issue cannot be expanded to accommodate or FTS 734-5180. 76193-0180, telephone No. (817) 624-5180.

Manufacturing Inspection Office, ASW-

OPENING DATE: September 1, 1989.

ADDRESS: Federal Aviation Administration, DFW MID–42, DFW Business Center, Suite 325, DFW International Airport, Texas 75261.

FOR FURTHER INFORMATION CONTACT: Mr. Anthony Merrill, Manager, Manufacturing Inspection Office, ASW–180, Rotorcraft Directorate, Aircraft Certification Service, Fort Worth, Texas 76193–0160, telephone No. (817) 624–5180 or FTS 734–5180.

Issued in Fort Worth, Texas.

James D. Erickson,
Acting Manager, Rotorcraft Directorate, Aircraft Certification Service

[FR Doc. 89–19688 Filed 8–22–89; 8:45 am]

BILLING CODE 4910–13–M

DEPARTMENT OF THE TREASURY

Public Information Collection Requirements Submitted to the Office of Management and Budget for Review

Date: August 17, 1989.

The Department of Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1980, Pub. L. 94–589.

Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 2224, 1500 Pennsylvania Avenue, NW., Washington, DC 20220.

Internal Revenue Service

OMB Number: New Form Number: 8818 Type of Review: New Collection Title: Record of Redemption of College Savings Bonds Issued After 1989 Description: If an individual redeems U.S. Savings Bonds issued after 1989 and pays qualified higher education expenses during the year, the interest on the bonds is excludable from income. The form can be used by the individuals to keep a record of the bonds cashed so that he or she can claim the proper interest exclusion.

Respondents: Individuals or households

Estimated Number of Respondents: 25,000

Estimated Burden Hours Per Response/Recordkeeping: Recordkeeping, 7 minutes; Learning about the law or the form, 3 minutes; Preparing the form, 5 minutes.

Frequency of Response: Other (kept by taxpayers)

Estimated Total Recordkeeping/Reporting Burden: 3,500 hours.

OMB Number: 1545–0692

Form Number: 8300

Type of Review: Revision

Title: Report of Cash Payments over $10,000 Received in a Trade or Business Description: Anyone in a trade or business who, in the course of such trade or business, receives more than $10,000 in cash or foreign currency in one or more related transactions must report it to the IRS and provide a statement to the payor. Any transactions which must be reported under Title 31 on Form 4789 is exempted from reporting the same transaction on Form 8300.

Respondents: Farms, Businesses or other for-profit, Federal agencies or employees, Small businesses or organizations

Estimated Number of Respondents: 8,300

Estimated Burden Hours Per Response/Recordkeeping: 1 minutes

Frequency of Response: On occasion

Estimated Total Recordkeeping/ Reporting Burden: 9,127 hours.

OMB Number: 1545–0656

Form Number: 5500EZ

Type of Review: Revision

Title: Annual Return of One-Participant (Owners and Their Spouses) Pension Benefit Plan

Description: Form listed in item 4 is an annual return filed by a one-participant or one-participant and spouse pension plan. The IRS uses this data to determine if the plan appears to be operating properly as required under the law or whether the plan should be audited.

Respondents: Farms, Businesses or other for-profit, Small businesses or organizations

Estimated Number of Respondents: 50,000

Estimated Burden Hours Per Response/Recordkeeping: 18,000

Estimated Burden Hours Per Response/Recordkeeping: 18 minutes

Frequency of Response: Annually

Estimated Total Recordkeeping/Reporting Burden: 3,600,000 hours
Supply to Department Circular—Public Debt Series—No. 21-89

Treasury Notes, Series T-1992
Washington, August 9, 1989.

The Secretary announced on August 8, 1989, that the interest rate on the notes designated Series T-1992, described in Department Circular—Public Debt Series—No. 21-89 dated August 3, 1989, will be 7% percent. Interest on the notes will be payable at the rate of 7% percent per annum.

