# WORLD TRADE

# ORGANIZATION

**Negotiating Group on Market Access**

Original: English

## MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Treatment of Non-*Ad Valorem* Technical Tariffs

*Communication from the United States*

Addendum

The following communication, dated 1 July 2005, is being circulated at the request of the Delegation of the United States.

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In the context of the WTO negotiations on non-agricultural market access, WTO Members have agreed that all non-*ad valorem* tariffs shall be converted to *ad valorem* equivalents (AVEs) on the basis of a methodology to be determined and bound in *ad valorem* terms at the end of the Round. The United States would like to present an explanation of its proposed methodology for AVE conversion for 133 "technical tariffs" it maintains at the HS-8 digit level.

U.S. technical tariffs are those tariffs where the tariff is based on non-tariff lines (for example, many watch tariffs need to be calculated at the 10-digit, statistical HTS line), or based on parts classified elsewhere (derived tariffs), or otherwise not possible to estimate without seeing the actual imported product. An example of a derived tariff is ensembles; for "ensembles" the rate is "The rate applicable to each garment in the ensemble if separately entered."

The WTO Secretariat lists 133 items where the United States has an "other" type of non-*ad valorem* tariff which are often referred to as technical tariffs. These products are listed in Annex 1[1].

1)   For 94 items requiring 10-digit data, the United States will calculate the AVE using the HS 10 digit level data and apply the general AVE methodology. The United States will provide the HS 10-digit data to the WTO Secretariat as well.

2)   For the 39 "derived" and other technical tariffs in the U.S. tariff schedule, the United States will retain the "derived" rate for ensembles and certain "other" items but will convert all component parts to *ad valorem* equivalents and bind them in *ad valorem* terms.

Leaving technical tariffs in place for those items where the rate is derived for each component will serve as a way to ensure exporters to the United States that the rates for ensemble components will not rise. For example, certain cotton jackets now subject to the 6.2% rate would not have to pay an estimated 10.2% or 12.6% just because they were imported as an ensemble.

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[1] In English only.

