

CUSTOMS CONVENTIONS RELATING TO THE ENTRY OF PROFESSIONAL EQUIPMENT, CONTAINERS, AND CAR- NETS

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Mr. LONG of Louisiana, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 18373]

The Committee on Finance, to which was referred the bill (H.R. 18373) for implementing conventions for free admission of professional equipment and containers, and for ATA, ECS, and TIR carnets, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 18373 is to implement U.S. accession to five international customs conventions. These five customs conventions to which the Senate gave its advice and consent to U.S. accession on March 1, 1967, are as follows: (1) Customs Convention on the Temporary Importation of Professional Equipment; (2) Customs Convention on the ATA Carnet for the Temporary Admission of Goods; (3) Customs Convention regarding ECS Carnets for Commercial Samples; (4) Customs Convention on Containers; and (5) Customs Convention on the International Transport of Goods Under Cover of TIR Carnets. (The initials ATA and ECS stand for the combined French and English words "Admission Temporaire—Temporary Admission," and "Enchantillons Commerciaux—Commercial Samples." The initials TIR stand for "Transport International Routier" (international road transport).)

These conventions share the purpose of simplifying and facilitating the movement of goods in international trade so as to make the carrying on of business by nationals of one contracting country easier in the territory of another. They deal generally with the facilitation of temporary entry of certain specified goods into the territory of the parties, and with expediting the customs clearance of such temporary

importations, through adoption of an international customs document known as a "carnet." Two of the conventions—the Convention on the Temporary Importation of Professional Equipment and the Convention on Containers—deal with the temporary duty-free entry of these articles. The other three conventions, which pertain to carnets, provide a system whereby payment of duties on certain goods is guaranteed by a private association such as a chamber of commerce, thereby making unnecessary the posting of bonds. If the goods are not reexported within the time period specified, the guaranteeing association is liable.

Each of these conventions is in force with respect to all of the major trading countries of Europe as well as to several other countries. Your committee is informed that these customs conventions will be of direct benefit to American business interests in the territories of other parties to the conventions.

No basic changes in U.S. legislation are required because the customs treatment provided for in each of these conventions is already largely granted by the United States or can be extended administratively by the Department of the Treasury under existing legislative authority. However, certain amendments to the tariff laws of the United States are required for full implementation of these conventions. The changes in U.S. tariff law which this bill would make are reasonable for the purpose of permitting full U.S. accession to these customs conventions.

PROVISIONS OF THE BILL

The first section of the bill would permit the duty-free entry of international customs forms (carnets) printed in English or French by adding to part 5, schedule 2, of the Tariff Schedules of the United States (TSUS), a new item (270.15). The new item would carry out the obligations of the United States in the convention dealing with ATA, ECS, and TIR carnets by permitting the duty-free entry of carnets when imported already printed for issuance by private organizations in this country to Americans seeking the customs advantages abroad accorded by the carnets.

Section 2 of H.R. 18373 would in part implement the Customs Convention on the Temporary Importation of Professional Equipment. This Convention obligates each contracting party to grant temporary admission without the payment of duty of equipment defined in the annexes to the Convention. Annex A of the Convention refers to "equipment for the press or for sound or television broadcasting"; annex B to "cinematographic equipment"; and annex C to "other professional equipment." The equipment must be such as is necessary for the exercise of the calling, trade, or profession of a person visiting a country to perform a specified task, and must be used solely by or under the personal supervision of the visiting person for that task. The equipment need not be owned by the visiting person but it must be imported by him or by an organization he represents, which organization must be established under the laws of a foreign country or have its principal place of business in a foreign country.

Item 864.50 of the TSUS presently allows temporary admission into the United States, without the payment of duty, of "professional

equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States." The present scope of the terms "professional equipment" and "tools of trade" in item 864.50 of the TSUS is at least as broad as the term "equipment" in the Convention. Moreover, in practice, conditions comparable to the aforementioned conditions which apply to "equipment" under the Convention apply to "professional equipment" and "tools of trade" under item 864.50, except that amendment of the latter is required to authorize an organization represented by the nonresident visiting the United States to make entry of the equipment. Section 2(a) of the bill, as reported, amends item 864.50 to allow the equipment to be imported by or for the nonresident, and section 2(b) provides for the temporary entry to be made either by the individual nonresident or by the foreign organization he represents. The actual entry of the equipment could thus be made by a foreign organization, to satisfy the terms of the Convention.

Under article 7 of the Convention, each contracting party is also obligated to admit temporarily without the payment of duty component parts for the repair of equipment which has been temporarily admitted. The new article description for item 864.50 in section 2(a) of the bill, as reported, would specifically provide for repair components for professional equipment and tools of trade admitted under such item.

Under article 6, paragraph 2, of the Convention, the requirement of reexportation shall be suspended while equipment is subject to seizure, except seizure made at the suit of private persons. Existing law allows suspension of the reexportation requirement during a seizure by the Bureau of Customs, but does not extend such suspension to other governmental seizures. Section 2(b) of the bill, as amended, would implement this requirement.

