

information is used by the Board to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate proposed regulated transactions that may impact rail employees, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the Railroad Retirement Board (RRB), Bureau of Labor Statistics (BLS), and Association of American Railroads (AAR), use the information contained in the reports to monitor railroad operations. Certain information from these reports is compiled and published on the Board's website, [https://www.stb.gov/stb/industry/econ\\_reports.html](https://www.stb.gov/stb/industry/econ_reports.html). The information contained in these reports is not available from any other source.

**Description of Collection 4**

*Title:* Monthly Report of Number of Employees of Class I Railroads (Wage Form C).

*OMB Control Number:* 2140-0007.

*Form Number:* STB Form C.

*Type of Review:* Extension without change.

*Respondents:* Class I railroads.

*Number of Respondents:* Seven.

*Estimated Time per Response:* 1.25 hours.

*Frequency of Response:* Monthly.

*Total Annual Hour Burden:* 105 hours annually.

*Total Annual "Non-Hour Burden" Cost:* None identified. Filings are submitted electronically to the Board.

*Needs and Uses:* This collection shows, for each reporting carrier, the average number of employees at mid-month in the six job-classification groups that encompass all railroad employees. See 49 CFR 1246. The information is used by the Board to forecast labor costs and measure the efficiency of the reporting railroads. The information is also used by the Board to evaluate the impact on rail employees of proposed regulated transactions, including mergers and consolidations, acquisitions of control, purchases, and abandonments. Other Federal agencies and industry groups, including the RRB, BLS, and AAR, use the information contained in these reports to monitor railroad operations. Certain information from these reports is compiled and published on the Board's website, [https://www.stb.gov/stb/industry/econ\\_reports.html](https://www.stb.gov/stb/industry/econ_reports.html). The information contained in these reports is not available from any other source.

**Description of Collection 5**

*Title:* Annual Report of Cars Loaded and Cars Terminated.

*OMB Control Number:* 2140-0011.

*Form Number:* Form STB-54.

*Type of Review:* Extension without change.

*Respondents:* Class I railroads.

*Number of Respondents:* Seven.

*Estimated Time per Response:* Four hours.

*Frequency of Response:* Annual.

*Total Annual Hour Burden:* 28 hours annually.

*Total Annual "Non-Hour Burden" Cost:* None identified. Filings are submitted electronically to the Board.

*Needs and Uses:* This collection reports the number of cars loaded and cars terminated on the reporting carrier's line. See 49 CFR 1247. Information in this report is entered into the Board's Uniform Rail Costing System (URCS), which is a cost measurement methodology. URCS, which was developed by the Board pursuant to 49 U.S.C. 11161, is used as a tool in rail rate proceedings, in accordance with 49 U.S.C. 10707(d), to calculate the variable costs associated with providing a particular service. The Board also uses URCS to carry out more effectively other of its regulatory responsibilities, including: acting on railroad requests for authority to engage in Board-regulated financial transactions such as mergers, acquisitions of control, and consolidations, see 49 U.S.C. 11323-11324; analyzing the information that the Board obtains through the annual railroad industry waybill sample, see 49 CFR 1244; measuring off-branch costs in railroad abandonment proceedings, in accordance with 49 CFR 1152.32(n); developing the "rail cost adjustment factors," in accordance with 49 U.S.C. 10708; and conducting investigations and rulemakings. This collection is compiled and published on the Board's website, [https://www.stb.gov/stb/industry/econ\\_reports.html](https://www.stb.gov/stb/industry/econ_reports.html). There is no other source for the information contained in this report.

**Description of Collection 6**

*Title:* Quarterly Report of Freight Commodity Statistics (Form QCS).

*OMB Control Number:* 2140-0001.

*Form Number:* Form QCS.

*Type of Review:* Extension without change.

*Respondents:* Class I railroads.

*Number of Respondents:* Seven.

*Estimated Time per Response:* 0.25 hours.

*Frequency of Response:* Quarterly, with an annual summation.

*Total Annual Hour Burden:* 8.75 hours annually.

*Total Annual "Non-Hour Burden" Cost:* None identified. Filings are submitted electronically to the Board.

*Needs and Uses:* This collection, which is based on information contained in carload waybills used by railroads in the ordinary course of business, reports car loadings and total revenues by commodity code for each commodity that moved on the railroad during the reporting period. See 49 CFR 1248. Information in this report is entered into the Board's URCS, the uses of which are explained under Collection Number 5. This collection is compiled and published on the Board's website, [https://www.stb.gov/stb/industry/econ\\_reports.html](https://www.stb.gov/stb/industry/econ_reports.html). There is no other source for the information contained in this report.

The Board makes this submission because, under the PRA, a federal agency that conducts or sponsors a collection of information must display a currently valid OMB control number. A collection of information, which is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c), includes agency requirements that persons submit reports, keep records, or provide information to the agency, third parties, or the public. Under 44 U.S.C. 3506(c)(2)(A), federal agencies are required to provide, prior to an agency's submitting a collection to OMB for approval, a 60-day notice and comment period through publication in the **Federal Register** concerning each proposed collection of information, including each proposed extension of an existing collection of information.

Dated: July 6, 2018.

**Jeff Herzig,**

*Clearance Clerk.*

[FR Doc. 2018-14810 Filed 7-10-18; 8:45 am]

**BILLING CODE 4915-01-P**

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

[Docket Number USTR-2018-0025]

**Procedures To Consider Requests for Exclusion of Particular Products From the Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice and request for comments.

