

**Register** a notice seeking public comment regarding the action it is considering.

**6. Record Keeping and Business Confidential Information.** OTEXA will maintain an official record for each request on behalf of the Committee. The official record will include all factual information, written argument, or other material developed by, presented to, or obtained by OTEXA regarding the request, as well as other material provided to the Department of Commerce by other government agencies for inclusion in the official record. The official record will include Committee memoranda pertaining to the request, memoranda of Committee meetings, meetings between OTEXA staff and the public, determinations, and notices published in the **Federal Register**. The official record will contain material which is public, business confidential, privileged, and classified, but will not include pre-decisional inter-agency or intra-agency communications. If the Committee decides it is appropriate to consider materials submitted in an untimely manner, such materials will be maintained in the official record. Otherwise, such material will be returned to the submitter and will not be maintained as part of the official record. OTEXA will make the official record public except for business confidential information, privileged information, classified information, and other information the disclosure of which is prohibited by U.S. law. The public record will be available to the public for inspection and copying in a public reading room located in the Department of Commerce, Trade Information Center.

Information designated by the submitter as business confidential will normally be considered to be business confidential unless it is publicly available. The Committee will protect from disclosure any business confidential information that is marked "business confidential" to the full extent permitted by law. To the extent that business confidential information is provided, two copies of a non-confidential version must also be provided, in which business confidential information is summarized or, if necessary, deleted. The Committee will make available to the public non-confidential versions of the request that is being considered, non-confidential versions of any public comments received with respect to a request, and, in the event consultations are requested, the statement of the reasons and justifications for the determination

subsequent to the delivery of the statement to Australia.

**Philip J. Martello,**

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

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## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Special Procedures for Considering Requests from the Public for Textile and Apparel Safeguard Actions on Imports from Central America and the Dominican Republic

April 25, 2006.

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

**ACTION:** Notice of Procedures.

**SUMMARY:** This notice sets forth the procedures the Committee will follow in considering requests from the public for textile and apparel safeguard actions as provided for in Title III, Subtitle B, Section 321 through Section 328 of the Dominican Republic-Central America-United States Free Trade Agreement ("CAFTA-DR" or the "Agreement") Implementation Act.

**EFFECTIVE DATE:** April 28, 2006.

**ADDRESSES:** Requests must be submitted to: the Chairman, Committee for the Implementation of Textile Agreements, Room H3100, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

**FOR FURTHER INFORMATION CONTACT:** Maria D'Andrea, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

**SUPPLEMENTARY INFORMATION:**

#### Background

Title III, Subtitle B, Section 321 through Section 328 of the CAFTA-DR Implementation Act (the "Act") implements the textile and apparel safeguard provisions, provided for in Article 3.23 of the Agreement. The safeguard mechanism applies when, as a result of the elimination of a customs duty under the Agreement, a textile or apparel article from Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, or Nicaragua ("Agreement country"), is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage or actual threat thereof to a U.S. industry

producing a like or directly competitive article. In these circumstances, Article 3.23 permits the United States to increase duties on the imported article from the specified Agreement country to a level that does not exceed the lesser of the prevailing U.S. normal trade relations (NTR)/most-favored-nation (MFN) duty rate for the article or the U.S. NTR (MFN) duty rate in effect on the day before the Agreement enters into force.

The import tariff relief is effective beginning on the date that the Committee determines that a "CAFTA-DR textile or apparel article," as defined in Section 301(2) of the Act, of a specified Agreement country is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a U.S. industry producing an article that is like, or directly competitive with, the imported article. The maximum period of import tariff relief shall be three years. However, if the initial period for import relief is less than three years, the Committee may extend the period of import relief to the maximum three-year period if the Committee determines that the continuation is necessary to remedy or prevent serious damage or actual threat thereof and to facilitate adjustment by the domestic industry to import competition, and that the domestic industry is, in fact, making a positive adjustment to import competition. Import tariff relief may not be applied to the same article at the same time under these procedures if relief previously has been granted with respect to that article under: (1) these provisions; (2) Subtitle A to Title III of the Act; or (3) Chapter 1 of Title II of the Trade Act of 1974.