Present tariff item 864.50 concerns professional equipment, tools of trade, and camping equipment. Camping equipment as such is not covered by the Convention. However, since the proposed amendment to item 864.50, as it applies to camping equipment, would only allow the mechanics of entry to be performed by an organization as well as by an individual, it is not considered necessary or desirable to differentiate between camping equipment and the other articles covered by item 864.50.

In the Customs Convention on Containers, contracting parties are obligated to provide for the temporary admission, without the payment of duty, of certain containers in use in international traffic. This customs treatment is provided for in existing tariff item 808.00 in subpart C, part 1, schedule 8, of the TSUS. The Convention also calls for the temporary admission of component parts for the repair of a particular container already temporarily admitted. Section 3(a) of the bill, as reported, would provide for admitting such repair components by appropriately amending item 808.00. Section 3(b) of the bill would make a conforming amendment to headnote 1 of such subpart C with respect to such repair components.

The bill, as reported, provides that the amendments to the Tariff Schedules shall become effective when proclaimed by the President in connection with the entering into force for the United States of the customs conventions which this act would implement.

Your committee is informed that 30 business organizations, including the U.S. Chamber of Commerce and the U.S. Council of the

International Chamber of Commerce, have supported U.S. accession to these conventions. Further, your committee is unaware of any objection to the proposed changes in U.S. tariff law contained in the bill as reported by your committee.

In approving the changes in tariff law necessary to permit the United States to fully accede to these customs conventions, the Committee on Finance is limited in its jurisdiction to a consideration of the changes in tariff law required for such accession. Your committee is of the opinion that this bill is reasonable for that purpose. Accordingly, your committee recommends the enactment of H.R. 18373.

CHANGES IN EXISTING LAW

In compliance with subsection 4 or rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES SCHEDULE 2.—WOOD AND PAPER; PRINTED MATTER

Item	Articles	Rates of duty	
		1	2
	PART 5.—BOOKS, PAMPHLETS, AND OTHER PRINTED AND MANUSCRIPT MATERIAL		
270.19	Printed matter of individuals, not advertising matter, for gratuitous private circulation.	Free.....	Free.
270.15	International customs forms (<i> carnets </i>), and parts thereof, in English or French (whether or not in additional languages).	Free.....	Free.

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	2
	PART 1.—ARTICLES EXPORTED AND RETURNED		
	Subpart C.—Substantial Containers or Holders		
	<i>Subpart C headnotes:</i> 1. This subpart covers only substantial containers and holders which are of the usual or ordinary types used in the shipment or transportation of goods and which are reusable for such purposes and subject to treatment as imported articles (see general headnote 6 (a) and (b)(ii)), and also covers certain repair components.		
808.(6)	Substantial containers and holders, if products of the United States (including shooks and staves of U.S. production when returned as boxes or barrels containing merchandise), or if of foreign production and previously imported and duty (if any) thereon paid, or if of a class specified by the Secretary of the Treasury as instruments of international traffic, and repair components for a particular container of foreign production which is an instrument of international traffic.	Free.....	Free.

SCHEDULE 8.—SPECIAL CLASSIFICATION PROVISIONS

Item	Articles	Rates of duty	
		1	2
	<p>PART 5.—SAMPLES; ARTICLES ADMITTED FREE OF DUTY UNDER BOND</p> <p>• • • • •</p> <p>Subpart C.—Articles Admitted Temporarily Free of Duty Under Bond</p> <p><i>Subpart C headnotes:</i></p> <p>1. (a) The articles described in the provisions of this subpart, when not imported for sale or for sale on approval, may be admitted into the United States without the payment of duty, under bond for their exportation within 1 year from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for 1 or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years, except that (1) articles imported under item 864.75 shall be admitted under bond for their exportation within 6 months from the date of importation and such 6-months period shall not be extended, and (2) in the case of professional equipment and tools of trade admitted into the United States, under item 864.50 which have been seized (other than by seizure made at the suit of private persons), the requirement of reexportation shall be suspended for the duration of the seizure. For purposes of this headnote, and aircraft engine or propeller, or any part or accessory of either, imported under item 864.05, which is removed physically from the United States as part of an aircraft departing from the United States in international traffic shall be treated as exported.</p> <p>(b) For articles admitted into the United States under item 864.50, entry shall be made by the nonresident importing the articles or by an organization represented by the nonresident which is established under the laws of a foreign country or has its principal place of business in a foreign country.</p> <p>• • • • •</p>		
864.50	<p>• • • • •</p> <p>[Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States] Professional equipment tools of trade, repair components for equipment or tools admitted under this item, and camping equipment; all the foregoing imported by or for nonresidents sojourning temporarily in the United States and for the use of such nonresidents.</p> <p>• • • • •</p>	<p>• • • • •</p> <p>Free, under bond, as prescribed in headnote 1.</p> <p>• • • • •</p>	<p>• • • • •</p> <p>Free, under bond, as prescribed in headnote 1.</p> <p>• • • • •</p>

