

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL



TRIBUNAL CANADIEN
DU COMMERCE
EXTÉRIEUR

TEXTILE REFERENCE

ANNUAL STATUS REPORT

**OCTOBER 1, 1997,
TO
SEPTEMBER 30, 1998**

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INTRODUCTION

On July 6, 1994, the Minister of Finance (the Minister) mandated the Canadian International Trade Tribunal (the Tribunal) to conduct investigations into requests from Canadian producers for tariff relief on imported textile inputs that they use in their manufacturing operations and to make recommendations which, ultimately, should maximize net economic gains for Canada. Since then, there have been three minor modifications to the terms of reference.¹

This report describes the highlights of the textile tariff relief program during the period from October 1, 1997, to September 30, 1998, followed by a more detailed description of the activities undertaken by the Tribunal. The appendices contain a general description of the tariff relief program, as well as a statistical overview of requests received, investigations completed and in progress as of September 30, 1998, and tariff relief recommendations currently in place. This report also contains a practice notice on National Customs Rulings.

HIGHLIGHTS

During the period covered by this report, the Tribunal received 18 requests for tariff relief, one more than for the comparable period in 1996-97. The number of requests has been relatively stable over the last three years, but is considerably lower than the 73 requests that were received in 1994-95, the initial year of the textile tariff relief program, when there was a considerable pent-up demand for tariff relief.

During the year, eight investigations were completed (covering nine requests), resulting in five reports to the Minister. In seven of those nine requests, the Tribunal concluded that granting tariff relief would maximize net economic gains for Canada and, consequently, recommended that tariff relief be granted for an indeterminate period.

The textile tariff relief recommendations made by the Tribunal and implemented by the government since the beginning of the program, in the fall of 1994, provided tariff relief worth approximately \$25 million in 1997-98, covering imports of textile inputs worth about \$185 million. The removal of the duties has allowed Canadian producers that use textiles to reduce costs and prices, as well as to enhance their competitiveness and levels of employment.

The Tribunal also finalized its procedures, last year, for the review of its recommendations implemented by temporary tariff relief orders. Under these new procedures, the Tribunal may choose to conduct, or dispense with, a full review, depending on the responses by parties to its notice of expiry.

Finally, to speed up the processing of new requests, the Tribunal refined its objectives and procedures to be in a position to commence an investigation within 30 days of receipt of a properly documented request.

1. On March 20, 1996, following consultations with industry officials and after having reviewed the Tribunal's first annual status report, the Minister revised the terms governing the textile reference. On July 24, 1996, the Minister further revised the terms of reference by removing certain knitting yarns from the purview of the textile reference. On November 26, 1997, the Minister modified the terms of reference to remove the possibility of company-specific relief in future requests for tariff relief, except with respect to requests for relief on textile inputs used in the manufacture of women's swimsuits, co-ordinated beachwear and co-ordinated accessories.

NEW REQUESTS

During the period covered by this report, the Tribunal received 18 requests for tariff relief, one more than for the comparable period in 1996-97.

Two thirds of the requests for tariff relief received in 1997-98 originated with producers in the apparel industry. The apparel industry has consistently been the largest user of this program since its inception in 1994, accounting for 68 percent of all requests to date, followed by the furniture and textile industries, which have each filed 6 percent of all requests to date. However, producers in the furniture and textile industries have submitted only 1 request for tariff relief during the past two years.

Not surprisingly, since the majority of the requests for tariff relief have come from the apparel sector, the majority of those requests have originated in Quebec and Ontario. These two provinces have traditionally accounted for most of Canada's apparel industry. However, while over 50 percent of all requests for tariff relief received in 1997-98 have again originated in Quebec and Ontario, about 40 percent originated in the Maritimes, a region of the country which had not previously been the source of any requests for tariff relief.

While requests for tariff relief have covered a fairly broad spectrum of the textile inputs specified in the Minister's reference, the preponderance of requests (83 percent) received during 1997-98 have been for tariff relief on fabrics, as opposed to other textile inputs. Once again, this follows the pattern which has emerged since the implementation of the program. Since the majority of firms requesting tariff relief are engaged in the manufacture of apparel, the majority of the requests for tariff relief have involved fabrics, rather than yarns or other textile inputs. During the year, one request for tariff relief on nonwovens and two requests covering sisal rope and knotted netting were also received.

The terms of reference limit the application of the textile program to certain chapters of the *Customs Tariff*.² The bulk of the requests for tariff relief, since they originate from apparel manufacturers, have focused on those chapters that relate to traditional textile inputs into apparel manufacture and have only rarely involved chapters of the *Customs Tariff* that pertain primarily to non-textile inputs. For instance, only two requests since 1994 have been for tariff relief on textile inputs contained in Chapters 39 ("Plastics and Articles Thereof"), 40 ("Rubber and Articles Thereof") and 70 ("Glass and Glassware") of the *Customs Tariff*.