Authority to provide import tariff relief with respect to a CAFTA-DR textile or apparel article will expire five years after the date on which the Agreement enters into force.

Under Article 3.23.6 of the Agreement, if the United States provides relief to a domestic industry under the textile and apparel safeguard, it must provide the country whose good is subject to the measure "mutually agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional customs duties expected to result from the textile safeguard measure." Such concessions shall be limited to textile and apparel products, unless the United States and the specified Agreement country agree otherwise. If the United States and the

Agreement country are unable to agree on trade liberalizing compensation, that country may increase customs duties equivalently on U.S. products. The obligation to provide compensation terminates upon termination of the safeguard relief. Section 327 of the Act extends the authority under Section 123 of the Trade Act of 1974 (19 U.S.C. 2133), as amended, to measures taken pursuant to the Agreement's textile and apparel safeguard provisions.

In order to facilitate the implementation of Title III, Subtitle B, Section 321 through Section 328 of the CAFTA-DR Implementation Act, the Committee has determined that actions taken under this safeguard fall within the foreign affairs exception to the rulemaking provision of 5 U.S.C. 553(a)(1), and this notice does not waive that determination. These procedures are not subject to the requirement to provide prior notice and opportunity for public comment, pursuant to 5 U.S.C. 553(a)(1) and 553(b)(A).

#### 1. Requirements for Requests.

Pursuant to Section 321(a) of the Act and Section 6 of Presidential Proclamation 7987 of February 28, 2006, an interested party may file a request for a textile or apparel safeguard action with the Committee. The Committee will review requests from an interested party sent to the Chairman, Committee for the Implementation of Textile Agreements, Room 3100, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, DC 20230. Ten copies of any such request must be provided. As provided in Section 328 of the Act, the Committee will protect from disclosure any business confidential information that is marked "business confidential" to the full extent permitted by law. To the extent that business confidential information is provided, two copies of a non-confidential version must also be provided, in which business confidential information is summarized or, if necessary, deleted. At the conclusion of the request, an interested party must attest that "all information contained in the request is complete and accurate and no false claims, statements, or representations have been made." Consistently with Section 321(a), the Committee will review a request initially to determine whether to commence consideration of the request on its merits. Within 15 working days of receipt of a request, the Committee will determine whether the request provides the information necessary for the Committee to consider the request in light of the considerations set forth below. If the request does not, the Committee will promptly notify the

requester of the reasons for this determination and the request will not be considered. However, the Committee will reevaluate any request that is resubmitted with additional information.

Consistent with longstanding Committee practice in considering textile safeguard actions, the Committee will consider an interested party to be an entity (which may be a trade association, firm, certified or recognized union, or group of workers) that is representative of either: (A) a domestic producer or producers of an article that is like or directly competitive with the subject Agreement country textile or apparel article; or (B) a domestic producer or producers of a component used in the production of an article that is like or directly competitive with the subject Agreement country textile or apparel article.

A request will only be considered if the request includes the specific information set forth below in support of a claim that a textile or apparel article from an Agreement country is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a U.S. industry producing an article that is like, or directly competitive with, the imported article.

**A. Product description.** Name and description of the imported article concerned, including the category or categories or part thereof of the U.S. Textile and Apparel Category System (see "Textile Correlation" at <http://otexa.ita.doc.gov/corr.htm>) <http://otexa.ita.doc.gov/corr.html>) under which such article is classified, the Harmonized Tariff Schedule of the United States subheading(s) under which such article is classified, and the name and description of the like or directly competitive domestic article concerned.

