

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 1205-6

Proposed Modifications to the Harmonized Tariff Schedule of the United States

AGENCY: United States International Trade Commission

ACTION: Institution of investigation, request for comments

EFFECTIVE DATE: September 8, 2004

SUMMARY: On September 8, 2004, the Commission instituted investigation No. 1205-6, Proposed Modifications to the Harmonized Tariff Schedule of the United States, pursuant to section 1205 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3005). Section 1205 directs the Commission to keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and to recommend to the President modifications to the HTS (1) when amendments to the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System), and the Protocol thereto, are recommended by the World Customs Organization (WCO) (formerly known as the Customs Cooperation Council) for adoption, and (2) as other circumstances warrant. The Commission's report will set forth the proposed changes and indicate the necessary changes in the HTS that would be needed to maintain conformity between the HTS and the International Harmonized System. The report will also include other appropriate explanatory information on the proposed changes. It may additionally recommend modifications to promote uniformity in the application of the HS Convention and also in the presentation of the HTS to alleviate unnecessary administrative burdens. In accordance with section 1206 of the 1988 Act (19 U.S.C. 3006), the President may proclaim the tariff modifications recommended by the Commission, following Congressional layover and consultation.

FOR FURTHER INFORMATION CONTACT: Eugene A. Rosengarden, Director (202-205-2592), Office of Tariff Affairs and Trade Agreements, U.S. International Trade Commission, Washington, DC, 20436. Hearing impaired individuals are advised that information on this investigation can be obtained by contacting the TDD terminal on (202) 205-1810.

BACKGROUND: The majority of the proposed changes included in this investigation are the result of the work of the WCO and its Harmonized System Committee (HSC) to update and clarify the Harmonized System nomenclature, as part of the WCO's long-term program to periodically review the nomenclature structure. In accordance with Article 16 of the Harmonized System Convention, the WCO has recommended the adoption of certain modifications to the (HS). The changes are due to become effective in January 2007.

The Commission plans to prepare and make available a draft preliminary report, a preliminary report and a final report. The draft preliminary report will be made available to the public on or about September 15, 2004 in the Office of the Secretary, Room 112, United States International

Trade Commission, 500 E Street SW, Washington DC 20436 (telephone 202-205-2000), and will also be posted on the Commission's web site, <http://www.usitc.gov>. The draft preliminary report will describe the changes proposed to conform the HTS with the WCO's recommendations, and reflect in the HTS certain other decisions taken by the HSC.

To assist the public in understanding the proposed changes and in developing comments, the Commission will include, in the draft preliminary report, the preliminary report and the final report, a non-authoritative cross-reference table linking the proposed tariff classes to corresponding current tariff classes. Persons using the successive versions of this table should be aware that the cross-references shown in the Commission's table are subject to change during the course of preparing for implementation of the January 2007 changes. The Bureau of Customs and Border Protection has domestic legal authority for tariff classification and may provide information, both during the course of the investigation and after the Commission's final report is submitted, that indicates different or additional tariff classifications of some goods. Moreover, the WCO Secretariat will eventually issue its own advisory cross-reference table between the 2002 HS and the 2007 HS. The WCO table may be released by the Commission later in the Commission's investigation, along an explanation of differences between the WCO and Commission's tables. Such differences typically result from differences between the WCO and U.S. classifications of goods.

The Commission will forward its preliminary report to the United States Trade Representative (USTR) on or about February 28, 2005. The preliminary report will include proposed modifications to (1) conform the HTS to recommended Harmonized System amendments, (2) promote uniform application of the Harmonized System by conforming the HTS with decisions of the WCO and (3) alleviate administrative burdens, as well as other matters that may be recommended. It will take into account public comments received by November 1, 2004 (see below). The preliminary report will be posted on the Commission's web site. The public is invited to submit any further comments during the subsequent 30 days; any comments received during that period will be forwarded to the USTR.

In order that it may consider any issues that arise in World Trade Organization negotiations regarding the restatement of U.S. tariff treatment, the Commission is scheduled to submit its final report to the President on March 15, 2006.

WRITTEN SUBMISSIONS: No public hearing is planned. However, interested parties are invited to submit written statements or suggestions concerning the matters being addressed by the Commission on 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 report should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on November 1, 2004. 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). Section 201.8 of the rules requires that a signed original (or a 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). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000 or edis@usitc.gov.)

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

The Commission may include some or all of the CBI it receives in the preliminary and final reports it sends to the President. However, the Commission will not publish CBI in the public version of the final report in a manner that could reveal the operation of the firm supplying the information. The public version of the final report will be made available to the public on the Commission's web site.

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. General information concerning the Commission may also be obtained by accessing the above mentioned internet site.

LIST OF SUBJECTS: tariffs/HTS, Harmonized System, WCO, and imports.

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: September 9, 2004