**SUMMARY:** In a notice published on June 20, 2018, the U.S. Trade Representative

(Trade Representative) determined that appropriate action to obtain the elimination of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation includes the imposition of an additional *ad valorem* duty of 25 percent on products from China classified in certain enumerated subheadings of the Harmonized Tariff Schedule of the United States (HTSUS). See 83 FR 28710. The June 20 notice also announced that the Trade Representative would establish a process by which U.S. stakeholders may request that particular products classified within a covered tariff subheading be excluded from the additional duties. Today's notice sets out the specific procedures and criteria related to requests for product exclusions, and opens up a docket for the receipt of exclusion requests.

**DATES:** USTR must receive requests to exclude a particular product by October 9, 2018. Responses to a request for exclusion of a particular product are due 14 days after the request is posted in docket number USTR-2018-0025 on [www.regulations.gov](http://www.regulations.gov). Any replies to responses to an exclusion request are due 7 days after the close of the 14 day response period.

**ADDRESSES:** USTR strongly prefers electronic submissions made through the Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting requests for exclusion and responses to requests in section B below. The docket number is USTR-2018-0025.

**FOR FURTHER INFORMATION CONTACT:** For questions about the product exclusion process, contact USTR Assistant General Counsel Arthur Tsao or Director of Industrial Goods Justin Hoffmann at (202) 395-5725. For questions on customs classification or implementation of additional duties, contact [Traderemedy@cbp.dhs.gov](mailto:Traderemedy@cbp.dhs.gov).

**SUPPLEMENTARY INFORMATION:**

**A. Background**

On August 18, 2017, the Trade Representative initiated an investigation of the government of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. See 82 FR 40213. The proceedings in the investigation up through the Trade Representative's determination that China's acts, policies, and practices are actionable under section 301(b) of the Trade Act of 1974 (19 U.S.C. 2411(b)) are set out in the notice published at 83 FR 14906 (April 6, 2018).

The April 6, 2018 notice invited public comment on a proposed action in the investigation: The imposition of an additional *ad valorem* duty of 25 percent on products from China classified in a list of 1,333 tariff subheadings. As explained in the notice, the value of the products on the list was approximately \$50 billion in terms of estimated annual trade value for calendar year 2018, and the level was appropriate both in light of the estimated harm to the U.S. economy, and to obtain elimination of China's harmful acts, policies, and practices. USTR invited interested persons to provide comments and participate in a hearing. The public submissions and a transcript of the hearing are available on [www.regulations.gov](http://www.regulations.gov) in docket number USTR-2018-0005.

USTR and the interagency Section 301 Committee carefully reviewed the public comments and the testimony from the three day public hearing. USTR and the Section 301 Committee also carefully reviewed the extent to which the tariff subheadings in the April 6, 2018 notice included products containing industrially significant technology, including technologies and products related to the "Made in China 2025" program. Based on this review process, on June 20, 2018, the Trade Representative determined that appropriate action in this investigation includes the imposition of an additional *ad valorem* duty of 25 percent on products from China classified in the 818 subheadings of the HTSUS set out in Annex A of the notice published at 83 FR 28710 (June 20, 2018). The additional duties on these products took effect on July 6, 2018.

During the notice and comment process, a number of interested persons asserted that specific products within a particular tariff subheading only were available from China, that imposition of additional duties on the specific products would cause severe economic harm to a U.S. interest, and that the specific products were not strategically important or related to the "Made in China 2025" program. In light of such concerns, the Trade Representative determined to establish a process by which U.S. stakeholders may request that particular products classified within a covered HTSUS subheading be excluded from the additional duties. That process is set out in the remainder of this notice.

**B. Procedures To Request the Exclusion of Additional Particular Products**

USTR invites interested persons, including trade associations, to submit requests for exclusion from the

additional duties of a particular product classified within a HTSUS subheading set out in Annex A of the notice published at 83 FR 28710 (June 20, 2018). As explained in more detail below, each request must specifically identify a particular product, and provide supporting data and the rationale for the requested exclusion. USTR will evaluate each request on a case-by-case basis, taking into account whether the exclusion would undermine the objective of the Section 301 investigation. Any exclusion will be effective starting from the July 6, 2018 effective date of the additional duties, and extend for *one year* after the publication of the exclusion determination in the **Federal Register**. In other words, an exclusion, if granted, will apply retroactively to the July 6 date of the imposition of the additional duties. USTR periodically will announce decisions on pending requests.

*1. Requests for Exclusion of Particular Products*

With regard to product identification, any request for exclusion must include the following information:

- Identification of the particular product in terms of the physical characteristics (e.g., dimensions, material composition, or other characteristics) that distinguish it from other products within the covered 8-digit subheading. USTR will not consider requests that identify the product at issue in terms of the identity of the producer, importer, ultimate consumer, actual use or chief use, or trademarks or tradenames. USTR will not consider requests that identify the product using criteria that cannot be made available to the public.
- The 10 digit subheading of the HTSUS most applicable to the particular product requested for exclusion.
- Requestors also may submit information on the ability of U.S. Customs and Border Protection to administer the exclusion.
- Requestors must provide the annual quantity and value of the Chinese-origin product that the requestor purchased in each of the last three years. For trade association requestors, please provide such information based on your members' data. If precise annual quantity and value information is not available, please provide an estimate and explain the basis for the estimation.

With regard to the rationale for the requested exclusion, each request for exclusion should address the following factors:

- Whether the particular product is available only from China. In addressing

this factor, requestors should address specifically whether the particular product and/or a comparable product is available from sources in the United States and/or in third countries.

- Whether the imposition of additional duties on the particular product would cause severe economic harm to the requestor or other U.S. interests.
- Whether the particular product is strategically important or related to “Made in China 2025” or other Chinese industrial programs.

Requestors may also provide any other information or data that they consider relevant to an evaluation of the request.

Any request that contains business confidential information (BCI) must be accompanied by a public version. The public version will be posted on *regulations.gov*.

