Valuation for Customs Purposes

Communication from the European Economic Community Commission

Attached to document Spec(64)149, dated 29 July 1964, was a list of questions concerning valuation for customs purposes put by the delegation of the European Economic Community Commission to the United States delegation.

A revised list of questions has now been received from the delegation of the European Economic Community Commission and is attached hereto. The points where the revised questions are different from the original ones are underlined.
QUESTIONNAIRE FOR THE UNITED STATES DELEGATION

1. The "American Selling Price" (ASP) is defined differently in section 402 and in section 402(a) of the Tariff Act of 1930. In particular, this concerns the use of the terms "freely sold or, in the absence of sales, offered for sale" and "freely offered for sale" respectively. Furthermore, it appears that the expression "in the usual wholesale quantities" is interpreted differently under section 402 on the one hand and section 402(a) on the other hand.

Can the United States delegation confirm that two definitions of the American Selling Price exist, one being valid for the products designated in the tariff headnotes preceding the chapters concerned, and the other for such of those products as are referred to again in the final list?

What are the effects of this differentiation?

2. The delegation of the Commission would be obliged if the United States delegation would kindly indicate to it the de facto incidence of the customs duties for each product subject to the American Selling Price rule. It would be very desirable for such a study to be based on the most recent statistics available, i.e. those concerning the United States tariff introduced on 31 August 1963.

3. In order to have an idea of the real scope of "the final list", it would be desirable to break it down to show headings in the new tariff and indicate so far as possible the corresponding headings in the old tariff.

The delegation of the Commission would appreciate it if the United States delegation would kindly make available to it a "final list" broken down in this way.

4. In cases where the "foreign value" is taken as a basis for valuation, what interpretation is given to the term "in the usual wholesale quantities"? Is it the same as that defined under section 402, paragraph B(3)?

5. What is the essential difference between "the constructed value" provided for in section 402(d) and the "cost of production" provided for in section 402(f) and in practice how does the appraiser establish the latter cost?

6. Could the EEC delegation obtain details from the United States delegation regarding the practical consequences and the tariff incidence of the method by which the degree of concentration of certain dyes is recalculated on the basis of a standard percentage ("standard of strength")?

The EEC delegation would very much like to receive the text of the legislation and administrative provisions in this respect other than the headnotes to Schedule 4, Part 1, Sub-part C.