

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Investigation No. NAFTA-103-018

**Certain Textile Articles: Probable Effect of Modification of NAFTA Rules of Origin for
Goods of Canada and Mexico (Sanitary Articles and Nonwoven Wipes) and for
Goods of Canada (Chenille Fabrics)**

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and request for written submissions

SUMMARY: Following receipt of a request on April 17, 2007, 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 investigation No. NAFTA-103-018, *Certain Textile Articles: Probable Effect of Modification of NAFTA Rules of Origin for Goods of Canada and Mexico (Sanitary Articles and Nonwoven Wipes) and for Goods of Canada (Chenille Fabrics)*.

DATES:

May 16, 2007: Deadline for filing written submissions

June 15, 2007: Transmittal of Commission report to the USTR

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

FOR FURTHER INFORMATION CONTACT: Dennis Rapkins, Office of Industries (202-205-3406; dennis.rapkins@usitc.gov). For information on legal aspects, 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 External Relations (202-205-1819; margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). 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.

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 letter, U.S. negotiators have recently reached agreements in principle with representatives of the Governments of Canada and Mexico concerning proposed modifications to the NAFTA rules of origin for certain sanitary articles and nonwoven wipes, and the Government of Canada only concerning a proposed modification to the NAFTA rule of origin for certain chenille fabrics. If implemented, the proposed rules changes would apply only to U.S. imports from and U.S. exports to the NAFTA parties in agreement with the rules changes. 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 of section 103 of the Act is that the President obtain advice regarding the proposed actions from the Commission.

The USTR requested that the Commission provide advice on the probable effect of the proposed modifications of the NAFTA rules of origin for the specified 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 provide its advice to the USTR by June 15, 2007, and will issue a public version of its report shortly thereafter, with any confidential business information deleted.

The goods of Canada and Mexico covered by this investigation, as presented in part I of the attachment to the USTR's letter, are sanitary towels or tampons classified in HTS subheading 5601.10 and nonwoven wipes classified in HTS subheadings 5603.91-5603.94 that are made from viscose rayon staple fibers of HTS subheading 5504.10. The goods of Canada only that are covered by this investigation, as presented in part II of the USTR's attachment, are chenille fabrics classified in HTS subheading 5801.36 and made from acrylic fibers classified in HTS subheading 5503.30. The USTR's letter and attachment can be viewed on the Commission's Internet server at <http://www.usitc.gov/edis.htm>. The current NAFTA rules of origin applicable to U.S. imports can be found in general note 12 of the 2007 HTS (see "General Notes" link at <http://www.usitc.gov/tata/hts/bychapter/index.htm>).

WRITTEN SUBMISSIONS: No public hearing is planned. However, interested parties are invited to submit written statements concerning the matters to be addressed by the Commission in its report on this investigation. Submissions should be addressed to the Secretary to the Commission. To be assured of consideration by the Commission, written statements related to the investigation should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on May 16, 2007. 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 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 authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000 or edis@usitc.gov).

Any submissions that contain confidential business information must also 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 "nonconfidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available in the Office of the Secretary to the Commission for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of this investigation in the report it sends to the USTR and the President. However, the Commission will

not publish such confidential business information in the public version of its report in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission.

/s/

Marilyn R. Abbott
Secretary to the Commission

Issued: May 3, 2007