Gerald Murphy,
Fiscal Assistant Secretary.

[FR Doc. 89-19779 Filed 8-22-89; 8:45 am]
BILLING CODE 4810-40-M

Supplementary Information: Background

Pursuant to section 1204 of Public Law 100-418, the Omnibus Trade and Competitiveness Act of 1988, the Harmonized Tariff Schedule of the United States (HTS) was implemented effective as to merchandise entered or withdrawn for consumption on or after January 1, 1989.

Since the implementation of the HTS, Customs has been urged to take into consideration a host of documents as background documentation in the classification of goods. These have included, not only the Explanatory Notes to the Harmonized System (HS), but such documents as reports of the Nomenclature Committee (the committee that administered the Federal Register / Vol. 54, No. 102 / Wednesday, August 23, 1989 / Notices 35127 Customs Cooperation Council Nomenclature), letters from the Secretariat of the Customs Cooperation Council (CCC) and rulings and regulations from other Customs administration. All of these matters are urged on Customs as an indication of the intent of the Harmonized System Committee (HSC) in drafting the system, or, sometimes, on the grounds that Customs has an obligation to interpret the HTS in uniformity with the interpretation of the CCC or that of other Contracting Parties to the Convention on the Commodity Description and Coding System (the Convention).

This notice explains Customs position on the various documentation that is available and gives an overall assessment of the weight that should be accorded to the various documents.

Uniformity in the interpretation of the international system, the HS, is not a function of Customs. Customs is charged with the administration and interpretation of the HS, but the tariff enacted by Congress. The function of maintaining the uniform application of the HS resides with the HSC per Article 7 of the Convention. It is fundamental that the United States did not give up sovereignty when it acceded to the Convention. There is, as such, no obligation on Contracting Parties for uniform application of the HS. There is, however, an obligation on Contracting Parties to “not modify the scope of the sections, chapters, headings or subheadings of the Harmonized System.” Consequently, Customs takes background documentation into consideration so that classification rulings do not so modify the system.

The Committees

An understanding of the documentation issued by the CCC requires some background into the various committees that dealt with the HS. The IIS was drafted by a committee known as the HSC. Unfortunately this is the same name as the committee formed under the Convention, and this has produced some confusion. Four committees have dealt with the HS: [1] The HSC which existed from 1973 to 1983; [2] the Interim HSC; [3] the HSC formed under the Convention; and [4] the Nomenclature Committee.

The drafting Harmonized System Committee: The HSC which was charged with drafting the HS met in 31 sessions from June 1973 to June 1983. Its reports are designated: Summary Record of the xx Session of the Harmonized System Committee and its Working Party.
The Interim Harmonized System Committee (IHSC): This committee met in 9 sessions, jointly with the Nomenclature Committee, from 1983 till the Convention went into force on January 1, 1986. It drafted the HS Explanatory Notes and reviewed the Compendium of Classification Opinions. Although it had no particular legal standing it did make proposals for amending the HS.

The Harmonized System Committee: The committee formed under the Convention. It is the committee currently charged with the administration of the Convention. It meets twice a year and held its first session in April 1988.

The Nomenclature Committee: The committee formed to administer the Customs Cooperation Council Nomenclature (CCCN) (first known as the Brussels Tariff Nomenclature), the nomenclature which is replaced by the HS. Because the Nomenclature Committee had agreed to amend the CCCN to conform to the HS, it reviewed the work of the HSC to see if it found it acceptable for purposes of the CCCN.

The Documents

Explanatory Notes

The status of the Explanatory Notes (ENs) to the HS is specifically addressed in the report of the Joint Committee on the Omnibus Trade and Competitiveness Act of 1988. It is there stated:

The Explanatory Notes constitute the Customs Cooperation Council’s official interpretation of the Harmonized System. They provide a commentary on the scope of each heading of the Harmonized System and are thus useful in discerning the application and interpretation of the HS.