**B. Import data.** The following data, in quantity by category unit (see "Textile Correlation"), on total imports of the subject article into the United States and imports from the specified Agreement country into the United States:

- \* Annual data for the most recent three full calendar years for which such data are available;
- \* Quarterly data for the most recent year for which such data are partially available, and quarterly data for the same quarter(s) of the previous year (e.g., January-March 2005, April-June 2005 and January-March 2004, April-June 2004).

The data should demonstrate that imports of an Agreement country's origin textile or apparel article that is like or directly competitive with the article produced by the domestic industry concerned are increasing rapidly in absolute terms or relative to the domestic market for that article.

**C. Production data.** The following data, in quantity by category unit (see "Textile Correlation"), on U.S. domestic production of the like or directly competitive article of U.S. origin indicating the nature and extent of the serious damage or actual threat thereof:

- \* Annual data for the most recent three full calendar years for which such data are available;
- \* Quarterly data for the most recent year for which such data are partially available, and quarterly data for the same quarter(s) of the previous year (e.g., January-March 2005, April-June 2005 and January-March 2004, April-June 2004).

If the like or directly competitive article(s) of U.S. origin does not correspond to a category or categories of the U.S. Textile and Apparel Category system for which production data are available from official statistics of the U.S. Department of Commerce (see "U.S. Imports, Production, Markets, Import Production Ratios and Domestic Market Shares for Textile and Apparel Products Categories", at website <http://otexa.ita.doc.gov/ipbook.pdf>), the requester must provide a complete listing of all sources from which the data were obtained and an affirmation that to the best of the requester's knowledge, the data represent substantially all of the domestic production of the like or directly competitive article(s) of U.S. origin. In such cases, data should be reported in the first unit of quantity in the Harmonized Tariff Schedule of the United States (<http://www.usitc.gov/tata/hts>) for the Agreement country's textile and/or apparel articles and the like or directly competitive articles of U.S. origin.

**D. Market share data.** The following data, in quantity by category unit (see "Textile Correlation"), on imports from the specified Agreement country as a percentage of the domestic market (defined as the sum of domestic production of the like or directly competitive article and total imports of the subject article); on total imports as a percentage of the domestic market; and on domestic production of like or directly competitive articles as a percentage of the domestic market:

- \* Annual data for the most recent three full calendar years for which such data are available;

\* Quarterly data for the most recent year for which such data are partially available, and quarterly data for the same quarter(s) of the previous year (e.g., January-March 2005, April-June 2005 and January-March 2004, April-June 2004).

**E. Additional data showing serious damage or actual threat thereof.** All data available to the requester showing changes in productivity, utilization of capacity, inventories, exports, wages, employment, domestic prices, profits, and investment, and any other information, relating to the existence of serious damage, or actual threat thereof, caused by imports from an Agreement country to the industry producing the like or directly competitive article that is the subject of the request. To the extent that such information is not available, the requester should provide best estimates and the basis therefore:

- \* Annual data for the most recent three full calendar years for which such data are available;
- \* Quarterly data for the most recent year for which such data are partially available, and quarterly data for the same quarter(s) of the previous year (e.g., January-March 2005, April-June 2005 and January-March 2004, April-June 2004).

## 2. Consideration of Requests.

Consistent with Section 321(b) of the Act, if the Committee determines that the request provides the information necessary for it to be considered, the Committee will cause to be published in the **Federal Register** a notice seeking public comments regarding the request, which will include a summary of the request and the date by which comments must be received. The **Federal Register** notice and the request, with the exception of information marked "business confidential," will be posted by the Department of Commerce's Office of Textiles and Apparel ("OTEXA") on the Internet (<http://otexa.ita.doc.gov>). The comment period shall be 30 calendar days. To the extent business confidential information is provided, a non-confidential version must also be provided, in which business confidential information is summarized or, if necessary, deleted. At the conclusion of its submission of such public comments, an interested party must attest that "all information contained in the comments is complete and accurate and no false claims, statements, or representations have been made." Comments received, with the exception of information marked "business confidential," will be available in the Department of Commerce's Trade Information Center for review by the public. If a comment

alleges that there is no serious damage or actual threat thereof, or that the subject imports are not the cause of the serious damage or actual threat thereof, the Committee will closely review any supporting information and documentation, such as information about domestic production or prices of like or directly competitive articles. In the case of requests submitted by entities that are not the actual producers of a like or directly competitive article, particular consideration will be given to comments representing the views of actual producers in the United States of a like or directly competitive article.

