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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Implementation of the USMCA Tariff Rate Quota for Imports of Sugar Containing Products of Canada

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: The tariff rate quota (TRQ) for sugar containing products (SCPs) of Canada established by the United States-Mexico-Canada Agreement (USMCA or the Agreement) will be administered using export certificates.

DATES: The changes made by this notice are applicable as of July 1, 2020.

FOR FURTHER INFORMATION CONTACT: Erin Nicholson, Office of Agricultural Affairs, at erin.h.nicholson@ustr.eop.gov or at (202) 395-9419.

SUPPLEMENTARY INFORMATION:

On June 12, 2017 (82 FR 23699), the President announced his intention to commence negotiations with Canada and Mexico to modernize the North American Free Trade Agreement (NAFTA). On November 30, 2018, the Governments of the United States, Mexico, and Canada (the Parties) signed the protocol replacing NAFTA with the USMCA. On December 10, 2019, the Parties signed the protocol of amendment to the USMCA. On January 29, 2020, the President signed into law the United States-Mexico-Canada Agreement Implementation Act (Pub. L. 116–113) (Implementation Act), through which Congress approved the USMCA.

Section 103(c)(4) of the Implementation Act authorizes the President to take

necessary actions to implement the TRQs in the Schedule of the United States to Annex 2-B of the Agreement, to ensure the orderly marketing of commodities in the United States. Under a TRQ, the United States applies a tariff rate, known as the “in-quota tariff rate,” to imports of a product up to a particular amount, known as the “in-quota quantity,” and a different higher tariff rate, known as the “over-quota tariff rate,” to imports of the product in excess of that amount.

The Schedule of the United States to Annex 2-B of the Agreement establishes a TRQ for imports of SCPs from Canada, as set forth in paragraph 15 of Appendix 2. Canada has notified the Office of the United States Trade Representative (USTR) that it intends to require export certificates for the exportation of SCPs under the TRQ for these products.

Consistent with paragraph 15(c) of Appendix 2, the United States will administer the TRQ for SCPs through a certificate system substantially similar to that described in 15 CFR 2015.3.

Beginning July 1, 2020, and in any subsequent calendar year unless USTR issues a determination that export certificates will not be required for that year, consistent with 15 CFR 2015.3, no SCP that is the product of Canada will be permitted entry under the in-quota tariff rate established for imports of SCPs from Canada, unless at the time of entry the person entering the SCP makes a declaration to U.S. Customs and Border Protection (CBP), in the form and manner prescribed by CBP, that a valid export certificate is in effect for the SCP. The Government of Canada will issue the export certificates. A certificate that meets the requirements of 15 CFR 2015.3(b), will authorize entry into the United States, subject to the applicable in-quota quantity, at the in-quota

tariff-rate established under the Agreement.

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Office of the United States Trade Representative.

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