The Basics of Export Compliance
Summer Webinar Series

Classifying Your Product

June 24, 2014

Today’s Trainers

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U.S. Census Bureau

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Topical Questions
Technical Assistance

Phone dial-in (for audio):
888-455-8222
Passcode: 1513016
Topic Overview

- Live Demonstration – Schedule B Search
- The Harmonized System and Schedule B
- Classification Rules and Resources

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www.census.gov/scheduleb
Do you have questions about the Schedule B Search Engine?

Type any questions in your chat window, and send to: All Panelists
Schedule B vs. Harmonized Tariff Schedule

<table>
<thead>
<tr>
<th>Schedule B No. and Headings</th>
<th>Commodity Description</th>
<th>Unit of Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>92</td>
<td>Musical Instruments; Parts and Accessories of Such Articles</td>
<td></td>
</tr>
<tr>
<td>92.01</td>
<td>- Pianos, including player pianos; harpsichords and other keyboard stringed instruments:</td>
<td></td>
</tr>
<tr>
<td>9201.10.0000</td>
<td>-- Upright pianos</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heading/Subheading</th>
<th>Article Description</th>
<th>Unit of Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>9201</td>
<td>Pianos, including player pianos; harpsichords and other keyboard stringed instruments:</td>
<td></td>
</tr>
<tr>
<td>9201.10.00</td>
<td>Upright pianos</td>
<td>4.7% Free CL, KR, P, P</td>
</tr>
<tr>
<td>05</td>
<td>Used</td>
<td>111.76 cm in height.</td>
</tr>
<tr>
<td>11</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Do you have questions about the Schedule B or the Harmonized Tariff Schedule?

Type any questions in your chat window, and send to: All Panelists
General Rule of Interpretation 1

1. The table of contents, index, and chapter titles offer guidance, but choose your **4-digit heading** based on the heading descriptions and section and/or chapter notes.

   Section I - Chapter 1
   
   Live Animals

   **Note**

   1. This chapter covers all live animals except:
      (a) Fish and crustaceans, molluscs and other aquatic invertebrates, of heading 0301, 0306, 0307 or 0308.
      (b) Cultures of micro-organisms and other products of heading 3002; and
      (c) Animals of heading 9508.

General Rule of Interpretation 2

2. Applies to unfinished or disassembled goods, and mixtures and combinations:
   
   A. Unfinished or disassembled goods are classified as the complete articles as long as they have the same essential character.

   B. Mixtures and combinations are classified based on the essential character unless the mixture is specifically referenced.
The essential character of a product is its **nature**, **purpose** or **function**.

Depending on the commodity, essential character may be determined by:

- Bulk
- Quantity
- Value
- Volume
- Weight

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**Do you have questions about Essential Character or the GRIs so far?**

Type any questions in your chat window, and send to: All Panelists
3. For goods that can be classified in two or more areas:
   A. Choose the heading with the most specific or detailed description.
   B. Choose the heading that best describes the essential character.
   C. Choose the last heading in numerical order.

<table>
<thead>
<tr>
<th>Heading</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>Wheat and meslin</td>
</tr>
<tr>
<td>1002</td>
<td>Rye</td>
</tr>
<tr>
<td>1003</td>
<td>Barley</td>
</tr>
</tbody>
</table>

4. Classify under the heading of the most similar good. (should be used infrequently)
5. Containers:

A. Specially fitted containers, such as cases for cameras or instruments, are not classified when they are shipped together with the goods.

B. Disposable packing materials and containers, such as bubble wrap and cardboard boxes, are not classified when they are used for packaging.

General Rule of Interpretation 6

6. Choose your 6-digit subheading based on the descriptions and related notes, and paying attention to indents.

0102  ✓  - Live bovine animals:
     ✓  - - Cattle:
        0102.21  --- Purebred breeding animals:
           - - - Dairy:
           0102.21.0010  ----- - Male
           0102.21.0020  ----- - Female
           - - - Other:
           0102.21.0030  ----- - Male
           0102.21.0050  ----- - Female
            0102.29.0000  ✓  - - Other
Do you have questions about the General Rules of Interpretation?

Type any questions in your chat window, and send to: All Panelists

Additional U.S. Rule of Interpretation

1. Except where specifically noted, the following rules apply:
   
   A. End use is determined by use in the U.S. immediately prior to export.
   
   B. Goods that are specifically provided for in the Schedule B must be classified as such and not as “parts”.
   
   C. Mixtures of two or more textile materials are classified first as the predominant material by weight, or last as the material covered by the last heading in numerical order.
Classification Resources

World Customs Organization (WCO)
- Explanatory Notes – http://www.wcoomd.org

Customs and Border Protection (CBP)
- Customs Rulings Online Search System (CROSS) – http://rulings.cbp.gov/

United States International Trade Commission (USITC)
- HTS Online Reference Tool – http://hts.usitc.gov/

Foreign Trade Division

Commodity Analysis Branch
- Phone: 1-800-549-0595 (Option 2)
- Fax: 301-763-4347
- Email: ftd.scheduleb@census.gov
- Website: census.gov/trade
- Blog: globalreach.blogs.census.gov
All Webinars are FREE and begin at 2pm EST

- Learn about the Export Administration Regulations – Bureau of Industry and Security
  July 8, 2014

- Complying with the International Traffic in Arms Regulations – State Department
  July 22, 2014

- Sanctions and Embargoes: What it means to you? – Office of Foreign Assets Control
  August 5, 2014

- Utilizing the Features in the Automated Export System – US Census Bureau
  August 26, 2014

For more information or to sign up: census.gov/foreign-trade/outreach

Upcoming Seminars and Workshops

- Little Rock, AR – July 9-10
- Buffalo, NY – August 20-21
- Dallas, TX – September 9-10
- Cleveland, OH – October 1-2
- New Orleans, LA – October 22-23
- San Diego, CA – November 4-5 (English)
- San Diego, CA – November 6-7 (Spanish)
- Newark, NJ December 10-11

To register, visit:
census.gov/foreign-trade/aes/meetingsandpresentations/index.html
Evaluation

Please take a few minutes to complete the evaluation form.

Look for the link in your chat window.

Last Call

Do you have any remaining questions about today’s topics?

Follow the Operator’s instructions.