

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Request for Public Comment on a Commercial Availability Request under the U.S.-Australia Free Trade Agreement (USAFTA)

July 30, 2008.

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

**ACTION:** Request for Public Comments concerning a request to expand the scope of a modification of the U.S.-Australia Free Trade Agreement (USAFTA) rules of origin for a viscose/polyester blended yarn.

**SUMMARY:** On February 26, 2008, CITA published in the Federal Register a request for public comment on a commercial availability petition from Gentry Mills that there be a modification to the rules of origin for a certain viscose/polyester blended yarn (73 FR 10227). No public comments were received alleging that viscose rayon fiber could be supplied in commercial quantities in a timely manner. Subsequently, the United States requested consultations with the Government of Australia on its proposal to modify the rule of origin for 5510.90.2000 to allow the use of non-U.S. and non-Australian viscose rayon fiber. In those consultations, the Government of Australia proposed expanding the scope of the U.S. proposal for a modification to the rule of origin. The Government of Australia proposes that the modification to the rule of origin be applied to all yarns of subheading 5510.90 of the Harmonized Tariff Schedule of the United States (HTSUS).

The President may proclaim a modification to the USAFTA rules of origin for textile and apparel products after reaching an agreement with the Government of Australia on the modification. CITA hereby solicits public comments on this proposal to expand the scope of the rule of origin modification to all yarns in HTSUS subheading 5510.90 to allow the use of non-U.S. and non-Australian viscose rayon fiber. Comments must be submitted by September 5, 2008 to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, United States Department of Commerce, Washington, DC 20230.

**FOR FURTHER INFORMATION CONTACT:** Anna Flaaten, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

#### **SUPPLEMENTARY INFORMATION:**

**Authority:** Section 204 of the Agricultural Act of 1956, as amended (7 USC 1854); Section 203 (o)(2)(B)(i) of the United States - Australia Free Trade Agreement Implementation Act (19 U.S.C. 3805 note) (USAFTA Implementation Act); Executive Order 11651 of March 3, 1972, as amended.

#### **BACKGROUND:**

Under the USAFTA, the parties are required to progressively eliminate customs duties on originating goods. See Article 2.3.1. The USAFTA provides that, after consultations, the parties may agree to revise the rules of origin for textile and apparel products to address issues of availability of supply of fibers, yarns, or fabrics in the free trade area. See Article 4.2.5 of the USAFTA. In the consultations, each party must consider data presented by the other party showing substantial production of the good. Substantial production has been shown if domestic producers are capable of supplying commercial quantities of the good in a timely manner. See Article 4.2.4 of the USAFTA.

The USAFTA Implementation Act provides the President with the authority to proclaim modifications to the USAFTA rules of origin as are necessary to implement the agreement after complying with the consultation and layover requirements of Section 104 of the USAFTA Implementation Act. See Section 203(o)(2)(B)(i) of the USAFTA Implementation Act. Executive Order 11651 established CITA to supervise the implementation of textile trade agreements and authorizes the Chairman of CITA to take actions or recommend that the United States take actions necessary to implement textile trade agreements. 37 FR 4699 (March 4, 1972).

On February 1, 2008, the Chairman of CITA received a request from Gentry Mills, alleging that certain viscose rayon fiber, classified in HSTUS subheading 5504.10.0000, cannot be supplied by the domestic or Australian industry in commercial quantities in a timely manner and requesting that CITA consider whether the USAFTA rule of origin for 52% viscose/48% polyester blended yarn, classified under HTSUS subheading 5510.90.2000 should be modified to allow the use of non-U.S. and non-Australian viscose rayon fiber. On February 26, 2008, CITA published in the Federal Register a request for public comment on the proposed modification (73 FR 10227). No public comments were received alleging that viscose rayon fiber could be supplied in commercial quantities in a timely manner. Subsequently, the United States requested consultations with the Government of Australia on Gentry Mills' request. In those consultations, the Government of Australia proposed expanding the scope of the modification of the rule of origin to all yarns under HTSUS subheading 5510.90 to allow the use of non-U.S. and non-Australian viscose rayon fiber.

CITA is soliciting public comments regarding this proposal to expand the scope of the rule of origin modification to all yarns in HTSUS subheading 5510.90 to allow the use of non-U.S. and non-Australian viscose rayon fiber. Comments must be received no later than September 5, 2008. Interested persons are invited to submit six copies of such comments or information to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, U.S. Department of Commerce, 14th and Constitution Avenue, N.W., Washington, DC 20230.

CITA will protect any business confidential information that is marked "business confidential" from disclosure to the full extent permitted by law. CITA will make available to the public non-confidential versions of the request and non-confidential versions of any public comments received with respect to a request in room 3001 in the Herbert Hoover Building, 14th and Constitution Avenue, N.W., Washington, DC 20230. Persons submitting comments on a request are encouraged to include a non-confidential version and a non-confidential summary.

R. Matthew Priest,  
*Chairman, Committee for the Implementation of Textile Agreements.*

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