DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 10, 12, 102 and 134

[T.D. 96–48]

RIN 1515–AB34

Rules for Determining the Country of Origin of a Good for Purposes of Annex 311 of the North American Free Trade Agreement

AGENCY: Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document adopts as a final rule, with some modifications, interim amendments to the Customs Regulations which established the rules for determining when the country of origin of a good is one of the parties to the North American Free Trade Agreement (NAFTA) as required by Annex 311 of the NAFTA. These final NAFTA Marking Rules apply only to all goods imported from Canada or Mexico other than textile and apparel products, and do not apply to trade with other countries.

EFFECTIVE DATE: August 5, 1996. These regulations shall apply to goods entered, or withdrawn from warehouse, for consumption on or after August 5, 1996.

FOR FURTHER INFORMATION CONTACT: Sandra L. Gethers, Office of Regulations and Rulings (202–482–6980).

SUPPLEMENTARY INFORMATION:

Background

On January 3, 1994 Customs published two documents in the Federal Register. One of these documents, T.D. 94–4 (59 FR 110), set forth as interim regulations, effective January 1, 1994, rules for determining the country of origin of goods for purposes of Annex 311 of the North American Free Trade Agreement (NAFTA). The other document (59 FR 141) proposed (1) to apply the same rules (set forth at 59 FR 110) to determine the country of origin of merchandise in all cases under the Customs and related laws and the navigation laws of the United States and (2) to amend various provisons within parts 4, 10, 12, 134 and 177 of the Customs Regulations (19 CFR parts 4, 10, 12, 134 and 177) to ensure that these rules would control wherever language requiring a country of origin determination appears in those other regulatory provisions; this notice of proposed rulemaking represented a refinement and replacement of an earlier proposal published in the Federal Register on September 25, 1991 (56 FR 48448). Both documents provided for a 90-day public comment period, subsequently extended to July 5, 1994, by notices published in the Federal Register on March 10, 1994 (59 FR 11225) and March 11, 1994 (59 FR 11547). On February 3, 1994, a notice was published in the Federal Register (59 FR 5082) setting forth corrections to the interim regulations contained in T.D. 94–4.

The rules set forth in T.D. 94–4 were made effective January 1, 1994, for trade with Canada and Mexico in order to fulfill the United States obligation under paragraph 1 of NAFTA Annex 311 which provides that the parties to the NAFTA shall establish, by January 1, 1994, rules (referred to as ''Marking Rules'') for determining whether a good is a good of a party (that is, whether the country of origin of a good is either the United States, Canada or Mexico) for purposes of the following NAFTA Annexes: (1) Annex 311 (Country of Origin Marking); (2) Annex 300–B (Textile and Apparel Goods); and (3) Annex 302.2 (Tariff Elimination). T.D. 94–4 set forth these interim ''Marking Rules'' as a new part 102 of the Customs Regulations (19 CFR Part 102), entitled ''Rules of Origin'', and also set forth consequential conforming interim amendments to existing sections within parts 12 and 134 of the Customs Regulations (19 CFR parts 12 and 134).

Interim part 102 consists of §§ 102.0–102.20 and, following § 102.0 (Scope), is divided into two subparts. Subpart A is entitled ''General'' and consists of § 102.1 (Definitions), and Subpart B is entitled ''Rules of Origin'' and consists of §§ 102.11 through 102.20. Section 102.11 sets forth the general rules for determining the country of origin of a good and consists of paragraphs (a) through (d) which are applied in a hierarchical and sequential manner. Thus, reference must be had first to paragraph (a) which provides that the country of origin of a good is: under subparagraph (1), the country in which the good is wholly obtained or produced; under subparagraph (2), the country in which the good is produced exclusively from domestic materials; or, under subparagraph (3), the country in which each foreign material incorporated in the good undergoes an applicable change in tariff classification set out in § 102.20 and/or satisfies any other applicable requirements contained in that section or elsewhere in part 102. If the country of origin cannot be determined under paragraph (a) because the good does not meet the terms of subparagraph (1), (2) or (3), then resort must be had to paragraph (b) and, if that fails, then to paragraph (c) and, if that fails, finally to paragraph (d). Sections 102.12–102.19 set forth additional rules that serve to interpret, clarify, limit or otherwise control the application of the general rules contained in § 102.11 as well as the specific rules contained in § 102.20. Section 102.20 contains the specific change in tariff classification rules and/or related requirements referred to in the country of origin rule set forth in § 102.11(a)(3); the rules in § 102.20 are set forth for each Harmonized Tariff Schedule of the United States (HTSUS) chapter, and the applicable rule is determined by the HTSUS tariff classification that is applicable to the finished good at the time the country of origin determination is being made.

