

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

Proposed Addendum to Investigation No. 1205-6

AGENCY: United States International Trade Commission

ACTION: Request for comments.

SUMMARY: The Commission requests comments with respect to the proposed modifications set forth at the end of this notice. The Commission is investigating the tariff treatment of certain products that appear to be subject to higher tariffs as a result of modifications recommended in investigation No. 1205-6 and implemented pursuant to Presidential Proclamation 8097. In addition, U.S. Customs and Border Protection (Customs) has requested certain changes in the Harmonized Tariff Schedule of the United States (HTS). Recommendations from this investigation will be included in an addendum to the original investigation report.

DATES:

June 29, 2007: Deadline for filing written submissions and comments.

August 20, 2007: Transmittal of Commission report to the United States Trade Representative.

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: David Beck, Director, Office of Tariff Affairs & Trade Agreements (O/TATA) (202 205-2603 or david.beck@usitc.gov); or Fred Schottman, Nomenclature Analyst, O/TATA, (202 205-2077 or fred.schottman@usitc.gov), U.S. International Trade Commission, Washington, D.C. 20436. The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or 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: Section 1205 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3005) directs the Commission to periodically review the HTS and make recommendations on modifications to the HTS. The changes may be for purposes including: (a) conformity to modifications made to the Harmonized System Convention (Convention) of the World Customs Organization (WCO), (b) promotion of uniform application of the Convention and, (c) alleviation of unnecessary administrative burdens. The recommended changes should ensure "substantial rate neutrality".

In April 2006, the Commission issued a report entitled *Proposed Modifications to the Harmonized Tariff Schedule of the United States*, investigation No. 1205-6, Publication No. 3851. The modifications recommended in the report were put into effect on February 3, 2007, pursuant to Presidential Proclamation 8097, which was published in the Federal Register on January 4, 2007. Annexes to

Proclamation 8097 were published in USITC Publication 3898 (December 2006) and can be found on the USITC website (<http://www.usitc.gov>).

WRITTEN SUBMISSIONS: No public hearing is planned in connection with these proposed modifications. However, parties are invited to submit written statements concerning the proposed modifications. All written submissions should be addressed to the Secretary and should be filed not later than 5:15 p.m., June 29, 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 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at 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 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).

Any submissions that contain confidential business information (CBI) 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 "non-confidential" version, and that the CBI be clearly identified by means of brackets. All written submissions, except for CBI, will be made available for inspection by interested parties.

The Commission may include some or all of the CBI it receives in the final report it sends to the President. However, the Commission will not publish CBI in the public version of the final report in a manner that could reveal the operation of the firm supplying the information. The public version of the final report will be made available to the public on the Commission website.

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: May 31, 2007

PROPOSED MODIFICATIONS

Section 1. Following implementation of the modifications set out in Presidential Proclamation 8097, it was recognized that certain products experienced higher rates of duty as a result of the modifications that went into effect February 3, 2007. The proposed modifications in Section 1 of this notice would be effective retroactively to February 3, 2007.

In order to restore the rate of duty previously applied to certain bamboo wooden flooring and to certain broadcast receivers, the Commission proposes to recommend that the HTS be amended as follows:

(a) Subheading 4412.10.00 would be superseded by the following:

	[Plywood, veneered panels and similar laminated...]			
“4412.10	Of bamboo:			
4412.10.05	Plywood	8%	Free (A*,AU,BH, CA,CL,E,IL,J, JO,MA,MX,P, SG)	40%
4412.10.90	Other	Free		40%”

Subheading 4418.72.90 would be superseded by the following:

	[Builders’ joinery and carpentry of wood,...]			
	[Assembled flooring panels:]			
	[Other, multilayer:]			
	“Other:			
“4418.72.91	Of unidirectional bamboo	Free		40%
4418.72.95	Other	8%	Free (A*,AU,BH, CA,CL,E,IL,J, JO,MA,MX,P, SG)	40%”

(b) Subheadings 8527.99.20 and 8527.99.50 would be superseded by the following:

