation for the 12-month period beginning in January. The request states that while not all of this fabric will be used in men's and boys' tailored clothing, a significant amount will be so used and that this one-month's worth of import data demonstrates that domestic apparel manufacturers lack sufficient domestically made worsted wool fabrics. The request states that two remaining worsted wool mills in the U.S. are the only suppliers for both the women's and men's tailored clothing industries.

The request states that the textile industry claims that there is a need for a full year's worth of statistics before considering requests for increases in the limitations. The request states that because of the lag time in the reporting of these statistics by the government, the textile industry's argument would require the industry to wait until March 2002 before starting the petition process—delaying the full impact (i.e., a full season's cycle of fabric purchase through delivery) of any relief until the 2003 fall line at the earliest. The request states that this argument is contrary to the statute and the facts at hand, including published government statistics, which demonstrate the need to modify the limitation.

The request argues that the current tariff rate quota limitations placed on U.S. domestic apparel makers are significantly less than the limitations the U.S. government has granted competitors in Canada and Mexico and that, despite these larger tariff rate quotas, Canadian and Mexican apparel makers still export worsted wool apparel made of non-NAFTA fabrics in excess of their limitations and pay MFN duty rates.

The request states that the requesters' industry continues to suffer losses to foreign competitors who have access to the same fabrics at the same prices but at lower duty rates. It claims that since enactment of the Act, the industry has continued to lose major production facilities to foreign competition and Canada has responded to the Act by processing three different tariff reduction proposals and restructuring its tariff rate quota program under NAFTA, all aimed at bestowing tariff advantages over competing U.S. production.

The request notes that an increase in the limitations by 2 million square meters for fabric under HTS headings 9902.51.11 and 9902.51.12 will not be sufficient to supply the industry's needs in 2001. Because of the demand for significant quantities of imported fabrics, the request claims that proclaiming the maximum increase in the limitation does not pose a potential economic threat to the domestic textile mills. Under the modification requested, the request states that the domestic textile industry will remain fully protected with high tariff rates on significant imports on which the industry will continue to rely, and with still meaningful tariff rates on imports

under the tariff rate quotas. Even if the domestic textile industry were to return its domestic production to levels that haven't existed for decades, the request avers that the limitations with the requested modification will still not fully satisfy the needs of domestic tailored clothing manufacturers.

INDEX OF EXHIBITS PRESENTED WITH THE PETITION FOR MODIFICATION TO LIMITATIONS ON TARIFF RATE QUOTAS FOR CERTAIN WORSTED WOOL FABRICS

Exhibit 1:	Data on domestic production, imports, and import prices for worsted wool fabric
Exhibit 2:	Data on domestic production, imports from Canada and Mexico, and imports from the world for selected wool apparel
Exhibit 3:	Data on total U.S. consumption of selected wool apparel
Exhibit 4:	Statement by the American Textile Manufacturers Institute on extending duty-free entry to apparel sewn in the CBI region
Exhibit 5:	News release and article on reorganization of Burlington Industries' apparel fabrics business.
Exhibit 6:	Letter and information on Burlington Industries' worsted wool fabric production
Exhibit 7:	Article on Burlington Industries' credit ratings
Exhibit 8:	News release on Burlington Industries' Five-Point Improvement Plan
Exhibit 9:	Transcript of Burlington Industries' investor conference call regarding transfer of operations from U.S. facilities to Mexico
Exhibit 10:	Information on Burlington Industries' reduction in U.S. synthetic fabric and worsted wool fabric capacity
Exhibit 11:	Article on Burlington Industries' debt ratings
Exhibit 12:	Letters from U.S. suit manufacturers regarding domestic sources of worsted wool fabric
Exhibit 13:	Canadian Government report on requested tariff relief for woven fabrics of combed wool and of combed fine animal hair imported into Canada

INDEX OF EXHIBITS PRESENTED WITH THE PETITION FOR MODIFICATION TO LIMITATIONS ON TARIFF RATE QUOTAS FOR CERTAIN WORSTED WOOL FABRICS—Continued

Exhibit 14:	Article on increased demand for superfine fabrics in men's tailored clothing
Exhibit 15:	Letter and chart regarding grade of fabric imported by U.S. producers of suits and grade of fabric in suits available for sale in the U.S.
Exhibit 16:	Articles on plant closures in the U.S. tailored clothing industry and increasing Canadian exports of menswear to the U.S. market
Exhibit 17:	Data on utilization of NAFTA tariff preference levels for textiles and apparel
Exhibit 18:	Notices regarding the Canadian Government's administration of NAFTA tariff preference levels for textiles and clothing
Exhibit 19:	Article on Canada's allocation of tariff preference levels
Exhibit 20:	Canadian Government report on request for tariff relief on woven fabrics of combed wool and of combed fine animal hair imported into Canada
Exhibit 21:	Canadian Government report on request for tariff relief on dyed woven fabric of rayon imported into Canada
Exhibit 22:	Information relating to request for tariff relief on certain wool fabrics imported into Canada
Exhibit 23:	Fabric order and purchasing dates
Exhibit 24:	Statement of the Wool Fiber, Yarn, Fabric Coalition opposing wool fabric tariff reductions
Exhibit 25:	Articles on growing consumer interest in men's suits

Dated: June 5, 2001.

Michelle O'Neill,

Acting Assistant Secretary for Trade Development, Department of Commerce.

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