

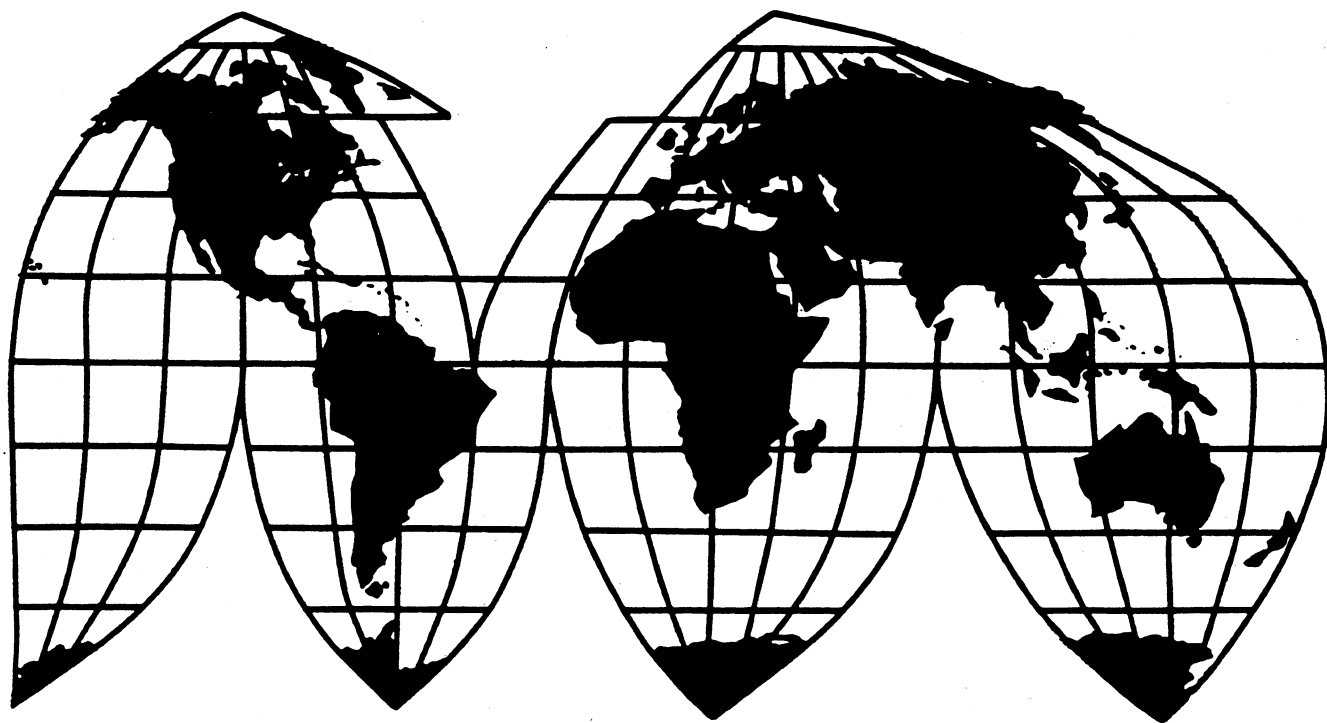
# **Proposed Modifications to the Harmonized Tariff Schedule of the United States Concerning the Tariff Treatment of Petroleum Jelly**

Investigation No. 1205-4

**Publication 2833**

**December 1994**

**U.S. International Trade Commission**



# **U.S. International Trade Commission**

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# **U.S. International Trade Commission**

Washington, DC 20436

## **Proposed Modifications to the Harmonized Tariff Schedule of the United States Concerning the Tariff Treatment of Petroleum Jelly**



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# PREFACE

On September 1, 1994, the U.S. International Trade Commission (the Commission) instituted investigation No. 1205-4, Proposed Modifications to the Harmonized Tariff Schedule of the United States, Pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988, Concerning the Tariff Treatment of Petroleum Jelly. Section 1205 requires 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) in order to reflect amendments to the Harmonized System Convention proposed by the Customs Cooperation Council (CCC) for adoption, and (2) as other circumstances warrant. The modifications proposed in this report would implement in U.S. law decisions taken by the CCC's Harmonized System Committee. These modifications to the *HTS* are necessary and appropriate to ensure uniform application of the international nomenclature.

Notice of this investigation was published in the *Federal Register* of September 8, 1994. The information contained in this report was obtained from (a) research by Commission staff, (b) the Commission's files, (c) consultations with the U.S. Customs Service, and (d) other sources. There were no submissions received in response to the notice of investigation.



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# RECOMMENDATIONS

On September 1, 1994, the U.S. International Trade Commission (Commission) instituted investigation No. 1205-4, Proposed Modifications to the Harmonized Tariff Schedule of the United States, Pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988, Concerning the Tariff Treatment of Petroleum Jelly. The Commission's notice of institution of the investigation is reproduced in appendix A.

