identify how the existing transportation system is performing, identify problems, and analyze implications of alternative national transportation policies. As initial activities, the Department expects to have some capability to undertake problem identification, define issues, and conduct tradeoff analysis within a year. The next steps will be to relate the transportation system to broader goals and other considerations such as economic activity, population trends, mobility issues and environmental measures, and to tie forecasting capability to transportation resource management and investment. This will begin to provide a framework for undertaking prospective policy and program tradeoff analysis. While intermediate products will begin to be available within the year, this work will require a significant investment and several years to complete.

3. State of the Transportation System Report: A report will be completed early in 1996 that would summarize outreach findings and apply initial research, performance measurement, and system analytical capability to describe the functioning of the transportation system now and policy implications for the future. It will include a vision for the Nation's future transportation system, a discussion of the performance and evaluation process, a description of the condition of the national transportation system and its relationship to the national economy, and an analysis of the national transportation network.

In developing these three products, the Department will continue its consultation with representatives of the public and private sectors to assure that the NTS is customer driven.

# **Public Outreach and Comment**

In its initial presentation of the NTS concept in the June 23, 1994, Federal **Register**, the Department expressed its commitment to an incremental and evolving evaluation and goal-setting process for national transportation. It continues to be the Department's intent that the products resulting from this process will incorporate—and be improved by—input from the public and private sectors. Throughout the development of the NTS, the Department will continue to consult with state and local officials, at relevant meetings and conferences, and draw upon the products resulting from the metropolitan and statewide planning processes and management systems required by ISTEA.

To ensure that the NTS products are relevant to public and private sector transportation decision makers and users, the Department would find advice and input on its revised course of action for the NTS useful.

Issued this 6th day of June, 1995, in Washington, DC.

#### Michael P. Huerta,

Associate Deputy Secretary and Director, Office of Intermodalism.

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#### DEPARTMENT OF THE TREASURY

## **Customs Service**

## Tariff Classification of Water Resistant Garments With Non-Water Resistant Hoods

**AGENCY:** U.S. Customs Service, Department of the Treasury.

**ACTION:** Withdrawal of proposed change of practice.

**SUMMARY:** Pursuant to the Customs Regulations, on December 5, 1994, Customs published notice in the **Federal Register** advising the public that Customs proposed a change of practice in regard to the classification of certain imported merchandise consisting of water resistant jackets with non-water resistant hoods, under the Harmonized Tariff Schedule of the United States (HTSUS). In response to that notice Customs received comments which were unanimous in opposition to the proposed change in practice. This document advises the public that Customs, after analyzing those comments, has decided not to change the practice in regard to these garments. **EFFECTIVE DATE:** Withdrawal effective June 13, 1995.

FOR FURTHER INFORMATION CALL: Josephine Baiamonte, Commercial Rulings Division, U.S. Customs Service, (202) 482–7050.

## SUPPLEMENTARY INFORMATION:

## **Background**

Classification of merchandise under the Harmonized Tariff Schedule of the United States is in accordance with the General Rules of Interpretation (GRI 1). GRI 1 provides that classification shall be determined according to the terms of the headings and any relative section or chapter notes.

Heading 6201, HTSUS, provides for, among other things, men's or boys' anoraks (including ski-jackets), windbreakers and similar articles (including padded, sleeveless jackets). In Additional U.S. Note 2 to chapter 62, HTSUS, wherein the term "water resistant" is defined, it states that the "water resistant" requirement refers to

the garment. Based on a review of that U.S. Note, Customs was of the opinion that Additional U.S. Note 2 had not been applied to its proper effect. Customs believed that the language of that Note did not suggest that only a portion of a garment be made water resistant in order for the entire garment to be classifiable as water resistant. Thus, the test as written, was interpreted to apply to the complete garment.

Accordingly, on December 5, 1994, Customs published a document in the **Federal Register** (59 FR 62452) proposing a change of practice pursuant to § 177.10(c)(1) of the Customs Regulations (19 CFR 177.10(c)(1)). Customs proposed that if the permanently attached hood of a water resistant garment is not similarly coated, the garment is precluded from classification as a water resistant garment.

#### **Discussion of Comments**

All of the comments received were in opposition to the change of practice. Consistently, the argument was made that the essential function of the water resistant garment is to provide protection from inclement weather, regardless of the presence of a hood. Furthermore, it was stated that Additional U.S. Note 2 is silent as to the "coverage issue", i.e., the portion of the garment which must be coated to render it properly classified as a water resistant garment, and that any restriction in that language was based solely on Customs interpretation.

### **Conclusion**

Water resistant garments are specifically provided for in Chapter 62, HTSUS. Customs has consistently held that when the outer shell of a garment is coated, this has been sufficient to impart to the garment, per se, a water resistant classification. In addition to water resistance, many garments have characteristic features which distinguish them from other water resistant garments. For example, some may have rib knit cuffs and collars, and other decorative trim which are not water resistant. In other cases, as is the case with the garments at issue here, the garments feature hoods which may or may not be permanently attached to the garment, or may be "tuck away" hoods which fold into the collar. In most cases these hoods are not coated.

Regardless of these additional features, the garment itself remains water resistant. Thus, a water resistant garment with no hood is no less water resistant than a garment with a hood, particularly when one considers that