**Annex 1**

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 26030000 | Copper ores and concentrates | Calculate using 10-digit data. |
| 26070000 | Lead ores and concentrates | Calculate using 10-digit data. |
| 26161000 | Silver ores and concentrates | Calculate using 10-digit data. |
| 26169000 | Precious metal (other than silver) ores and concentrates | Calculate using 10-digit data. |
| 26201960 | Ash and residues (not from the mfr. of iron or steel), containing mainly zinc, other than hard zinc spelter/zinc dross & skimmings | Calculate using 10-digit data. |
| 61032100 | Men's or boys' ensembles, knitted or crocheted, of wool or fine animal hair | Retain as derived rate; convert components into AVEs |
| 61032200 | Men's or boys' ensembles, knitted or crocheted, of cotton | Retain as derived rate; convert components into AVEs |
| 61032300 | Men's or boys' ensembles, knitted or crocheted, of synthetic fibers | Retain as derived rate; convert components into AVEs |
| 61032910 | Men's or boys' ensembles, knitted or crocheted, of artificial fibers | Retain as derived rate; convert components into AVEs |
| 61032920 | Men's or boys' ensembles, knitted or crocheted, of textile materials nesoi | Retain as derived rate; convert components into AVEs |
| 61042100 | Women's or girls' ensembles, knitted or crocheted, of wool or fine animal hair | Retain as derived rate; convert components into AVEs |
| 61042200 | Women's or girls' ensembles, knitted or crocheted, of cotton | Retain as derived rate; convert components into AVEs |
| 61042300 | Women's or girls' ensembles, knitted or crocheted, of synthetic fibers | Retain as derived rate; convert components into AVEs |
| 61042910 | Women's or girls' ensembles, knitted or crocheted, of artificial fibers | Retain as derived rate; convert components into AVEs |
| 61042920 | Women's or girls' ensembles, knitted or crocheted, of textile materials nesoi | Retain as derived rate; convert components into AVEs |
| 62032130 | Men/boy ensemble suit/jacket/trouser, not knit/crochet, of worsted wool fabric with yarn 18.5 micron or less average fiber diameter | Retain as derived rate; convert components into AVEs |
| 62032190 | Men's or boys' ensembles, not knitted or crocheted, of wool or fine animal hair, nesoi | Retain as derived rate; convert components into AVEs |
| 62032230 | Men's or boys' ensembles, not knitted or crocheted, of cotton, other than judo, karate and other oriental martial arts uniforms | Retain as derived rate; convert components into AVEs |
| 62032300 | Men's or boys' ensembles, not knitted or crocheted, of synthetic fibers | Retain as derived rate; convert components into AVEs |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 62032920 | Men's or boys' ensembles, not knitted or crocheted, of artificial fibers | Retain as derived rate; convert components into AVEs |
| 62032930 | Men's or boys' ensembles, not knitted or crocheted, of textile materials nesoi | Retain as derived rate; convert components into AVEs |
| 62042100 | Women's or girls' ensembles, not knitted or crocheted, of wool or fine animal hair | Retain as derived rate; convert components into AVEs |
| 62042230 | Women's or girls' ensembles, not knitted or crocheted, of cotton, other than judo, karate and other oriental martial arts uniforms | Retain as derived rate; convert components into AVEs |
| 62042300 | Women's or girls' ensembles, not knitted or crocheted, of synthetic fibers | Retain as derived rate; convert components into AVEs |
| 62042920 | Women's or girls' ensembles, not knitted or crocheted, of artificial fibers | Retain as derived rate; convert components into AVEs |
| 62042940 | Women's or girls' ensembles, not knitted or crocheted, of textile materials nesoi | Retain as derived rate; convert components into AVEs |
| 78011000 | Refined lead, unwrought | Retain as derived rate; convert components into AVEs |
| 78019100 | Lead (o/than refined lead), containing by weight antimony as the principal other element, unwrought | Retain as derived rate; convert components into AVEs |
| 78019930 | Lead (o/than refined lead), bullion | Retain as derived rate; convert components into AVEs |
| 78019990 | Lead (o/than refined lead), unwrought nesoi | Retain as derived rate; convert components into AVEs |
