

INTERNATIONAL TRADE COMMISSION

Possible Modifications to the International Harmonized System Nomenclature

AGENCY: United States International Trade Commission.

ACTION: Request for public comments on proposal to delete certain low-trade categories from the Harmonized System.

SUMMARY: The Commission is soliciting the views of interested parties on a proposal before the Review Subcommittee (RSC) of the World Customs Organization (WCO), Brussels, Belgium, to delete certain low-trade headings and subheadings from the international Harmonized Commodity Description and Coding System (Harmonized System or HS).

EFFECTIVE DATE: August 21, 2002.

FOR FURTHER INFORMATION CONTACT: Ronald H. Heller, Office of Tariff Affairs and Trade Agreements (O/TATA) (202/205-2596, E-Mail rheller@usitc.gov). The O/TATA fax number is 202/205-2616.

Background

The Harmonized System 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 international 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. Customs Service 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, November 10, 1988), established 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.

The WCO expects to implement the next series of amendments to the HS nomenclature by the year 2007. As part of each review cycle, the RSC considers simplifying the HS by removing lines for which trade falls below a threshold value. HS lines that are eliminated are merged with HS lines containing like products. Noting that the HS has expanded over the years and now comprises 1,244 four-digit headings and 5,224 six-digit subheadings, the Subcommittee requested that the Secretariat examine relevant trade data and develop an initial list of four-digit headings and six-digit subheadings for which world trade in each category did not exceed US\$100 million and US\$50 million, respectively.

Based on preliminary trade data for calendar years 1997 - 2000 provided by the United Nations Statistical Division, the WCO Secretariat recently published a list of 124 headings and 728 six-digit subheadings that showed world trade below the threshold values.

As requested by the RSC, the Secretariat also considered further criteria relating to consistency of low trade and special circumstances (relationship to international conventions, environmental or social concerns, relative importance for developing economies) that might provide justification for retaining an HS item in spite of its low trade value. In this manner, the Secretariat reduced the list of candidates for deletion to 27 four-digit headings and 276 six-digit subheadings.

Member countries are invited to examine that “short list” of potential deletions and indicate to the Subcommittee which categories should be retained because (1) more recent trade data reveals that the category in fact exceeds the threshold or (2) international concern over environmental, social or economic issues necessitates monitoring global trade on products in the category despite the low volume of trade. At its 26th session (September 2002), the Subcommittee will begin to examine the Secretariat's list and all national requests for retention of individual categories.

The following is a list of the 27 headings and 276 subheadings that meet the Secretariat's full criteria for deletion from the HS. We invite the public to submit comments on this list.

Four-Digit Headings Proposed for Deletion

0503	2838	7414	8004
0509	4204	7416	8005
1402	4815	7417	8006
1403	5302	7611	9112
2305	5304	7803	9203
2611	6503	7805	9204
2612	7012	7906	

Six-Digit Subheadings Proposed for Deletion

010310	030373	070952	110210
020820	030376	070970	110230
030191	030377	071130	110422
030233	030542	071420	120710
030261	030561	081030	120730
030263	030563	091030	120760
030265	040520	091040	120924
030266	070910	091050	120926

121110	284150	392072	521143
121210	290314	401013	530210
121230	290362	401036	530290
130110	290515	410310	530410
130214	290614	420610	530490
140410	290714	420690	530511
151540	290715	430130	530519
200320	290820	430170	530521
230220	290942	430213	530529
230670	291213	441131	530590
250621	291242	441139	540320
250629	291421	441223	540610
250820	291522	470411	540620
251311	291523	470419	550610
251319	291534	480230	550992
251621	291535	480910	551322
251622	291731	481430	551332
270720	292112	481610	551333
270760	292222	481630	551342
280511	293010	500310	551343
281123	293610	500390	551413
282420	293921	520631	551431
282520	293929	520632	551432
282611	300110	520633	551433
282620	310270	520634	551439
282731	310320	520635	551592
282733	310410	520641	560420
282734	320630	520642	560710
282735	320643	520643	570251
282736	330111	520644	570252
283020	330114	520645	570259
283030	330121	520823	580310
283323	330122	520853	580390
283326	330123	521012	600510
283522	330126	521022	610110
283523	330130	521042	610311
283610	340410	521052	610312
283670	370220	521121	610319
283920	370520	521122	610321
284110	380520	521129	610411
284120	382420	521141	610412

610421	630649	741490	880190
610792	640191	810195	900620
611110	640230	811230	900662
611410	640330	811240	902740
611720	650692	842520	903130
620321	660310	842850	910112
620510	680222	843352	910620
620792	681130	844841	911220
620910	720280	845620	911290
621131	722520	847040	911410
621310	722693	847220	911420
630252	722694	850530	911440
630292	722910	850920	920410
630293	731413	850930	920420
630311	731910	851921	920910
630611	740110	851929	920920
630621	740120	851940	920993
630631	740323	854340	930610
630639	740722	860620	960420
630641	741420	880110	961490

Copies of the Harmonized Tariff Schedule of the United States Annotated (HTSUSA), which incorporates the international Harmonized System in its overall structure, can be found on the USITC's World Wide Web (WWW) site, <http://www.usitc.gov>. Hard copies and electronic copies of the HTSUSA can also 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 on the WWW at the following location (URL): http://www.access.gpo.gov/su_docs/fdlp/libpro.html, or by contacting GPO Access at the Government Printing Office, 1-888-293-6498.

Copies of the WCO Secretariat's report on its analysis of trade data and other factors, its list of low-trade HS lines and its indications of suggested deletions (WCO Doc. NR0270E-B1) is available from the USITC Office of Tariff Affairs and Trade Agreements, as indicated above (See "FOR FURTHER INFORMATION CONTACT").

This proposal is part of a comprehensive review of the international HS being carried out by the RSC. Its implementation internationally would not require that domestic tariff rates or statistical coverage be eliminated from the Harmonized Tariff Schedule of the United States Annotated (HTSUSA). Any such consequential amendments would be separately considered by the Commission at a later date, pursuant to section 1205 of the 1988 Act. Section 1205 requires that existing duty treatment be retained whenever possible.

Request for Proposals

The Commission is seeking comments on the list of proposed deletions from the HS and, in particular, on those categories for which the United States may request retention. Interested parties, associations and Government agencies should submit specific HS category numbers from the above list which they feel should be retained in the HS and, for each category, the reason for retaining the category in the international system (including, where relevant, trade data).

Deadline

Suggestions must be received no later than the close of business, September 6, 2002, in order to be considered by the Commission.

Written Submissions

All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E St., S.W., Washington, D.C. 20436. Commercial or financial 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 section 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.

TDD Access: Hearing impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810.

World Wide Web Access: This notice, and any subsequent notices published pursuant to section 1210 of the 1988 Act, may be obtained from the ITC Internet web server: <http://www.usitc.gov>.

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: August 26, 2002.