The number of requests received by the Tribunal in 1997-98 fluctuated considerably on a month-to-month basis. Of the 18 requests received, almost half (8) were received in February 1998.

Appendices II to VI provide details of the requests by industry sector, geographic distribution, type of input, distribution by *Customs Tariff* chapter and monthly distribution respectively.

As of September 30, 1998, there were 10 investigations in progress (covering 13 requests) and 6 requests were awaiting commencement of investigation. Overall, during the year, 8 investigations were completed (covering 9 requests), resulting in five reports to the Minister. In 7 instances, the Tribunal concluded that granting tariff relief would maximize net economic gains for Canada and, consequently, recommended that tariff relief be granted for an indeterminate period. In 2 instances, the Tribunal concluded otherwise and, consequently, recommended that tariff relief not be granted.

Table 1 provides a summary of these activities.

2. R.S.C. 1985, c. 41 (3rd Supp.).

TABLE 1

SUMMARY OF ACTIVITIES
NEW REQUESTS

	1997-98	1996-97	1995-96	1994-95
Requests				
Received	18	17	20	73
For Which Investigations Were Completed	9	17	59	11
For Which Investigations Were in Progress at Year End	13	4	9	18
Terminated/Withdrawn	1	2	7	3
Awaiting Commencement of Investigation	6	7	4	41
Investigations¹				
Commenced	14	8	19	27
Completed	8	11	29	9
In Progress at Year End	10	4	7	18
Terminated	0	0	1	0
Recommendations to Minister				
Tariff Relief	7	15 ³	22 ²	10
No Tariff Relief	<u>2</u>	<u>3</u>	<u>38</u>	<u>1</u>
	9	18 ³	60 ²	11
Reports to Minister⁴	5	11	27	9

1. May cover more than one request.
2. The recommendation with regard to Request No. TR-94-002A, which reaffirmed a recommendation for tariff relief previously made by the Tribunal in 1994-95 in Request No. TR-94-002, is included in this total. Therefore, although 59 requests were investigated during the year, the Tribunal issued 60 recommendations to the Minister, contained in 27 reports.
3. The recommendation with regard to Request No. TR-95-056A, which was that an additional tariff item be added to Code 4402 (which implemented a Tribunal recommendation previously made in Request No. TR-95-056), is included in this total. Therefore, although 17 requests were investigated during the year, the Tribunal issued 18 recommendations to the Minister, contained in 11 reports.
4. May cover more than one investigation.

In total, in the four years of investigating requests for tariff relief, the Tribunal issued 52 reports to the Minister, covering 87 requests. The Tribunal recommended that the tariff relief requested be granted with regard to 52 of these requests.

As of September 30, 1998, Tribunal recommendations covering 47 of the foregoing 52 requests had been implemented by the Governor in Council, on the recommendation of the Minister, pursuant to paragraph 68(1)(a) of the *Customs Tariff*, and a further 4 recommendations were under consideration by the Minister. In one instance (Request No. TR-94-014), the Minister decided not to endorse the Tribunal's recommendation.

On average, and excluding one recommendation that took over a year to implement (Request No. TR-96-006), it took slightly less than four months for the Tribunal's recommendations to be implemented during the year.

A total of 17 recommendations were implemented during 1997-98, all to the benefit of the apparel industry.

The level of activity within the Tribunal regarding the investigation of requests for tariff relief was, in 1997-98, similar to the previous year, as approximately 6 percent of the Tribunal's human resources were committed to the program. However, as noted last year, the randomness of the monthly distribution of requests is still causing some problems in terms of scheduling investigations and assigning staff to investigate requests.

EFFECTS OF THE PROGRAM

By the end of September 1998, the government had added 93³ new tariff items to implement Tribunal recommendations. These tariff items covered imports worth \$186 million during 1997-98 and provided tariff relief worth approximately \$25 million.⁴ Table 2 provides a year-to-year comparison of imports benefiting from tariff relief.

	1994-95	1995-96	1996-97	1997-98
Number of Codes	4	21	44	44
Number of Tariff Items	-	-	-	93
Total Imports (\$000)	1,523	22,384	139,223	186,478
Estimated Tariff Relief (million dollars)	0.2	2.9	19	25

Source: Statistics Canada.

During 1997-98, imports benefiting from tariff relief provided by these tariff items represented 0.91 percent of all imports (\$20.4 billion) reported during the year by Statistics Canada and classified in Chapters 39, 40, 51 to 56, 58 to 60 and 70 of the *Customs Tariff*. Details on these benefits, by chapter of the *Customs Tariff*, are presented in Appendix VII.