| 82059000 | Sets of articles (handtools and other specified tools) of two or more subheadings of heading 8205 | Retain as derived rate; convert components into AVEs |
| 82060000 | Tools of two or more of headings 8202 to 8205 put up in sets for retail sale | Retain as derived rate; convert components into AVEs |
| 82111000 | Sets of assorted knives w/cutting blades serrated or not (including pruning knives) | Retain as derived rate; convert components into AVEs |
| 82151000 | Sets of assted. base metal spoons, forks, ladles, etc. & similar kitchen or tableware, w/at least one article plated w/prec. metal | Retain as derived rate; convert components into AVEs |
| 82152000 | Sets of assted. base metal spoons, forks, ladles, etc. & similar kitchen or tableware, w/no articles plated with precious metal | Retain as derived rate; convert components into AVEs |
| 90059040 | Parts and accessories, for binoculars, monoculars, optical telescopes, or astronomical instruments, incorp. good or 9001 or 9002 | Retain as derived rate; convert components into AVEs |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 90059080 | Parts and accessories, including mountings, for binoculars, monoculars, other optical telescopes, and other astronomical instruments, nesi | Retain as derived rate; convert components into AVEs |
| 90159000 | Parts and accessories for surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances | Retain as derived rate; convert components into AVEs |
| 90179000 | Parts and accessories for drawing, marking-out or mathematical calculating instruments, and for hand-held instruments for measuring length | Calculate using 10-digit data. |
| 90259000 | Parts & accessories of hydrometers & like floating instruments, thermometers, pyrometers, barometers, hygrometers, psychrometers & combinations | Retain as derived rate; convert components into AVEs |
| 91011140 | Wrist watches with cases of or clad with precious metal, electrically operated, with mechanical display only, with 0-1 jewel in mvmt | Calculate using 10-digit data. |
| 91011180 | Wrist watches with cases of or clad with precious metal, electrically operated, with mechanical display only, w/more than 1 jewel in mvmt | Calculate using 10-digit data. |
| 91011940 | Wrist watches with cases of or clad with precious metal, electrically operated, with both opto-electronic and mechanical displays, 0-1 jewel | Calculate using 10-digit data. |
| 91011980 | Wrist watches with cases of or clad with precious metal, electrically operated, w/both opto-electronic & mechanical displays, over 1 jewel | Calculate using 10-digit data. |
| 91012180 | Wrist watches with cases of or clad with precious metal, not electrically operated, with automatic winding, w/17 jewels or less in mvmt | Calculate using 10-digit data. |
| 91012910 | Wrist watches with cases of or clad with precious metal, not electrically operated, not automatic winding, with 0-1 jewel in mvmt | Calculate using 10-digit data. |
| 91012920 | Wrist watches with cases of or clad with precious metal, not electrically operated, not automatic winding, with 2-7 jewels in mvmt | Calculate using 10-digit data. |
| 91012930 | Wrist watches with cases of or clad with precious metal, not electrically operated, n/auto winding, 8-17 jewels, mvmt n/o $15 & n/o 15.2 mm | Calculate using 10-digit data. |
| 91012940 | Wrist watches with cases of or clad with precious metal, not electrically operated, n/auto winding, 8-17 jewels, mvmt n/o $15 & ov 15.2 mm | Calculate using 10-digit data. |
| 91012950 | Wrist watches with cases of or clad with precious metal, not electrically operated, not automatic winding, 8-17 jewels, movement over $15 | Calculate using 10-digit data. |
| 91019940 | Watches (excl. wrist watches) with cases of or clad with precious metal, not electrically operated, w/8-17 jewels in mvmt, mvmt n/o $15 ea | Calculate using 10-digit data. |
| 91021110 | Wrist watches nesoi, electrically operated, mechanical display only, 0-1 jewel, gold/silver-plated case, band of textile mat. or base metal | Calculate using 10-digit data. |
| 91021125 | Wrist watches nesoi, electrically operated, mechanical display only, 0-1 jewel, case nesoi, with band of textile material or base metal | Calculate using 10-digit data. |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 91021130 | Wrist watches nesoi, electrically operated, mechanical display only, 0-1 jewel, gold- or silver-plated case, with band of material nesoi | Calculate using 10-digit data. |
