

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Docket No. 1210-5

Possible Modifications to the International Harmonized System Nomenclature

AGENCY: United States International Trade Commission

ACTION: Request for proposals to amend the international Harmonized System.

SUMMARY: The Commission is requesting proposals from interested persons and agencies to amend the international Harmonized Commodity Description and Coding System (Harmonized System) in connection with the Fifth Review Cycle of the World Customs Organization (WCO), with a view to keeping the Harmonized System current with changes in technology and trade patterns. The proposals will be reviewed by the Commission, U.S. Customs and Border Protection, and the U.S. Department of Commerce (Bureau of the Census) for potential submission by the U.S. Government to the WCO in Brussels, Belgium.

DATES: November 1, 2010: Deadline for submissions.

ADDRESSES: All Commission offices are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this collection of proposals may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION, CONTACT: David Beck, Director, Office of Tariff Affairs and Trade Agreements (202-205-2603, fax 202-205-2616, david.beck@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Affairs (202-205-1819, margaret.olaughlin@usitc.gov). Hearing impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet website (<http://www.usitc.gov>). 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.

BACKGROUND: Section 1210 of the Omnibus Trade and Competitiveness Act of 1988 (the 1988 Act) (19 U.S.C. 3010) designates the Commission, the U.S. Department of the Treasury, and the U.S. Department of Commerce, subject to the policy direction of the Office of U.S. Trade Representative, as the principal agencies responsible for formulating U.S. Government positions on technical and procedural issues and in representing the U.S. Government in activities of the World Customs Organization (WCO) relating to the International Convention on the Harmonized Commodity Description and Coding System, informally known as the Harmonized System (HS). The U.S. Trade Representative subsequently designated the Commission to lead the U.S. delegation to the HS Review Sub-Committee (RSC), which is responsible for considering amendments to the HS in order to keep the HS current with changes in technology and patterns of international trade (see 53 FR 45646, Nov. 10, 1988).

Through this notice the Commission is seeking proposals to amend the HS in connection with the Fifth Review Cycle of the HS Review Sub-Committee of the WCO. Proposals received will be made a part of the Commission's record keeping system and available for public inspection (with the exception of any confidential business information) through the Commission's record files and through the Commission's electronic docket (EDIS). The Commission has designated this notice as number five in the series and is in the process of adding available notices and submissions from the four prior instances in which it requested such proposals under section 1210 of the 1988 Act.

By way of further background, shortly after implementation of the international Harmonized System (HS) in 1988, the the WCO's HS Review Sub-Committee (RSC) began a series of systematic reviews of the HS. Four such reviews have been completed, resulting in WCO Recommendations that countries using the HS update their national tariffs to reflect international amendments. The Fifth Review Cycle has begun, with a view to examining proposals to amend the HS, for inclusion in a WCO Recommendation to be issued in June 2014 and targeted implementation of amendments on January 1, 2017.

The HS was established by an international convention, which, *inter alia*, provides that the HS should be kept up to date in light of changes in technology and patterns of international trade. The HS Nomenclature, which is maintained by the WCO, provides a uniform structural basis for the customs tariffs and statistical nomenclatures of all major trading countries of the world, including the United States.

An up-to-date copy of the Harmonized Tariff Schedule of the United States (HTS), which incorporates the international HS in its overall structure, can be found on the Commission's website (<http://www.usitc.gov/tata/hts/bychapter/index.htm>). Hard copies and electronic copies on CD can be found at many of the 1,400 Federal Depository Libraries located throughout the United States and its territories; further information about these locations can be found at <http://www.gpoaccess.gov/fdlp.html> or by contacting GPO Access at the Government Printing Office, 866-512-1800.

The international HS comprises the broadest levels of categories in the HTS, that is, the General Rules for the Interpretation of the Nomenclature, Section and Chapter titles, Section and Chapter legal notes, and heading and subheading texts to the 6-digit level of detail. Additional U.S. Notes, further subdivisions (8-digit subheadings and 10-digit statistical annotations) and statistical notes, as well as the entirety of chapters 98 and 99 and several appendixes, are national legal and statistical detail added for the administration of the U.S. tariff and statistical programs and are not part of the international HS review process that is the subject of this notice.

REQUEST FOR PROPOSALS: The Commission is seeking proposals for specific modifications to the international Harmonized System (including the rules of interpretation, section and chapter notes, and the texts of 4-digit headings and 6-digit subheadings) that will further the goals set out by the HS Convention. No proposals for changes to U.S. national-level provisions (including Additional U.S. Notes, 8-digit subheadings, 10-digit statistical annotations, and rates of duty) will be considered by the Commission as part of this review. Interested parties, associations, and government agencies should submit specific language for proposed amendments to the HS, together with appropriate descriptive comments and, to the extent available, relevant trade data.

As part of this review, the Commission particularly invites proposals concerning the following matters:

- the deletion of HS headings or subheadings with low trade volume,
- the separate identification of new products important in international trade, and/or
- the simplification of the HS, *e.g.*, by the elimination of classification provisions that are difficult to administer.

As indicated above, no proposals for changes to national-level provisions (including Additional U.S. Notes, U.S. 8-digit subheadings, statistical annotations, and rates of duty) will be considered by the Commission as part of this review. The changes in the international HS that will result from this Fifth Review Cycle of the WCO are not intended to affect tariff rates.

Proposals received will be considered by the interagency U.S. delegation to the WCO's HS Review Subcommittee. Should the WCO later make recommendations as part the Fifth Review Cycle, the Commission will undertake a review and make recommendations to the President in accordance with section 1205 of the 1988 Act. The Commission will publish a notice and seek the views of interested parties in connection with any such review.

This notice does not solicit proposals for changes to the HS Explanatory Notes, which are maintained by the WCO. However, requests for changes to the Explanatory Notes (not arising from proposed legal amendments to the HS) may be sent by a WCO member administration directly to the WCO's Harmonized System Committee (the parent committee to the RSC) at any time; government and private sector parties interested in such action should contact the Commission (see contacts above) or the following contacts at U.S. Customs and Border Protection: Myles B. Harmon, Director, Commercial & Trade Facilitation Division, 202-325-0060, or Gail Hamill, Chief, Tariff Classification & Marking Branch, 202-325-0010.

WRITTEN SUBMISSIONS: Interested persons and agencies are invited to submit written proposals, which should be addressed to the Secretary and received no later than November 1, 2010. Submissions should be marked with a reference to "Docket No. 1210-5". 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 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

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 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 "non-confidential" version, 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. Confidential business information received in the proposals may be made available to Customs and Census during the examination of these proposals. The Commission will not otherwise publish or release any confidential business information received, nor release it to other government agencies or other persons.

By order of the Commission.

/s/

Marilyn R. Abbott
Secretary to the Commission

Issued: January 26, 2010