The Explanatory Notes were drafted subsequent to the preparation of the Harmonized System nomenclature itself, and will be modified from time to time by the CCC’s Harmonized System Committee. Although generally indicative of proper interpretation of the various provisions of the Convention, the Explanatory Notes, like other similar publications of the Council, are not legally binding on contracting parties to the Convention. Thus, while they should be consulted for guidance, the Explanatory Notes should not be treated as dispositive.

This is a clear statement of the intent of Congress in adopting the HS as a basis for the U.S. Tariff. The status outlined by the Joint Committee of Congress applies only to the ENs and “similar publications of the Council.” In that connection Customs would point out that the only similar publication of the Council is the Compendium of Classification Opinions.

Among the international conventions administered by the CCC, the HS is a replacement for the former CCCN. There were ENs to the CCCN and they are sometimes cited in rulings. The CCCN ENs have no value in interpreting the HS. They are the ENs to a different system which is now virtually nonexistent since most nations have adopted the HS.

It should also be noted that the ENs are a dynamic instrument reflecting the intent of the Contracting Parties on the application and interpretation of the HS. They will be amended from time to time and may thus reflect a change in interpretation. Customs believes they should always be consulted.

Classification Opinions

The CCC publishes a Compendium of Classification Opinions. These opinions represent decisions by the HSC on the classification of various products that were presented to the HSC for consideration. When a classification question is presented to the HSC, the Committee will frequently draft an opinion to be published in the Compendium. However, this is not always the case. Sometimes the decision of the HSC is converted into an amendment to the ENs, and sometimes it is merely reported in the report of the session of the HSC when the decision was made. The decision is included in the Compendium when it is thought to be particularly instructive.

When a decision of the HSC is published in the Compendium it should receive the same weight as ENs. They constitute the official interpretation of the HS in consideration of a particular issue placed before the HSC.

There was also a Compendium of Classification Opinions under the CCCN. The IHSC reviewed that Compendium and adopted into the HS Compendium a number of the CCCN opinions. Approximately 20 percent of the CCCN opinions were carried over to the HS. The remainder were discarded, some because they were outdated, some because their substance had been incorporated into the HS ENs and some because they were thought to be erroneous under the HS. Opinions reported in the CCCN Compendium have no validity under the HS for the same reasons the CCCN ENs are not valid under the HS.

HSC Reports Prior to July 1983

The HSC prior to 1983 was tasked with drafting the HS. This required numerous decisions and these are reported in the Summary Records of the HSC sessions. The Summary Records of HSC sessions are a resource in ascertaining the intent of the Committee in the drafting of any particular text. Because the sessions were long and rather involved, the deliberations of the Committee are reported only in summary form. The Summary Records do contain reports on a number of decisions of the HSC. When such decisions are clearly reported they constitute history for the text concerned. The Summary Records are available to the public through the Department of Commerce National Technical Information Service. While these documents do not carry the weight of the ENs or the Compendium of Classification Opinions, they are frequently guides to the intention of the HSC.

Interim HSC Reports

The IHSC drafted the ENs and reviewed the CCCN Compendium of Classification Opinions. The reports of this Committee have the same relationship to those documents as do the Summary Records of the HSC to the legal texts of the HS. Since the ENs have no legal standing, these reports are not considered history for the HS. Customs considers them to be instructive in some instances.

The IHSC also considered a number of amendments to the HS. Because the IHSC had no defined standing, all of the IHSC decisions on amendments were referred to the HSC when the Convention came into force. Therefore, for some of the proposed amendments, the HS, background information can be found in the reports of the IHSC.

Report of the HSC After 1/1/88

The Convention went into force on January 1, 1986, and sessions thereafter are reported in Reports of the Harmonized System Committee. The first session was held in April 1988. Decisions of this committee are advice and guides to the interpretation of the HS. None of those decisions are binding, but Customs considers that they often provide valuable insight into how the HSC views certain provisions.