| 91021145 | Wrist watches nesoi, electrically operated, mechanical display only, 0-1 jewel, case nesoi, with band of material nesoi | Calculate using 10-digit data. |
| 91021150 | Wrist watches nesoi, electrically operated, mechanical display only, over 1 jewel, gold/silver-plated case, band of textile or base metal | Calculate using 10-digit data. |
| 91021165 | Wrist watches nesoi, electrically operated, mechanical display only, over 1 jewel, case nesoi, with band of textile material or base metal | Calculate using 10-digit data. |
| 91021170 | Wrist watches nesoi, electrically operated, mechanical display only, over 1 jewel, gold- or silver-case, with band of material nesoi | Calculate using 10-digit data. |
| 91021195 | Wrist watches nesoi, electrically operated, mechanical display only, over 1 jewel, case nesoi, with band of material nesoi | Calculate using 10-digit data. |
| 91021920 | Wrist watches nesoi, electrically operated, w/both optoelectronic & mechanical displays, 0-1 jewel, band of textile material or base metal | Calculate using 10-digit data. |
| 91021940 | Wrist watches nesoi, electrically operated, w/both optoelectronic & mechanical displays, 0-1 jewel, band of material nesoi | Calculate using 10-digit data. |
| 91021960 | Wrist watches nesoi, electrically operated, w/both optoelectronic & mechanical displays, over 1 jewel, band of textile mat. or base metal | Calculate using 10-digit data. |
| 91021980 | Wrist watches nesoi, electrically operated, w/both optoelectronic & mechanical displays, over 1 jewel, band of material nesoi | Calculate using 10-digit data. |
| 91022110 | Wrist watches nesi, automatic winding, 0-1 jewel, watch band of textile material or base metal | Calculate using 10-digit data. |
| 91022125 | Wrist watches nesi, automatic winding, 0-1 jewel, watch band not of textile material or base metal | Calculate using 10-digit data. |
| 91022130 | Wrist watches nesi, automatic winding, 2-17 jewels, watch band of textile material or base metal | Calculate using 10-digit data. |
| 91022150 | Wrist watches nesi, automatic winding, 2-17 jewels, watch band not of textile material or base metal | Calculate using 10-digit data. |
| 91022170 | Wrist watches nesi, automatic winding, over 17 jewels, watch band of textile material or base metal | Calculate using 10-digit data. |
| 91022190 | Wrist watches nesi, automatic winding, over 17 jewels, watch band not of textile material or base metal | Calculate using 10-digit data. |
| 91022904 | Wrist watches nesoi, not electrically operated, not autowind, 0-1 jewel, entered with straps/bands/bracelet of tex. mat. or base metal | Calculate using 10-digit data. |
| 91022910 | Wrist watches nesoi, not electrically operated, not automatic winding, 0-1 jewel, with strap/band/bracelet of material nesoi | Calculate using 10-digit data. |
| 91022915 | Wrist watches nesoi, not electrically operated, not automatic winding, 2-7 jewels, with strap/band of textile material or base metal | Calculate using 10-digit data. |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 91022920 | Wrist watches nesoi, not electrically operated, not automatic winding, 2-7 jewels, with strap/band/bracelet of material nesoi | Calculate using 10-digit data. |
| 91022925 | Wrist watches nesoi, not electrically operated, n/autowind, 8-17 jewels, mvmt n/o $15 & n/o 15.2 mm, band of textile material or base metal | Calculate using 10-digit data. |
| 91022930 | Wrist watches nesoi, not electrically operated, not automatic winding, 8-17 jewels, movement n/o $15 & n/o 15.2 mm, band of material nesoi | Calculate using 10-digit data. |
| 91022935 | Wrist watches nesoi, not electrically operated, n/autowinding, 8-17 jewel, mvmt n/o $15 & ov 15.2 mm, band of textile material or base metal | Calculate using 10-digit data. |
| 91022940 | Wrist watches nesoi, not electrically operated, n/autowinding, 8-17 jewel, mvmt n/o $15 & over 15.2 mm, with band of material nesoi | Calculate using 10-digit data. |
| 91022945 | Wrist watches nesoi, not electrically operated, not auto winding, 8-17 jewels, movement over $15 each, with band of textiles or base metal | Calculate using 10-digit data. |
| 91022950 | Wrist watches nesoi, not electrically operated, not auto winding, 8-17 jewels, mvmt over $15 each, with band of material nesoi | Calculate using 10-digit data. |
