

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

[Docket Nos. USTR–2024–0024 and USTR–  
2024–0025]

**Initiation of Section 301 Investigation;  
Hearing; and Request for Public  
Comments: China’s Acts, Policies, and  
Practices Related to Targeting of the  
Semiconductor Industry for  
Dominance**

**AGENCY:** Office of the United States  
Trade Representative (USTR).

**ACTION:** Notice of initiation of  
investigation and a hearing, and a  
request for comments.

**SUMMARY:** The U.S. Trade  
Representative has initiated an  
investigation, of China’s acts, policies,  
and practices related to targeting of the  
semiconductor industry for dominance.  
The inter-agency Section 301 Committee  
is holding a public hearing and seeking  
public comments in connection with  
this investigation.

**DATES:**

*December 23, 2024:* The U.S. Trade  
Representative initiated the  
investigation.

*January 6, 2025:* USTR will open  
dockets for submission of written  
comments and requests to appear at the  
hearing.

*February 5, 2025, at 11:59 p.m. EST:*  
To be assured of consideration, submit  
written comments by this date.

*February 24, 2025, at 11:59 p.m. EST:*  
To be assured of consideration, submit  
requests to appear at the hearing, along  
with a summary of the testimony, by  
this date.

*March 11–12, 2025:* Public hearing.  
*Seven calendar days after the last day  
of the public hearing:* Due date for  
submission of post-hearing rebuttal  
comments.

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

**FOR FURTHER INFORMATION CONTACT:** For  
procedural questions concerning  
comments or participating in the public  
hearing, contact the USTR Section  
support line at 202.395.5725. Direct all  
other questions regarding this notice to  
Philip Butler and Megan Grimball,  
Chairs of the Section 301 Committee;  
Brian Janovitz, Chief Counsel for Trade  
Enforcement Strategy and  
Competitiveness; or Erin Biel, Assistant  
General Counsel at 202.395.5725.

**SUPPLEMENTARY INFORMATION:****I. China’s Acts, Policies, and Practices**

Evidence indicates that the People’s  
Republic of China (the PRC or China)  
has adopted acts, policies, and practices  
related to targeting of the semiconductor  
industry for dominance. China  
apparently seeks to dominate domestic  
and global markets in the  
semiconductor industry and undertakes  
extensive anticompetitive and non-  
market means, including setting and  
pursuing market share targets, to  
achieve indigenization and self-  
sufficiency. The PRC’s acts, policies,  
and practices also appear to have and to  
threaten detrimental impacts on the  
United States and other economies,  
undermining the competitiveness of  
American industry and workers, critical  
U.S. supply chains, and U.S. economic  
security.

Evidence indicates that the PRC’s  
acts, policies, and practices have been  
reflected in various economic and  
industrial plans issued by the PRC. For  
example, Made in China 2025 set  
numerical targets for the PRC’s domestic  
semiconductor capacity and production  
that reflect China’s targeting of the  
semiconductors sector for dominance.  
Evidence further indicates that the PRC  
pursues its targeting of the  
semiconductor industry through an  
extensive range of anticompetitive and  
non-market means, including through  
Chinese Communist Party guidance,  
directives, and control within state and  
private enterprises; activities of state-  
owned or state-controlled enterprises;  
market access restrictions; opaque  
regulatory preferences and  
discrimination; wage-suppressing labor  
practices; massive and persistent state  
financial support of industry, including  
government guidance funds; and forced  
technology transfer, including state-  
directed cyber intrusions and cybertheft  
of intellectual property.

Evidence indicates that the PRC’s  
targeting of the semiconductor industry  
for dominance is leading to significant  
capacity expansion, artificially and  
unsustainably lower domestic and  
global prices, a protected domestic  
market, and emerging overconcentration  
of production capacity in the PRC.  
Evidence indicates that in just six years,  
China has nearly doubled its global  
share of foundational logic  
semiconductors production capacity.  
Based on announced new fabrication  
plants (fabs), China’s share is projected  
to reach approximately half of the  
world’s capacity by 2029. In addition,  
projections show that China will lead in  
production capacity for other types of  
legacy semiconductors, such as power  
chips. Evidence further suggests that the

PRC’s non-market-oriented expansion of  
capacity is already discouraging  
investment by market-oriented actors.

**II. Initiation of Section 301  
Investigation**

Section 302(b)(1)(A) of the Trade Act  
of 1974, as amended (Trade Act),  
authorizes the U.S. Trade  
Representative to initiate an  
investigation to determine whether an  
act, policy, or practice of a foreign  
country is actionable under section 301  
of the Trade Act. Actionable matters  
under section 301 include acts, policies,  
and practices of a foreign country that  
are unreasonable or discriminatory and  
burden or restrict U.S. commerce. An  
act, policy, or practice is unreasonable  
if, while not necessarily in violation of,  
or inconsistent with, the international  
legal rights of the United States, it is  
otherwise unfair and inequitable.

On December 23, 2024, the U.S. Trade  
Representative initiated a section 301  
investigation of China’s acts, policies,  
and practices related to targeting of the  
semiconductor industry for dominance.  
Pursuant to section 302(b)(1)(B) of the  
Trade Act, USTR has consulted with  
appropriate advisory committees and  
the inter-agency Section 301 Committee.  
Pursuant to section 303(a) of the Trade  
Act, USTR is requesting consultations  
with the Government of China.

