

agree to provide written reports that notify the board when the fund's assets are placed with a foreign custodian and when any material change occurs in the fund's custody arrangements. The delegate must agree to exercise reasonable care, prudence, and diligence, or to adhere to a higher standard of care. When the foreign custody manager selects an eligible foreign custodian, it must determine that the fund's assets will be subject to reasonable care if maintained with that custodian, and that the written contract that governs each custody arrangement will provide reasonable care for fund assets. The contract must contain certain specified provisions or others that provide at least equivalent care. The foreign custody manager must establish a system to monitor the performance of the contract and the appropriateness of continuing to maintain assets with the eligible foreign custodian.

The collection of information requirements in rule 17f-5 are intended to provide protection for fund assets maintained with a foreign bank custodian whose use is not authorized by statutory provisions that govern fund custody arrangements,<sup>1</sup> and that is not subject to regulation and examination by U.S. regulators. The requirement that the fund board determine that it is reasonable to rely on each delegate is intended to ensure that the board carefully considers each delegate's qualifications to perform its responsibilities. The requirement that the delegate provide written reports to the board is intended to ensure that the delegate notifies the board of important developments concerning custody arrangements so that the board may exercise effective oversight. The requirement that the delegate agree to exercise reasonable care is intended to provide assurances to the fund that the delegate will properly perform its duties.

The requirements that the foreign custody manager determine that fund assets will be subject to reasonable care with the eligible foreign custodian and under the custody contract, and that each contract contain specified provisions or equivalent provisions, are intended to ensure that the delegate has evaluated the level of care provided by the custodian, that it weighs the adequacy of contractual provisions, and that fund assets are protected by minimal contractual safeguards. The requirement that the foreign custody manager establish a monitoring system is intended to ensure that the manager

periodically reviews each custody arrangement and takes appropriate action if developing custody risks may threaten fund assets.<sup>2</sup>

Commission staff estimates that each year, approximately 90 registrants<sup>3</sup> could be required to make an average of one response per registrant under rule 17f-5, requiring approximately 2.5 hours of board of director time per response, to make the necessary findings concerning foreign custody managers. The total annual burden associated with these requirements of the rule is up to approximately 225 hours (90 registrants × 2.5 hours per registrant). The staff further estimates that during each year, approximately 15 global custodians<sup>4</sup> are required to make an average of 4 responses per custodian concerning the use of foreign custodians other than depositories. The staff estimates that each response will take approximately 270 hours, requiring approximately 1,080 total hours annually per custodian (270 hours × 4 responses per custodian). The total annual burden associated with these requirements of the rule is approximately 16,200 hours (15 global custodians × 1,080 hours per custodian). Therefore, the total annual burden of all collection of information requirements of rule 17f-5 is estimated to be up to 16,425 hours (225 + 16,200). The total annual cost of burden hours is estimated to be \$4,779,225 ((225 hours × \$4,465/hour for board of director's time + (16,200 hours × \$233/hour for a trust administrator's time)).<sup>5</sup> Compliance with the collection of information requirements of the rule is necessary to obtain the benefit of relying on the rule's permission for funds to maintain their assets in foreign custodians.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate

<sup>2</sup> The staff believes that subcustodian monitoring does not involve "collection of information" within the meaning of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) ("Paperwork Reduction Act").

<sup>3</sup> This figure is an estimate of the number of new funds each year, based on data reported by funds for 2017, 2018, and 2019. In practice, not all funds will use foreign custody managers. The actual figure therefore may be smaller.

<sup>4</sup> This estimate is based on staff research.

<sup>5</sup> Based on fund industry representations, the staff estimated in 2014 that the average cost of board of director time, for the board as a whole, was \$4,000 per hour. Adjusting for inflation, the staff estimates that the current average cost of board of director time is approximately \$4,465 per hour. The \$233/hour figure for a trust administrator is from SIFMA's Management & Professional Earnings in the Securities Industry 2013, modified by Commission staff to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 2, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## **SURFACE TRANSPORTATION BOARD**

[Docket No. AB 290 (Sub-No. 408X)]

### **Norfolk Southern Railway Company—Abandonment Exemption—in Hudson and Essex Counties, NJ**

On June 19, 2020, Norfolk Southern Railway Company (NSR) filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. 10502 for exemption from the prior approval requirements of 49 U.S.C. 10903 to abandon an approximately 8.6-mile rail line, extending from milepost WD 2.9 in the City of Jersey City, to milepost WD 11.5 in the Township of Montclair, in Hudson and Essex Counties, NJ (the Line). The Line traverses U.S. Postal Service Zip Codes 07306, 07094, 07032, 07104, 07109, 07003, 07028, and 07042.

NSR states that it is seeking to abandon the Line because the Line has been dormant for more than a decade.<sup>1</sup>

<sup>1</sup> NSR states that it has served no customers on the Line since it acquired the property from the Consolidated Rail Corporation in 1999. (Pet. 4, 11.) According to NSR, in 2005, it discontinued service over a 6.2-mile segment between milepost WD 2.2 in Jersey City and milepost WD 8.4 in Newark. (*Id.*) See *Norfolk S. Ry.—Discontinuance of Serv. Exemption—Between Newark & Kearney, NJ, in Essex & Hudson Cties., NJ*, AB 290 (Sub-No. 242X) (STB served Jan. 18, 2005). NSR states that New Jersey Transit operated commuter rail passenger service over the Line until 2002, (pet. 10-11), and the 6.2-mile segment served as an overhead route to serve one customer located on the Newark Industrial Track, (*id.* at 4-5). NSR states that no freight traffic has moved over the remaining segment of the Line from milepost WD 8.4 to

<sup>1</sup> See section 17(f) of the Act. 15 U.S.C. 80a-17(f).