| 91022955 | Wrist watches nesoi, not electrically operated, not automatic winding, over 17 jewels in the mvmt, with band of textiles or base metal | Calculate using 10-digit data. |
| 91022960 | Wrist watches nesoi, not electrically operated, not automatic winding, over 17 jewels in the movement, with band of material nesoi | Calculate using 10-digit data. |
| 91029120 | Watches (excl. wrist watches) nesoi, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91029140 | Watches (excl. wrist watches) nesoi, electrically operated, with 0-1 jewel in the movement | Calculate using 10-digit data. |
| 91029180 | Watches (excl. wrist watches) nesoi, electrically operated, with over 1 jewel in the movement | Calculate using 10-digit data. |
| 91029920 | Watches (excl. wrist watches) nesoi, not electrically operated, with 0-7 jewels in the movement | Calculate using 10-digit data. |
| 91029940 | Watches (excl. wrist watches) nesoi, not electrically operated, with 8-17 jewels in movement, movement valued not over $15 each | Calculate using 10-digit data. |
| 91029960 | Watches (excl. wrist watches) nesoi, not electrically operated, with 8-17 jewels in movement, movement valued over $15 each | Calculate using 10-digit data. |
| 91029980 | Watches (excl. wrist watches) nesoi, not electrically operated, having over 17 jewels in the movement | Calculate using 10-digit data. |
| 91031020 | Clocks with watch movements, excluding clocks of heading 9104, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91031040 | Clocks with watch movements, excluding clocks of heading 9104, electrically operated, with 0-1 jewel in the movement | Calculate using 10-digit data. |
| 91031080 | Clocks with watch movements, excluding clocks of heading 9104, electrically operated, with over 1 jewel in the movement | Calculate using 10-digit data. |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 91039000 | Clocks with watch movements, excluding clocks of heading 9104, not electrically operated | Calculate using 10-digit data. |
| 91040005 | Instrument panel clocks for vehicles, air/spacecraft, vessels, clock movement over 50 mm wide, opto-electronic display only, n/o $10 each | Calculate using 10-digit data. |
| 91040010 | Instrument panel clocks for veh., air/spacecraft, vessels, clock mvmt over 50 mm wide, electric, nt optoelectronic display, n/o $10 each | Calculate using 10-digit data. |
| 91040025 | Instrument panel clocks for vehicles, air/spacecraft, vessels, w/clock movement ov 50 mm wide, opto-electronic display only, ov $10 each | Calculate using 10-digit data. |
| 91040030 | Instrument panel clocks for vehicles, air/spacecraft,vessels, w/clock mvmt ov 50 mm wide, electric, nt optoelectronic display, ov $10 each | Calculate using 10-digit data. |
| 91040045 | Instrument panel clocks for vehicles, air/spacecraft,vessels, w/watch or clock movement < 50 mm wide, opto-electronic display only | Calculate using 10-digit data. |
| 91040050 | Instrument panel clocks for vehicles, air/spacecraft, vessels, w/watch or clock movement < 50 mm wide, electric, not opto-electronic display | Calculate using 10-digit data. |
| 91040060 | Instrument panel clocks for vehicles, air/spacecraft or vessels, w/clock or watch movement < 50 mm wide, nonelectric | Calculate using 10-digit data. |
| 91051140 | Alarm clocks nesoi, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91051180 | Alarm clocks nesoi, electrically operated, other than with opto-electronic display only | Calculate using 10-digit data. |
| 91051910 | Alarm clocks nesoi, not electrically operated, movement measuring not over 50 mm, not designed to operate over 47 hrs without rewinding | Calculate using 10-digit data. |
| 91051920 | Alarm clocks nesoi, not electrically operated, movement measuring n/o 50 mm, designed to operate over 47 hrs w/o rewinding, with 0-1 jewel | Calculate using 10-digit data. |
| 91051930 | Alarm clocks nesoi, not electrically operated, movement measuring n/o 50 mm, designed to operate over 47 hrs w/o rewinding, over 1 jewel | Calculate using 10-digit data. |
| 91052140 | Wall clocks nesoi, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91052180 | Wall clocks nesoi, electrically operated, other than with opto-electronic display only | Calculate using 10-digit data. |