In view of the fact that the January 3, 1994, notice of proposed rulemaking presented the same regulatory scheme as the rules contained in T.D. 94–4, each document referred to the other and stated that public comments submitted in response to either document would be considered in connection with the review of both documents. The notice of proposed rulemaking further indicated that the background section and interim Part 102 regulatory texts set forth in T.D. 94–4 were applicable to it. Thus, it was intended that the two documents be read together so that, following public notice and comment procedures, one final rule document could be derived from the interim and proposed rule documents, consistent with the overall goal of promulgating uniform rules of origin for Customs and related purposes.

Based on a review of the comments received in response to the interim and proposed rule documents published in the Federal Register on January 3, 1994, and as a result of independent review of the interim and proposed texts within Customs, it was determined that some clarification and further explanation of the intent behind the proposed uniform rule concept should be provided and that some changes should be made to the interim and proposed texts and that those changes should be the subject of public notice and comment procedures before proceeding to the final rule stage in this matter; the interim texts as published in T.D. 94–4 (and as subsequently corrected) would remain in effect pending completion of such final rule action. In addition, Customs determined that public comments should be solicited regarding the appropriate use of a delayed effective date for any final rule resulting from the interim and proposed rules and from any additional proposed changes to those interim and proposed rules.

Accordingly, on May 5, 1995, Customs published in the Federal Register (60 FR 22312) a document that (1) provided supplemental background information regarding the proposed uniform rule concept, (2) set forth proposals to amend the interim regulatory texts contained in T.D. 94–4 published at 59 FR 110 and corrected at 59 FR 5082, (3) republished (and thus replaced) all of the proposed regulatory amendments published at 59 FR 141 on January 3, 1994, with certain changes thereto, and (4) also invited public comments on the appropriate effective date for a final rule on this matter. The May 5, 1995, document stated that it was the intention of Customs to address in that document only those comments submitted in response to the January 3, 1994, notices that involved substantive changes to the interim or proposed texts requiring further public comment procedures; other such previously submitted comments would be addressed in an appropriate final rule or other document to be published at a later date. Comments would be accepted and considered in response to that document only in regard to (1) the proposed changes to the interim regulatory texts as discussed and set forth therein, (2) all other proposed regulatory amendments as discussed and set forth therein which represented a substantive change to the proposals published on January 3, 1994, and (3) the final rule delayed effective date issue. Therefore, comments which concerned other issues involved in the January 3, 1994, documents, or which did not otherwise relate to the new proposals set forth in the May 5, 1995, document, would not be accepted and considered by Customs. The May 5, 1995, document also stated that, for purposes of that document, the background sections of the January 3, 1994, interim and proposed rule documents were applicable except where otherwise required by a change set forth in that document. The May 5, 1995, document provided for a 45-day public comment period which was subsequently extended to July 19, 1995, by a notice published in the Federal Register on June 5, 1995 (60 FR 29520).

