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**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE****[Docket Number USTR-2021-0004]****Proposed Action in Section 301
Investigation of Italy's Digital Services
Tax****AGENCY:** Office of the United States
Trade Representative.**ACTION:** Request for comments and
notice of public hearing.**SUMMARY:** The Office of the United
States Trade Representative (USTR)
requests written comments regarding a
potential trade action in connection
with the Section 301 investigation of
Italy's Digital Services Tax (DST). USTR
also will convene virtual public
hearings and accept rebuttal comments
in relation to the potential action.**DATES:***April 21, 2021:* To be assured of
consideration, submit requests to appear
at a hearing, along with a summary of
the testimony, by this date.*April 30, 2021:* To be assured of
consideration, submit written comments
by this date.*May 3, 2021:* Multi-jurisdictional
virtual hearing on proposed actions.*May 5, 2021 at 9:30 a.m.:* Virtual
hearing on Italy DST proposed action.*May 10, 2021:* To be assured of
consideration, submit multi-
jurisdictional hearing rebuttal
comments by this date.*May 12, 2021:* To be assured of
consideration, submit Italy DST hearing
rebuttal comments by this date.**ADDRESSES:** Submit documents in
response to this notice, including
written comments and hearing
appearance requests, through the online
USTR portal: [https://
comments.ustr.gov/s/](https://comments.ustr.gov/s/).**FOR FURTHER INFORMATION CONTACT:** For
questions concerning the investigation,
please contact Ben Allen or Patrick
Childress, Assistant General Counsels at
(202) 395-9439 and (202) 395-9531,
respectively; Robert Tanner, Director,
Services and Investment at (202) 395-
6125; or Michael Rogers, Director,
Europe and the Middle East at (202)
395-2684. For issues with on-line
submissions, please contact the USTR
Section 301 line at (202) 395-5725.**SUPPLEMENTARY INFORMATION:****I. Proceedings in the Investigation**Italy has adopted a DST that applies
to companies that during the previouscalendar year, generated €750 million or
more in worldwide revenues and €5.5
million or more in revenues deriving
from the provision of digital services in
Italy.On June 2, 2020, the U.S. Trade
Representative initiated an investigation
of Italy's DST pursuant to section
302(b)(1)(A) of the Trade Act of 1974, as
amended (Trade Act). See 85 FR 34709
(June 5, 2020) (notice of initiation). The
notice of initiation solicited written
comments on, *inter alia*, the following
aspects of Italy's DST: Discrimination
against U.S. companies; retroactivity;
and possibly unreasonable tax policy.
With respect to tax policy, USTR
solicited comments on, *inter alia*,
whether the DST diverged from
principles reflected in the U.S. and
international tax systems including
extraterritoriality; taxing revenue not
income; and a purpose of penalizing
particular technology companies for
their commercial success. Interested
persons filed over 380 written
submissions in response. The public
submissions are available on
www.regulations.gov in docket number
USTR-2020-0022.Under section 303 of the Trade Act,
the U.S. Trade Representative requested
consultations with the government of
Italy regarding the issues involved in
the investigation. Consultations were
held on November 10, 2020.Based on information obtained during
the investigation, USTR prepared a
comprehensive report on Italy's DST
(Italy DST Report). The Italy DST Report
is posted on the USTR website at
[https://ustr.gov/issue-areas/
enforcement/section-301-investigations/
section-301-digital-services-taxes](https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-digital-services-taxes). The
report includes a full description of
Italy's DST, and supports findings that
Italy's DST is unreasonable and
discriminatory and burdens or restricts
U.S. commerce.On January 6, 2021, based on the
information obtained during the
investigation and the advice of the
Section 301 Committee, the U.S. Trade
Representative determined that Italy's
DST is unreasonable or discriminatory
and burdens or restricts U.S. commerce,
and therefore is actionable under
sections 301(b) and 304(a) of the Trade
Act (19 U.S.C. 2411(b) and 2414(a)). See
86 FR 2477 (January 12, 2021).**II. Proposed Action**Section 301(b) provides that upon
determining that the acts, policies, and
practices under investigation are
actionable and that action is
appropriate, the U.S. Trade
Representative shall take all appropriate
and feasible action authorized undersection 301(c), subject to the specific
direction, if any, of the President
regarding such action, and all other
appropriate and feasible action within
the power of the President that the
President may direct the U.S. Trade
Representative to take under section
301(b), to obtain the elimination of that
act, policy, or practice.Section 301(c)(1)(B) of the Trade Act
authorizes the U.S. Trade
Representative to impose duties on the
goods of the foreign country subject to
the investigation. Pursuant to sections
301(b) and (c), USTR proposes that the
U.S. Trade Representative should
determine that action is appropriate and
that appropriate action would include
the imposition of additional *ad valorem*
tariffs on certain products of Italy.In particular, USTR proposes to
impose additional tariffs of up to 25
percent *ad valorem* on an aggregate
level of trade that would collect duties
on goods of Italy in the range of the
amount of DST that Italy is expected to
collect from U.S. companies. Initial
estimates indicate that the value of the
DST payable by U.S.-based company
groups to Italy will be up to
approximately \$140 million per year.USTR further proposes that the goods
of Italy subject to additional tariffs
would be drawn from the preliminary
list of products in the Annex to this
notice, as specified by the listed eight-
digit tariff subheadings.**III. Request for Public Comments**In accordance with section 304(b) of
the Trade Act (19 U.S.C. 2414(b)), USTR
invites comments from interested
persons with respect to whether action
is appropriate, and if so, the appropriate
action to be taken.USTR requests comments with
respect to any issue related to the action
to be taken in this investigation. With
respect to the proposed tariff action
outline above, USTR specifically invites
comments regarding:

- The level of the burden or restriction on U.S. commerce resulting from Italy's DST, including the amount of DST payments owed by U.S. companies, the annual growth rate of such payments, and other effects, such as compliance costs.
- The appropriate aggregate level of trade to be covered by additional duties.
- The level of the increase, if any, in the rate of duty.
- The specific products to be subject to increased duties, including whether the tariff subheadings listed in the Annex should be retained or removed, or whether tariff subheadings not currently on the list should be added.

In commenting on the inclusion or removal of particular products on the preliminary list of products subject to the proposed additional duties, USTR requests that commenters specifically address whether imposing increased duties on a particular product would be practicable or effective to obtain the elimination of Italy’s acts, policies, and practices, and whether imposing additional duties on a particular product would cause disproportionate economic harm to U.S. interests, including small- or medium-size businesses and consumers.

Simultaneously with this notice, USTR also is requesting public comments on proposed trade actions in five other DST investigations initiated at the same time as the Italy DST investigation. Certain interested persons may wish to provide written comments or oral testimony on multi-jurisdictional issues common to two or more investigations. To avoid duplication, the USTR portal will have a separate docket for multi-jurisdictional submissions, and USTR will hold a separate multi-jurisdictional hearing.

To be assured of consideration, you must submit written comments on the proposed action by April 30, 2021, and post-hearing rebuttal comments by May 10, 2021 for the multi-jurisdictional hearing, and by May 12, 2021 for the Italy DST hearing.

IV. Hearing Participation

The Section 301 Committee will convene a virtual public hearing for comments pertaining to the Italy DST proposed action on May 5, 2021, beginning at 9:30 a.m. Those requesting to appear at this hearing should have comments applicable only to the Italy DST proposed action.

The Section 301 Committee will convene a virtual public hearing for comments pertaining to multiple jurisdictions on May 3, 2021, beginning at 9:30 a.m. Those requesting to appear at the multi-jurisdictional hearing should have comments that are applicable to two or more DST investigations.

For either hearing, you must submit a request to appear at the specific hearing using the electronic portal at <https://comments.ustr.gov/s/>. You will be able to view a docket entitled ‘Request to

Appear at Hearing on Proposed Action in Section 301 Investigation of Italy’s Digital Services Tax.’ Requests to appear must include a summary of testimony, and may be accompanied by a pre-hearing submission. Remarks at the hearing are limited to five minutes to allow for possible questions from the Section 301 Committee. All submissions must be in English. To be assured of consideration, USTR must receive your request to appear by April 21, 2021.

V. Procedures for Written Submissions

You must submit written comments, rebuttal comments, and requests to appear at the hearing using the electronic portal at <https://comments.ustr.gov/s/>. You will be able to view a docket entitled ‘Comments Concerning Proposed Action in Section 301 Investigation of Italy’s Digital Services Tax’ on the portal, docket number USTR–2021–0004.

You do not need to establish an account to submit comments. Fields with a gray (BCI) notation are for Business Confidential Information and the information entered will not be publicly available. Required fields are marked ‘Required’ and will have a red asterisk (*). Fields with a green (Public) notation will be viewable by the public.

The first screen of the portal requires you to enter identification and contact information. Third party organizations such as law firms, trade associations, or customs brokers should identify the full legal name of the organization they represent, and identify the primary point of contact for the submission. The remaining fields of the form are optional.

After entering the identification and contact information, you can complete the remainder of the questionnaire, or any portion of it by clicking ‘Next.’ You can comment on multiple products in a single entry, or submit multiple comments. You will be able to navigate through each screen of the form by clicking ‘Next,’ with or without entering a response to each field on an individual screen or page. Additionally, you will be able to upload documents at the end of the form and designate whether USTR should treat the documents as business confidential or public information.

For uploads containing BCI, the file name of the business confidential version should begin with the characters ‘BCI’. 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 BCI. 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. Parties uploading attachments containing BCI also must submit a public version of their comments. The file name of the public version—which must be uploaded on <https://comments.ustr.gov/s/>, should begin with the character ‘P’. The ‘BCI’ and ‘P’ should be followed by the name of the person or entity submitting the comments or rebuttal comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR Section Hotline 301 line at (202) 395–5725 to discuss whether alternative arrangements are possible. USTR will post attachments uploaded to the docket for public inspection, except for attachments marked as business confidential.

You can view all public submissions on the USTR portal at <https://comments.ustr.gov/s/>.

Greta Peisch,

General Counsel, Office of the United States Trade Representative.

Annex

Note: All products that are classified in the eight-digit subheadings of the Harmonized Tariff Schedule of the United States (HTSUS) that are listed in this Annex are covered by the proposed action. The product descriptions that are contained in this Annex are provided for informational purposes only, and are not intended to delimit in any way the scope of the proposed action. Any questions regarding the scope of a particular HTSUS subheading should be referred to U.S. Customs and Border Protection. In the product descriptions, the abbreviation “nesoi” means “not elsewhere specified or included”.

HTSUS subheading	Product description
0305.63.60	Anchovies, in brine or salted but not dried or smoked, other than in immediate containers weighing with their contents 6.8 kg or less each.
1604.16.20	Anchovies, whole or in pieces but not minced, in oil, in airtight containers.
1604.16.40	Prepared or preserved anchovies, whole or in pieces, not minced, not in oil, in immediate containers with their contents 6.8 kg or less ea.
1604.31.00	Caviar.
1604.32.40	Caviar substitutes prepared from fish eggs, nesoi.

