

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. NAFTA-103-009

CERTAIN SANITARY ARTICLES OF TRI-LOBAL RAYON STAPLE FIBERS:
EFFECT OF MODIFICATION OF NAFTA RULES OF ORIGIN FOR GOODS
OF CANADA AND MEXICO

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and request for written submissions

EFFECTIVE DATE: October 27, 2004

SUMMARY: Following receipt of a request on October 20, 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-103-009, *Certain Sanitary Articles of Tri-Lobal Rayon Staple Fibers: Effect of Modification of NAFTA Rules of Origin for Goods for Canada and Mexico*.

FOR FURTHER INFORMATION CONTACT: Information may be obtained from Kimberlie Freund, Office of Industries (202-708-5402, kimberlie.freund@usitc.gov); for information on legal aspects, contact William Gearhart of the Office of the General Counsel (202-205-3091, wgearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of Public Affairs (202-205-1819, margaret.olaughlin@usitc.gov).

BACKGROUND: Annex 300-B, Chapter 4, and Annex 401 of the NAFTA contain the rules of origin for textiles and apparel for application of the tariff provisions of the NAFTA. These rules are set forth for the United States in general note 12 to the Harmonized Tariff Schedule (HTS). According to the USTR request letter, U.S. negotiators have recently reached agreement in principle with representatives of the Governments of Canada and Mexico to modify the NAFTA rule of origin for certain sanitary towels or tampons classified in HTS subheading 5601.10 and made from tri-lobal rayon staple fibers (38 mm, 3.3 decitex) of HTS subheading 5504.10. If implemented, the proposed rule of origin would apply to U.S. imports from and exports to the NAFTA parties. 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 of origin as are necessary to implement an agreement with one or more of the NAFTA countries pursuant to paragraph 2 of section 7 of Annex 300-B of the Agreement. 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.

In his letter, the USTR requested that the Commission provide advice on the probable effect of the proposed modification of the NAFTA rule of origin for certain sanitary articles (as described above) on U.S. trade under the NAFTA, on total U.S. trade, and on domestic producers of the affected articles. As

requested, the Commission will submit its advice to the USTR by December 20, 2004, and soon thereafter, issue a public version of the report with any confidential business information deleted. Additional information concerning the articles and the proposed modifications can be obtained by accessing the electronic version of this notice at the Commission Internet site (<http://www.usitc.gov>). The current NAFTA rules of origin applicable to U.S. imports can be found in general note 12 of the 2004 HTS (see "General Notes" link at http://hotdocs.usitc.gov/tariff_chapters_current/toc.html).

WRITTEN SUBMISSIONS: No public hearing is planned. However, interested parties are invited to submit written statements concerning the matters to be addressed by the Commission in this investigation. Submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW, Washington, DC 20436. To be assured of consideration by the Commission, written statements related to the Commission's reports should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on November 15, 2004. All written submissions must conform with the provisions of section 201.8 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 of the rules requires that a signed original (or copy designated as an original) and fourteen (14) copies of each document 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 business information must be deleted (see the following paragraph for further information regarding confidential business information). 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 rules (see Handbook for Electronic Filing Procedures, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf).

Any submissions that contain confidential business information (CBI) must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "nonconfidential" version, and that the CBI be clearly identified by means of brackets. All written submissions, except for CBI, will be made available in the Office of the Secretary to the Commission for inspection by interested parties.

The Commission may include some or all of the CBI it receives in the report it sends to the President. However, the Commission will not publish CBI in the public version of the report in a manner that would reveal the operations of the firm supplying the information. The public version will be made available to the public on the Commission's Internet site (<http://www.usitc.gov>).

The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) <http://edis.usitc.gov>. Hearing impaired individuals may obtain information on this matter by contacting the Commission's 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, textiles, fibers

By order of the Commission.

Marilyn R. Abbott

Secretary to the Commission

Issued: October 28, 2004