As was the case last year, the impact of tariff relief is principally on textile inputs falling in four chapters of the *Customs Tariff*: Chapter 53, "Other Vegetable Textile Fibres; Paper Yarn and Woven Fabrics of Paper Yarn," where almost 12.0 percent of total imports benefit from tariff relief provided by the program; and Chapters 52, "Cotton," 54, "Man-made Filaments," and 55, "Man-made Staple Fibres," where these percentages are between 4.6 and 5.2 percent of all imports.

3. Up to December 31, 1997, the government implemented Tribunal recommendations by adding specific codes to the *Customs Duties Reduction or Removal Order, 1988* made by Order in Council P.C. 1987-2738 dated December 31, 1987. As of January 1, 1998, these codes have all been replaced by new tariff items, and the implementation of Tribunal recommendations is made by adding new tariff items to the *Customs Tariff*.
4. Estimates based on 1998 MFN rates and, as applicable, US tariff rates.

Recommendations for tariff relief are also implemented by the government through the issuance of remission orders. As of September 30, 1998, three remission orders were in place: P.C. 1997-1668 (Les Collections Shan Inc.); P.C. 1996-1089 (Kute-Knit Mfg. Inc.); and P.C. 1998-1118 (Alpine Joe Sportswear Ltd.). Together, these remission orders provided additional tariff relief worth approximately \$1.2 million in 1995-96, \$100,000 in 1996-97 and \$120,000 in 1997-98.

Given that the intent of the tariff relief program is to remove the burden of duties on imported textile inputs that are used in the manufacturing operations of Canadian producers, the program has clearly succeeded. Canadian producers have enhanced their competitive position in both domestic and export markets by the removal of duties worth approximately \$25 million during 1997-98, an increase of over 30 percent over 1996-97. The removal of these duties has allowed Canadian producers to reduce their production costs. In turn, these producers have been able to control cost and price levels and thereby enhance their competitiveness and levels of employment.

Indeed, the impact of this program may be considerably more significant than otherwise might be expected, since most of this tariff relief accrues to apparel manufacturers. Evidence submitted by these manufacturers since the implementation of the program indicates that this industry sector is a fiercely competitive one, where sales are made or lost virtually on the basis of pennies. That being the case, and given the high level of utilization of this program by apparel manufacturers, it has had a very positive impact on this industry sector, and increased production has undoubtedly been promoted.

NEW EXPIRY REVIEW PROCEDURES

As noted in the "Highlights" section of this report, the Tribunal has initiated new procedures governing the expiry and review of its recommendations implemented by temporary tariff relief orders. These procedures were implemented following consultations with the Tribunal's major stakeholders. Pursuant to those procedures, during the past year, the Tribunal conducted a full review of a temporary order concerning a fabric known as "Armani Gabardine." At the end of the review, the Tribunal recommended to the Minister that tariff relief on this fabric not be extended. During the year, the Tribunal also issued four notices of expiry. In two instances, the Tribunal recommended, without conducting a full review, that tariff relief be extended for an indeterminate period. In another instance, the Tribunal, without conducting a full review, recommended to the Minister that tariff relief not be extended. Finally, at year end, one order scheduled to expire was under consideration.

During the fall of 1998, the Tribunal issued a notice of expiry concerning certain ring-spun yarns (a review of Request Nos. TR-94-002 and TR-94-002A). The tariff relief provided for these yarns is scheduled to expire on June 30, 1999, unless the Tribunal issues a recommendation that tariff relief is still warranted and a tariff relief order is made by the government. No other tariff relief order is scheduled to expire during the 1998-99 period.

Table 3 provides a summary of those activities that relate to expiries and reviews.

TABLE 3

**SUMMARY OF ACTIVITIES
EXPIRIES AND REVIEWS**

	1997-98	1996-97
Notices of Expiry	4	1
Reviews		
Underway at Beginning of Year	1	0
Commenced	4	1
Completed	4	0
In Progress at Year End	1	1
Recommendations to Minister		
Continuation of Tariff Relief	2	0
Termination of Tariff Relief	2	0

NEW PRE-COMMENCEMENT PROCEDURES

During the year, the Canadian Apparel Manufacturers Institute (CAMI) expressed concerns about the period of time for the notification of a request before an investigation is commenced.⁵ The Tribunal responded to these concerns by informing CAMI that the Tribunal's objective was to commence an investigation within 30 days of receipt of a properly documented request. To be properly documented, the request must contain all the information requested in the requester's questionnaire, samples must be analyzed, the report from the Department of National Revenue (Revenue Canada) must be received, and all other information requested from the requester must be submitted. The request is then submitted to a panel of members and, if deemed to be properly documented, the investigation commences within 30 days. In addition, the Tribunal asked Revenue Canada to streamline its procedures concerning the analysis and classification of samples to shorten the period that it usually takes to perform these tasks. Revenue Canada has committed itself to conducting these tasks within a 30-day period. The Tribunal believes that these measures will speed up significantly the processing of new requests for tariff relief.

