



7020-02

INTERNATIONAL TRADE COMMISSION

Investigation No. 1205-12

Commission Recommendations to the President to Modify the Tariff

Nomenclature in Chapters 3, 44, and 63 of the Harmonized Tariff Schedule

AGENCY: United States International Trade Commission.

ACTION: Notice of institution of investigation.

SUMMARY: Following adoption by the World Customs Organization (WCO) of certain recommended modifications to the Harmonized System on June 11, 2015, the Commission has instituted investigation No. 1205-12, *Commission Recommendations to the President to Modify the Tariff Nomenclature in Chapters 3, 44, and 63 of the Harmonized Tariff Schedule*, pursuant to section 1205 of the Omnibus Trade and Competitiveness Act of 1988 (the 1988 Act) (19 U.S.C. § 3005).

The WCO recommendation calls upon the Contracting Parties to the International Convention on the Harmonized Commodity Description and Coding System (Convention) to amend their tariff nomenclature to make certain corrections to Chapters 3 and 63, and to make further amendments to their nomenclature relating to Chapter 44 that were inadvertently omitted from the Council Recommendation of June 27, 2014. The amendments to Chapters 3 and 63 are expected to enter into force on January 1, 2017, and the amendments to Chapter 44, on January 1, 2018. The amendments to Chapters 3 and 63 relate to the text of certain subheadings of headings 03.01 and 03.03 (certain fish), and Subheading Note 1 to Chapter 63 and subheading 6304.20 (certain

textiles). The amendments to Chapter 44 relate to several subheadings for certain wood and wood products.

DATES:

October 7, 2015: Posting of the WCO's Recommendation of June 11, 2015, on the Commission website.

February 12, 2016: Posting of the Commission's proposed recommendations on the Commission's website.

March 18, 2016: Deadline for interested Federal agencies and the public to file written views on the Commission's proposed recommendations.

July 22, 2016: Transmittal of the Commission's report to the President.

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://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT: Daniel P. Shepherdson, Attorney-Advisor, Office of Tariff Affairs and Trade Agreements (202-205-2598, or Daniel.Shepherdson@usitc.gov) or Cynthia Wilson, Nomenclature Analyst, Office of Tariff Affairs and Trade Agreements (202-205-3052, or Cynthia.Wilson@usitc.gov). 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 about the Commission may be obtained by accessing the Commission website at 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(a) of the 1988 Act requires that the Commission keep the Harmonized Tariff Schedule of the United States (Harmonized Tariff Schedule or HTS) under continuous review and periodically recommend to the President such modifications in the HTS as the Commission considers necessary or appropriate, including to conform the HTS with amendments made to the International Convention on the Harmonized Commodity Description and Coding System (Convention), which contains the Harmonized System nomenclature in the Annex to the Convention.

The Harmonized System nomenclature provides uniform product architecture for the customs tariffs and statistical nomenclatures of all major trading countries of the world, including the United States. The Harmonized System establishes the general arrangement or structure of product categories, set forth in chapters, 4-digit headings and 6-digit subheadings. It also includes the general rules of interpretation, and section and chapter legal notes that define the scope of sections, chapters, 4-digit headings and 6-digit subheadings. The Harmonized Tariff Schedule is based on the Harmonized System nomenclature. In addition, however, the HTS includes national subdivisions (8-digit subheadings and 10-digit statistical annotations), as well as additional U.S. chapter notes, and other national provisions that facilitate the administration of U.S. customs, tariff and statistical programs.

The Commission will recommend such modifications in the HTS as it considers necessary or appropriate to conform the HTS with amendments recommended in the WCO Council Recommendation of June 11, 2015. In that recommendation the WCO Council recommended that the Contracting Parties to the Convention amend their tariff nomenclature to make certain corrections that were inadvertently omitted from the Council Recommendation of June 27, 2014. The amendments to Chapters 3 and 63 relate to the text of certain subheadings of headings 03.02 and 03.03 (certain fish), and Subheading Note 1 to Chapter 63 and subheading 6304.20 (certain textiles); and the amendments to Chapter 44 relate to several subheadings for certain wood and

wood products. The amendments to Chapters 3 and 63 are expected to enter into force on January 1, 2017, and the amendments to Chapter 44, on January 1, 2018.

The Commission expects to transmit its report to the President containing its recommendations in July 2016. The Commission's report will include, in addition to its recommendations, a summary of the information on which the recommendations were based, a statement of the probable economic effect of each recommended change on any industry in the United States, a copy of all written views submitted by interested Federal agencies, and a copy or summary of the views of all other interested parties.

PROPOSED RECOMMENDATIONS, OPPORTUNITY TO COMMENT: Before making recommendations to the President, the Commission will provide notice of its "proposed recommendations" and will afford opportunity for interested Federal agencies and the public to present their views in writing on those proposed recommendations in accordance with the procedures in the following paragraphs. The Commission expects to post those proposed recommendations on its website by February 12, 2016.

WRITTEN SUBMISSIONS: Following publication of the Commission's "proposed recommendations," all interested parties, including interested Federal agencies, are invited to file written submissions concerning the recommendations the Commission should make to the President. All such written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., March 18, 2016. 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 and the Commission's Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding

confidential business information). Persons with questions regarding electronic filing should contact the Office of 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 confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available 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. The Commission will not otherwise publish any confidential business information in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission

William R. Bishop

Supervisory Information and Hearings Officer

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