After publication of the May 5, 1995, notice of proposed rulemaking, additional issues came to the attention of Customs that warranted publication of further proposed changes to the interim regulatory texts published in T.D. 94–4, with opportunity for public comment thereon. Accordingly, on July 12, 1995, Customs published in the Federal Register (60 FR 35878) a notice of proposed rulemaking setting forth additional proposed changes to the tariff shift and other requirements of interim § 102.20. Final action on the additional proposals set forth in that document also would be reflected in the single final rule document intended, as stated in the May 5, 1995, document, to cover both the T.D. 94–4 interim regulations and the subsequently published proposed regulatory amendments. Since that July 12, 1995, document set forth proposals that were in addition to the proposed changes to the T.D. 94–4 interim regulations contained in the May 5, 1995, proposed rule document, the background section of that May 5, 1995, document was stated to be applicable for purposes of the July 12, 1995, document except where otherwise required by a change set forth in the latter document. Comments submitted in response to the July 12, 1995, document would be accepted and considered only to the extent that they address specific proposals set forth in that document; comments submitted in regard to matters raised in the May 5, 1995, proposed rule document that were not related to a specific proposal contained in the July 12, 1995, document would remain subject to the public comment period specified in the earlier document. The public comment period specified in the July 12, 1995, document closed on August 28, 1995, and a correction document involving the Background discussion in that document was published in the Federal Register on July 31, 1995 (60 FR 38982).

Deferral of Decision to Extend Section 102 to All Trade

Customs has decided that the proposal to extend Section 102 to all trade, as reflected in the May 5, 1995, notice of proposed rulemaking, should not be adopted as a final rule at this time but rather should remain under consideration for implementation at a later date. Accordingly, this final rule document concerns only the interim NAFTA Marking Rules (as amended by T.D. 95–69 discussed above) and related interim texts published on January 3, 1994, and those proposed regulatory amendments published on May 5 and July 12, 1995, that relate only to those interim texts, with certain changes thereto as discussed elsewhere in this document. Thus, this document does not include those May 5, 1995, proposed regulatory changes under the uniform rule concept involving part 10 (§§ 10.12, 10.14, 10.171, 10.176, 10.191 and 10.195), part 12 (§ 12.130), part 102 (§ 102.0), part 134 (§§ 134.1 and 134.35) and part 177 (§ 177.22). Consequently, those submitted public comments that addressed the proposed regulatory changes that would apply a uniform method of determining origin to all trade, including the delayed effective date issue, are not discussed in this document but rather will be dealt with, as appropriate, in a future Federal Register document once a final decision is taken on whether to apply a uniform method of determining origin to all trade.

Rules of Origin for Textile and Apparel Products

On September 5, 1995, Customs published in the Federal Register (60 FR 46188) T.D. 95–69 which set forth final amendments to the Customs Regulations to implement the provisions of section 334(b) of the Uruguay Round Agreements Act (''the Act''), Public Law 103–465, 108 Stat. 4809, regarding the country of origin of textile and apparel products. Those final regulations will apply to goods entered, or withdrawn from warehouse, for consumption on or after July 1, 1996, and, except for the purpose of identifying products of Israel and except as otherwise provided for by statute, will govern the determination of the country of origin of imported textile and apparel products for purposes of all laws enforced by Customs. The regulatory provisions in T.D. 95–69 that implement the basic origin principles of section 334(b) of the Act are contained in a new § 102.21 of the Customs Regulations (19 CFR 102.21), and, in order to reflect the broad applicability and precedence of the statutory origin principles as implemented by those § 102.21 rules, T.D. 95–69 also included consequential cross-reference amendments to §§ 12.130, 102.0 and 102.11 of the Customs Regulations (19 CFR 12.130, 102.0 and 102.11).

