

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC

CERTAIN TEXTILE ARTICLES: EFFECT OF MODIFICATIONS OF NAFTA RULES OF ORIGIN  
FOR GOODS OF CANADA AND MEXICO  
INV. NO. NAFTA-103-7

AND

CERTAIN TEXTILE ARTICLES: EFFECT OF MODIFICATIONS OF NAFTA RULES OF ORIGIN  
FOR GOODS OF CANADA  
INV. NO. NAFTA-103-8

AGENCY: United States International Trade Commission

ACTION: Institution of investigations and request for written submissions

EFFECTIVE DATE: September 1, 2004

SUMMARY: Following receipt of two requests on August 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 investigations No. NAFTA-103-7, Certain Textile Articles: Effect of Modifications of NAFTA Rules of Origin for Goods of Canada and Mexico, and No. NAFTA-103-8, Certain Textile Articles: Effect of Modifications of NAFTA Rules of Origin for Goods of Canada.

FOR FURTHER INFORMATION: Information may be obtained from Heidi Colby-Oizumi, Office of Industries (202-205-3391, heidi.colby@usitc.gov). For information on the legal aspects of these investigations, 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: 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's request letters, U.S. negotiators have recently reached agreements in principle with representatives of the governments of Canada and of Mexico, in the case of articles covered by investigation No. NAFTA-103-7, and the government of Canada, in the case of articles covered by investigation No. NAFTA-103-8, on proposed modifications to the rules of origin of the NAFTA. If implemented, the proposed rules 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 letters, the USTR requested that the Commission provide advice on the probable effect of the proposed modification of the NAFTA rules of origin for the five affected textile articles 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 October 19, 2004, and soon thereafter, issue a public version of the report with any confidential business information deleted.

The goods of Canada and Mexico covered by investigation No. NAFTA-103-7 are (1) gimped nylon yarns (HTS heading 5606) and (2) woven fabrics of viscose rayon filament yarns (HTS 5408). The goods of Canada covered by investigation No. NAFTA-103-8 are (1) yarns spun from acid-dyeable acrylic tow (HTS 5509.31), (2) fabrics woven from yarns of combed camel hair or cashmere (HTS 5112.11.60 or 5112.19.95), and (3) pile fabrics containing dry spun acrylic fibers (HTS 5801.35). 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](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 being addressed by the Commission in these investigations. 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 September 23, 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 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](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](mailto: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 reports it sends to the President. However, the Commission will not publish CBI in the public version of the reports in a manner that would reveal the operations of the firm supplying the information. The public version of the reports will be made available to the public on the Commission's website.

The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing impaired individuals are advised that information 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, textiles, apparel

By order of the Commission.

Marilyn R. Abbott  
Secretary to the Commission

Issued: September 1, 2004