## 2. Responses to Requests for Exclusions

After a request for exclusion of a particular product is posted on docket number USTR 2018–0025, interested persons will have 14 days to respond to the request, indicating support or opposition and providing reasons for their view. All responses must clearly identify the specific request for exclusion being addressed. You can view requests for exclusions on *www.regulations.gov* by entering docket number USTR–2018–0025 in the search field on the home page.

## 3. Replies to Responses to Requests for Exclusions

After a response is posted on docket number USTR 2018–0025, interested persons will have the opportunity to reply to the response. Any reply must be posted within 7 days after the close of the 14 day response period. All replies clearly must identify the specific responses being addressed.

## 4. Submission Instructions

As noted above, interested persons must submit requests for exclusions by October 9, 2018; any responses to those requests must be submitted within 14 days after the requests are posted; and any reply to a response must be submitted within 7 days after the close of the 14 day response period. Interested persons seeking to exclude two or more products must submit a separate request for each product, *i.e.*, one product per request.

All submissions must include a statement that the submitter certifies that the information provided is complete and correct to the best of his or her knowledge.

To assist in review of requests for exclusion, USTR has prepared a request form that will be posted on the USTR website under “Enforcement/Section 301 investigations” and on the *www.regulations.gov* docket in the “supporting documents” section. USTR strongly encourages interested persons to use the form to submit requests. All submissions must be in English and sent electronically via *www.regulations.gov*.

## 5. Submitting a Product Exclusion Request

To submit requests via *www.regulations.gov*, enter document ID number USTR–2018–0025–0001 on the home page and click “search.” The site will provide a search-results page listing the **Federal Register** Notice associated with this docket. Find a reference to this notice and click on the link titled “comment now!”. Once posted on the electronic docket, the exclusion request will be viewable in the “primary documents” section.

File names for requests for exclusions should include the 10 digit subheading of the HTSUS most applicable to the particular product and the name of the person or entity submitting the comments (*e.g.*, 1234567890 Initech). If the request includes BCI, then two files must be submitted—the business confidential version and a public version. The file names should indicate the version, *e.g.*, 1234567890 Initech BC and 1234567890 Initech P. Additional instructions on business confidential submissions can be found below.

## 6. Submitting a Response to a Product Exclusion Request

To respond to a request for exclusion, please find the request in the “primary documents” section of the docket and click on the link titled “comment now!” associated with that specific request. Responses made on requests for exclusion will appear in the “comments” section of the docket.

File names for responses to requests should include the document ID of the request and the name of the person or entity submitting the response (*e.g.*, USTR–2018–0025–0005 Inirode). If the response includes BCI, then two files must be submitted—the BCI version and a public version. The file names should indicate the version, *e.g.*, USTR–2018–0025–0001 Inirode BC and USTR–2018–0025–0001 Inirode P.

## 7. Submitting a Reply to a Response on a Product Exclusion Request

To reply to a response made to an exclusion request, please find the exclusion request that is the subject of the response in the “primary

documents” section of the docket and click on the link titled “comment now!”. Replies will appear in the “comments” section of the docket.

File names for replies should include the document ID of the response and the name of the person or entity submitting the reply (*e.g.*, USTR–2018–0025–0020 Initech). If the reply includes BCI, then two files must be submitted—the BCI version and a public version. The file names should indicate the version, *e.g.*, USTR–2018–0025–0020 Initech BC and USTR–2018–0025–0020 Initech P.

For further information on using the *www.regulations.gov* website, please consult the resources provided on the website by clicking on “How to Use Regulations.gov” on the bottom of the home page.

## 8. Document Format Instructions

USTR prefers that you submit requests for product exclusions in an attached document. If you attach a document, it is sufficient to type “see attached” in the “comment” field. USTR strongly prefers that you make submissions using the request form that will be posted on the USTR website under “Enforcement/Section 301 investigations” and on the *www.regulations.gov* docket in the “supporting documents” section saved as a searchable Adobe Acrobat file (.pdf). If you do not use the USTR form, USTR prefers submissions made in Microsoft Word (.doc) or searchable Adobe Acrobat (.pdf). If you use an application other than those two, please indicate the name of the application in the “comment” field.

Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter in the comments themselves. Similarly, to the extent possible, please include any exhibits, annexes, or other attachments in the same file as the comment itself, rather than submitting them as separate files.

For any documents submitted electronically containing BCI, the file name of the business confidential version should end with the characters “BC”. Any page containing BCI must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page and the submission should clearly indicate, via brackets, highlighting, or other means, the specific information that is business confidential. If you request business confidential treatment, you must certify in writing that disclosure of the information would endanger trade secrets or profitability, and that the information would not customarily be released to the public. Filers of submissions containing BCI

also must submit a public version of their submissions. The file name of the public version should end with the character "P". The "BC" and "P" should follow the rest of the file name. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR Section 301 line at (202) 395-5725 to discuss whether alternative arrangements are possible.

USTR will post submissions in the docket for public inspection, except BCI. You can view submissions on the <https://www.regulations.gov> website by entering docket number USTR-2018-0025 in the search field on the home page.

**Robert E. Lighthizer,**  
*United States Trade Representative.*

[FR Doc. 2018-14820 Filed 7-10-18; 8:45 am]

**BILLING CODE 3290-F8-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Notice of Request To Release Airport Property at Charleston International Airport, Charleston, South Carolina

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice and request for comment.

**SUMMARY:** The Federal Aviation Administration (FAA) is considering a request to release and authorize the sale of 19.098 acres of airport property located at the Charleston International Airport, Charleston, South Carolina, and invites public comment on this notice. The airport property is planned to be sold by the Charleston County Aviation Authority (CCAA) for the proposed use of aircraft manufacturing. Currently, ownership of the property provides for protection of FAR Part 77 surfaces and compatible land use which would continue to be protected with deed restrictions required in the transfer of land ownership.