HTSUS subheading	Product description
3303.00.20	Perfumes and toilet waters, other than floral or flower waters, not containing alcohol.
3307.90.00	Depilatories and other perfumery, cosmetic or toilet preparations. nesoi.
4202.29.10	Handbags w. or w/o shld. strap or w/o handle of mat. (o/t leather, shtng. of plas., tex. mat., vul. fib. or paperbd.), paper cov., of plas.
4202.29.50	Handbags w. or w/o shld. strap or w/o handle of mat. (o/t leather, shtng. of plas., tex. mat., vul. fib. or paperbd.), pap.cov.,of mat. nesoi.
4202.29.90	Handbags with or without shoulder straps or without handle, with outer surface of vulcanized fiber or of paperboard, not covered with paper.
4202.31.30	Articles of a kind normally carried in the pocket or handbag, with outer surface of reptile leather.
4203.29.30	Men's gloves, mittens and mitts of leather or composition leather, nesoi, seamed.
4203.29.40	Gloves, mittens and mitts of leather or composition leather, nesoi, not lined, for persons other than men.
4203.29.50	Gloves, mittens and mitts of leather or composition leather, nesoi, lined, for persons other than men.
6103.10.10	Men's or boys' suits, knitted or crocheted, of wool or fine animal hair.
6103.31.00	Men's or boys' suit-type jackets and blazers, knitted or crocheted, of wool or fine animal hair.
6103.32.00	Men's or boys' suit-type jackets and blazers, knitted or crocheted, of cotton.
6103.33.20	Men's or boys' suit-type jackets and blazers, knitted or crocheted, of synthetic fibers, nesoi.
6103.39.80	Men's or boys' suit-type jackets and blazers, of textile mats, (except wool, cotton, or mmf), cont less than 70% by wt of silk, knitted/croc.
6104.31.00	Women's or girls' suit-type jackets and blazers, knitted or crocheted, of wool or fine animal hair.
6104.32.00	Women's or girls' suit-type jackets and blazers, knitted or crocheted, of cotton.
6104.33.20	Women's or girls' suit-type jackets and blazers, knitted or crocheted, of synthetic fibers, nesoi.
6110.30.10	Sweaters, pullovers, sweatshirts and similar articles, knitted or crocheted, of man-made fibers, cont. 25% or more by weight of leather.
6117.80.20	Ties, bow ties and cravats, containing 70% or more by weight of silk or silk waste, knitted or crocheted.
6117.80.87	Ties, bow ties and cravats, containing under 70% by weight of silk or silk waste, knitted or crocheted.
6117.80.95	Made up clothing accessories (excl shawl, scarve, and like, tie, cravat, headband, ponytail holder and like), cont < 70% wt of silk, k/c.
6203.19.10	Men's or boys' suits, not knitted or crocheted, of cotton.
6203.31.90	Men's or boys' suit-type jackets and blazers, of wool or fine animal hair, not knitted or crocheted.
6203.32.10	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of cotton, containing 36 percent or more of flax fibers.
6203.32.20	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of cotton, under 36% by weight of flax.
6203.33.10	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of synthetic fibers, cont. 36% or more of wool or fine animal hair.
6203.33.20	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of synthetic fibers, under 36% by weight of wool.
6203.39.10	Men's or boys' suit-type jackets and blazers, of artificial fibers, containing 36% or more by weight of wool or fine animal hair, not k/c.
6203.39.20	Men's or boys' suit-type jackets and blazers, not knitted or crocheted, of artificial fibers, under 36% by weight of wool.
6203.39.50	Men's or boys' suit-type jackets and blazers, of textile materials (except wool, cotton or mmf), cont 70% or more by weight of silk, not k/c.
6203.39.90	Men's or boys' suit-type jackets and blazers, of text materials (except wool, cotton or mmf), containing under 70% by weight of silk, not k/c.
6204.31.10	Women's or girls' suit-type jackets & blazers, of wool or fine animal hair, not knitted or crocheted, cont. 30% or more of silk/silk waste.
6204.31.20	Women's or girls' suit-type jackets and blazers, of wool or fine animal hair, not knitted or crocheted, under 30% by weight of silk.
6204.32.20	Women's or girls' suit-type jackets and blazers, of cotton, not knitted or crocheted, under 36% flax.
6204.33.10	Women's or girls' suit-type jackets and blazers, not knitted or crocheted, of synthetic fibers, cont. 30% or more of silk/silk waste.
6204.33.40	Women's or girls' suit-type jackets & blazers, not knitted or crocheted, of synthetic fibers, cont. 36% or more of wool or fine animal hair.
6204.33.50	Women's or girls' suit-type jackets and blazers, not knitted or crocheted, of synthetic fibers, nesoi.
6204.39.20	Women's or girls' suit-type jackets & blazers, not knitted or crocheted, of artificial fibers, cont. 36% or more of wool or fine animal hair.
6204.39.30	Women's or girls' suit-type jackets and blazers, not knitted or crocheted, of artificial fibers, under 36% by weight of wool.
6204.39.60	Women's or girls' suit-type jackets and blazers, not knitted/crocheted, of textile materials nesoi, cont. 70% + of silk or silk waste.
6204.39.80	Women's or girls' suit-type jackets and blazers, not knitted or crocheted, of textile materials nesoi.
6211.39.03	Rec perf outdoorwear, men's or boys' track suits or other garments nesoi, not knitted or crocheted, of wool or fine animal hair.
6211.39.30	Men's or boys' track suits or other garments nesoi, not knitted or crocheted, of wool or fine animal hair, o/than rec perf outdoorwear.
6215.10.00	Ties, bow ties and cravats, not knitted or crocheted, of silk or silk waste.
6215.20.00	Ties, bow ties and cravats, not knitted or crocheted, of man-made fibers.
6215.90.00	Ties, bow ties and cravats, not knitted or crocheted, of textile materials nesoi.
6403.59.60	Footwear w/outer soles and uppers of leather, not cov. ankle, n/welt, for men, youths and boys.
6403.91.60	Footwear w/outer soles of rubber/plastics/composition leather & uppers of leather, covering the ankle, n/welt, for men, youths and boys.
6403.91.90	Footwear w/outer soles of rubber/plastics/comp. leather & uppers of leather, cov. ankle, n/welt, for persons other than men/youths/boys.
6404.20.40	Footwear w/outer soles of leather/comp. leath., n/o 50% by wt. rub./plast. or rub./plast./text. & 10%+ by wt. rub./plast., val. o/\$2.50/pr.
9001.40.00	Spectacle lenses of glass, unmounted.
9001.50.00	Spectacle lenses of materials other than glass, unmounted.
9001.90.40	Lenses nesoi, unmounted.

HTSUS subheading	Product description
9001.90.90	Optical elements nesoi, unmounted.

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OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

[Docket Number USTR-2021-0006]

Proposed Action in Section 301 Investigation of Turkey's Digital Services Tax

AGENCY: Office of the United States
Trade Representative.

ACTION: Request for comments and
notice of public hearing.

SUMMARY: The Office of the United
States Trade Representative (USTR)
requests written comments regarding a
potential trade action in connection
with the Section 301 investigation of
Turkey's Digital Services Tax (DST).
USTR also will convene virtual public
hearings and accept rebuttal comments
in relation to the potential action.

DATES:

April 21, 2021: To be assured of
consideration, submit requests to appear
at a hearing, along with a summary of
the testimony, by this date.

April 30, 2021: To be assured of
consideration, submit written comments
by this date.

May 3, 2021: Multi-jurisdictional
virtual hearing on proposed actions.

May 7, 2021 at 9:30 a.m.: Virtual
hearing on Turkey DST proposed action.

May 10, 2021: To be assured of
consideration, submit multi-
jurisdictional hearing rebuttal
comments by this date.

May 14, 2021: To be assured of
consideration, submit Turkey DST
hearing rebuttal comments by this date.

ADDRESSES: Submit documents in
response to this notice, including
written comments and hearing
appearance requests, through the online
USTR portal: [https://
comments.ustr.gov/s/](https://comments.ustr.gov/s/).

FOR FURTHER INFORMATION CONTACT: For
questions concerning the investigation,
please contact Ben Allen or Patrick
Childress, Assistant General Counsels at
(202) 395-9439 and (202) 395-9531,
respectively; Robert Tanner, Director,
Services and Investment at (202) 395-
6125; or Michael Rogers, Director,
Europe and the Middle East at (202)
395-2684. For issues with on-line
submissions, please contact the USTR
Section 301 line at (202) 395-5725.