LENGTH OF INVESTIGATIONS

The length of time from the receipt of a properly documented request to the Tribunal's report to the Minister is specified in the terms of reference: the Tribunal's recommendations should be made within 120 days from the date of receipt of a properly documented request or within any earlier specified time frame, which the Tribunal determines to be appropriate, in cases of critical circumstances. In practice, the 120-day period starts with the issuance of the notice of commencement of investigation and ends with the distribution of the Tribunal's report.

In 1997-98, it took, on average, 158 days to conduct a tariff relief investigation. This average is misleading, however, because of unusual circumstances that arose in a number of investigations during the past year. For example, the requester's lateness in providing additional information resulted in one of the Tribunal's recommendations to the Minister being delayed by 99 days. A second investigation missed its

5. During the year, the average period of time before the commencement of an investigation was 147 days, up slightly from last year's average of 130 days and equal to the figure from 1995-96. It should be noted that, on four occasions, the Tribunal commenced investigations within 96 days of receipt of the requests.

deadline by 70 days because of the need for further research in the face of conflicting evidence submitted by parties very late in the investigation. Finally, four investigations that were carried out concurrently exceeded the deadline by 42 days. This additional time was consumed in assisting the parties involved to agree on a product definition that eventually removed all opposition to the granting of tariff relief. When these anomalies are excluded, it took slightly more than 120 days, on average, to carry out investigations in 1997-98.

In connection with the foregoing, it should be emphasized that the Tribunal makes every effort to have interested parties resolve their differences through mutual agreement, even at the risk of missing deadlines. The benefits of such conflict resolution are considered by the Tribunal to be in keeping with the intent of the tariff relief program and to far outweigh any rigid and inflexible adherence to time frames. Indeed, it could be argued that the Tribunal would be remiss if it did not grant whatever extra time might be required in order to allow interested parties to resolve their differences through mutual negotiation.

Exceptional circumstances will sometimes make it impossible, or less than imperative, for the Tribunal to meet its investigation deadlines. Nevertheless, in the normal course of events, the Tribunal is committed to submitting its recommendations to the Minister within the prescribed deadlines.

NATIONAL CUSTOMS RULINGS

Last year, the Tribunal reported that it had consulted with its stakeholders concerning the implementation of new procedures to allow parties, at their option, to file National Customs Rulings with their requests for tariff relief.

The procedures described in last year's report have now been formalized in a practice notice (see Appendix XI). It should be noted, however, that these procedures are optional and that a requester that wishes to send samples to the Tribunal, along with its request for tariff relief, may still do so.

TRAINING

In the previous annual status reports to the Minister, the Tribunal reported that it had been engaged in providing Tribunal members and staff with in-house training seminars, as well as in organizing visits to various textile and apparel operations. It is the Tribunal's intention to continue such seminars and visits during 1998-99.

PUBLIC HEARING

During the year, the Tribunal announced that it would hold a one-day public hearing in the course of its investigation of a request filed by Peerless Clothing Inc. (Request No. TR-97-006). However, in light of an agreement between the parties involved in the investigation to resolve their differences, the hearing was cancelled at the request of Peerless Clothing Inc.

All other investigations during the year were handled by way of written submissions.

APPENDIX I

THE PROGRAM

Under its terms of reference, the Tribunal is mandated to investigate requests from domestic producers for tariff relief on imported textile inputs for use in their manufacturing operations and to make recommendations in respect of those requests to the Minister.

Scope of the Reference

A domestic producer may apply for tariff relief on an imported textile input used, or proposed to be used, for production. The textile inputs for which tariff relief may be requested are the fibres, yarns and fabrics of Chapter 51, 52, 53, 54, 55, 56, 58, 59 or 60; certain monofilaments or strips and textile and plastic combinations of Chapter 39; rubber thread and textile and rubber combinations of Chapter 40; and products of textile glass fibres of Chapter 70 of the schedule to the *Customs Tariff*. However, since July 24, 1996, and at least until July 1, 1999, some yarns are not included in the textile reference.⁶

Types of Relief Available

The tariff relief that may be recommended by the Tribunal to the Minister ranges from the removal or reduction of tariffs on one or several, partial or complete, tariff lines, textile- and/or end-use-specific tariff provisions. In the case of requests for tariff relief on textile inputs used in the manufacture of women's swimsuits, co-ordinated beachwear and co-ordinated accessories only, the recommendation could include company-specific relief. The recommendation could be for tariff relief for either a specific or an indeterminate period of time. The Tribunal will only recommend tariff relief that is administrable on a cost-effective basis.

What Constitutes a Request

A properly documented request shall contain all the information requested in the *Textile Reference Guide* questionnaire, including, for the public record, the reasons for the request, a description of the textile input and its end use, the specific tariff relief sought, experience with sourcing domestic identical or substitutable textile inputs and anticipated benefits from the requested tariff relief. Confidential information in respect of such things as price comparisons between the imported textile input and domestic identical or substitutable textile inputs, and various production, import, export and cost data is also required, and samples of the textile input must accompany the request.

Notification of a Request

Upon receipt of a request for tariff relief, and before commencement of an investigation, the Tribunal issues a brief electronic notice. The minimum period of time for the notification of a request before an investigation is commenced is 30 days.

This notification is designed to increase transparency, identify potential deficiencies in the request, avoid unnecessary investigations, provide an opportunity for the domestic textile industry to contact the

6. Knitting yarns, solely of cotton or solely of cotton and polyester staple fibres, measuring more than 190 decitex, of Chapter 52 or subheading No. 5509.53, other than those used to make sweaters, having a horizontal self-starting finished edge and the outer surfaces of which are constructed essentially with 9 or fewer stitches per 2 centimetres (12 or fewer stitches per inch) measured in the horizontal direction.

requester and agree on a reasonable domestic source of supply, inform other users of identical or substitutable textile inputs, prepare the domestic industry to respond to subsequent investigation questionnaires and give associations advance time for planning and consultation with their members.

Investigations

When the Tribunal is satisfied that a request is properly documented, it commences an investigation. A notice of commencement of investigation is sent to the requester, all known interested parties and any appropriate government department or agency, such as Revenue Canada, the Department of Foreign Affairs and International Trade, the Department of Industry and the Department of Finance. The notice is also published in the *Canada Gazette*.

In any investigation, interested parties include domestic producers, certain associations and other persons who are entitled to be heard by the Tribunal because their rights or pecuniary interests may be affected by the Tribunal's recommendations. Interested parties are given notice of the request and can participate in the investigation. Interested parties include competitors of the requester, suppliers of goods that are identical to or substitutable for the imported textile input and downstream users of goods produced from the textile input.

To prepare a staff investigation report, the Tribunal staff gathers information through such means as plant visits and questionnaires. Information is obtained from the requester and interested parties, such as other users and potential domestic suppliers of the textile input, for the purpose of determining whether the tariff relief sought will maximize net economic gains for Canada.

In normal circumstances, a public hearing is not required, and the Tribunal disposes of the matter on the basis of the full written record, including the request, the staff investigation report and all submissions and evidence filed with the Tribunal.

The procedures developed for the conduct of the Tribunal's investigations envisage the full participation of the requester and all interested parties. A party, other than the requester, may file submissions, including evidence, in response to the properly documented request, the staff investigation report and any information provided by a government department or agency. The requester may subsequently file submissions with the Tribunal in response to the staff investigation report and any information provided by a government department or agency or other party.

Where confidential information is provided to the Tribunal, such information falls within the protection of the *Canadian International Trade Tribunal Act*.⁷ Accordingly, the Tribunal only distributes confidential information to independent counsel who are acting on behalf of a party and who have filed a declaration and undertaking to protect the confidentiality of any information received.

Recommendations to the Minister

The Tribunal normally issues its recommendations, with reasons, to the Minister within 120 days from the date of commencement of the investigation. In exceptional cases, where the Tribunal determines that critical circumstances exist, the Tribunal issues its recommendations within such earlier specified time frame as the Tribunal determines to be appropriate. The Tribunal recommends the reduction or removal of customs duties on a textile input where it will maximize net economic gains for Canada.

7. R.S.C. 1985, c. 47 (4th Supp.).

Review Process

Where the Minister has made an order for tariff relief pursuant to a recommendation by the Tribunal, certain domestic producers may make a request to the Tribunal to commence an investigation for the purpose of recommending the renewal, amendment or termination of the order. A request for amendment or termination should specify what changed circumstances justify such a request.

APPENDIX II

REQUESTS BY INDUSTRY SECTOR

	Apparel	Furniture	Textile	Other	Total
1997-98					
Number	12	1	0	5	18
Percent	67	5	0	28	100
1996-97					
Number	16	0	0	1	17
Percent	94	0	0	6	100
1995-96					
Number	9	4	2	5	20
Percent	45	20	10	25	100
1994-95					
Number	50	3	5	15	73
Percent	68	4	7	21	100

APPENDIX III

GEOGRAPHIC DISTRIBUTION OF REQUESTS

	Quebec	Ontario	British Columbia	Prairies	Maritimes	Outside Canada
1997-98						
Number	5	5	1	0	7	0
Percent	28	28	5	0	39	0
1996-97						
Number	11	6	0	0	0	0
Percent	65	35	0	0	0	0
1995-96						
Number	9	5	3	2	0	1
Percent	45	25	15	10	0	5
1994-95						
Number	28	9	30 ¹	6	0	0
Percent	39	12	41	8	0	0

1. Twenty-eight of these requests covered similar textile inputs.

APPENDIX IV

REQUESTS BY TYPE OF INPUT

	Fabric	Nonwoven	Yarn	Other	Total
1997-98					
Number	15	1	0	2	18
Percent	83	6	0	11	100
1996-97					
Number	14	2	2	0	18 ¹
Percent	78	11	11	0	100
1995-96					
Number	17	2	1	0	20
Percent	85	10	5	0	100
1994-95					
Number	66	0	5	2	73
Percent	90	0	7	3	100

1. One request covered two types of input.

APPENDIX V

REQUESTS BY *CUSTOMS TARIFF* CHAPTER

Chapter	1997-98		1996-97		1995-96	
	Number of Requests	Percent	Number of Requests	Percent	Number of Requests	Percent
39	0	0	0	0	1	4
40	0	0	0	0	0	0
51	1	4	0	0	1	4
52	2	7	3	14	0	0
53	1	4	0	0	0	0
54	4	15	8	38	5	22
55	1	4	4	19	4	17
56	4	15	2	10	2	9
58	4	15	1	4.5	2	9
59	7	25	1	4.5	2	9
60	3	11	2	10	5	22
70	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>4</u>
Total	27 ¹	100	21 ¹	100	23 ¹	100

1. Some requests cover more than one chapter.

APPENDIX VI

MONTHLY DISTRIBUTION OF REQUESTS

	<u>1997</u>			<u>1998</u>									
	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Total</u>
Number	1	0	2	0	8	1	0	0	1	2	3	0	18
Percent	5.5	0	11	0	44.5	5.5	0	0	5.5	11	17	0	100

APPENDIX VII

**PERCENTAGE OF TOTAL IMPORTS ACCOUNTED FOR BY IMPORTS
BENEFITING FROM TARIFF RELIEF FURTHER TO A TRIBUNAL RECOMMENDATION,
BY *CUSTOMS TARIFF* CHAPTER**

1997-98	
Chapter	Percent of Imports by Chapter
39	0.09
40	0.00 ¹
51	1.53
52	5.19
53	11.81
54	5.02
55	4.55
56	0.65
58	3.83
59	2.12
60	1.75
70	<u>0.11</u>
Weighted Average	<u><u>0.91</u></u>

1. Negligible imports.

Source: Statistics Canada.

APPENDIX VIII

**SUMMARY OF INVESTIGATIONS COMPLETED
BETWEEN OCTOBER 1, 1997, AND SEPTEMBER 30, 1998**

Request No.	Requester	Textile Input	Heading/ Subheading/ Tariff Item/ Classification No.	Date of Commencement of Investigation	Date of Recommendation	Status/ Recommendation
TR-96-005	Peerless Clothing Inc.	Fabric	5111.11.90 5112.11.90 5112.19.91	July 16, 1997	February 20, 1998	No tariff relief
TR-97-001	Jones Apparel Group Canada Inc.	Fabric	5407.91 5407.92 5407.93 5408.21 5408.22 5408.23 5408.31 5408.32 5408.33	August 22, 1997	December 19, 1997	Indeterminate tariff relief
TR-97-002	Universal Manufacturing Inc.	Fabric	5208.43	October 23, 1997	February 27, 1998	Indeterminate tariff relief
TR-97-003	Universal Manufacturing Inc.	Fabric	5513.41	October 23, 1997	February 27, 1998	Indeterminate tariff relief
TR-97-005	Phantom Industries Inc.	Yarn	5606.00.90.10	October 30, 1997	May 8, 1998	No tariff relief
TR-97-004	Blue Bird Dress of Toronto Ltd.	Fabric	5407.51 5407.52	February 11, 1998	July 23, 1998	Indeterminate tariff relief
TR-97-007	Blue Bird Dress of Toronto Ltd.	Fabric	5407.69	February 11, 1998	July 23, 1998	Indeterminate tariff relief
TR-97-008 and TR-97-010	Blue Bird Dress of Toronto Ltd.	Fabric	5407.61	February 11, 1998	July 23, 1998	Indeterminate tariff relief

APPENDIX IX

SUMMARY OF INVESTIGATIONS IN PROGRESS AS OF SEPTEMBER 30, 1998

Request No.	Requester	Textile Input	Subheading/Tariff Item No.	Date of Commencement/Recommencement of Investigation
TR-95-013A ¹	Doubletex	Fabric	5208.11.10 5208.11.90 5208.12.00 5208.13.00 5208.19.00 5208.21.00 5208.22.10 5208.22.90 5208.23.00 5208.29.00 5209.11.00 5209.12.00 5209.19.00 5209.21.00 5209.22.00 5209.29.00	July 17, 1998
TR-96-014 ²	Peerless Clothing Inc.	Fabric	5407.61.90 5515.12.00 5516.23.00	August 8, 1997
TR-97-006	Peerless Clothing Inc.	Fabric	5407.51.90 5903.90.29 6002.43.90	March 17, 1998
TR-97-011	Australian Outback Collection (Canada) Ltd.	Fabric	5209.31 5907.00	June 5, 1998
TR-97-014	Lenrod Industries Ltd.	Nonwoven	5603.93.90	June 3, 1998
TR-97-021	Wire Rope Industries Ltd.	Sisal Rope	5607.29.20 5607.29.90	August 5, 1998
TR-97-015 TR-97-016 and TR-97-020	Helly Hansen Canada Limited	Fabric	5903.20.29	September 4, 1998
TR-97-017 and TR-97-018	Helly Hansen Canada Limited	Fabric	5903.10.19	September 4, 1998
TR-97-019	Helly Hansen Canada Limited	Fabric	6001.10.00	September 4, 1998
TR-98-002	Distex Inc.	Fabric	6002.92	September 28, 1998

1. The investigation in Request No. TR-95-013 was recommenced on July 17, 1998, under Request No. TR-95-013A. The original investigation commenced on September 27, 1995, and was suspended in the fall of 1995 at Doubletex's request.
2. The investigation was suspended on August 20, 1998, at the request of Peerless Clothing Inc.

APPENDIX X

TARIFF RELIEF RECOMMENDATIONS IN PLACE AS OF SEPTEMBER 30, 1998

Request No.	Requester	Tariff Item(s)	Duration
TR-94-001	Canatex Industries (Division of Richelieu Knitting Inc.)	5402.41.12	Indeterminate tariff relief
TR-94-002 and TR-94-002A	Kute-Knit Mfg. Inc.	5205.14.20 5205.15.20 5205.24.20 5205.26.20 5205.27.20 5205.28.20 5205.35.20 5205.46.20 5205.47.20 5205.48.20 5206.14.10 5206.15.10 5206.24.10 5206.25.10 5509.53.10 O.I.C.	Three-year tariff relief
		P.C. 1996-1089	
TR-94-004	Woods Canada Limited	5208.52.10	Indeterminate tariff relief
TR-94-009	Équipement Saguenay (1982) Ltée	5512.99.10	Indeterminate tariff relief
TR-94-010	Palliser Furniture Ltd.	5806.20.10	Indeterminate tariff relief
TR-94-012	Peerless Clothing Inc.	5309.29.20	Indeterminate tariff relief
TR-94-013 and TR-94-016	MWG Apparel Corp.	5208.42.20 5208.43.20 5208.49.20 5513.31.10 5513.32.10 5513.33.10	Indeterminate tariff relief
TR-94-017 and TR-94-018	Elite Counter & Supplies	9943.00.00	Indeterminate tariff relief
TR-95-003	Landes Canada Inc.	5603.11.20 5603.12.20 5603.13.20 5603.14.20 5603.91.20 5603.92.20 5603.93.20 5603.94.20	Indeterminate tariff relief
TR-95-004	Lingerie Bright Sleepwear (1991) Inc.	5208.12.20 5208.52.20	Indeterminate tariff relief
TR-95-005	Lingerie Bright Sleepwear (1991) Inc.	5513.11.10 5513.41.10	Indeterminate tariff relief

Request No.	Requester	Tariff Item(s)	Duration
TR-95-009	Peerless Clothing Inc.	5408.21.10 5408.21.20 5408.22.21 5408.22.30 5408.31.20 5408.32.30	Indeterminate tariff relief
TR-95-010 and TR-95-034	Freed & Freed International Ltd. and Fen-nelli Fashions Inc.	5111.19.10 5111.19.20	Indeterminate tariff relief
TR-95-011	Louben Sportswear Inc.	5408.31.10 5408.32.20	Indeterminate tariff relief
TR-95-012	Perfect Dyeing Canada Inc.	5509.32.10	Indeterminate tariff relief
TR-95-014	Palliser Furniture Ltd.	5801.35.10	Two-year tariff relief
TR-95-036	Canadian Mill Supply Co. Ltd.	5208.21.20	Indeterminate tariff relief
TR-95-037	Paris Star Knitting Mills Inc.	5408.24.11 5408.24.91 5408.34.10 5516.14.10 5516.24.10	Indeterminate tariff relief
TR-95-051	Camp Mate Limited	5407.41.10 5407.42.10 5407.42.20 5903.20.22	Indeterminate tariff relief
TR-95-053 and TR-95-059	Majestic Industries (Canada) Ltd. and Caulfeild Apparel Group Ltd.	5802.11.10 5802.19.10 5802.19.20	Indeterminate tariff relief
TR-95-056	Sealy Canada Ltd.	3921.19.10 5407.69.10 5407.73.10 5407.94.10 5516.23.10 5903.90.21 6002.43.20	Indeterminate tariff relief
TR-95-057 and TR-95-058	Doubletex	5407.51.10 5407.61.92 5407.69.10 5515.11.10 5516.21.10 5516.91.10	Indeterminate tariff relief
TR-95-060	Triple M Fiberglass Mfg. Ltd.	7019.59.10	Indeterminate tariff relief
TR-95-061	Camp Mate Limited	6002.43.30	Indeterminate tariff relief
TR-95-064 and TR-95-065	Lady Americana Sleep Products Inc. and el ran Furniture Ltd.	6002.43.10	Indeterminate tariff relief
TR-96-003	Venture III Industries Inc.	5407.61.92	Indeterminate tariff relief
TR-96-004	Acton International Inc.	5906.99.21	Indeterminate tariff relief
TR-96-008, TR-96-010 to TR-96-013	Les Collections Shan Inc.	O.I.C. P.C. 1997-1668	Five-year tariff relief

Request No.	Requester	Tariff Item(s)	Duration
TR-97-002 and TR-97-003	Universal Manufacturing Inc.	5208.43.30 5513.41.20	Indeterminate tariff relief
TR-97-001	Jones Apparel Group Canada Inc.	5407.91.10 5407.92.20 5407.93.10 5408.21.30 5408.22.40 5408.23.20 5408.31.30 5408.32.40 5408.33.10	Indeterminate tariff relief
TR-96-006	Alpine Joe Sportswear Ltd.	O.I.C. P.C. 1998-1118	Six-year tariff relief

APPENDIX XI

December 2, 1997

PRACTICE NOTICE
ACCEPTANCE OF NATIONAL CUSTOMS RULINGS
IN THE FILING OF REQUESTS FOR TARIFF RELIEF ON IMPORTED TEXTILE INPUTS

The Canadian International Trade Tribunal (the Tribunal) currently has procedures that require that, when filing a request for tariff relief on imported textile inputs, a requester submit samples of the textile inputs. Some of these samples are then sent by the Tribunal to the Department of National Revenue (Revenue Canada) for laboratory analysis and tariff classification. The remaining samples are kept by the Tribunal for the record and possible distribution to parties. The Tribunal commences an investigation only after the samples have been analyzed by Revenue Canada and after it is satisfied that a request is properly documented.

After consulting with its stakeholders, the Tribunal has decided to allow a requester to go directly to Revenue Canada in order to apply for a National Customs Ruling (NCR) on the tariff classification of the textile inputs. The application for an NCR must be sent to Revenue Canada's headquarters and addressed to the Director, Nomenclature and Tariff Treatment Policy, Connaught Building, 6th Floor, 555 MacKenzie Avenue, Ottawa, Ontario K1A 0L5. In addition, when applying for an NCR, a requester must: (a) indicate to Revenue Canada that it plans to apply for tariff relief on the textile inputs; and (b) provide Revenue Canada with the quantities of samples and all the product information listed in questions 4 and 5 of the Requester's Questionnaire, which is found in the Tribunal's *Textile Reference Guide - October 1996*. Revenue Canada will retain custody of the samples not used for analysis for up to one year.

Once the NCR has been issued by Revenue Canada, a requester may then file a request for tariff relief with the Tribunal. The Tribunal will then write to Revenue Canada to inform it of the request and ask for: (a) a laboratory analysis of the textile inputs; (b) an opinion on the administrability of the tariff relief requested; and (c) suggested wording should tariff relief be recommended by the Tribunal. Upon receipt of the Tribunal's letter, Revenue Canada will send forthwith to the Tribunal the samples that are covered by the NCR. All remaining information will be submitted by Revenue Canada to the Tribunal within 10 working days.

This new procedure is optional, and a requester that wishes to send samples to the Tribunal, along with its request for tariff relief, may still do so.

The Tribunal's practice of announcing the receipt of a request for tariff relief on its Web site at least 30 days before the commencement of an investigation remains unchanged.