(Pet. 5.) According to NSR, it plans to convey the Line's right-of-way, pursuant to an interim trail use/rail banking agreement, to Open Space Institute Land Trust, Inc. (OSI) so that the Line may be used for a public redevelopment project. (*Id.* at 3, 5.) NSR states that OSI, in partnership with Hudson and Essex Counties, plans to redevelop the Line, create greenways, and provide for alternative modal access to various sites located along the Line, which would promote economic growth in the region. (*Id.* at 3, 5, 15.)

In addition to an exemption from 49 U.S.C. 10903, NSR also seeks an exemption from the offer of financial assistance procedures of 49 U.S.C. 10904. In support, NSR states that the Line is needed for a valid public purpose, *i.e.*, the redevelopment project, and there is no overriding public need for continued freight rail service along the Line. (Pet. 17–18.) According to NSR, the reinstitution of freight rail service under 10904 would be incompatible with the intended use of the Line by OSI and Hudson and Essex Counties. (*Id.* at 17.) This request will be addressed in the final decision.

According to NSR, the Line does not contain any federally granted rights-of-way. Any documentation in NSR's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in *Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho*, 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by October 7, 2020.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) for continued rail service will be due no later than 120 days after the filing of the petition for exemption, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner. Persons interested in submitting an OFA must first file a formal expression of intent to file an offer by July 20, 2020, indicating the type of financial assistance they wish to provide (*i.e.*, subsidy or purchase) and demonstrating that they are preliminarily financially responsible. See 49 CFR 1152.27(c)(1)(i).

Following authorization for abandonment, the Line may be suitable

for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for interim trail use/rail banking under 49 CFR 1152.29 will be due no later than July 29, 2020.<sup>2</sup>

All pleadings, referring to Docket No. AB 290 (Sub-No. 408X), must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street SW, Washington, DC 20423–0001. In addition, a copy of each pleading must be served on NSR's representative, William A. Mullins, Baker & Miller PLLC, 2401 Pennsylvania Avenue NW, Suite 300, Washington, DC 20037. Replies to the petition are due on or before July 29, 2020.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245–0238 or refer to the full abandonment regulations at 49 CFR part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis (OEA) at (202) 245–0305. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by OEA will be served upon all parties of record and upon any agencies or other persons who comment during its preparation. Other interested persons may contact OEA to obtain a copy of the EA (or EIS). EAs in abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA generally will be within 30 days of its service.

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: July 6, 2020.

By the Board, Allison C. Davis, Director, Office of Proceedings.

**Andrea Pope-Matheson,**  
Clearance Clerk.

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## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Notice of Product Exclusion Extensions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

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

**ACTION:** Notice of product exclusion extensions.

**SUMMARY:** Effective July 6, 2018, the U.S. Trade Representative imposed additional duties on goods of China with an annual trade value of approximately \$34 billion as part of the action in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. The U.S. Trade Representative initiated the exclusion process in July 2018 and, to date, has granted 10 sets of exclusions under the \$34 billion action. The sixth set of exclusions was published in July 2019 and will expire in July 2020. On April 30, 2020, the U.S. Trade Representative established a process for the public to comment on whether to extend particular exclusions granted in July 2019 for up to 12 months. This notice announces the U.S. Trade Representative's determination to extend certain exclusions through December 31, 2020.

**DATES:** The product exclusion extensions announced in this notice will apply as of July 9, 2020, and extend through December 31, 2020. U.S. Customs and Border Protection will issue instructions on entry guidance and implementation.

**FOR FURTHER INFORMATION CONTACT:** For general questions about this notice, contact Assistant General Counsels Philip Butler or Benjamin Allen, or Director of Industrial Goods Justin Hoffmann at (202) 395–5725. For specific questions on customs classification or implementation of the product exclusions identified in the Annex to this notice, contact [traderemedy@cbp.dhs.gov](mailto:traderemedy@cbp.dhs.gov).

#### SUPPLEMENTARY INFORMATION:

##### A. Background

For background on the proceedings in this investigation, please see prior notices including: 82 FR 40213 (August 23, 2017), 83 FR 14906 (April 6, 2018), 83 FR 28710 (June 20, 2018), 83 FR 32181 (July 11, 2018), 83 FR 67463 (December 28, 2018), 84 FR 11152 (March 25, 2019), 84 FR 16310 (April 18, 2019), 84 FR 21389 (May 14, 2019), 84 FR 25895 (June 4, 2019), 84 FR 32821

milepost WD 11.5 since 2009, before which the segment served as an overhead route to access one customer located on the Orange Industrial Track. (*Id.* at 4, 11.)

<sup>2</sup> The filing fees for OFAs and trail use requests can be found at 49 CFR 1002.2(f)(25) and (27), respectively.