

waybill for a period of one year after issuance.

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**Robert C. Bonner,**

*Commissioner of Customs.*

Approved: August 27, 2002.

**Timothy E. Skud,**

*Deputy Assistant Secretary of the Treasury.*

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## DEPARTMENT OF THE TREASURY

### Customs Service

#### 19 CFR Parts 132 and 163

[T.D. 02-50]

RIN 1515-AC83

#### Licenses for Certain Worsted Wool Fabrics Subject to Tariff-Rate Quota

**AGENCY:** Customs Service, Department of the Treasury.

**ACTION:** Final rule.

**SUMMARY:** This document adopts as a final rule, without change, the interim rule amending the Customs Regulations that was published in the **Federal Register** on May 1, 2001, as T.D. 01-35. The interim rule set forth the form and manner by which an importer establishes that a valid license, issued under regulations of the U.S. Department of Commerce, is in effect for certain worsted wool fabric that is the subject of a tariff-rate quota. Such a license, issued by the U.S. Department of Commerce, is necessary in order to enable the importer to claim the in-quota rate of duty on the worsted wool fabric.

**DATES:** Final rule effective on August 30, 2002.

**FOR FURTHER INFORMATION CONTACT:**

Thomas Fitzpatrick, Office of Field Operations, (202-927-5385).

**SUPPLEMENTARY INFORMATION:**

#### Background

Under section 501 of the Trade and Development Act of 2000 (the "Act") (Pub. L. 106-200, 114 Stat. 251; May 18, 2000), the Harmonized Tariff Schedule of the United States (HTSUS) was amended to establish a tariff-rate quota for certain worsted wool fabrics that are entered or withdrawn from warehouse for consumption, on or after January 1, 2001.

Generally, under a tariff-rate quota, the United States applies one tariff rate, known as the in-quota rate, to imports of a product up to a particular amount, known as the in-quota quantity, and

another, higher rate, known as the over-quota rate, to imports of a product in excess of the given amount. The preferential, in-quota rate would be applicable to the product only to the extent that the aggregate in-quota quantity of the product that is entered or withdrawn for consumption is not exceeded during the quota year.

To establish the tariff-rate quota for worsted wool fabrics, subchapter 2 of Chapter 99, HTSUS, was amended by section 501(a) and (b) of the Act to add two subheadings, 9902.51.11 and 9902.51.12, respectively.

The two subheadings created by section 501(a) and (b) of the Act describe certain fabrics of worsted wool provided for in subheadings 5111.11.70, 5111.19.60, 5112.11.20 and 5112.19.90, HTSUS. Since the passage of the Act, the President issued Presidential Proclamation 7383 (December 1, 2000). The Annex to that Presidential Proclamation provided, in pertinent part, for the following HTSUS substitutions, effective on or after January 1, 2001:

Subheading 5112.11.20 is replaced by subheadings 5112.11.30 and 5112.11.60; and

Subheading 5112.19.90 is replaced by subheadings 5112.19.60 and 5112.19.95.

Further, it is noted that HTSUS subheadings 5111.11.70 and 5111.19.60 do not provide for worsted wool fabric so fabrics described in those subheadings would not meet the description of fabrics that could fall under the tariff rate quota.

Accordingly, the tariff rate quota is applicable to certain fabrics of worsted wool provided for in subheadings 5112.11.30, 5112.11.60, 5112.19.60 and 5112.19.95, HTSUS, that are described in and entered under subheadings 9902.51.11 and 9902.51.12, HTSUS.

#### Administration of Tariff-Rate Quota by U.S. Department of Commerce

In implementing the in-quota limits on the quantities of worsted wool fabric that may be entered or withdrawn for consumption subject to the reduced tariffs afforded by subheadings 9902.51.11 and 9902.51.12, the U.S. Department of Commerce was delegated the authority under section 501(e) of the Act to fairly apportion these in-quota quantities among those persons, including firms, corporations and other legal entities, in the United States, who cut and sew men's and boys' worsted wool suits, suit-type jackets and trousers. This delegation of authority to the Department of Commerce was effected by Presidential Proclamation No. 7383 of December 1, 2000.

Accordingly, the Department of Commerce issued regulations setting up a program for the allocation of the aggregate in-quota quantity established, respectively, for subheadings 9902.51.11 and 9902.51.12 (15 CFR 335.1-335.7; see **Federal Register** dated January 22, 2001 (66 FR 6459)).

In pertinent part, under this program, the usage of the quota is allocated to U.S. suit-makers by virtue of licenses issued to them by the Department of Commerce. Each license is issued for a stated quantity of fabric and is required to have a unique control number. A suit-maker who has been issued such a license (a licensee) may enter worsted wool fabric under subheading 9902.51.11 or 9902.51.12 at the related in-quota rate of duty, up to the amount authorized in the license.

However, if the importer of record is not the licensee, the importer must have received an authorization from the licensee to act on its behalf, in order to be entitled to the in-quota rate of duty. The licensee may only authorize an importer to import fabric under the license on its behalf by making such an authorization in writing or by an electronic notice to the importer and by providing a copy of such authorization to the Department of Commerce. This authorization must include the unique control number of the license; it must specifically cover the fabric being imported; and it must be in the possession of the importer at the time of filing the entry summary or warehouse withdrawal for consumption (Customs Form 7501), or its electronic equivalent, in order for the importer to be eligible for the applicable in-quota rate of duty.

#### Corresponding Customs Rulemaking

In accordance with the rulemaking of the Department of Commerce, Customs issued an interim rule that was published in the **Federal Register** (66 FR 21664) on May 1, 2001, as T.D. 01-35. The interim rule added a new § 132.18 to the Customs Regulations (19 CFR 132.18) in order to prescribe the form and manner by which an importer establishes that a valid license exists for worsted wool fabric subject to the tariff-rate quota that is entered under HTSUS subheading 9902.51.11 or 9902.51.12. In particular, the unique control number assigned to the license must be referenced on the entry summary or warehouse withdrawal for consumption, or its electronic equivalent, in order to entitle the importer to claim the in-quota rate of duty on the worsted wool fabric.

In addition, the interim rule revised the Interim (a)(1)(A) List set forth as an Appendix to part 163, Customs

Regulations (19 CFR part 163, Appendix) to make reference to the license or written authorization required under new § 132.18. The (a)(1)(A) List provides a listing of the records and information required for the entry of merchandise.

A document published in the **Federal Register** (66 FR 27453) on May 17, 2001, set forth a correction to the interim rule regarding its effective date. As noted above, the rule applies to products that are entered, or withdrawn from warehouse, for consumption on or after January 1, 2001.

No comments were received from the public in response to the interim rule, and Customs has now determined to adopt the interim rule as a final rule without change.

#### **The Regulatory Flexibility Act and Executive Order 12866 and Inapplicability of Delayed Effective Date**

This final rule implements a preferential tariff benefit in favor of the importing public; it provides a necessary and reasonable means for carrying out this preferential tariff benefit; and it closely parallels existing regulatory provisions that implement similar trade preference programs. Accordingly, it has been determined, pursuant to 5 U.S.C. 553(d)(3), that a delayed effective date is not required. Because no notice of proposed rulemaking was required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply. Nor does this final rule result in a "significant regulatory action" as specified in E.O. 12866.

#### **Paperwork Reduction Act**

The collections of information concerning the interim rule had already been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) and assigned OMB Control Numbers 1515-0065 (Entry summary and continuation sheet) and 1515-0124 (General recordkeeping and record production requirements). The interim rule did not make any material change to the existing approved information collections.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by OMB.

#### **List of Subjects**

##### **19 CFR Part 132**

Customs duties and inspection, Quotas, Reporting and recordkeeping requirements.

##### **19 CFR Part 163**

Administrative practice and procedure, Customs duties and inspection, Imports, Reporting and recordkeeping requirements.

#### **Amendments to the Regulations**

Accordingly, the interim rule amending parts 132 and 163, Customs Regulations (19 CFR parts 132 and 163), which was published in the **Federal Register** at 66 FR 21664 on May 1, 2001, is adopted as a final rule without change.

**Robert C. Bonner,**

*Commissioner of Customs.*

Approved: August 26, 2002.

**Gordana S. Earp,**

*Acting Deputy Assistant Secretary of the Treasury.*

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## **DEPARTMENT OF DEFENSE**

### **National Imagery and Mapping Agency**

#### **32 CFR Part 320**

**[NIMA Instruction 5500.7R1]**

#### **Privacy Act; Implementation**

**AGENCY:** National Imagery and Mapping Agency, DoD.

**ACTION:** Final rule.

**SUMMARY:** The National Imagery and Mapping Agency (NIMA) is adding an exemption rule to an existing system of records. The exemption will increase the value of the system of records for law enforcement purposes, and will protect the privacy of individuals identified in the system of records.

**EFFECTIVE DATE:** August 6, 2002.

**FOR FURTHER INFORMATION CONTACT:** Mr. Tom Willess, Associate General Counsel, at (301) 227-2953.

**SUPPLEMENTARY INFORMATION:** The proposed rule was published on June 4, 2002, at 67 FR 38448. No comments were received from the public; therefore, NIMA is adopting the rule as final.

#### **Executive Order 12866, "Regulatory Planning and Review"**

It has been determined that Privacy Act rules for the Department of Defense are not significant rules. The rules do

not (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy; a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another Agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive order.

#### **Public Law 96-354, "Regulatory Flexibility Act" (5 U.S.C. Chapter 6)**

It has been determined that Privacy Act rules for the Department of Defense do not have significant economic impact on a substantial number of small entities because they are concerned only with the administration of Privacy Act systems of records within the Department of Defense.

#### **Public Law 96-511, "Paperwork Reduction Act" (44 U.S.C. Chapter 35)**

It has been determined that Privacy Act rules for the Department of Defense impose no information requirements beyond the Department of Defense and that the information collected within the Department of Defense is necessary and consistent with 5 U.S.C. 552a, known as the Privacy Act of 1974.

#### **Section 202, Public Law 104-4, "Unfunded Mandates Reform Act"**

It has been determined that Privacy Act rulemaking for the Department of Defense does not involve a Federal mandate that may result in the expenditure by State, local and tribal governments, in the aggregate, or by the private sector, of \$100 million or more and that such rulemaking will not significantly or uniquely affect small governments.

#### **Executive Order 13132, "Federalism"**

It has been determined that Privacy Act rules for the Department of Defense do not have federalism implications. The rules do not have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government.

#### **List of Subjects in 32 CFR Part 320**

Privacy.

Accordingly, 32 CFR part 320 is amended as follows: