CD-ROM, entitled International Harmonized System Commodity Classification by Country by Customs District. The Department analyzed the total volume of imported sheep, sheep meat, wool, and wool products subject to the assessment by identifying the HTS classification numbers and corresponding conversion factors.

The Department identified over 700 HTS classification numbers during a review of the import library published by the Department's Economic Research Service (ERS). The Department has determined that of the approximately 700 HTS classification numbers, slightly more than 600 are considered active or potentially subject to assessment. These numbers are continually updated, deleted, or expanded, thereby eliminating existing HTS categories or creating new ones. Based on the projected revenue for imported sheep and sheep products, of the nearly 600 active HTS classification numbers for sheep and sheep products, the Department has identified 340 HTS classification numbers that would account for over 99 percent of the total projected import revenues. Accordingly, the Department proposes to limit the collection of assessments to this lower number, thereby exempting a significant number of low volume HTS categories.

Limiting the number of imported sheep and sheep products that would be subject to assessments would reduce the administrative cost and burden on Customs and importers, and would reduce administrative costs to the Board, while allowing the Board to collect the vast majority of potential import assessments.

Some of the sheep and sheep products identified by the 340 HTS classification numbers may be permitted to enter into the United States duty-free pursuant to applicable rules and regulations issued by Customs and as a result, Customs would not collect an assessment on those products. However, if an otherwise duty-free imported sheep or sheep product were to be assessed, an importer would be entitled to reimbursement if the importer provides to the Board proper documentation that the product was exempt from import duties under Customs regulations and that an assessment had been paid.

Because import assessments are based on a live-weight equivalent for imported sheep meat and degreased wool, or its equivalent for wool and wool products, the Department proposes to use conversion factors developed and published by ERS to convert imported sheep products to the required live-weight equivalents, degreased wool, or degreased wool equivalents to

determine the amount of assessment due on each HTS category upon importation. These conversion factors are available for the 700 HTS classification numbers and are updated and maintained as an import library. For sheep meat, these conversion factors take into account removal of bone, weight lost in processing or cooking, and the nonsheep components of the sheep products. For wool and products containing wool fibers, these conversion factors take into account fiber loss during processing, fabric trim loss, and cutting loss for wool, and other nonsheep components of wool and wool products. The Department proposes to use these conversion factors for calculating the assessment because calculating carcass equivalents and wool content for each individual product before entry would be both costly and impractical.

The factors for calculating the assessment on imported sheep, sheep meat, wool, and products containing wool fiber include the (1) HTS classification number, (2) conversion factor, (3) assessment rate as established under the Act, and (4) dressing percentage. Based on a 9 year average—1980–89—the average dressing percentage for sheep in the United States is 50.2 percent as published by ERS in the 1992 edition of Conversion Factors, Weights and Measures of Agricultural Commodities and Their Products.

Imported live sheep require no conversion because each animal will be assessed based on its live weight.

Examples of calculating the assessment on sheep, sheep meat, wool, and products containing wool fibers are as follows:

Example I

To calculate the assessment for live sheep, an importer would multiply the total weight of imported live sheep by 1-cent-per-pound. The following example illustrates a typical calculation for imported live sheep: HTS 0104100000, Live sheep:

Examples II and III

To calculate the assessment for imported sheep meat, an importer would (1) Multiply the total weight of imported sheep meat by the conversion to determine the total carcass weight equivalent, then (2) divide the total carcass weight equivalent by 50.2 percent to calculate the live animal

equivalent, and (3) multiply the live animal equivalent by 1-cent-pound. The following examples illustrate two typical sheep meat calculations:

1. Sheep Meat (Bone-in): HTS 0204100000, Car- casses and half car- casses of lamb, fresh or chilled:	
Net Weight Conversion factor	1,000 lbs. ×1.00
Carcass weight equiva- lent.	=1,000 lbs.
Average dressing percent.	÷50.2%.
Live weight equivalent Assessment rate	=1992.03 lbs. ×\$0.01/lb.
Assessment	\$19.92
Net Weight Conversion factor	1,000 lbs. ×1.52
Carcass weight equiva- lent	=1,520 lbs.
Average dressing percent.	÷50.2%
Live weight equivalent Assessment rate	=3,027.89 lbs. ×\$0.01/lb.
Assessment	\$30.28

Example IV

To calculate the assessment for imported wool and wool products, an importer would (1) Multiply the total weight of wool or wool products imported under each HTS number by the corresponding conversion factor, and (2) multiply the raw clean wool content by the assessment rate. The following example illustrates a typical calculation:

HTS 6201110010, Mens or boys overcoats of wool or fine animal hair:	
Net Weight Conversion factor Clean wool content Assessment rate	2,000 lbs. ×0.9774rn,s =1,954.8 lbs. ×\$0.02/lb.
Assessment	\$39.10

A table in the regulation would list the applicable HTS classification numbers representing imported sheep, sheep meat, wool, and products containing wool fibers subject to assessment, the corresponding conversion factors and the assessment rate per pound and per kilogram for each product, except in the case of raw wool which is exempt from assessment.