Any interested party may submit information to rebut, clarify, or correct public comments submitted by any other interested party at any time prior to the deadline provided in this section for submission of such public comments. If public comments are submitted less than 10 days before, or on, the applicable deadline for submission of such public comments, an interested party may submit information to rebut, clarify, or correct the public comments no later than 10 days after the applicable deadline for submission of public comments.

With respect to any request considered by the Committee, the Committee will make a determination within 60 calendar days of the close of the comment period. If the Committee is unable to make a determination within 60 calendar days, it will cause to be published in a notice in the **Federal Register**, including the date by which it will make a determination. If the Committee makes a negative determination, it will cause this determination and the reasons therefore to be published in the **Federal Register**.

**3. Determination and Provision of Relief.** The Committee shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, an Agreement country's textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article. In making this determination, the Committee: (1) shall examine the effect of increased imports on the domestic industry as reflected in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and (2) shall not

consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof. The Committee will provide written notice of its decision to the specified Agreement country and will consult with said party upon its request. Consultations with the specified Agreement country will begin without delay and shall be completed within 60 days of the date of the receipt of the request. The Committee shall make a determination on whether to apply a safeguard measure within 30 days of completion of the consultations.

If a determination under this section is affirmative, the Committee may provide import tariff relief to a U.S. industry to the extent necessary to remedy or prevent the serious damage or actual threat thereof and to facilitate adjustment by the domestic industry to import competition. Such relief may consist of an increase in duties to the lower of: (1) the NTR/MFN duty rate in place for the textile or apparel article at the time the relief is granted; or (2) the NTR/MFN duty rate for that article on the day before the Agreement enters into force.

The import tariff relief is effective beginning on the date that the Committee's affirmative determination is published in the **Federal Register**. The maximum period of import tariff relief shall be three years. However, if the initial period for import relief is less than three years, the Committee may extend the period of import relief to the maximum three-year period if the Committee determines that the continuation is necessary to remedy or prevent serious damage or actual threat thereof by the domestic industry to import competition, and that the domestic industry is, in fact, making a positive adjustment to import competition. Import tariff relief may not be imposed for an aggregate period greater than three years. Import tariff relief may not be applied to the same article at the same time under these procedures if relief previously has been granted with respect to that article under: (1) These provisions; (2) Subtitle A to Title III of the Act; or (3) Chapter 1 of Title II of the Trade Act of 1974.

Authority to provide import tariff relief for a textile or apparel article from an Agreement country that is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage or actual threat thereof to a U.S. industry producing a like or directly competitive article, will expire five years after the

date on which the Agreement enters into force.

**4. Self Initiation.** The Committee may, on its own initiative, consider whether imports of a textile or apparel article from a specified Agreement country are being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage or actual threat thereof to a U.S. industry producing a like or directly competitive article. In such considerations, the Committee will follow procedures consistent with those set forth in Section 2 of this notice, including causing to be published in the **Federal Register** a notice seeking public comment regarding the action it is considering.