In rendering its decisions, the HSC also usually decides whether the decision merits an amendment to the ENs, the issuance of a classification opinion to be added to the Compendium, or to merely report the decision in the report of the session. If the decision results in amendment of the EN or goes into the Compendium, it, then, should receive considerable weight. As Congress made clear, however, the decision should not be treated as dispositive.
Nomenclature and Classification

Discussions in HSC sessions. They carry documents that form the basis for those documents issued by the HSC. They produce the same result in the HSC. Customs finds that there is no reason to make a difference in its voting membership.

Nomenclature Committee Reports

Customs is frequently asked to consider reports of the Nomenclature Committee. They carry virtually no weight. Decisions of the Nomenclature Committee cannot imply an intent on the HSC. They are two separate committees, differently constituted, and set up for different purposes.

Normally, the HSC received reports from the Nomenclature Committee without comment. When the HSC adopted an opinion or decision of the Nomenclature Committee it was specifically noted in the Summary Record.

When the HS was drafted it was decided to prepare an entirely new convention to implement it. It was the intention of the HSC to start anew; to have a new convention unencumbered by the many years of action by the Nomenclature Committee. Although the HS is primarily based on the CCCN, it is a new and different nomenclature with a convention that provides for substantial differences in its voting membership. Customs finds that there is no reason to believe that questions decided by the Nomenclature Committee would produce the same result in the HSC.

Working Documents

Customs calls “working documents” those documents issued by the Nomenclature and Classification Directorate of the CCC. These are the documents that form the basis for discussions in HSC sessions. They carry virtually no weight in interpreting the system. Working documents usually consist of commentary by delegations on questions before the Committee, commentary by the Secretariat on various drafts and proposals, commentary by the Secretariat on the comments made by delegations, and other material designated to frame the question the HSC is to discuss and to stimulate the discussion. Because it is preliminary material, none of it reflects the intent of the HSC.

The working documents are sometimes interesting because they contain more detailed descriptions of the goods under consideration and they sometimes contain the rationale for certain positions.

Rulings of Other Countries

The General Rules for the Interpretation of the Harmonized System, the Section and Chapter Notes and the first six digits of the Harmonized System constitute the international nomenclature. Therefore, in principle, all Contracting Parties to the Convention should give the same classification to identical merchandise through the six-digit subheading level. In this regard, classification rulings from other Customs administrations are sometimes submitted to Customs with a ruling request as evidence of how similar merchandise has been classified under the HS by that country. Customs is not bound to abide by another country’s rulings. The foreign ruling may have been subject to political realities or domestic regulations which are different from our own. The merchandise at issue in our ruling may not be identical to that in the foreign ruling. In either case, the foreign ruling is unlikely to describe fully the context in which it was issued. Therefore, at best, the foreign ruling is merely informative of how others may classify like goods.

Position Papers

Prior to each session of the HSC, Customs, the International Trade Commission and the Bureau of the Census prepare position papers to reflect the position to be taken by the U.S. delegation at the session. These documents in no way reflect the position of Customs in the interpretation of the HTS. Position papers are guides for the delegation in the context of the HSC session; they are essentially negotiating positions. They are mentioned here because some position papers have received some circulation and have been cited in support of a classification; they have no value whatever for such purposes.

Summary

Customs is charged with the interpretation of the HTS and not, as such, of the HS. Customs concern in looking at documents is to find the scope of headings and subheadings of the HTS. As indicated by Congress, Customs will give considerable weight to Explanatory Notes and the Compendium of Classification Opinions because they are the official interpretation of the HS, but they shall not be treated as dispositive.

When it is necessary to determine the intent of the HSC, Customs will look to the Reports and Summary Records of the HSC.

Other documentation may be consulted for information purposes only.

Approved: August 16, 1989.

D. Lynn Gordon,
Assistant Commissioner, Commercial Operations.

[FR Doc. 89–19763 Filed 8–22–89; 8:45 AM]

BILLING CODE 4820–02–M