



## **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

### **Notice of Modification of Section 301 Action: Enforcement of U.S. WTO Rights in the 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 European Union for a period of four months. The suspension is in accord with a joint U.S.-EU statement that promotes a resolution of the large civil aircraft dispute.

**DATES:** As of 12:01 a.m. eastern standard time on March 11, 2021, the additional duties on products of the European Union 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 Grimbball, 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 concerning revisions or modifications of action, 85 FR 10204 (February 21, 2020), 85 FR 50866 (August 18, 2020), 86 FR 674 (January 6, 2021), 86 FR 9420 (February 12, 2021), and FR Doc. 2021-05035 (March 11, 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].”

On March 5, 2021, the United States and the European Union issued a Joint Statement promoting a resolution of the large civil aircraft dispute:

“The European Union and the United States today agreed on the mutual suspension for four months of the tariffs related to the World Trade Organization (WTO) Aircraft disputes. The suspension will cover all tariffs both on aircraft as well as on non-aircraft products, and will become effective as soon as the internal procedures on both sides are completed.

This will allow the EU and the US to ease the burden on their industries and workers and focus efforts towards resolving these long running disputes at the WTO.

The EU and the US are committed to reach a comprehensive and durable negotiated solution to the Aircraft disputes. Key elements of a negotiated solution will include disciplines on future support in this sector, outstanding support measures, monitoring and enforcement, and addressing the trade distortive practices of and challenges posed by new entrants to the sector from non-market economies, such as China.

These steps signal the determination of both sides to embark on a fresh start in the relationship.”

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 European Union 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, 9903.89.37, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.52, 9903.89.55, 9903.89.57, 9903.89.59, 9903.89.61, and 9903.89.63, and as provided by their associated subchapter notes, will not apply to products of Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden, that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on March 11, 2021, and before 12:01 a.m. eastern daylight time on July 11, 2021.

Any product of Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden, that was 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 11, 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, 9903.89.37, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.52, 9903.89.55, 9903.89.57, 9903.89.59, 9903.89.61, and 9903.89.63 upon entry for consumption.

Any product of Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden 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 11, 2021, and before 12:01 a.m. eastern daylight time on July 11, 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 Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern standard time on March 11, 2021, and entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. eastern daylight time on July 11, 2021:

1. Note 21(a) to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by deleting “Except as provided in note 21(u) of this subdivision,” and by inserting “Except as provided in notes 21(u) and 21(v) of this subdivision,” 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:

“(v) 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, 9903.89.37, 9903.89.40, 9903.89.43, 9903.89.46, 9903.89.52, 9903.89.55, 9903.89.57, 9903.89.59, 9903.89.61, and 9903.89.63 and as provided by their associated subchapter notes, shall not apply to articles the product of Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden that are entered on or after 12:01 a.m. eastern standard time on March 11, 2021 and before 12:01 a.m. eastern daylight time on July 11, 2021.”

**Greta M. Peisch,**

*General Counsel,*

*Office of the United States Trade Representative.*

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