

W ORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

22nd Session

NR0128E1 (+ Annex) O. Eng.

Brussels, 4 August 2000.

AMENDMENT OF THE EXPLANATORY NOTES TO CHAPTER 41

(Item III.A.3 on Agenda)

Reference documents:

NR0049E1 (RSC/21) NR0101E2, Annexes C/4 and E/10 (RSC/21 – Report) NC0238E1 (HSC/25) NC0250E2, Annexes F/3 and L/8 (HSC/25 – Report)

NC0109E1 (RSC/22)

I. BACKGROUND

 After the preparation of Doc. NR0109E1, the Secretariat received on 18 July a note from the United States International Trade Commission, containing further comments on the proposed Explanatory Notes to Chapter 41. This note is reproduced in the Annex to this document.

II. SECRETARIAT COMMENTS

2. The Secretariat has nothing to add to its observations given earlier in paragraphs 3 to 7 of Doc. NR0109E1, though it notes that the US can adopt the word "defleshing" in the first paragraph of item (II) of the General Explanatory Note to Chapter 41 (English version only). Nonetheless, it would like to reiterate its concern of a possible non-alignment of the English and French texts when the US suggestions were to be adopted (see in particular paragraph 5 of Doc. NC0238E1, reprinted in paragraph 4 of Doc. NR0109E1).

III. CONCLUSION

3. The Sub-Committee is invited to take into account the comments submitted by the US (see annex to this document) when considering the redrafted proposals for amending the Explanatory Notes to Chapter 41 and related headings.

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Annex to Doc. NR0128E1 (RSC/22/Sept. 2000)

FURTHER COMMENTS BY THE UNITED STATES ADMINISTRATION

Explanatory Notes to Chapter 41

The goals of the US proposals for chapter 41 Explanatory Notes were (1) to realign the General Explanatory Note along the structure of the four-digit headings and (2) to clarify the fact that products of new headings 41.04 through 41.06 are considered by the trade and consumers to be leather and are identified by that characteristic name, whether in the wet (wet-blue) or dry (crust) state. There appears to be an emerging consensus supporting the goals of the US proposals and what remains to be decided are some details of the Chapter 41 Explanatory Notes.

We note that the European leather trade (COTANCE) largely agrees with the US proposals on chapter 41 ENs. Since the 21st Session we have discussed the COTANCE suggestions with our trade and for the most part they agree with the points raised by COTANCE (e.g., that the term "leather" be used in the discussions, inclusions and exclusions that describe a product and that the terms "hides" and "skins" be used where the intent is to describe a process.).

We submit the following points in support of our positions on some of the remaining issues:

General, (I) Raw Hides: The US version uses terms like "leather" and "pre-tanning" because they are the actual terms used by the trade and consumers, and they unambiguously describe a product (leather) and a process (pre-tanning).

General, (II) Hides and skins which have been tanned or crusted [into leather]...: For the above-mentioned reason, it is important to us that the term "leather" be included in the title of the Explanatory Note and in the third paragraph. We note that COTANCE agrees with the latter. Regarding the alternatives "defleshing" or "fleshing", the trade informs us that although "fleshing" (as a gerund) and "defleshed" (as an adjective) are the commonly used forms of the words, "defleshing" would also be understood by the trade and Customs officers.

Headings 41.01 through 41.03, paragraph beginning, "They may also be cleaned, split or scraped, or may have undergone [pre-tanning (a reversible process – See the General Explanatory Note to this Chapter),]...": We note that COTANCE prefers the US version because it describes the process. We further note that the purpose of pre-tanning is to stabilize a hide or skin temporarily whereas tanning permanently preserves the product. We feel that a further modification of this paragraph would be very helpful in all three heading Explanatory Notes, as follows (the new text is italicized):

"They may also be cleaned, split or scraped, or may have undergone pre-tanning (a reversible process *which only temporarily prevents putrefaction* – See the General Explanatory Note to this Chapter)...."

Annex to Doc. NR0128E1 (RSC/22/Sept. 2000)

Headings 41.04 through 41.06, first paragraph: We can agree with COTANCE to the use of the expression "hides and skins" in the first sentence of each Explanatory Note if a reference to the term "leather" is added at the end of the sentence (EN 41.04 used as an example; added text is italicized):

"This heading covers dehaired hides and skins, of bovine (including buffalo) or equine animals, which have been tanned or crusted *into leather* but not further prepared (See the General Explanatory Note to this Chapter)."

3.