Based on its investigation, the Commission recommends that the President proclaim the modifications to the *Harmonized Tariff Schedule of the United States (HTS)* set forth in appendix B of this report. The Commission considers these modifications necessary or appropriate to promote the uniform application of the Harmonized System nomenclature. The modifications are being recommended pursuant to section 1205 of the Omnibus Trade and Competitiveness Act of 1988 (the 1988 act) (19 U.S.C. 3005).

## BACKGROUND

### *The Harmonized System Convention*

Subtitle B of title I of the Omnibus Trade and Competitiveness Act of 1988 approved the United States' accession to the International Convention on the Harmonized Commodity Description and Coding System. This multilateral agreement, which was negotiated under the auspices of the Customs Cooperation Council (CCC), was completed in Brussels on June 14, 1983.<sup>1</sup> The convention established a standardized tariff nomenclature intended to facilitate international trade by the use of a common nomenclature for the description, classification, and coding of goods and to facilitate the collection, comparison, and analysis of international trade statistics. Article 3 of the convention obligates each contracting party to apply the HS nomenclature as the basis for its customs tariff nomenclature and for publication of foreign trade data.<sup>2</sup>

<sup>1</sup> The convention is commonly referred to as the Harmonized System Convention, or HS Convention. The annex to the HS Convention is commonly known as the HS nomenclature, or the HS.

<sup>2</sup> The 1988 Act implemented the *Harmonized Tariff Schedule of the United States* in conformity with the requirements of the HS Convention.

The HS convention also established a Harmonized System Committee (HSC), which is composed of the contracting parties and prepares recommendations intended to achieve uniformity in interpretation of the HS nomenclature and to keep the product categories abreast of technological developments and changes in international trading patterns. Recommendations take the form of proposed amendments to the convention (particularly the HS nomenclature annexed thereto), or to one or more of the complementary publications of the CCC. The most important of these publications are the *Explanatory Notes* and the *Compendium of Classification Opinions*.

Amendments to the HS recommended by the CCC for adoption are deemed to be accepted, under article 16 of the HS Convention, 6 months after the date of notification of the recommendation, unless a contracting party to the convention notifies the CCC of its objection thereto. By agreement of the contracting parties, amendments to the *Explanatory Notes* or to the *Compendium of Classification Opinions* are deemed accepted if no objection is notified within 3 months of approval by the HSC.

Recommended amendments to the HS nomenclature generally arise from two sources: (1) the HSC consideration of classification disputes or questions raised by contracting parties to the convention, and (2) recommendations of the Review Subcommittee (RSC) that was established in 1990 by the HSC to review the HS nomenclature and to consider amendments to keep it up to date. The proposed modifications to the *HTS* contained in this report arise from the approval by the HSC of a classification opinion (and corrigendum amendments to the *Explanatory Notes* to the HS) concerning petroleum jelly put up for retail sale. The HSC determined that such petroleum jelly is provided for in subheading 3304.99 of the HS. The U.S. Customs Service (Customs) wrote to the Commission stating that Customs presently classifies such petroleum jelly under subheading 2712.10 of the HS. However, in the interest of uniformity of application of the HS Convention, Customs requested that the Commission recommend such modifications of the *HTS* to the President as will permit the Customs Service to classify this product under the *HTS* in accordance with the CCC decision while maintaining the currently applied rate of duty.<sup>3</sup>

<sup>3</sup> The letter from the Customs Service is set out in appendix C.

## Executive Authority

Sections 1205 and 1206 of the 1988 act (reproduced in appendix D) establish an administrative mechanism by which the President may proclaim certain modifications of the *HTS* including those necessary to conform its provisions to decisions of the HSC. Section 1205 directs the Commission to keep the *HTS* under continuous review and to recommend such modifications to the President when amendments to the HS nomenclature are adopted by the CCC and as other circumstances warrant.

Section 1205(a) of the 1988 act provides that the Commission—

“shall recommend to the President such modifications in the Harmonized Tariff Schedule as [it] considers necessary or appropriate—

- (1) to conform the [*HTS*] with amendments made to the Convention;<sup>4</sup>
- (2) to promote the uniform application of the Convention and particularly the Annex thereto;
- (3) to ensure that the [*HTS*] is kept up-to-date in light of changes in technology or changes in patterns of international trade;
- (4) to alleviate unnecessary administrative burdens; and
- (5) to make technical rectifications.”<sup>5</sup>

Section 1205(d) provides that the Commission may not recommend a modification to the *HTS*, unless such modification (1) is “consistent with the Convention or any amendment thereto recommended

<sup>4</sup> Article 2 of the HS Convention provides that the HS nomenclature annexed thereto forms a part of the convention and any reference to the convention includes a reference to the annex.