	[Reception apparatus for radiobroadcasting, ...]			
	[Other:]			
	[Other:]			
“ 8527.99.15	Other radio receivers	3%	Free(A,AU,B,BH,C,CA, CL,E,IL,J,JO,MA, MX,P,SG)	35%
8527.99.40	Other	6%	Free (A,B,BH,C, CA,CL,E,IL,J,JO, MA,MX,P,SG) 1.5% (AU)	35%”

Section 2. Customs has notified the Commission of several parts of the HTS which it believes are not consistent with the HS Convention or cause unnecessary administrative burdens. Accordingly, the Commission proposes to recommend the following changes to the HTS, with the changes to be effective January 1, 2008.

CHAPTER 69

Additional U.S. Note 1 would be deleted, and Additional U.S. Notes 2 through 4 would be renumbered as 1 through 3, respectively.

Discussion: Additional U.S. Note 1 is more restrictive in defining “ceramic articles” than is Note 1 to the international Harmonized System (HS) Chapter 69. In the past, application of the U.S. Additional Note has forced Customs to issue rulings that were not consistent with uniform interpretation of the HS by our trading partners. Customs has therefore requested that the U.S. Additional Note be deleted.

CHAPTER 75

Heading 7506 would be deleted and superseded by the following:

“7506	Nickel plates, sheets, strip and foil:		
7506.10	Of nickel, not alloyed:		
7506.10.05	Not exceeding 0.15 mm in thickness	2.5%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 45%
	Other:		
7506.10.10	Cold-formed	3%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 35%
7506.10.30	Not cold-formed	2.5%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 25%
7506.20	Of nickel alloys:		
7506.20.05	Not exceeding 0.15 mm in thickness	3%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 45%
	Other:		
7506.20.10	Cold-formed	3%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 35%
7506.20.30	Not cold-formed	2.5%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG) 25%”

Discussion: Consistent with its interpretation of the Explanatory Notes of the WCO, Customs does not classify material thicker than 0.15 mm as “foil” in heading 7506. Therefore, existing subheadings

7506.10.60 and 7506.20.60 are empty provisions and the proposed structure clarifies classification in the heading.

CHAPTER 82

(a) Additional U.S. Note 3 would be modified by deleting “8205, 8211” and inserting “8205, 8206, 8211” in lieu thereof.

Discussion: Additional U.S. Note 3 provides instruction for comparing rates of duty for the determination of the rate applicable to sets; the instruction is applicable to sets in heading 8206, as well as sets in the headings now listed in the Note.

(b) Subheadings 8205.59.40 through 8205.59.80 would be deleted and superseded by the following:

	[Handtools (including glass cutters)....]			
	[Other handtools (including)]			
	[Other:]			
	[Other:]			
	“Of iron or steel:			
8205.59.45	Caulking guns	5.3%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX,P,SG)	40%
8205.59.55	Other	5.3%	Free (A,BH,CA, CL,E,IL,J,JO, MA,MX,P,SG)	40%
			1.3% (AU)	
8205.59.60	Of copper	Free		40%
8205.59.70	Of aluminum	1.5¢/g + 3.5%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX, P,SG)	19¢/kg + 40%
8205.59.80	Other	3.7%	Free (A,AU,BH,CA, CL,E,IL,J,JO, MA,MX,P,SG)	40%”

Discussion: “Tools of a kind used in agriculture, horticulture or forestry” are provided for in heading 8201. Therefore, existing subheading 8205.59.40 is empty. The proposed changes delete that subheading and make conforming changes.

(c) The superior text to subheading 8214.20.60 would be replaced by the following:

“Manicure and pedicure sets, and combinations thereof:”

Discussion: Although the article description for subheading 8412.20 provides for manicure or pedicure sets, the existing language for the following eight-digit subheading restricts the scope to sets “in leather cases or other containers of types ordinarily sold therewith in retail sales”. Customs has found the provision difficult to administer because of the uncertain meaning of “other containers” in this context. The proposed change makes clear that sets, other than those in leather cases, are classified in 8214.20.60.