Pursuant to section 304 of the Trade  
Act, USTR must determine whether the  
act, policy, or practice under  
investigation is actionable under section  
301. If that determination is affirmative,  
the U.S. Trade Representative must  
determine whether action is  
appropriate, and if so, what action to  
take.

This investigation initially will focus  
on PRC manufacturing of foundational  
semiconductors (also known as legacy  
or mature node semiconductors),  
including to the extent that they are  
incorporated as components into  
downstream products for critical  
industries like defense, automotive,  
medical devices, aerospace,  
telecommunications, and power  
generation and the electrical grid. The  
investigation also will initially assess  
whether the impact of the PRC’s acts,  
policies, and practices on the  
production of silicon carbide substrates  
(or other wafers used as inputs into  
semiconductor fabrication) contribute to  
any unreasonableness or discrimination  
or burden or restriction on U.S.  
commerce. In addition, the investigation  
will examine the relationship between  
the PRC’s acts, policies, and practices  
and existing or threatened non-market  
excess capacity or overconcentration of  
semiconductor production in the PRC,

and resulting dependencies and vulnerabilities that create risks for certain critical downstream industries, as well as harm to U.S. semiconductor producers and foundries.

### III. Request for Public Comments

You may submit written comments on any issue covered by the investigation. In particular, USTR invites comments regarding:

- China's acts, policies, and practices related to its targeting of the semiconductor industry for dominance.
- Anticompetitive and non-market means employed by the PRC in pursuit of its semiconductor industry targeting objectives, including political guidance, directives, and control within state and private enterprises, activities of state-owned or state-controlled enterprises, market access restrictions, opaque regulatory preferences and discrimination, wage-suppressing labor practices, massive state support of industry (including government guidance funds), and forced technology transfer (including state-directed cyber intrusions and cybertheft of intellectual property).
- Whether China's acts, policies, and practices are unreasonable or discriminatory.
- Whether China's acts, policies, and practices burden or restrict U.S. commerce, and if so, the nature and level of the burden or restriction. This would include economic assessments of the burden or restriction on semiconductors, semiconductor manufacturing including foundries, silicon carbide substrates or other wafers, and downstream products, with a particular focus on critical industries, such as defense, automotive, medical devices, aerospace, telecommunications, and power generation and the electrical grid.
- Whether China's acts, policies, and practices are actionable under section 301(b) of the Trade Act, and what action, if any, should be taken, including tariff and non-tariff actions.

To be assured of consideration, USTR must receive written comments by 11:59 p.m. EST on February 5, 2025. Additional instructions on how to submit written comments are provided below in Part V.

### IV. Hearing Participation

The Section 301 Committee will convene a public hearing on March 11, 2025, and if needed, the hearing will continue on March 12, 2025. To testify at the hearing, you must submit a request to appear using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part V

below. Requests to appear must include a summary of testimony, and may be accompanied by a prehearing 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 and summary of the testimony by February 24, 2025.

Post-hearing rebuttal comments, which should be limited to rebutting or supplementing testimony presented at the hearing, may be submitted within seven calendar days after the last day of the public hearing. Rebuttal comments must be submitted using the electronic portal at <https://comments.ustr.gov/s/>, following the instructions in Part V below.

### V. Submissions Instructions

Interested persons must submit written comments, requests to appear at the hearing, summaries of testimony, and post-hearing rebuttal comments using the appropriate docket on the portal at <https://comments.ustr.gov/s/>. To make a submission, use the docket on the portal entitled 'Request for Comments on the Section 301 Investigation of China's Acts, Policies, and Practices Related to Targeting of the Semiconductor Industry for Dominance,' docket number USTR-2024-0024. Interested persons wishing to provide testimony at the hearing must submit a notification of intent and summary of testimony using the docket entitled 'Request to Appear at the Hearing on the Section 301 Investigation of China's Acts, Policies, and Practices Related to Targeting of the Semiconductor Industry for Dominance,' docket number USTR-2024-0025.

You do not need to establish an account to submit comments or a notification of intent to testify. The first screen allows 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. Information fields are optional. However, USTR may not consider your comment or request if insufficient information is provided. Fields with a gray Business Confidential Information (BCI) notation are for BCI information that will not be made publicly available. Fields with a green (Public) notation will be viewable by the public. After entering the identification and contact information, you can complete the remainder of the comment,

or any portion of it, by clicking 'Next.' You may upload documents at the end of the form and indicate whether USTR should treat the documents as business confidential or public information. 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 the information would not customarily be released to the public. Parties uploading attachments containing BCI also must submit a public version of their comments. If these procedures are not sufficient to protect BCI or otherwise protect business interests, please contact the USTR section 301 support 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 properly designated BCI. You can view submissions on USTR's electronic portal at <https://comments.ustr.gov/s/>.

**Juan Millan,**

*Acting General Counsel, Office of the United States Trade Representative.*

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**BILLING CODE 3390-F4-P**

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

[Docket No.: FAA-2024-2728; Summary Notice No. -2024-46]

### Petition for Exemption; Summary of Petition Received; Hermeus Corp.

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

**ACTION:** Notice.

**SUMMARY:** This notice contains a summary of a petition seeking relief from specified requirements of Federal Aviation Regulations. The purpose of this notice is to improve the public's awareness of, and participation in, the FAA's exemption process. Neither publication of this notice nor the inclusion nor omission of information in the summary is intended to affect the legal status of the petition or its final disposition.

**DATES:** Comments on this petition must identify the petition docket number and must be received on or before January 21, 2025.

**ADDRESSES:** Send comments identified by docket number [FAA-2024-2728] using any of the following methods: