

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC 20436

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 soliciting proposals from interested parties and agencies to amend the international Harmonized Commodity Description and Coding System (Harmonized System), including the rules of interpretation, section and chapter notes and the texts of the headings and subheadings, with a view to keeping the System current with changes in technology and trade patterns. Specific proposals in this connection will be reviewed by the Commission staff for potential submission to the World Customs Organization (WCO), in Brussels, Belgium.

EFFECTIVE DATE: August 18, 2005.

FOR FURTHER INFORMATION CONTACT: David Beck, Acting Director, Office of Tariff Affairs and Trade Agreements (O/TATA) (202-205-2595, david.beck@usitc.gov) or Ronald Heller (202-205-2596, ronald.heller@usitc.gov). The O/TATA fax number is 202-205-2616. The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819, margaret.olaughlin@usitc.gov). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on (202-205-1810). General information concerning the Commission, including subsequent notices published pursuant to section 1210 of the 1988 act, may also be obtained by accessing its internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS-ONLINE) at <http://www.usitc.gov/secretary/edis.htm>.

BACKGROUND: Soon after the implementation of the Harmonized System (HS) in 1988, the Harmonized System (HS) Review Subcommittee (RSC) of the World Customs Organization (WCO) began a series of reviews of the entire HS. The fourth review cycle begins this year, with an expected implementation date for changes of January 2012.

The HS was established by an international Convention, which, *inter alia*, provides that the System should be kept up-to-date in light of changes in technology and patterns of inter-national trade. The international HS nomenclature, which is maintained by the WCO, provides a uniform structural basis for the customs tariff and statistical nomenclatures of all major trading countries of the world, including the United States. The Commission, the U.S. Bureau of Customs and Border Protection and the Bureau of the Census are responsible for the development of U.S. technical proposals concerning the HS under section 1210 of the Omnibus Trade and Competitiveness Act of 1988 (the 1988 Act) (19 U.S.C. 3010). A 1988 notice issued by the

United States Trade Representative (53 FR 45646, Nov. 10, 1988), establishes the Commission as the lead U.S. agency in considering proposals for HS amendments that are intended to ensure that it reflects such changes in technology and trade.

A copy of the U.S. Harmonized Tariff Schedule (HTSA), which incorporates the international Harmonized System in its overall structure, can be downloaded at <http://www.usitc.gov/tata/index.htm>. Hard copies and electronic copies of the HTSA 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.

Note that the international HS comprises the broadest levels of categories in the HTSA, 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 six-digit level of detail. Additional U.S. Notes, further subdivisions (eight- and ten-digit subheadings) and statistical notes, as well as the entire chapters 98 and 99, are national legal and statistical detail added for the administration of the tariff and statistical programs and are not part of the international HS review process that is the subject of this Notice.

REQUEST FOR PROPOSALS: In accordance with the USTR notice, the Commission is seeking proposals for specific modifications to the Harmonized System (including the rules of interpretation, section and chapter notes and the texts of the headings and subheadings) that will further the above goals. No proposals for changes to the national-level provisions (which include U.S. 8-digit subheadings, statistical annotations and rates of duty) will be considered by the Commission as a part of this review. Interested parties, associations and government agencies should submit specific language for proposed amendments to the Harmonized System together with appropriate descriptive comments and, to the extent available, 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 identification of new products important in international trade,
- The simplification of the HS, e.g., by the elimination of classification provisions which are difficult to administer.

As mentioned above, no proposals for changes to the Explanatory Notes or 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 a part of this review. The changes in the international HS that will result from this review cycle will not necessarily affect tariff rates for products imported into the United States; as with the first three HS review cycles, the USITC plans to eventually develop a set of proposed HTS changes that will align the HTS on the international HS changes, pursuant to sec. 1205 of the 1988 Act.

This Notice is not soliciting proposals for changes to the HS Explanatory Notes. However, requests for changes to the existing Explanatory Notes (not arising from changes in the HS itself) may be sent by a government directly to the Harmonized System Committee (the parent committee to the RSC) at any time; government and private sector parties interested in such action internationally should separately contact the above-mentioned parties at the USITC or the following at the Bureau of Customs and Border Protection: Myles Harmon, Director, Commercial Rulings Division, 202-572-8860 or Gail Hamil, Director, International Nomenclature Staff, 202-572-8813.

WRITTEN SUBMISSIONS: Interested persons are invited to submit written proposals. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E St. SW, Washington, D.C. 20436, and should be received no later than the close of business October 14, 2005. 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 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, as 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 do not authorize filing submissions with the Secretary by facsimile or electronic means except as permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, http://hotdocs.usitc.gov/pubs/handbook_on_electronic_filing.pdf).

Any submissions that contain confidential business information must 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 CBI, will be made available in the Office of the Secretary to the Commission for inspection by interested parties. CBI received by the Commission in this investigation will not be released to other government agencies or the public in a manner that would reveal the operations of the firm supplying the information.

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.

By order of the Commission.

Marilyn R Abbott,
Secretary to the Commission

Issued: August 23, 2005