**DATES:** Comments must be received on or before August 10, 2018.

**ADDRESSES:** Comments on this application may be mailed or delivered to the FAA at the following address: Aimee McCormick, Federal Aviation Administration, Atlanta Airports District Office, 1701 Columbia Ave., Ste. 220, College Park, GA 30337.

In addition, one copy of any comments submitted to the FAA must be mailed or delivered to: Hernan Pena, Deputy Director, Charleston County Aviation Authority, 5500 International

Blvd., #101, North Charleston, SC 29418.

**FOR FURTHER INFORMATION CONTACT:** Aimee McCormick, Federal Aviation Administration, Atlanta Airports District Office, 1701 Columbia Ave., Ste. 220, College Park, GA 30337, [aimee.mccormick@faa.gov](mailto:aimee.mccormick@faa.gov). The request to release property may be reviewed, by appointment, in person at this same location.

**SUPPLEMENTARY INFORMATION:** On November 9, 2017, CCAA requested the FAA to release 19.089 acres of airport property. The request will allow CCAA to transfer ownership to the South Carolina Department of Commerce for the use of aircraft manufacturing. In return, the Department of Commerce will transfer 33.715 acres of property to CCAA. The fair market value of the two properties involved are of equal value. The use of the 33.715 acres will allow CCAA to construct a public parking facility. The FAA may approve the request, in whole or in part, no sooner than thirty days after the publication of this notice.

Any person may inspect, by appointment, the request in person at the FAA office listed above under **FOR FURTHER INFORMATION CONTACT**. In addition, any person may, upon appointment and request, inspect the application, notice and other documents determined by the FAA to be related to the application in person at the Charleston International Airport.

Issued in Atlanta, GA, on July 3, 2018,

**Larry F. Clark,**

*Manager, Atlanta Airports District Office.*

[FR Doc. 2018-14785 Filed 7-10-18; 8:45 am]

**BILLING CODE 4910-13-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### Agency Information Collection Activities: Requests for Comments; Clearance of New Approval of Information Collection: Safety Assurance System (SAS) External Portal

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, FAA invites public comments about our intention to request the Office of Management and Budget (OMB) approval for a new information collection. The **Federal Register** Notice

with a 60-day comment period soliciting comments on the following collection of information was published on February 23, 2018. The collection involves an internet-based tool, Safety Assurance System (SAS) External Portal. SAS External Portal is used by the FAA's Office of Flight Standards to conduct initial certification, routine surveillance, and certificate management for applicants and certificate holders. The information to be collected will be used to better facilitate efficient certification, surveillance and certificate management activities.

**DATES:** Written comments should be submitted by August 10, 2018.

**ADDRESSES:** Interested persons are invited to submit written comments on the proposed information collection to the Office of Information and Regulatory Affairs, Office of Management and Budget. Comments should be addressed to the attention of the Desk Officer, Department of Transportation/FAA, and sent via electronic mail to [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov), or faxed to (202) 395-6974, or mailed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street NW, Washington, DC 20503.

**Public Comments Invited:** You are asked to comment on any aspect of this information collection, including (a) Whether the proposed collection of information is necessary for FAA's performance; (b) the accuracy of the estimated burden; (c) ways for FAA to enhance the quality, utility and clarity of the information collection; and (d) ways that the burden could be minimized without reducing the quality of the collected information. The agency will summarize and/or include your comments in the request for OMB's clearance of this information collection.

**FOR FURTHER INFORMATION CONTACT:** Barbara Hall at (940) 594-5913, or by email at: [Barbara.L.Hall@faa.gov](mailto:Barbara.L.Hall@faa.gov).

**SUPPLEMENTARY INFORMATION:**

*OMB Control Number:* 2120-XXXX.

*Title:* Safety Assurance System External Portal.

*Form Numbers:* (Pending) Initial Certification Data Collection Tool (14 CFR 121 and 135) and Initial Certification Data Collection Tool (14 CFR 145).

*Type of Review:* This is a new information collection.

**Background:** Safety Assurance System (SAS) External Portal is a tool used by aviation industry applicants and certificate holders to provide information to the FAA, primarily with Principal Inspectors and Certification Project Managers. SAS External Portal



# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

[www.ustr.gov](http://www.ustr.gov)

Washington, D.C. 20508

202-395-3230

### **FOR IMMEDIATE RELEASE**

August 27, 2018

**Contact:** USTR Public & Media Affairs

[media@ustr.eop.gov](mailto:media@ustr.eop.gov)

### **UNITED STATES–MEXICO TRADE FACT SHEET**

#### **Rebalancing NAFTA to Support Manufacturing**

The United States and Mexico have reached a preliminary agreement in principle, subject to finalization and implementation, that supports North American manufacturing and mutually beneficial trade. The new agreement will create more balanced, reciprocal trade that supports high-paying jobs for Americans and grows the United States and Mexican economies.

#### ***RULES OF ORIGIN AND ORIGIN PROCEDURES***

The United States and Mexico have concluded substantive discussions on new rules of origin and origin procedures, including product-specific rules for passenger vehicles, light trucks, and auto parts. This update to the rules of origin will provide greater incentives to source goods and materials in the United States and North America.

#### **Key Achievement: Increasing Regional Value Content Rule**

This deal encourages United States manufacturing and regional economic growth by requiring that 75 percent of auto content be made in the United States and Mexico.

The rules will:

- Incentivize billions annually in additional United States vehicle and auto parts production.
- Help to preserve and re-shore vehicle and parts production in the United States.

updating key references, and affirming commitments that have phased in from the original agreement.