<sup>5</sup> “Technical rectifications” is defined by section 1202(6) of the 1988 Act to mean “rectifications of an editorial character or minor technical or clerical changes which do not affect the substance or meaning of the text, such as—

(A) errors in spelling, numbering, or punctuation;  
(B) errors in indentation;  
(C) errors (including inadvertent omissions) in cross-references to headings or subheadings or notes; and  
(D) other clerical or typographical errors.”

for adoption;” (2) is “consistent with sound nomenclature principles;” and (3) “ensure[s] substantial rate neutrality.” Modifications that involve a change in any rate of duty must be consequent to, or necessitated by, recommended nomenclature changes. Finally, recommended modifications “must not alter existing conditions of competition for the affected [U.S.] industry, labor, or trade.”

Pursuant to section 1206, the President may proclaim modifications to the *HTS*, on the basis of recommendations by the Commission under section 1205, if he determines that the modifications are in conformity with U.S. obligations under the HS Convention and do not run counter to the national economic interest of the United States. The President may proclaim such modifications only after the expiration of a 60-day<sup>6</sup> period beginning on the date the President submits a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the proposed modifications and the reasons therefor. Modifications proclaimed by the President may not become effective before the 15th day after the text of the proclamation is published in the *Federal Register*.

## PROPOSED MODIFICATIONS

The recommendations in appendix B reflect decisions taken by the HSC at its 13th session. They are intended to conform U.S. customs practice to the HSC decision with respect to petroleum jelly put up for retail sale. This decision by the HSC does not constitute an amendment of the international HS nomenclature; it affects the interpretation of the nomenclature by means of an HSC classification opinion and corrigendum amendments to the *Explanatory Notes*.

According to Customs, that agency has consistently classified petroleum jelly put up for retail sale in *HTS* subheading 2712.10.00 which covers “petroleum jelly”. This subheading has a most-favored-nation (MFN) duty rate<sup>7</sup> of

<sup>6</sup> The length of the “60-day” period is longer than 60 calendar days because the period is defined by section 1206(b)(2) as excluding—

“(A) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(B) any Saturday and Sunday, not excluded under subparagraph (A), when either House is not in session.”

<sup>7</sup> See appendix E for definitions of tariff and trade agreement terms.

Free.<sup>8</sup> The HSC decided that petroleum jelly, when "put up in measured doses or for retail sale" and labeled for use in the care of the skin, is classifiable as "preparations for the care of the skin" in subheading 3304.99.<sup>9</sup> The HSC relied upon the text of note 2 to section VI and note 2 to chapter 33 in reaching this decision.<sup>10</sup> The HSC reasoned that these notes require classification under subheading 3304.99 and not under subheading 2712.10 by virtue of the preference given to goods of heading 3304 (when put up in measured doses or for retail sale) over classification in any other heading of the HS.

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<sup>8</sup> The portion of the HTS encompassing subheading 2712.10.00 is set out in appendix F.

<sup>9</sup> The portion of the HTS encompassing subheading 3304.99 is set out in appendix G

<sup>10</sup> The text of these notes are set out in appendix G.

In its letter to the Commission, Customs expressed its desire to conform to the HSC decision in the interest of uniformity of application of the HS Convention. Consequently, the Commission recommends that the *HTS* be modified: (1) to create a new subheading subordinate to subheading 3304.99; and (2) to add a new Additional U.S. Note to chapter 27. The new subheading in chapter 33 (3304.99.10) would provide for petroleum jelly put up for retail sale at the same rate of duty (i.e., Free in columns 1 and 2) as is presently the case under *HTS* subheading 2712.10.00. The new Additional U.S. Note to chapter 27 would make clear that subheading 2712.10.00 does not encompass this product and would refer the reader to subheading 3304.99.10.



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**APPENDIX A**  
**NOTICE OF INSTITUTION**  
**OF THE INVESTIGATION**

granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondents, to find the facts to be as alleged in the complaint and this notice and to enter both an initial determination and a final determination containing such findings, and may result in the issuance of a limited exclusion order or a cease and desist order or both directed against such respondent.

By order of the Commission.

Issued: September 2, 1994.

Donna R. Koehnke,  
Secretary.

[FR Doc. 94-22180 Filed 9-7-94; 8:45 am]

BILLING CODE 7020-02-P

#### [Investigation No. 1205-4]

#### Proposed Modifications to the Harmonized Tariff Schedule of the United States, Pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988

AGENCY: United States International Trade Commission.

"3304	Beauty or make-up preparations. . .
	Other:
3304.99	Other:
3304.99.10	Petroleum jelly put up for retail sale .....
3304.99.50	Other .....

The new Additional U.S. Note to Chapter 27 would read as follows:  
"5. Subheading 2712.10.00 does not include petroleum jelly, suitable for use for the care of the skin, put up in packings of a kind sold by retail for such use (subheading 3304.99.10)."

The intent of this proposal would be to permit the Customs Service to classify such petroleum jelly in a manner consistent with the decision of the Harmonized System Committee of the CCC while maintaining the currently applied rate of duty.

**WRITTEN SUBMISSIONS:** Interested parties, including other Federal agencies, are invited to submit written statements concerning the subject of this investigation. Each statement must be submitted by not later than October 19, 1994, in order to be considered by the Commission. Commercial or financial

**ACTION:** Institution of investigation.

**EFFECTIVE DATE:** September 1, 1994.

**FOR FURTHER INFORMATION CONTACT:** Eugene A. Rosengarden, Director, Office of Tariff Affairs and Trade Agreements (O/TA&TA) (telephone 202-205-2592) or Leo A. Webb, Attorney (O/TA&TA) (202-205-2599), U.S. International Trade Commission, Washington, DC 20436.

**BACKGROUND AND SCOPE OF INVESTIGATION:** On September 1, 1994, the Commission instituted investigation No. 1205-4, Proposed Modifications to the Harmonized Tariff Schedule of the United States, Pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988. Section 1205 directs the Commission to keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and to recommend modifications to the HTS (1) when amendments to the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System or HS) are recommended by the Customs Cooperation Council (CCC) for adoption, and (2) as other circumstances warrant. Section 1205(a)(2) further directs the Commission to recommend such modifications to the HTS, as the Commission considers necessary or appropriate, to promote the uniform application of the Convention and particularly the Annex thereto.

On July 5, 1994, the Commission received a letter from the Commissioner

of Customs requesting that the Commission take action under section 1205(a)(2) with respect to the classification of petroleum jelly put up for retail sale. The letter notes that the Harmonized System Committee of the CCC has determined that such petroleum jelly is provided for in subheading 3304.99 of the HS. The letter further notes that the United States Customs Service presently classifies such petroleum jelly under subheading 2712.10 of the HS. However, in the interest of uniformity of application of the Harmonized System Convention, the Customs Service has requested that the Commission recommend such modifications of the HTS to the President as will permit the Customs Service to classify this product under the HTS in accordance with the CCC decision while maintaining the currently applied rate of duty.

Accordingly, the Commission is considering a recommendation to the President that the HTS be modified: (1) to create a new subheading subordinate to subheading 3304.99; and (2) to add a new Additional U.S. Note to Chapter 27. The new subheading in Chapter 33 would provide for petroleum jelly put up for retail sale at the same rate of duty (i.e., Free in columns 1 and 2) as is presently the case under HTS subheading 2712.10.00. Proposed new subheading 3304.99.10 would appear in the HTS as follows—

Free	Free.
4.9% Free (A* E, IL, J, MX)	1.9% 75%.
(CA)."	

By order of the Commission.

Issued: September 2, 1994.

Donna R. Koehnke,  
Secretary.

[FR Doc. 94-22181 Filed 9-7-94; 8:45 am]

BILLING CODE 7020-02-P

#### [Investigations Nos. 731-TA-678 through 682 (Final)]

#### Stainless Steel Bar From Brazil, India, Italy, Japan, and Spain

AGENCY: United States International Trade Commission.

**ACTION:** Institution and scheduling of final antidumping investigations.

**SUMMARY:** The Commission hereby gives notice of the institution of final antidumping investigations Nos. 731-TA-678 through 682 (Final) under

information that a party desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of § 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested persons. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436.

Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-2648.

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**APPENDIX B**  
**PROPOSED MODIFICATIONS**  
**TO THE *HTS***

# Proposed Modifications to the *Harmonized Tariff Schedule of the United States*

The *HTS* is modified as provided below, with bracketed matter included to assist in the understanding of the proclaimed modifications. The following supersedes matter now in the *HTS*. The subheadings and superior texts are set forth in columnar format, and material in such columns is inserted in the columns of the *HTS* designated "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

*Effective with respect to articles that are entered, or withdrawn from warehouse for consumption, on or after the fifteenth day after the date of publication of a proclamation in the Federal Register.*

1. The following new Additional U.S. Note to chapter 27 is inserted:

"8. Subheading 2712.10.00 does not include petroleum jelly, suitable for use for the care of the skin, put up in packings of a kind sold by retail for such use (subheading 3304.99.10).".

2. Subheading 3304.99.00 is superseded by the following:

[3304	Beauty or make-up preparations ... :] [Other:]			
"3304.99.10	Petroleum jelly put up for retail sale ...	Free		Free
3304.99.50	Other .....	4.9%	Free	75%
			(A*	
			E,IL,J,	
			MX)	
			1.9%	
			(CA)	



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**APPENDIX C**  
**LETTER FROM THE UNITED STATES**  
**CUSTOMS SERVICE**

Rec'd 6/27  
THE COMMISSIONER OF CUSTOMS



cc: Comd.  
FBI

June 22, 1994

WASHINGTON, D.C.  
CO:R:I GAH  
000735

The Honorable Peter S. Watson  
Chairman  
United States International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

RECEIVED  
OFC OF THE SEC  
U.S. INT'L TRADE  
JUL -5 PM '94

Dear Mr. Chairman:

As you know, pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988, the International Trade Commission is charged with keeping the Harmonized Tariff Schedule of the United States (HTSUS) under continuous review and, as circumstances warrant, to promote the uniform application of the Harmonized System Convention and particularly the Annex thereto. The purpose of this letter is to bring to your attention a matter which we believe warrants the exercise of this authority.

At its twelfth session in October 1993, the Harmonized System Committee (HSC) of the Customs Cooperation Council (CCC) examined the classification of petroleum jelly, put up in a retail packing and labeled for use in the care of the skin. The United States argued that heading 2712, which specifically enumerates petroleum jelly, provided broadly for the classification of all packaged pure petroleum jelly. However, the majority of the Committee believed that note 2 to Section VI and note 2 to Chapter 33 directed classification of petroleum jelly, put up in retail packing, and labeled for use in the care of the skin, in heading 3304, which provides, inter alia, for preparations for the care of the skin.

Specifically, Note 2, Section VI, requires that where a good is classifiable in heading 3304, among others, by reason of its being put up for retail sale, the good is classified in that heading over any other heading. Note 2, Chapter 33, highlights that heading 3304, among others, includes goods, whether or not mixed, which are suitable for use, in this instance, for the care of the skin, and are put up in packings of a kind sold by retail for such use.

At its thirteenth session, the Committee approved a classification opinion which provided for such petroleum jelly in subheading 3304.99. In addition, it approved corrigendum amendments to the Explanatory Notes (EN) which the United States had urged were necessary to clarify the ENs and the proper interpretation of the above legal notes in this regard.

The United States Customs Service is of the opinion that the product that was the subject of this decision remains properly classifiable as petroleum jelly in subheading 2712.10 under the Harmonized System and under the HTSUS. However, in the interest of uniformity of application of the Harmonized System Convention, the Customs Service would like to be able to classify the product under the U.S. tariff in accordance with the HSC classification opinion and Explanatory Note amendments. Accordingly, we request that the Commission recommend to the President such modifications as are necessary or appropriate to promote the uniform application of the Harmonized System Convention by conforming the HTSUS to the CCC decision.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "George J. Weise". The signature is fluid and cursive, with a horizontal line drawn beneath the name.

George J. Weise  
Commissioner



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**APPENDIX D**  
**SECTIONS 1205 AND 1206**  
**OF THE OMNIBUS TRADE AND**  
**COMPETITIVENESS ACT OF 1988**

19 USC 3005.

**SEC. 1205. COMMISSION REVIEW OF, AND RECOMMENDATIONS REGARDING, THE HARMONIZED TARIFF SCHEDULE.**

(a) **IN GENERAL.**—The Commission shall keep the Harmonized Tariff Schedule under continuous review and periodically, at such time as amendments to the Convention are recommended by the Customs Cooperation Council for adoption, and as other circumstances warrant, shall recommend to the President such modifications in the Harmonized Tariff Schedule as the Commission considers necessary or appropriate—

- (1) to conform the Harmonized Tariff Schedule with amendments made to the Convention;
- (2) to promote the uniform application of the Convention and particularly the Annex thereto;
- (3) to ensure that the Harmonized Tariff Schedule is kept up-to-date in light of changes in technology or in patterns of international trade;
- (4) to alleviate unnecessary administrative burdens; and
- (5) to make technical rectifications.

(b) **AGENCY AND PUBLIC VIEWS REGARDING RECOMMENDATIONS.**—In formulating recommendations under subsection (a), the Commission shall solicit, and give consideration to, the views of interested Federal agencies and the public. For purposes of obtaining public views, the Commission—

- (1) shall give notice of the proposed recommendations and afford reasonable opportunity for interested parties to present their views in writing; and
- (2) may provide for a public hearing.

Reports.

(c) **SUBMISSION OF RECOMMENDATIONS.**—The Commission shall submit recommendations under this section to the President in the form of a report that shall include a summary of the information on which the recommendations were based, together with a statement of the probable economic effect of each recommended change on any industry in the United States. The report also shall include a copy of all written views submitted by interested Federal agencies and a copy or summary, prepared by the Commission, of the views of all other interested parties.

(d) **REQUIREMENTS REGARDING RECOMMENDATIONS.**—The Commission may not recommend any modification to the Harmonized Tariff Schedule unless the modification meets the following requirements:

- (1) The modification must—
  - (A) be consistent with the Convention or any amendment thereto recommended for adoption;
  - (B) be consistent with sound nomenclature principles; and
  - (C) ensure substantial rate neutrality.
- (2) Any change to a rate of duty must be consequent to, or necessitated by, nomenclature modifications that are recommended under this section.
- (3) The modification must not alter existing conditions of competition for the affected United States industry, labor, or trade.

