



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
24th Session
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NR0178E1
(+ Annexes I and II)
O. Fr.

Brussels, 9 July 2001.

PROPOSAL BY THE US ADMINISTRATION
TO AMEND THE NOMENCLATURE TO HEADING 70.13

(Item III.A.10 on Agenda)

Reference documents :

NR0156E1 (RSC/23)
NR0165E2, Annex D/5 (RSC/23 – Report)

I. BACKGROUND

1. At its 23rd Session, the Review Sub-Committee undertook a preliminary discussion with respect to the US proposal. Several delegates were concerned, firstly, about the difficulties that this proposal might create in terms of identifying the etched drinking glasses of proposed new subheadings 7013.23 and 7013.34, and, secondly, about the confusion which might be created between the classification of certain products in current heading 70.10 and the jars and canisters proposed to be mentioned in subheading 7013.43.
2. In order to give administrations time to consult trade circles and provide additional information for the Secretariat to prepare a new working document, the Sub-Committee decided to continue its examination of this issue at its next session.

II. SECRETARIAT COMMENTS

3. At the time of preparation of this document, no administrations had submitted additional observations on the US proposal. The Secretariat therefore, has the following comments to offer on the proposal.
4. Firstly, the Secretariat would like to make clear that it is in favour of the proposal to create new subheadings in order to distinguish stemware from other types of drinking glasses in heading 70.13, taking into account the United States' comments in the Annex to

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Doc. NR0156E1 and the statistics provided. In fact, this idea was first proposed during the preparations for the 11th Session of the Interim HS Committee (see paragraph 48 of Annex C to Doc. 23.050), at which time, however, the expression 'drinking glass' was preferred to classification on the basis of the type of glass (with or without stem).

5. Secondly, the Secretariat agrees with those delegations which voiced reservations concerning the creation of new subheadings 7013.23 and 7013.34. It feels that this proposal could further complicate rather than facilitate the identification of these products.
6. Concerning the proposal to delete the reference to the coefficient of expansion in subheadings 7002.32, 7013.32 and 7017.20, which dates back to the 40th Session of the Nomenclature Committee (March 1978), the Secretariat is in favour of maintaining the status quo. However, if a Contracting Party were to meet with particular identification difficulties, the Secretariat would favour the preparation of a Subheading Explanatory Note. The statistics for these products for 1997, communicated by UNSD, show that the subheadings cover a volume of trade approaching \$77, \$159 and \$72 million, respectively.
7. The US Administration has sent the Secretariat an additional Note containing statistics on the volume of trade of the products at issue, set out at Annex I hereto. It has also reiterated its position regarding the need to amend heading 70.13.
8. To enable the Sub-Committee to examine this question on the basis of a single document, the Secretariat has drawn up the attached Annex setting out both the United States' proposal and the Secretariat's alternative.
9. We urge administrations to consult with industry and to submit proposals or comments to the Secretariat as soon as possible, with a view to their being published before the next session.

III. CONCLUSION

10. When examining this Agenda item, the Sub-Committee is invited to take account of the proposals by the United States in Doc. NR0156E1 and the Secretariat's comments in paragraphs 3 to 9 above, together with the Annexes hereto.

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Note from the US Administration

1. During the 23rd Session of the Review Sub-Committee some delegates requested that the United States supply further information on several of its proposals. The following information is supplied in response to those requests. The US Administration requests that the information be taken into account during follow-up discussions of the proposals.
2. At its 23rd Session, the Review Sub-Committee held a preliminary discussion on a proposal by the United States to expand the structured Nomenclature of heading 70.13 to identify separately certain commercially important types of glassware. During the discussion, the US Delegate was asked to provide more detailed trade statistics on the products in question.

Detailed trade statistics do not yet exist for the individual subheadings we are proposing. However, in each instance, the "parent" provision from which the proposed breakouts will be derived involves large amounts of trade.

With regard to drinking glasses (present subheadings 7013.21 and 7013.29), the value of imports into the United States alone for the period 1998-2000 were as follows (data are in US\$):

HS Subheading	1998	1999	2000 (est.)
7013.21 (lead crystal)	110,064,110	141,426,617	144,100,000
7013.29 (other than lead crystal)	138,801,487	148,654,839	140,400,000

Under the US proposal, the provision for lead crystal drinking glasses would be divided into two subheadings, one for stemware (proposed subheading 7013.22) and one for "other" (proposed subheading 7013.33). Drinking glasses, other than lead crystal, would be divided four ways (proposed subheadings 7013.23, 7013.28, 7013.34 and 7013.38).

For other glassware of a kind used for table or kitchen purposes (present subheadings 7013.31 through 7013.39), US imports were as follows (data in US\$):

HS Subheading	1998	1999	2000 (est.)
7013.31 (lead crystal)	80,879,645	82,417,895	71,900,000
7013.32 (low coeff. of expansion)	6,924,338	5,085,104	5,500,000
7013.39 (other)	151,589,854	145,247,666	140,800,000

In the US proposal, proposed subheadings 7013.41 and 7013.42 are merely renumbered from present subheadings 7013.31 and 7013.32, respectively, and represent no change in scope for those subheadings. The only new subheading is proposed subheading 7013.43, for domestic canisters, jars and similar containers that are not used primarily for commercial conveyance or packing of goods, i.e., other than goods of heading 70.10.

Subheadings 7013.10, 7013.91 and 7013.99 would remain unchanged in the US proposal.

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