Specifically, the Market Access chapter:

- Maintains duty-free treatment for originating goods.
- Maintains the prohibition on export duties, taxes, and other charges and the waiver of specific customs processing fees.
- Adds new provisions for transparency in import licensing and export licensing procedures.
- Prohibits Parties from applying: (a) requirements to use local distributors for importation; (b) restrictions on the importation of commercial goods that contain cryptography; (c) import restrictions on used goods to remanufactured goods; and (d) requirements for consular transactions and their associated fees and charges.
- Updates provisions for duty-free temporary admission of goods to cover shipping containers or other substantial holders used in the shipment of goods.

## ***TEXTILES***

The new provisions on textiles incentivize greater United States and Mexican production in textiles and apparel trade, strengthen customs enforcement, and facilitate broader consultation and cooperation among the Parties on issues related to textiles and apparel trade.

### **Key Achievement: Strengthening Supply Chains to Provide New Market Opportunities for the Textile and Apparel Sector**

The provisions will:

- Promote greater use of Made-in-the-USA fibers, yarns, and fabrics by:
  - Limiting rules that allow for some use of non-NAFTA inputs in textile and apparel trade.
  - Requiring that sewing thread, pocketing fabric, narrow elastic bands, and coated fabric, when incorporated in apparel and other finished products, be made in the region for those finished products to qualify for trade benefits.
- Establish a Textiles chapter for United States–Mexico trade, including textile-specific verification and customs cooperation provisions that provide new tools for strengthening customs enforcement and preventing fraud and circumvention in this important sector.

The new Textiles chapter provisions are stronger than those in NAFTA 1.0 with respect to both enforcement and incentivizing North American production of textiles.

## ***SECTORAL ANNEXES***



# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

[www.ustr.gov](http://www.ustr.gov)

Washington, D.C. 20508

202-395-3230

### **FOR IMMEDIATE RELEASE**

August 27, 2018

**Contact:** USTR Public & Media Affairs

[media@ustr.eop.gov](mailto:media@ustr.eop.gov)

### **UNITED STATES–MEXICO TRADE FACT SHEET**

#### **Modernizing NAFTA to be a 21st Century Trade Agreement**

The United States and Mexico have reached a preliminary agreement in principle, subject to finalization and implementation, to update the 24-year-old NAFTA with modern provisions representing a 21st century, high-standard agreement. The updated agreement will support mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth in North America.

#### ***INTELLECTUAL PROPERTY***

The United States and Mexico have reached an agreement on a modernized, high-standard Intellectual Property (IP) chapter that provides strong and effective protection and enforcement of IP rights critical to driving innovation, creating economic growth, and supporting American jobs.

#### **Key Achievement: Most Comprehensive Enforcement Provisions of Any Trade Agreement**

For the first time, a trade agreement will require all of the following:

- Enforcement authorities must be able to stop goods that are suspected of being pirated or counterfeited at all areas of entry and exit.
- Enforcement against counterfeits and piracy occurring on a commercial scale.
- Meaningful criminal procedures and penalties for camcording of movies.

The new Digital Trade chapter will:

- Prohibit customs duties and other discriminatory measures from being applied to digital products distributed electronically (e-books, videos, music, software, games, etc.).
- Ensure that suppliers are not restricted in their use of electronic authentication or electronic signatures, thereby facilitating digital transactions.
- Guarantee that enforceable consumer protections, including for privacy and unsolicited communications, apply to the digital marketplace.
- Limit governments' ability to require disclosure of proprietary computer source code and algorithms, to better protect the competitiveness of digital suppliers.

### ***DE MINIMIS***

#### **Key Achievement: Increased *De Minimis* Shipment Value Level**

To facilitate greater cross-border trade, the United States has reached an agreement for Mexico to raise its *de minimis* shipment value level to \$100 USD, up from \$50 USD. Shipment values up to this level would enter Mexico without customs duties or taxes, and with minimal formal entry procedures, making it easier for more businesses, especially small- and medium-sized ones, to be a part of cross-border trade.

Increasing the *de minimis* level with a key trading partner like Mexico is a critical outcome for United States small- and medium-sized enterprises (SMEs). These SMEs often lack resources to pay customs duties and taxes, and bear the increased compliance costs that low, trade-restrictive *de minimis* levels place on lower-value shipments, which SMEs often have due to their smaller trade volumes.

New traders, just entering Mexico's market, will also benefit from lower costs to reach consumers. United States express delivery carriers, who carry many low-value shipments for these traders, also stand to benefit through lower costs and improved efficiency.

### ***FINANCIAL SERVICES***

United States financial services firms provide services critical to every sector of the economy, including small- and medium-sized businesses. The United States exported about \$115 billion in financial services in 2016, generating around a \$41 billion surplus in trade in financial services.

The updated Financial Services chapter includes commitments to liberalize financial services markets and facilitate a level playing field for United States financial institutions, investors and investments in financial institutions, and cross-border trade in financial services.

#### **Key Achievement: Core Obligations to Prevent Discrimination Against Financial Services Suppliers**



The Labor chapter requires the Parties to adopt and maintain in law and practice labor rights as recognized by the International Labor Organization, to effectively enforce their labor laws, and not to waive or derogate from their labor laws.

Additionally, the chapter includes new provisions to take measures to prohibit the importation of goods produced by forced labor, to address violence against workers exercising their labor rights, and to ensure that migrant workers are protected under labor laws.

#### **Key Achievement: New Labor Value Content Rule**

To support North American jobs, the deal requires new trade rules of origin to drive higher wages by requiring that 40-45 percent of auto content be made by workers earning at least \$16 USD per hour.

### ***ENVIRONMENT***

The United States and Mexico have agreed to the most advanced, most comprehensive, highest-standard chapter on the Environment of any trade agreement. Like the Labor chapter, the Environment chapter brings all environmental provisions into the core of agreement and makes them enforceable.