**SEC. 1206. PRESIDENTIAL ACTION ON COMMISSION RECOMMENDATIONS.** 19 USC 3006.

(a) **IN GENERAL.**—The President may proclaim modifications, based on the recommendations by the Commission under section 1205, to the Harmonized Tariff Schedule if the President determines that the modifications—

(1) are in conformity with United States obligations under the Convention; and

(2) do not run counter to the national economic interest of the United States.

(b) **LAY-OVER PERIOD.**—

(1) The President may proclaim a modification under subsection (a) only after the expiration of the 60-day period beginning on the date on which the President submits a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the proposed modification and the reasons therefor.

President of U.S.  
Reports.

(2) The 60-day period referred to in paragraph (1) shall be computed by excluding—

(A) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(B) any Saturday and Sunday, not excluded under subparagraph (A), when either House is not in session.

(c) **EFFECTIVE DATE OF MODIFICATIONS.**—Modifications proclaimed by the President under subsection (a) may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.





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# **APPENDIX E**

## **DEFINITIONS OF TARIFF**

### **AND TRADE AGREEMENT TERMS**

# Tariff and Trade Agreement Terms

The *Harmonized Tariff Schedule of the United States (HTS)* replaced the *Tariff Schedules of the United States (TSUS)* effective January 1, 1989. Chapters 1 through 97 are based upon the internationally adopted Harmonized Commodity Description and Coding System through the 6-digit level of product description, with additional U.S. product subdivisions at the 8-digit level. Chapters 98 and 99 contain special U.S. classification provisions and temporary rate provisions, respectively.

Rates of duty in the *general* subcolumn of *HTS* column 1 are most-favored-nation (MFN) rates; for the most part, they represent the final concession rate from the Tokyo Round of Multilateral Trade Negotiations. Column 1-general duty rates are applicable to imported goods from all nonembargoed countries except those enumerated in general note 3(b) to the *HTS*—Afghanistan, Azerbaijan, Cuba, Kampuchea, Laos, North Korea, and Vietnam—whose goods are dutiable at the rates set forth in *column 2*. Goods from Albania, Armenia, Belarus, Bosnia, Bulgaria, the People's Republic of China, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Mongolia, Poland, Romania, Russia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan are now eligible for MFN treatment. Among goods dutiable at column 1-general rates, particular products of enumerated countries may be eligible for reduced rates of duty or for duty-free entry under one or more preferential tariff programs. Such tariff treatment is set forth in the *special* subcolumn of *HTS* column 1. Where eligibility for special tariff treatment is not claimed or established, goods are dutiable at column 1-general rates.

The *Generalized System of Preferences (GSP)* affords nonreciprocal tariff preferences to developing countries to aid their economic development and to diversify and expand their production and exports. The U.S. GSP, enacted in title V of the Trade Act of 1974 and renewed in the Trade and Tariff Act of 1984, applies to merchandise imported on or after January 1, 1976 and before September 30, 1994. Indicated by the symbol "A" or "A\*" in the special subcolumn of column 1, the GSP provides duty-free entry to eligible articles the product of and imported directly from designated beneficiary developing countries, as set forth in general note 4 to the *HTS*.

The *Caribbean Basin Economic Recovery Act (CBERA)* affords nonreciprocal tariff preferences to developing countries in the Caribbean Basin area to aid their economic development and to diversify and expand their production and exports. The CBERA, enacted in title II of Public Law 98-67, implemented by Presidential Proclamation 5133 of November 30, 1983, and amended by the Customs and Trade Act of 1990, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after January 1, 1984; this tariff preference program has no expiration date. Indicated by the symbol "E" or "E\*" in the special subcolumn of column 1, the CBERA provides duty-free entry to eligible articles, and reduced-duty treatment to certain other articles, which are the product of and imported directly from designated countries, as set forth in general note 7 to the *HTS*.

Preferential rates of duty in the special subcolumn of column 1 followed by the symbol "IL" are applicable to products of Israel under the *United States-Israel Free Trade Area Implementation Act* of 1985 (IFTA), as provided in general note 8 to the HTS. Where no rate of duty is provided for products of Israel in the special subcolumn for a particular provision, the rate of duty in the general subcolumn of column 1 applies.

Preferential nonreciprocal duty-free or reduced-duty treatment in the special subcolumn of column 1 followed by the symbol "J" or "J\*" in parentheses is afforded to eligible articles the product of designated beneficiary countries under the *Andean Trade Preference Act* (ATPA), enacted in title II of Public Law 102-182 and implemented by Presidential Proclamation 6455 of July 2, 1992 (effective July 22, 1992), as set forth in general note 11 to the HTS.