New § 102.21 was modeled on the approach taken in the interim Part 102 texts as published in T.D. 94–4 and thus incorporates a general statement of applicability (paragraph (a)), various definitions (paragraph (b)), general origin rules (paragraphs (c) and (d)), and specific tariff shift and/or other requirements (paragraph (e)) that apply under the second general rule. Of particular note for purposes of the present document is the definition of ''textile or apparel product'' in § 102.21(b)(5) which delineates the class of goods covered by the § 102.21 rules. That definition identifies those goods with reference to classification in the HTSUS and refers to Chapters 50 through 63 (that is, all of Section XI) of the HTSUS as well as to specific headings and 6-, 8- or 10-digit subheadings of the HTSUS that fall outside Section XI. Thus, if a good is classifiable in an HTSUS provision

listed in § 102.21(b)(5), precedence must be given to the § 102.21 rules over any other regulatory origin provision with regard to that good, including any origin rules contained elsewhere in part 102. The consequential amendments to §§ 12.130, 102.0 and 102.11 mentioned above were intended to reflect this precedence principle.

In view of the precedence that must be given to the § 102.21 origin rules which were adopted as a final rule after the completion of separate public notice and comment procedures, it is clear that, for purposes of the present document, all earlier public comments as regards any goods now covered by § 102.21 relating to textile and apparel products (that is, those submitted in response to the interim and proposed rule documents discussed above) have been rendered moot and thus are no longer relevant. Accordingly, this document contains no substantive discussion of any such comments insofar as they involve § 102.21 goods.

Since the § 102.21 origin rules will also apply for the purposes cited elsewhere in part 102 (that is, in § 102.0), Customs believes that all appearances of possible conflict between the two sets of rules should be avoided. In keeping with the precedence to be given to the § 102.21 rules, the most appropriate means for accomplishing this is (1) to remove, or otherwise exclude, from the table under § 102.20 all those HTSUS references, together with their related tariff shift and/or other requirements, that are included in the § 102.21(b)(5) definition of ''textile or apparel product'' and (2) in order to ensure continuity of regulatory standards, to provide that the regulations set forth in this final rule document will take effect on July 1, 1996, when the § 102.21 provisions become operative (see § 102.21(a)). Accordingly, the following changes have been made to the § 102.20 table as set forth below to reflect these considerations:

1. The listing for subheading 3005.90 has been removed.

2. A new Chapter 39 Note has been added to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheadings 3921.12.15, 3921.13.15, and 3921.90.2550.

3. Since the new Chapter 42 Note as proposed in the May 5, 1995, document would be superseded by the § 102.21 provisions, this proposed Note has been modified to simply provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheadings 4202.12.40–80, 4202.22.40–80, 4202.32.40–95, 4202.92.15–30, and 4202.92.60–90.

4. The Section XI provisions have been removed.

5. The Chapter 64 Note has been modified by adding a sentence at the end to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheadings 6405.20.60, 6406.10.77, 6406.10.90, and 6406.99.15.

6. Since the new Chapter 65 Note as proposed in the May 5, 1995, document would be superseded by the § 102.21 provisions, this proposed Note has been omitted.

7. The listing for headings 6501–6502 has been removed.

8. The listing for headings 6503–6506 has been replaced by the following: (1) A listing for subheading 6505.10 (hair-nets), which specifies a change to that subheading from any other subheading; and (2) a listing for heading 6506, which follows the interim tariff shift rules for headings 6503–6506 but with one consequential editorial change in the first rule.

9. The listing for heading 6601 has been removed.

10. A new Chapter 70 Note has been added to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheadings 7019.19.15 and 7019.19.28 (subheadings 7019.10.15 and 7019.10.28 in the interim texts—see the 1996 HTSUS conforming changes discussion below).

11. The listing for subheading 7019.20 has been removed.

12. The listing for subheadings 8708.10–8708–29 has been replaced by separate listings for subheading 8708.10 and for subheading 8708.29, with the tariff shift rule in each case following the interim rule.

13. The listing for headings 8804–8805 has been replaced by a listing for heading 8805, with consequential editorial changes to the interim tariff shift rule to reflect that only one heading is involved.