#### **Key Achievement: Most Comprehensive Set of Enforceable Environmental Obligations**

The Environment chapter includes the most comprehensive set of enforceable environmental obligations of any previous United States agreement, including obligations to combat trafficking in wildlife, timber, and fish; to strengthen law enforcement networks to stem such trafficking; and to address pressing environmental issues such as air quality and marine litter

Environment obligations include:

- Prohibitions on some of the most harmful fisheries subsidies, such as those that benefit vessels or operators involved in illegal, unreported, and unregulated (IUU) fishing.
- New protections for marine species like whales and sea turtles, including a prohibition on shark-finning and commitment to work together to protect marine habitat.
- Obligations to enhance the effectiveness of customs inspections of shipments containing wild fauna and flora at ports of entry, and ensure strong enforcement to combat IUU fishing.
- First-ever articles to improve air quality, prevent and reduce marine litter, support sustainable forest management, and ensure appropriate procedures for environmental impact assessments.
- Robust and modernized mechanisms for public participation and environmental cooperation.

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## PRESIDENT DONALD J. TRUMP IS KEEPING HIS PROMISE TO RENEGOTIATE NAFTA

*"America has ... finally turned the page on decades of unfair trade deals that sacrificed our prosperity and shipped away our companies, our jobs, and our Nation's wealth." - President Donald J. Trump*

**PROMISE KEPT: President Donald J. Trump is delivering on his promise to renegotiate the North American Free Trade Agreement (NAFTA) so all American workers can benefit.**

- The United States has secured a preliminary US-Mexico Trade Agreement that modernizes and rebalances the trade relationship to reflect the realities of the 21st century.
  - This agreement will create more reciprocal trade that grows the economy, supports high-paying jobs for American workers, and protects American intellectual property.
  - The preliminary agreement is a mutually beneficial win for North American farmers, ranchers, workers, and businesses.
- President Trump is following through after years of promises by politicians to fix NAFTA.
  - This is the first time that a modern United States trade agreement has been renegotiated.
- The preliminary agreement will benefit American workers, American manufacturing, and American agriculture, through provisions including:
  - New "rules of origin" requirements to incentivize billions a year in vehicle and automobile parts production in the United States, supporting high-wage jobs.
  - The strongest, fully enforceable labor standards of any trade agreement.
  - New commitments to reduce trade-distorting policies for agricultural goods.
  - Improvements enabling food and agriculture to trade more fairly.
  - Strong and effective intellectual property protections.
  - The strongest disciplines on digital trade of any international agreement.
  - The most robust transparency obligations of any United States trade agreement.

**MODERNIZING NAFTA: The 24-year-old NAFTA was outdated and unbalanced, hurting American jobs and businesses.**

- Many Americans have been hurt by closed factories, exported jobs, and broken political promises resulting from the old NAFTA.
- NAFTA has contributed to our ballooning annual goods trade deficit, which grew from \$115 billion in 1993, the year before NAFTA's implementation, to nearly \$800 billion in 2017.
  - The United States went from a \$1.6 billion goods trade surplus with Mexico to a \$70 billion goods trade deficit during that same time period.
- The old NAFTA includes many outdated provisions that have not been updated to reflect modern standards, new technologies, or the 21st century global economy.

**NEGOTIATING FOR THE AMERICAN WORKER: President Trump has made it a priority of his Administration to replace unfair deals with free, fair, and reciprocal trade.**

- Since taking office, President Trump has undertaken multiple trade negotiations in addition to NAFTA that will benefit American workers.
- President Trump reached an agreement with the European Commission to work toward zero tariffs, increase energy exports, reduce non-tariff barriers, and address unfair trade.
- Keeping another campaign promise, the Trump Administration successfully secured key amendments to the trade agreement with South Korea to strengthen our manufacturing base.

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

[www.ustr.gov](http://www.ustr.gov)

Washington, D.C. 20508

202-395-3230

### **FOR IMMEDIATE RELEASE**

August 27, 2018

**Contact:** USTR Public & Media Affairs  
[media@ustr.eop.gov](mailto:media@ustr.eop.gov)

### **UNITED STATES–MEXICO TRADE FACT SHEET**

#### **Strengthening NAFTA for Agriculture**

The United States and Mexico have reached an agreement to benefit American farmers, ranchers, and agribusinesses. While agriculture has generally performed well under NAFTA, important improvements in the agreement will enable food and agriculture to trade more fairly.

#### **Key Achievement: Maintaining Zero Tariffs on Agricultural Products**

Under a modernized agreement, tariffs on agricultural products traded between the United States and Mexico will remain at zero.

#### **Key Achievement: Setting Unprecedented Standards for Agricultural Biotechnology**

For the first time, the agreement specifically addresses agricultural biotechnology to support 21<sup>st</sup> century innovations in agriculture. The text covers all biotechnologies, including new technologies such as gene editing, whereas the Trans-Pacific Partnership text covered only traditional rDNA technology. Specifically, the United States and Mexico have agreed to provisions to enhance information exchange and cooperation on agricultural biotechnology trade-related matters.

**Key Achievements: Significant Commitments to Reduce Trade Distorting Policies, Improve Transparency, and Ensure Non-Discriminatory Treatment for Agricultural Product Standards**

The United States and Mexico agreed to labeling and certification provisions that will help the countries avoid barriers to trade in wine and distilled spirits. Mexico agreed to continue recognition of Bourbon Whiskey and Tennessee Whiskey as distinctive products of the United States. The United States agreed to continue recognition of Tequila and Mezcal as distinctive products of Mexico.

**Key Achievement: New Protections for Proprietary Food Formulas**

The United States and Mexico agreed on the first ever Annex on Proprietary Food Formulas, which requires each Party to protect the confidentiality of proprietary formulas for food products in the same manner for domestic and imported products. It also limits such information requirements to what is necessary to achieve legitimate objectives.