SUPPLEMENTARY INFORMATION:

I. Proceedings in the Investigation

Turkey has adopted a DST that
applies to companies that during the
previous calendar year, generated €750
million or more in worldwide revenues
and TRY 20 million or more in revenues
deriving from the provision of digital
services in Turkey.

On June 2, 2020, the U.S. Trade
Representative initiated an investigation
of Turkey's DST pursuant to section
302(b)(1)(A) of the Trade Act of 1974, as
amended (Trade Act). *See* 85 FR 34709
(June 5, 2020) (notice of initiation). The
notice of initiation solicited written
comments on, *inter alia*, the following
aspects of Turkey's DST: Discrimination
against U.S. companies; retroactivity;
and possibly unreasonable tax policy.
With respect to tax policy, USTR
solicited comments on, *inter alia*,
whether the DST diverged from
principles reflected in the U.S. and
international tax systems including
extraterritoriality; taxing revenue not
income; and a purpose of penalizing
particular technology companies for
their commercial success. Interested
persons filed over 380 written
submissions in response. The public
submissions are available on
www.regulations.gov in docket number
USTR-2020-0022.

Under section 303 of the Trade Act,
the U.S. Trade Representative requested
consultations with the government of
Turkey regarding the issues involved in
the investigation. Consultations were
held on September 29, 2020.

Based on information obtained during
the investigation, USTR prepared a
comprehensive report on Turkey's DST
(Turkey DST Report). The Turkey DST
Report is posted on the USTR website
at [https://ustr.gov/issue-areas/
enforcement/section-301-investigations/
section-301-digital-services-taxes](https://ustr.gov/issue-areas/enforcement/section-301-investigations/section-301-digital-services-taxes). The
report includes a full description of
Turkey's DST, and supports findings
that Turkey's DST is unreasonable and
discriminatory and burdens or restricts
U.S. commerce.

On January 6, 2021, based on the
information obtained during the
investigation and the advice of the
Section 301 Committee, the U.S. Trade
Representative determined that Turkey's
DST is unreasonable or discriminatory
and burdens or restricts U.S. commerce,
and therefore is actionable under
sections 301(b) and 304(a) of the Trade

Act (19 U.S.C. 2411(b) and 2414(a)). *See*
86 FR 2480 (January 12, 2021).

II. Proposed Action

Section 301(b) provides that upon
determining that the acts, policies, and
practices under investigation are
actionable and that action is
appropriate, the U.S. Trade
Representative shall take all appropriate
and feasible action authorized under
section 301(c), subject to the specific
direction, if any, of the President
regarding such action, and all other
appropriate and feasible action within
the power of the President that the
President may direct the U.S. Trade
Representative to take under section
301(b), to obtain the elimination of that
act, policy, or practice.

Section 301(c)(1)(B) of the Trade Act
authorizes the U.S. Trade
Representative to impose duties on the
goods of the foreign country subject to
the investigation. Pursuant to sections
301(b) and (c), USTR proposes that the
U.S. Trade Representative should
determine that action is appropriate and
that appropriate action would include
the imposition of additional *ad valorem*
tariffs on certain products of Turkey.

In particular, USTR proposes to
impose additional tariffs of up to 25
percent *ad valorem* on an aggregate
level of trade that would collect duties
on goods of Turkey in the range of the
amount of the DST that Turkey is
expected to collect from U.S.
companies. Initial estimates indicate
that the value of the DST payable by
U.S.-based company groups to Turkey
will be up to approximately \$160
million per year.

USTR further proposes that the goods
of Turkey subject to additional tariffs
would be drawn from the preliminary
list of products in the Annex to this
notice, as specified by the listed eight-
digit tariff subheadings.

III. Request for Public Comments

In accordance with section 304(b) of
the Trade Act (19 U.S.C. 2414(b)), USTR
invites comments from interested
persons with respect to whether action
is appropriate, and if so, the appropriate
action to be taken.

USTR requests comments with
respect to any issue related to the action
to be taken in this investigation. With
respect to the proposed tariff action
outline above, USTR specifically invites
comments regarding: