

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. NAFTA-103-6

PROBABLE EFFECT OF CERTAIN MODIFICATIONS
TO THE NORTH AMERICAN FREE TRADE AGREEMENT
RULES OF ORIGIN

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and request for written submissions

EFFECTIVE DATE: July 29, 2004

SUMMARY: Following receipt of a request on July 26, 2004, from the United States Trade Representative (USTR) under authority delegated by the President and pursuant to section 103 of the North American Free Trade Agreement (NAFTA) Implementation Act (19 U.S.C. 3313), the Commission instituted investigation No. NAFTA-103-6, *Probable Effect of Certain Modifications to the North American Free Trade Agreement Rules of Origin*, to provide advice to the President on the probable effect on U.S. trade under the NAFTA and on domestic industries of certain modifications to the rules of origin in NAFTA Annexes 401 and 403.

FOR FURTHER INFORMATION: Information may be obtained from Laura Polly, Office of Industries (202-205-3408, laura.polly@usitc.gov), or Warren Payne, Office of Industries (202-205-3317, warren.payne@usitc.gov). For information on the legal aspects of this investigation, contact William Gearhart of the Office of the General Counsel (202-205-3091, william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of Public Affairs (202-205-1819, margaret.olaughlin@usitc.gov).

BACKGROUND: According to the USTR's letter, U.S. negotiators have recently reached agreement in principle with representatives of the governments of Canada and Mexico on proposed modifications to Annexes 401 and 403 of the NAFTA. Chapter 4 and Annexes 401 and 403 of the NAFTA contain the rules of origin for application of the tariff provisions of the NAFTA to trade in goods. Section 202(q) of the North American Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 103 of the Act, to proclaim such modifications to the rules as may from time to time be agreed to by the NAFTA countries. One of the requirements set out in section 103 of the Act is that the President obtain advice from the United States International Trade Commission.

A list of the proposed modifications to Annexes 401 and 403 is available from the Office of the Secretary to the Commission or by accessing the electronic version of this notice at the Commission's Internet site (<http://www.usitc.gov>). The current U.S. rules of origin can be found in General Note 12 of the 2004 Harmonized Tariff Schedule of the United States (see "General Notes" link at http://hotdocs.usitc.gov/tariff_chapters_current/toc.html).

As requested, the Commission will forward its advice by September 24, 2004.

This investigation, although the first to be formally designated as a "NAFTA-103" investigation, has been designated as investigation No. NAFTA-103-6 because the Commission has previously provided NAFTA rules of origin advice to the President pursuant to section 103. For docketing and record keeping purposes, we are designating advice provided on September 5, 1995 as investigation No. NAFTA-103-1 (also docketed as investigation No. 332-363, see description in the *Federal Register* of June 7, 1995 (60 FR 30099)); advice provided on September 29, 1995 as investigation No. NAFTA-103-2 (also docketed as investigation No. 332-364, see description in the *Federal Register* of September 7, 1995 (60 FR 46626)); advice provided on September 10, 1999 as investigation No. NAFTA-103-3 (see description in the *Federal Register* of August 6, 1999 (64 FR 42961)); advice provided on September 14, 2001 as investigation No. NAFTA-103-4 (see description in the *Federal Register* of August 7, 2001 (66 FR 41268)); and advice provided on October 24, 2001 as investigation No. NAFTA-103-5 (see description in the *Federal Register* of October 4, 2001 (66 FR 50680)).

WRITTEN SUBMISSIONS: No public hearing is being scheduled in connection with preparing this advice. However, interested parties are invited to submit written statements (original and 14 copies) concerning any economic effect of the modifications. All written submissions must conform with the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8); any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.6). Section 201.8 of the rules require that a signed original (or a copy designated as an original) and fourteen (14) copies of each document to be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted. Section 201.6 of the rules require that the cover of the document and the individual pages clearly be marked as to whether they are the "confidential" or "nonconfidential" versions, and that the confidential business information be clearly identified by means of brackets.

All written submissions, except for confidential business information, will be made available for inspection by interested parties. The Commission may include confidential business information submitted in the course of this investigation in the report that it sends to the President. The USTR has also requested that the Commission prepare and make available a public version of its report; the Commission will not publish confidential business information in the public version of its report in a manner that would reveal the operations of the firm supplying the information.

To be assured of consideration by the Commission, written statements relating to the Commission's report should be submitted to the Commission at the earliest practical date and must be received no later than the close of business on August 27, 2004. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW, Washington, DC 20436. The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules (19 CFR 201.8) (see Handbook for Electronic Filing Procedures, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000 or edis@usitc.gov).

The public record for this report may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

LIST OF SUBJECTS: NAFTA, rules of origin

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: July 29, 2004