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## REMARKS

# Remarks by President Trump in Phone Call with President Peña Nieto of Mexico on the United States-Mexico Trade Agreement

— ECONOMY &amp; JOBS

Issued on: August 27, 2018

★ ★ ★

Oval Office

11:09 A.M. EDT

PRESIDENT TRUMP: Hello everybody. It's a big day for trade, a big day for our country. A lot of people thought we'd never get here because we all negotiate tough. We do, and so does Mexico. And this is a tremendous thing.

This has to do — they used to call it NAFTA. We're going to call it the United States-Mexico Trade Agreement, and we'll get rid of the name NAFTA. It has a bad connotation because the United States was hurt very badly by NAFTA for many years. And now it's a really good deal for both countries, and we look very much forward to it.

And I believe the President is on the phone. Enrique? You can hook him up. Tell me when.

How are you? It's a big thing. A lot of people waiting. Hello? Do you want to put that on this phone, please? Hello? Be helpful.

PRESIDENT PEÑA NIETO: (As interpreted.) President Trump, how are you? Good morning.

PRESIDENT TRUMP: Thank you, Enrique. And congratulations. That's really a fantastic thing. We've all worked very hard, and your brilliant representatives are sitting right in front of me. And I thought we would congratulate each other before it got out. And I know we'll have a formal news conference in the not-too-distant future.

PRESIDENT PEÑA NIETO: (As interpreted.) Thank you very much, President Trump. I think this is something very positive for the United States and Mexico. And the first reason for this call, Mr. President, is, first of all, to celebrate the understanding we have had between both negotiating peace on NAFTA, in the interest we have had for quite a few months now to renew it, to modernize it, to update it, and to generate a framework that will boost and potentiate productivity in North America.

It is our wish, Mr. President, that now Canada will also be able to be incorporated in all this. And I assume that they going to carry out negotiations of the sensitive bilateral issues between Mexico — rather, between Canada and the United States.

And I'm really grateful, Mr. President. I want to say that you — I greatly recognize and acknowledge your political will and your participation in this. And on this paved path, I want to bear my testimony, Mr. President, and my acknowledgement to both negotiating teams, especially the team that is headed and led by Mr. Robert Lighthizer, and also the accompaniment and the support we have had from the White House through Jared Kushner.

And I also extend this recognition to the Mexican team. They are listening to you. They are close to you right now — Foreign Minister Luis Videgaray and the Secretary of the Economy, Mr. Guajardo.

Yes, in terms of (inaudible) the negotiations that have taken months, it's been difficult, complex, and a very hard negotiation altogether with difficult moments, of course. But I truly acknowledge now the fact that we've been able to reach an agreement that we are about to make public. And this is the result of good understanding and good work. And I — of course, I am quite hopeful that now Canada would start discussing with the United States the sensitive bilateral issue.

Congratulations, President Trump. I am very grateful and I am attentive to your comments.

PRESIDENT TRUMP: Well, Mr. President, thank you very much. It's an honor. You've been my friend. It's been a long time since I traveled to Mexico, where we got to know each other quite well

and we actually had a good meeting. Some people weren't sure if it was a good meeting, but I was.

I have a lot of good meetings that a lot of people aren't sure if they were good or not.

But it's been a long time, and this is something that's very special for our manufacturers and for our farmers from both countries, for all of the people that work for jobs. It's also great trade and it makes it a much more fair bill. And we are very, very excited about it.

We have worked long and hard. Your representatives have been terrific. My representatives have been fantastic too. They've gotten along very well, and they've worked late into the night for months. It's an extremely complex bill and it's something that I think will be talked about for many years to come. It's just good for both countries.

As far Canada is concerned, we haven't started with Canada yet. We wanted to do Mexico and see if that was possible to do. And it wasn't — I think, it wasn't from any standpoint something that most people thought was even doable when we started.

If you look at it, you remember, at the beginning, many people thought that this was something that just couldn't happen because of all of the different factions, all of the different sides, and the complexity. And we made it much simpler, much better. Much better for both countries.

Canada will start negotiations shortly. I'll be calling the Prime Minister very soon. And we'll start negotiation, and if they'd like to negotiate fairly, we'll do that. You know, they have tariffs of almost 300 percent on some of our dairy products, and we can't have that. We're not going to stand for that.

I think with Canada, frankly, the easiest thing we can do is to tariff their cars coming in. It's a tremendous amount of money and it's a very simple negotiation. It could end in one day and we take in a lot of money the following day.

But I think we'll give them a chance to probably have a separate deal. We can have a separate deal or we can put it into this deal. I like to call this deal the United States-Mexico Trade Agreement. I think it's an elegant name. I think NAFTA has a lot of bad connotations for the United States because it was a rip-off. It was a deal that was a horrible deal for our country, and I think it's got a

lot of bad connotations to a lot of people. And so we will probably — you and I will agree to the name.

We will see whether or not we decide to put up Canada or just do a separate deal with Canada, if they want to make the deal. The simplest deal is more or less already made. It would be very easy to do and execute.

But I will — I will tell you that working with you has been a pleasure. Speaking with and working President-elect López Obrador has been absolutely a very, very special time.

You both came together for your country. You worked together. I think that's important for the media to know. We have a little — a small amount of media in our presence, like everybody. And the media should know that the President and the President-elect worked very closely together because the President felt it was important that the President-elect liked what he was seeing.

And our teams worked together. Our teams were really well unified, and your team was very well unified. I was very impressed with the fact that the two Presidents came together and worked out something mutually agreeable.

So it's an incredible deal. It's an incredible deal for both parties. Most importantly, it's an incredible deal for the workers and for the citizens of both countries. Our farmers are going to be so happy. You know, my farmers — the farmers have stuck with me; I said we were going to do this. And Mexico has promised to immediately start purchasing as much farm product as they can. They're going to work on that very hard.

