



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, 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 focused settlement negotiations to ensure that our aerospace industries can finally see a resolution and focus on COVID recovery and other shared goals.”

Promoting a successful resolution of the dispute by suspending the additional duties provides benefits to the U.S. economy that outweigh any adverse impacts on the U.S. economy, and the suspension maintains the credibility of the Section 301 action. Accordingly, the U.S. Trade Representative has determined, in accordance with sections 307(a) and 301(a)(2)(B)(iv) of the Trade Act, to modify the action by suspending the additional duties on products of the United Kingdom for four months. The decision to

modify the action takes into account the public comments received in response to prior notices issued in the investigation, as well as the advice of the interagency Section 301 Committee.

To give effect to the U.S. Trade Representative's determination, as specified in the Annex to this notice, the additional duties imposed by subheadings 9903.89.05, 9903.89.07, 9903.89.10, 9903.89.13, 9903.89.16, 9903.89.19, 9903.89.22, 9903.89.25, 9903.89.28, 9903.89.31, 9903.89.34, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.49, 9903.89.50 and 9903.89.55, and as provided by their associated subchapter notes, will not apply to products of the United Kingdom that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on March 4, 2021, and before 12:01 a.m. eastern daylight time on July 4, 2021.

Any products of the United Kingdom that were admitted into a U.S. foreign trade zone in 'privileged foreign status' as defined in 19 CFR 146.41, before 12:01 a.m. eastern standard time on March 4, 2021, will remain subject to the applicable duties in subheadings 9903.89.05, 9903.89.07, 9903.89.10, 9903.89.13, 9903.89.16, 9903.89.19, 9903.89.22, 9903.89.25, 9903.89.28, 9903.89.31, 9903.89.34, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.49, 9903.89.50 and 9903.89.55 upon entry for consumption.

Any product of the United Kingdom covered by subparagraph 2 of the Annex to this notice that is admitted into a U.S. foreign trade zone on or after 12:01 a.m. eastern standard time on March 4, 2021, and before 12:01 a.m. eastern daylight time on July 4, 2021, may be admitted in any status, as applicable, as defined in 19 CFR 146, Subpart D.

The U.S. Trade Representative will continue to consider the action taken in this investigation.

Annex

Effective with respect to articles the product of the United Kingdom that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m.

eastern standard time on March 4, 2021, and entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. eastern daylight time on July 4, 2021:

1. Note 21(a) to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by deleting “For the purposes of subheadings 9903.89.05 through 9903.89.63,” and by inserting “Except as provided in note 21(u) of this subdivision, for the purposes of subheadings 9903.89.05 through 9903.89.63,” in lieu thereof.
2. Note 21 to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in alphabetical order:

“(u) The U.S. Trade Representative has determined that additional duties imposed by subheadings 9903.89.05, 9903.89.07, 9903.89.10, 9903.89.13, 9903.89.16, 9903.89.19, 9903.89.22, 9903.89.25, 9903.89.28, 9903.89.31, 9903.89.34, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.49, 9903.89.50 and 9903.89.55, and as provided by their associated subchapter notes, shall not apply to articles the product of the United Kingdom that are entered on or after 12:01 a.m. eastern standard time on March 4, 2021 and before 12:01 a.m. eastern daylight time on July 4, 2021.”

Greta Peisch,
General Counsel,
Office of the United States Trade Representative.

[FR Doc. 2021-05035 Filed: 3/10/2021 8:45 am; Publication Date: 3/11/2021]