**5. Record Keeping and Business Confidential Information.** OTEXA will maintain an official record for each request on behalf of the Committee. The official record will include all factual information, written argument, or other material developed by, presented to, or obtained by OTEXA regarding the request, as well as other material provided to the Department of Commerce by other government agencies for inclusion in the official record. The official record will include Committee memoranda pertaining to the request, memoranda of Committee meetings, meetings between OTEXA staff and the public, determinations, and notices published in the **Federal Register**. The official record will contain material which is public, business confidential, privileged, and classified, but will not include pre-decisional inter-agency or intra-agency communications. If the Committee decides it is appropriate to consider materials submitted in an untimely manner, such materials will be maintained in the official record. Otherwise, such material will be returned to the submitter and will not be maintained as part of the official record. OTEXA will make the official record public except for business confidential information, privileged information, classified information, and other information the disclosure of which is prohibited by U.S. law. The public record will be available to the public for inspection and copying in a public reading room located in the Department of Commerce, Trade Information Center.

Information designated by the submitter as business confidential will normally be considered to be business confidential unless it is publicly available. The Committee will protect from disclosure any business

confidential information that is marked "business confidential" to the full extent permitted by law. To the extent that business confidential information is provided, two copies of a non-confidential version must also be provided, in which business confidential information is summarized or, if necessary, deleted. The Committee will make available to the public non-confidential versions of the request that is being considered, non-confidential versions of any public comments received with respect to a request, and, in the event consultations are requested, the statement of the reasons and justifications for the determination subsequent to the delivery of the statement to the specified Agreement country.

**Philip J. Martello,**

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

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## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Special Procedures for Considering Requests from the Public for Textile and Apparel Safeguard Actions on Imports from Morocco

April 25, 2006.

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

**ACTION:** Notice of Procedures.

**SUMMARY:** This notice sets forth the procedures the Committee will follow in considering requests from the public for textile and apparel safeguard actions as provided for in Title III, Subtitle B, Section 321 through Section 328 of the United States-Morocco Free Trade Agreement Implementation Act.

**EFFECTIVE DATE:** April 28, 2006

**ADDRESSES:** Requests must be submitted to: the Chairman, Committee for the Implementation of Textile Agreements, Room H3100, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC 20230.

**FOR FURTHER INFORMATION CONTACT:** Maria D'Andrea, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

**SUPPLEMENTARY INFORMATION:**

#### Background

Title III, Subtitle B, Section 321 through Section 328 of the United States-Morocco Free Trade Agreement Implementation Act (the "Act")

implements the textile and apparel safeguard provisions, provided for in Article 4.2 of the Agreement. The safeguard mechanism applies when, as a result of the elimination of a customs duty under the Agreement, a textile or apparel article from Morocco is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage or actual threat thereof to a U.S. industry producing a like or directly competitive article. In these circumstances, Article 4.2 permits the United States to increase duties on the imported article from Morocco to a level that does not exceed the lesser of the prevailing U.S. normal trade relations (NTR)/most-favored-nation (MFN) duty rate for the article or the U.S. NTR/MFN duty rate in effect on the day before the Agreement enters into force.

The import tariff relief is effective beginning on the date that the Committee determines that a "Moroccan textile or apparel article" as defined in Section 301(2) of the Act, is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a U.S. industry producing an article that is like, or directly competitive with, the imported article. The maximum period of import tariff relief, as set forth in Section 3 of this notice, shall be three years. However, the Committee may extend the period of import relief for an additional two years if the Committee determines that the continuation is necessary to remedy or prevent serious damage or actual threat thereof and to facilitate adjustment by the domestic industry to import competition, and that the domestic industry is, in fact, making a positive adjustment to import competition. Import tariff relief may not be imposed for an aggregate period greater than five years. Import tariff relief may not be applied to the same article at the same time under these procedures if relief previously has been granted with respect to that article under: (1) These provisions; (2) Subtitle A to Title III of the Act; or (3) Chapter 1 of Title II of the Trade Act of 1974.

Authority to provide import tariff relief with respect to a Moroccan textile or apparel article will expire ten years after duties on the article are eliminated.

Under Article 4.2.6 of the Agreement, if the United States provides relief to a domestic industry under the textile and apparel safeguard, it must provide Morocco "mutually agreed trade