Preferential rates of duty in the special subcolumn of column 1 followed by the symbol "CA" are applicable to eligible goods of Canada, and those followed by the symbol "MX" are applicable to eligible goods of Mexico, under the *North American Free Trade Agreement*, as provided in general note 12 to the HTS, effective January 1, 1994.

Other special tariff treatment applies to particular *products of insular possessions* (general note 3(a)(iv)), goods covered by the *Automotive Products Trade Act* (APTA) (general note 5) and the *Agreement on Trade in Civil Aircraft* (ATCA) (general note 6), and *articles imported from freely associated states* (general note 10).

The *General Agreement on Tariffs and Trade* (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786) is a multilateral agreement setting forth basic principles governing international trade among its signatories. The GATT's main obligations relate to most-favored-nation treatment, the maintenance of scheduled concession rates of duty, and national (nondiscriminatory) treatment for imported products; the GATT also provides the legal framework for customs valuation standards, "escape clause" (emergency) actions, antidumping and countervailing duties, and other measures. Results of GATT-sponsored multilateral tariff negotiations are set forth by way of separate schedules of concessions for each participating contracting party, with the U.S. schedule designated as Schedule XX.

Officially known as "The Arrangement Regarding International Trade in Textiles," the *Multifiber Arrangement* (MFA) provides a framework for the negotiation of bilateral agreements between importing and producing countries, or for unilateral action by importing countries in the absence of an agreement. These bilateral agreements establish quantitative limits on imports of textiles and apparel, of cotton and other vegetable fibers, wool, man-made fibers and silk blends, in order to prevent market disruption in the importing countries—restrictions that would otherwise be a departure from GATT provisions. The United States has bilateral agreements with many supplying countries, including the four largest suppliers: China, Hong Kong, the Republic of Korea, and Taiwan.

Rev. 7/12/94



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**APPENDIX F**  
**HTS SUBHEADING 2712.10.00**

# HARMONIZED TARIFF SCHEDULE of the United States (1994) -- Supplement 1

V  
27-6

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf- fix	Article Description	Units of Quantity	Rates of Duty		
				1		2
				General	Special	
2711		Petroleum gases and other gaseous hydrocarbons:				
		Liquefied:				
2711.11.00	00	Natural gas.....	thousand m <sup>3</sup>	Free		Free
2711.12.00		Propane.....		Free		Free
	10	Propane with a minimum purity of 90 liquid volume percent.....	bbl			
	20	Other.....	bbl			
2711.13.00		Butanes.....		Free		Free
	10	Butanes with a purity of 90 liquid volume percent or more, but less than 95 liquid volume percent.....	bbl			
	20	Other.....	bbl			
2711.14.00		Ethylene, propylene, butylene and butadiene.....		Free		Free
	10	Ethylene.....	kg			
	20	Propylene.....	kg			
	30	Butylene.....	kg			
	40	Butadiene.....	kg			
2711.19.00		Other.....		Free		Free
	10	Ethane.....	bbl			
	20	Other.....	X			
2711.21.00	00	In gaseous state: Natural gas.....	thousand m <sup>3</sup>	Free		Free
2711.29.00		Other.....		Free		Free
	10	Propane: Propane with a minimum purity of 90 liquid volume percent.....	bbl			
	15	Other.....	bbl			
	20	Butanes: Butanes with a purity of 90 liquid volume percent or more, but less than 95 liquid volume percent.....	bbl			
	25	Other.....	bbl			
	60	Other.....	X			
2712		Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes and similar products obtained by synthesis or by other pro- cesses, whether or not colored:				
2712.10.00	00	Petroleum jelly.....	kg.....	Free		Free
2712.20.00	00	Paraffin wax containing by weight less than 0.75 percent of oil.....	kg.....	Free		2.2c/kg
2712.90		Other:				
2712.90.10	00	Montan wax.....	kg.....	Free		Free
2712.90.20	00	Other.....	kg.....	Free		2.2c/kg

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**APPENDIX G**  
**HTS SUBHEADING 3304.99 AND**  
**PERTINENT NOTES**

# HARMONIZED TARIFF SCHEDULE of the United States (1994) -- Supplement 1

## Annotated for Statistical Reporting Purposes

### SECTION VI

#### PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES

VI-1

#### Notes

1. (a) Goods (other than radioactive ores) answering to a description in heading 2844 or 2845 are to be classified in those headings and in no other heading of the tariff schedule.  
(b) Subject to paragraph (a) above, goods answering to a description in heading 2843 or 2846 are to be classified in those headings and in no other heading of this section.
2. Subject to note 1 above, goods classifiable in heading 3004, 3005, 3006, 3212, 3303, 3304, 3305, 3306, 3307, 3506, 3707 or 3808 by reason of being put up in measured doses or for retail sale are to be classified in those headings and in no other heading of the tariff schedule.
3. Goods put up in sets consisting of two or more separate constituents, some or all of which fall in this section and are intended to be mixed together to obtain a product of section VI or VII, are to be classified in the heading appropriate to that product, provided that the constituents are:
  - (a) Having regard to the manner in which they are put up, clearly identifiable as being intended to be used together without first being repacked;
  - (b) Entered together; and
  - (c) Identifiable, whether by their nature or by the relative proportions in which they are present, as being complementary one to another.

