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Office of the Secretary
U.S. International Trade
Commission



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July 5, 2022

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U.S. International Trade
Commission

THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

July 5, 2022

The Honorable David S. Johanson
Chairman
United States International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Chairman Johanson:

The United States and Korea have reached preliminary agreement on a new proposed modification to the rule of origin for a certain textile good under the Free Trade Agreement between Korea – United States. The proposed modification is highlighted in the enclosure.

Chapter 4 and Annex 4-A of the Free Trade Agreement between the Republic of Korea and the United States (KORUS) set out rules of origin for textiles and apparel for applying the tariff provisions of the FTA. These rules are reflected in General Note 33 of the Harmonized Tariff Schedule of the United States (HTS).

The enclosed rule contains a modification regarding cuprammonium rayon yarn of subheading 5403.39 from a prior request. Your agency has already conducted a review of this modification and we accept the finding of your previous study, Investigation Number FTA 103-032 of June 2019. This modification was included in Presidential Proclamation 10053 of June 29, 2020; we await completion by Korea of their domestic procedures before we can announce an effective date for this change. We request that you assume the previous amendment be considered part of the existing rule for the purposes of this new study.

Section 202(o)(2)(B)(i) of the United States – Korea Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin for textiles and apparel goods as are necessary to implement an agreement with Korea pursuant to Article 4.2.5 of the KORUS. Section 104(1)(B) of the Act requires that the President obtain advice regarding the proposed action from the U.S. International Trade Commission.

Accordingly, under the authority delegated to me by the President, and pursuant to section 104 of the Act, I hereby request that the Commission provide advice on the probable economic effect of the modifications reflected in the enclosed proposal on U.S. trade under the KORUS, total U.S. trade, and on domestic producers of the affected articles. In addition, I would also request that the Commission provide this advice at the earliest possible date, but not later than four months from the date of delivery of this request, and that the Commission issue, as soon as possible thereafter, a public version of its report with any business confidential information redacted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Tai', with a stylized flourish at the end.

Ambassador Katherine C. Tai

Enclosures

Enclosure

Free Trade Agreement between the Republic of Korea and the United States

Proposed Revision to Annex 4-A, Rules of Origin for Textile or Apparel Goods

Chapter 54

5408

A change to heading 54.08 from subheading 5403.10, 5403.31 through 5403.32, ***textured and non-textured triacetate filament yarns of subheading 5403.33***, [cuprammonium rayon yarn of subheading 5403.39]¹, subheading 5403.41, or any other chapter, except from headings 51.06 through 51.10, 52.05 through 52.06, [***any other good of subheadings 5403.33 and 5403.39***], or 55.09 through 55.10.

¹ The text in brackets is part of the pending modification.



산업통상자원부
MINISTRY OF TRADE, INDUSTRY AND ENERGY
REPUBLIC OF KOREA

**Korea's Alternative Request to modify the rule of origin under
the *Free Trade Agreement between the Republic of Korea and the United States of America***

November 9, 2021

William D. Jackson
Assistant United States Trade Representative for
Textiles Office of the U.S. Trade Representative
Executive Office of the President
Washington, D.C.

Dear Assistant U.S. Trade Representative Jackson

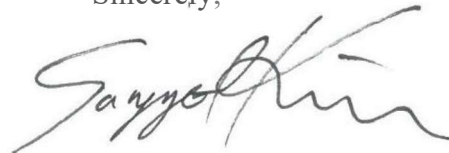
Pursuant to Article 4.2.3 of the *Free Trade Agreement between the Republic of Korea and the United States of America* (Agreement), and as an alternative to the previous request for modification to rule of origin of certain cashmere-related item (input material under HS51.08 - end-use product under HS61.10 and HS61.17), the Government of the Republic of Korea (Korean Government) requests the Government of the United States of America (US Government) to favorably consider and to subsequently begin domestic process for modifying the rule of origin under the Agreement for certain end-use fabrics based on the lack of commercial availability of certain textile inputs, described as follows.

Input Product Description	Input Product HTS	----- End-use Product Description
Certain textured and non-textured triacetate filament yarns classified in subheading 5403.33	5403.33	Woven fabrics of artificial Filament yarn, including woven fabrics obtained from materials of heading 54.05, classified in heading 54.08

Based on its knowledge of the industry, the Korean Government has determined that there is no production of the products in Korea or suppliers in the United States of America.

The Korean Government looks forward to a favorable consideration of the request for a change in the relevant rule of origin pursuant to Article 4.2.3, et seq., of the Agreement.

Sincerely,



Sungyeol KIM

Director General for International
Trade Policy