And as you know, we're working — unrelated to this, we're working very much with other countries. China is one; they want to talk. And it's just not right time to talk right now, to be honest, with China. It's been — it's too one-sided for too many years, for too many decades. And so it's not the right time to talk. But eventually, I'm sure, that we'll be able to work out a deal with China. In the meantime, we're doing very well with China.

Our economy is up. It's never been this good before, and I think it's only going to get better.

But, Mr. President, you've been my friend and you have been somebody that's been very special in a lot of ways. We talk a lot. We talked a lot about this deal. And I'd like to congratulate you and the



Mexican people.

PRESIDENT PEÑA NIETO: (As interpreted.) Thank you very much, Mr. President.

I finally recognize this, especially because of the point of understanding we are now reaching on this deal. And I really hope and I desire — I wish — that the part with Canada will be materializing in a very concrete fashion; that we can have an agreement the way we proposed it from the initiation of this renegotiating process, a tripartite.

But today I celebrate the (inaudible) between the United States and Mexico because we're reaching a final point of understanding. And I hope that in the following days we can materialize (inaudible) in the formalization of the agreement.

Something additional, Mr. President — and you have already mentioned it — it has to do with an involved and committed participation of the administration and the President-elect of Mexico. As you know, we are now going through a period of transition, and it has been possible to create a highly unified front between the negotiating team of this administration and the people appointed by the President-elect of Mexico to be observers and participate in this agreement, in this understanding, to reach the point we are now reaching.

The President-elect has been aware of everything that has been happening, and I have also had the opportunity of talking to him directly and personally on the progress being made.

You have also had direct conversations with President-elect. Things that we have to do and I hope we have the space to do it would be to find — to toast a good toast with tequila, of course — (laughter) — to celebrate this understanding.

PRESIDENT TRUMP: Enrique, I think that's exactly right. And you know the good relationship that I've already established with the President-elect. I was very impressed with him, I must tell you. He was terrific in every way. And he wants — you know, he loves your country like you love your country. You want to do the right thing. And we're really doing the right thing for all of us. So I really enjoy that. Please send him my regards, and I will speak to him very shortly.

But this was great that you were able to do it together. I think doing it mutually as opposed to just you doing it — or even just him doing it — I think a mutual agreement between your two

administrations was a fantastic thing. I suggested that early on, and I think it was immediately embraced and I think it was a really fantastic thing that you were able to do it — and with great spirit. I mean, it was great coordination and spirit. So I think that is really just great.

And, you know, one of the things that I'm excited about is you're going to be helping us at the border. You're going to be working together with us on agriculture. You're going to be working in many different ways, and we're going to be working with you in many different ways. This is a very comprehensive agreement.

So, Enrique, I will see you soon. I think we're going to have a very formal ceremony. This is one of the largest trade deals ever made. Maybe the largest trade deal ever made. And it's really something very special that two countries were able to come together and get it done.

And I just want to thank all of my people — Bob and Jared. And, gentlemen, you have been really great, the way you've worked so long. And I know you've been going up until three o'clock, four o'clock in the morning, and then getting in at eight.

So I just want to — on behalf of the United States, I want to thank you very much. And I can say that Mexico is very proud of you. They're very proud of you. Thank you all very much.

Enrique, I'll see you soon. I'll talk to you soon. And congratulations, and job well done.

PRESIDENT PEÑA NIETO: (As interpreted). Thank you, Mr. President, and congratulations as well to you, to the negotiating team, to the (inaudible) of both countries. We'll be waiting for Canada to be integrated into this process.

I send you an affectionate hug. And all my greetings to you and my regards.

PRESIDENT TRUMP: A hug from you would be very nice. (Laughter). Thank you. So long. Thanks. Goodbye, Enrique.

Okay, so we've made the deal with Canada. It's a very —

Q With Canada?

PRESIDENT TRUMP: They're starting. We made the deal with Mexico. And I think it's a very — deal. We're starting negotiations with Canada, pretty much immediately. I can't tell you where those negotiations are gone. It's going to be a — it's a smaller segment, as you know. Mexico is a very large trading partner. But we've now concluded our deal and it's being finalized.

And, Bob, when would you say it will be signed — actually, formally, signed?

AMBASSADOR LIGHTHIZER: Well, it will likely be signed at the end of November because there's a 90-day layover period because of our statute. But we expect to submit our letter to Congress, beginning that process on Friday.

PRESIDENT TRUMP: Okay, so that starts the process.

AMBASSADOR LIGHTHIZER: And then 90 days later, it will be signed.

PRESIDENT TRUMP: We have an agreement where — both with Canada and with Mexico — I will terminate the existing deal. When that happens, I can't quite tell you; it depends on what the timetable is with Congress. But I'll be terminating the existing deal and going into this deal. We'll start negotiating with Canada relatively soon. They want to start — they want to negotiate very badly.

But one way or the other, we have a deal with Canada. It will either be a tariff on cars, or it will be a negotiated deal. And, frankly, a tariff on cars is a much easier way to go. But perhaps the other would be much better for Canada.

And we're looking to help — you know, we're looking to help our neighbors, too. If we can help our neighbors, that's a good thing, not a bad thing. So we're going to start that negotiation imminently. I'll be speaking with Prime Minister Trudeau in a little while.

So I want to thank everybody. I want to thank you. What a great job you've all done. And it's been — it's been a long one, but a lot of people thought this was not a doable transaction. It's going to be great for our people. And again, I want to thank you folks. And we'll see you at the signing, and we'll see you many times before that, I'm sure.

So, congratulations to the people of Mexico. Great job.

Thank you very much everybody.



END

11:29 A.M. EDT