#### Additional U.S. Notes

1. In determining the amount of duty applicable to a solution of a single compound in water subject to duty in this section at a specific rate, an allowance in weight or volume, as the case may be, shall be made for the water in excess of any water of crystallization which may be present in the undissolved compound.
2. For the purposes of the tariff schedule:
  - (a) The term "aromatic" as applied to any chemical compound refers to such compound containing one or more fused or unfused benzene rings;
  - (b) The term "modified aromatic" describes a molecular structure having at least one six-membered heterocyclic ring which contains at least four carbon atoms and having an arrangement of molecular bonds as in the benzene ring or in the quinone ring, but does not include any such molecular structure in which one or more pyrimidine rings are the only modified aromatic rings present;
  - (c) For the purposes of headings 2902, 2907 and 3817, the term "alkyl" describes any saturated acyclic hydrocarbon group having six or more carbon atoms or, subject to note 1 to chapter 29, any mixtures of such groups averaging six or more carbon atoms.
3. The term "products described in additional U.S. note 3 to section VI" refers to any product not listed in the Chemical Appendix to the Tariff Schedule and--
  - (a) For which the importer furnishes the Chemical Abstracts Service (C.A.S.) registry number and certifies that such registry number is not listed in the Chemical Appendix to the Tariff Schedule; or
  - (b) Which the importer certifies not to have a C.A.S. registry number and not to be listed in the Chemical Appendix to the Tariff Schedule, either under the name used to make Customs entry or under any other name by which it may be known



# HARMONIZED TARIFF SCHEDULE of the United States (1994) -- Supplement 1

## Annotated for Statistical Reporting Purposes

### CHAPTER 33

#### ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS

VI  
33-1

#### Notes

1. This chapter does not cover:
  - (a) Compound alcoholic preparations of a kind used for the manufacture of beverages, of heading 2208;
  - (b) Soap or other products of heading 3401; or
  - (c) Gum, wood or sulfate turpentine or other products of heading 3805.
2. Headings 3303 to 3307 apply, inter alia, to products, whether or not mixed (other than aqueous distillates and aqueous solutions of essential oils), suitable for use as goods of these headings and put up in packings of a kind sold by retail for such use.
3. The expression "perfumery, cosmetic or toilet preparations" in heading 3307 applies, inter alia, to the following products: scented sachets; odoriferous preparations which operate by burning; perfumed papers and papers impregnated or coated with cosmetics; contact lens or artificial eye solutions; wadding, felt and nonwovens, impregnated, coated or covered with perfume or cosmetics; animal toilet preparations.

# HARMONIZED TARIFF SCHEDULE of the United States (1994) -- Supplement 1

VI  
33-4

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf- fix	Article Description	Units of Quantity	Rates of Duty		
				General	Special	2
3304		Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations:				
3304.10.00	00	Lip make-up preparations.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3304.20.00	00	Eye make-up preparations.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3304.30.00	00	Manicure or pedicure preparations.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3304.91.00		Other:				
		Powders, whether or not compressed.....		4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
	10	Rouges.....	X			
	50	Other.....	X			
3304.99.00	00	Other.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3305		Preparations for use on the hair:				
3305.10.00	00	Shampoos.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3305.20.00	00	Preparations for permanent waving or straightening.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3305.30.00	00	Hair lacquers.....	kg.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	88c/kg + 75%
3305.90.00	00	Other.....	kg.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	88c/kg + 75%
3306		Preparations for oral or dental hygiene, including denture fixative pastes and powders:				
3306.10.00	00	Dentifrices.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3306.90.00	00	Other.....	kg.....	5.5%	Free (A*,E,IL, J,MX) 2.2% (CA)	88c/kg + 75%
3307		Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties:				
3307.10		Pre-shave, shaving or after-shave preparations:				
3307.10.10	00	Not containing alcohol.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3307.10.20	00	Containing alcohol.....	kg.....	11c/kg + 4.5%	Free (A*,E,IL, J,MX) 4.4c/kg + 1.8% (CA)	88c/kg + 75%
3307.20.00	00	Personal deodorants and antiperspirants.....	X.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%
3307.30		Perfumed bath salts and other bath preparations:				
3307.30.10	00	Bath salts, whether or not perfumed.....	kg.....	5.8%	Free (A*,E,IL, J,MX) 2.3% (CA)	75%
3307.30.50	00	Other.....	kg.....	4.9%	Free (A*,E,IL, J,MX) 1.9% (CA)	75%