

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. NAFTA-103-012

*Probable Effect of Certain Modifications to the
North American Free Trade Agreement Rules of Origin*

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and request for written submissions

EFFECTIVE DATE: June 3, 2005

SUMMARY: Following receipt of a request on May 23, 2005 (as modified by a letter received on June 16, 2005), 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-103-012, *Probable Effect of Certain Modifications to the NAFTA Rules of Origin*.

FOR FURTHER INFORMATION CONTACT: Information may be obtained from Linda White, Office of Industries (202-205-3427, linda.white@usitc.gov), or Judith-Anne Webster, Office of Industries (202-205-3489, judith-anne.webster@usitc.gov). For information on the legal aspects of this investigation, 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).

BACKGROUND: According to the USTR's letter, U.S. negotiators have recently reached agreement in principle with representatives of the governments of Canada and Mexico on proposed modifications to Annexes 401 and 403 of the NAFTA. Chapter 4 and Annexes 401 and 403 of the NAFTA set forth the rules of origin for applying the tariff provisions of the NAFTA to trade in goods. Section 202(q) of the NAFTA 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 as may from time to time be agreed to by the NAFTA countries. One of the requirements set out in section 103 of the Act is that the President obtain advice from the United States International Trade Commission.

The USTR has requested that the Commission provide advice on the probable effect of the modifications on U.S. trade under the NAFTA and on domestic industries. The modifications concern rules of origin in NAFTA Annexes 401 and 403 for (1) cocoa and cocoa preparations; (2) cranberry juice; (3) ores, slag and ash; (4) leather; (5) cork and articles of cork; (6) prepared feathers and down and articles made of feather or of down, artificial flowers, and articles of human hair; (7) glass and glassware; (8) copper; (9) nickel and articles thereof; (10) lead; (11) zinc and articles thereof; (12) tin; (13) other base metals; (14) televisions; (15) information technology agreement goods; and (16) controls.

A detailed list of the proposed modifications is available from the Office of the Secretary to the Commission or by accessing the electronic version of this notice at the Commission's Internet site (<http://www.usitc.gov>). This list was amended by the USTR, as conveyed in a letter dated June 16, 2005, from Assistant U.S. Trade Representative Carmen Suro-Bredie, to delete filament yarns of viscose rayon, tri-lobal rayon staple fiber, and untextured yarns of nylon, as the Commission had previously provided probable effect advice concerning modifications to rules of origin for these products in Investigation Nos. NAFTA-103-7 (October 2004) and NAFTA-103-9 (December 2004).

The U.S. NAFTA rules of origin can be found in General Note 12 of the 2005 Harmonized Tariff Schedule of the United States (see “General Notes” link at <http://www.usitc.gov/tata/hts/bychapter/index.htm>) and the most recent updates to the current U.S. NAFTA rules of origin can be found in Presidential Proclamation 7870 of February 9, 2005 (70 FR 7611). As requested, the Commission will forward its advice to the USTR by September 26, 2005.

WRITTEN SUBMISSIONS: Interested parties are invited to submit written statements concerning the probable effect of the modifications. Submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. To be assured of consideration by the Commission, written statements should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on August 3, 2005. 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, from 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://hotdocs.usitc.gov/pubs/electronic_filing_handbook.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. As requested by the USTR, the Commission will publish a public version of the report. However, in the public version, the Commission will not publish confidential business information in a manner that would reveal the operations of the firm supplying the information.

The public record for this investigation may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing impaired individuals may obtain information on this matter by contacting the Commission’s TDD terminal on 202-205-1810. 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.

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: June 21, 2005