| 91052910 | Wall clocks nesoi, not electrically operated, mvmt measuring n/o 50 mm, not designed or constr. to operate over 47 hrs without rewinding | Calculate using 10-digit data. |
| 91052920 | Wall clocks nesoi, not electrically operated, mvmt measuring n/o 50 mm, 0-1 jewel, constructed/designed to operate over 47 hrs w/o rewinding | Calculate using 10-digit data. |
| 91052930 | Wall clocks nesoi, not electrically operated, mvmt measuring n/o 50 mm, ov 1 jewel, constructed/designed to operate ov 47 hrs w/o rewinding | Calculate using 10-digit data. |
| 91059140 | Clocks nesoi, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 91059180 | Clocks nesoi, electrically operated, other than with opto-electronic display only | Calculate using 10-digit data. |
| 91069055 | Apparatus for meas., recording or indicating time intervals, w/watch or clock mvmt., battery powered, w/opto-electronic display only | Calculate using 10-digit data. |
| 91081140 | Watch movements, complete and assembled, electrically operated, with mechanical display or device to incorporate such display, 0-1 jewel | Calculate using 10-digit data. |
| 91081180 | Watch movements, complete and assembled, electrically operated, with mechanical display or device to incorporate such display, over 1 jewel | Calculate using 10-digit data. |
| 91081200 | Watch movements, complete and assembled, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91081940 | Watch movements, complete and assembled, electrically operated, w/both optoelectronic & mechanical displays, having 0-1 jewels | Calculate using 10-digit data. |
| 91081980 | Watch movements, complete and assembled, electrically operated, w/both optoelectronic & mechanical displays, having over 1 jewel | Calculate using 10-digit data. |
| 91091110 | Alarm clock movements, complete and assembled, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91091120 | Alarm clock movements, complete and assembled, electrically operated, with display nesoi, measuring not over 50 mm in width or diameter | Calculate using 10-digit data. |
| 91091140 | Alarm clock movements, complete and assembled, electrically operated, with display nesoi, measuring over 50 mm, valued not over $5 each | Calculate using 10-digit data. |
| 91091160 | Alarm clock movements, complete and assembled, electrically operated, with display nesoi, measuring over 50 mm, valued over $5 each | Calculate using 10-digit data. |
| 91091910 | Clock movements nesoi, complete and assembled, electrically operated, with opto-electronic display only | Calculate using 10-digit data. |
| 91091920 | Clock movements nesoi, complete and assembled, electrically operated, with display nesoi, measuring not over 50 mm in width or diameter | Calculate using 10-digit data. |
| 91091940 | Clock movements nesoi, complete and assembled, electrically operated, with display nesoi, measuring over 50 mm, valued not over $5 each | Calculate using 10-digit data. |
| 91091960 | Clock movements nesoi, complete and assembled, electrically operated, with display nesoi, measuring over 50 mm, valued over $5 each | Calculate using 10-digit data. |
| 91101100 | Complete watch movements, unassembled or partly assembled (movement sets) | Retain as derived rate; convert components into AVEs |
| 91109020 | Complete clock movements, unassembled or partly assembled (movement sets) | Retain as derived rate; convert components into AVEs |
| 91109040 | Incomplete clock movements consisting of 2 or more pieces or parts fastened or joined together | Retain as derived rate; convert components into AVEs |

| HTS8 | BRIEF DESCRIPTION | Proposed AVE Method |
|---|---|---|
| 91149030 | Assemblies and subassemblies for clock movements consisting of 2 or more pieces or parts fastened or joined inseparably together | Retain as derived rate; convert components into AVEs |
| 93010030 | Rifles, military | Calculate using 10-digit data. |
| 93033040 | Rifles (o/than muzzle-loading), for sport, hunting or target-shootings, valued o/$25 but n/or $50 each | Calculate using 10-digit data. |
| 93033080 | Rifles (o/than muzzle-loading), for sport, hunting or target-shooting rifles, valued at $25 and under or o/$50 each | Calculate using 10-digit data |
| 96085000 | Sets of pens, mechanical pencils, etc. from two or more subheadings 9608.10 - 9608.40 | Retain as derived rate; convert components into AVEs |

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