

Headings

- Headings include the chapter number
- Generally indicate priorities of the chapter (or levels of processing)
 - Start at broadest category (primary products)
 - Becomes more defined due to condition or subset (or more complex products)
- Necessary to explore all headings
 - Example of book live animals vs. circus animals

Subheadings

- Once heading defined, subheading determined
- Covers first 6 digits of ten-digit code
- Descriptions are pretty complete

In all countries that have adopted the international code, the first six digits of the 10 digit system are the same.

Commodity Codes = Statistical Subdivisions

- May vary in each country
- Some countries may utilize 4 zeros
- May be just one commodity code or many
- Necessary to explore for each country
- Only the subheading is consistent

Commodity Code Use in the United States

- **Importing**
 - Harmonized Tariff Schedule (HTS)
 - Managed by the Office of Tariff Affairs and Trade Agreements under the U.S. International Trade Commission
 - Determine import duties
 - Track import statistics


- **Exporting**
 - Schedule B
 - Managed by U.S. Census Bureau
 - Schedule B is the actual book codes are published

If importing and exporting the same product, Two harmonized codes might be used.

Locating the Correct Code

- Obtain copies of:
 - Schedule B if exporting
 - www.census.gov/foreign-trade/schedules/b/
 - HTS if importing
 - <http://www.usitc.gov/tariff.htm>
- Check the Index
- Both schedules can be cross referenced
- Difficult classification may require assistance

General Rules of Interpretation



- Harmonized Tariff Schedule of the United States
- Updated annually
- Summed up in text under 6 guiding rules.

- 1) Titles of sections and chapters are only a guide
- 2) Incomplete or unfinished articles are classified as if complete (assembly kits)
- 3) If good can be classified under multiple headings:
 - a) Use most specific heading
 - b) If equal description- use heading of major material
 - c) If a or b not applicable, use last classification of merit
- 4) If rules 1 to 3 inadequate, use most similar Schedule B classification
- 5) Packing and Containers- typically classified with goods
- 6) Rules 1-4 for the Heading, repeat process for subheading, etc.

- U.S. Census Bureau
- U.S. Customs
- U.S. International Trade Commission
- Local International Trade Resources
- Binding rulings
 - Free service of U.S. Customs

[illegible]

Special Tariff Treatment

Harmonized Tariff Schedule of the United States (2006)

Revised for Statistical Reporting Purposes

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(c) Products Eligible for Special Tariff Treatment

- (i) Programs under which special tariff treatment may be provided, and the corresponding symbols for such programs as they are indicated in the "Special" subcolumn, are as follows:

Generalized System of Preferences	A, A* or A+
Automotive Products Trade Act	B
United States-Australia Free Trade Agreement	AU
Agreement on Trade in Civil Aircraft	C
North American Free Trade Agreement:	
Goods of Canada, under the terms of	
general note 12 to this schedule	CA
Goods of Mexico, under the terms of	
general note 12 to this schedule	MX
United States-Chile Free Trade Agreement	CL
African Growth and Opportunity Act	D
Caribbean Basin Economic Recovery Act	E or E*
United States-Israel Free Trade Area	IL
Andean Trade Preference Act or	
Andean Trade Promotion and Drug Eradication Act	J, J* or J+
United States-Jordan Free Trade Area Implementation Act	JO
Agreement on Trade in Pharmaceutical Products	K
Uruguay Round Concessions on Intermediate	
Chemicals for Dyes	L
United States-Caribbean Basin Trade Partnership Act	R
United States-Morocco Free Trade Agreement Implementation Act	MA
United States-Singapore Free Trade Agreement	SG

SIC

- Standard Industrial Classification
- Now replaced by NAICS
- Four digit number describing activity of organization
 - "what it does"
 - May not produce a physical product for export or import
 - www.osha.gov/oshstats/sicser.html

NAICS

- North American Industry Classification
- Tied to NAFTA agreement
 - Canada, Mexico, and United States
- Expanded SIC code to 6 digits
 - More flexibility
- Better comparisons between three countries' activities than SIC
- www.census.gov/naics
- www.ntis.gov/business/sic.htm

SITC

- Standard International Trade Classification
- United Nations- 100 countries report
- Developed in 1950
- Can be outdated information
- May provide general insight into trade flows

ECCN

- Export Control Classification Number

CT-PAT

- Patriot Act (after 9-11)
- Implications on what can be transported across borders