14. A new Chapter 91 Note has been added to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheading 9113.90.40.

15. The new Chapter 94 Note proposed in the May 5, 1995, document has been modified by adding a sentence at the end to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheadings 9404.90.10 and 9404.90.80–95.

16. The listing for subheading 9502.91 has been removed.

17. A new Chapter 96 Note has been added to provide that origin shall be determined under the provisions of § 102.21 in the case of goods classified in subheading 9612.10.9010.

In addition, for the above reasons and based on the considerations reflected in the below comment discussion regarding § 102.19(a), references to ''§ 102.21'' have been added to the texts of §§ 102.13, 102.15 and 102.17 as set forth below.

Changes to Conform to 1996 HTSUS

A number of conforming changes have been made to the table under § 102.20 as set forth in this document, principally to the tariff shift rules therein, to reflect changes included in the 1996 version of the HTSUS as a result of amendments made to the international Harmonized System. Those HTSUS changes involve primarily the product coverage and/or numbering of some headings and subheadings, and the conforming changes reflected in the § 102.20 texts in this document are not intended to have any other substantive effect. The specific § 102.20 conforming changes incorporated in this document are reflected in the text of Note 1 to Section VI and in the following heading and subheading listings: 0405.10, 0405.20, 0405.90, 0406, 0901.90, 1520, 1521–1522, 1903, 1904.10, 1904.20, 1904.90, 1905, 2106.90, 2207, 2208.20–2208.70, 2208.90, 2836.99, 2841.61–2841.69, 2848, 2849.10–2849.90, 2903.11–2903.30, 2903.41–2903.49, 2903.51–2904.90, 2905.11–2905.19, 2905.45, 2914.31–2914.39, 2914.40–2914.70, 2932.11–2932.99, 3206.11–3206.19, 3206.20–3209.90, 3214.10–3214.90, 3302, 3304.10–3306.10, 3306.20, 3306.90–3307.90, 3402.11, 3402.12–3402.20, 3502.11–3502.19, 3502.20–3502.90, 3823.11–3823.13, 3823.19, 3823.70, 3824.10, 3824.20, 3824.30, 3824.40, 3824.50, 3824.60, 3824.71–3824.90, 4823.60–4823.70, 4823.90, 7019.11–7019.19, 7019.40–7019.59, 7116, 7507.11–7508.90, 7616.10–7616.99, 7907, 8005, 8406.10, 8406.81–8406.82, 8456.10–8456.99, 8469.11–8469.12, 8469.20–8469.30, 8470.10–8471.50, 8471.60–8472.90, 8475.10, 8475.21–8475.29, 8476.21–8476.89, 8506.10, 8506.30, 8506.40, 8506.50–8506.80, 8510.10–8510.30, 8517.11–8517.80, 8519.10–8519.40, 8519.92–8519.93, 8519.99, 8520.10–8520.20, 8520.32, 8520.33, 8520.39–8520.90, 8521.10 8521.90, 8525.30–8525.40, 8527.12–8527.13, 8527.19–8527.90, 8528.12–8528.30, 8539.10–8539.31, 8539.32–8539.39, 8539.41–8539.49, 8540.11–8540.20, 8540.40–8540.60, 8540.71–8540.99, 8543.11–8543.19,

8543.20–8543.30, 8543.40–8543.89, 9007.11–9007.19, 9007.20, 9010.10, 9010.41–9010.50, 9010.60, 9018.11, 9018.12–9018.14, 9018.19, 9022.12–9022.14, 9022.19–9022.90, 9030.10–9030.40, 9030.82–9030.83, 9030.89–9030.90, 9031.10–9031.30, 9031.41–9031.49, 9031.80, and 9614.20. In order to accurately reflect the public comments and the context in which they were submitted, the comment discussion set forth below refers to the interim § 102.20 texts and published proposed changes thereto and thus does not reflect these conforming changes.

Discussion of Comments

A total of 183 commenters responded to the solicitation of comments in the interim and proposed rule documents referred to above. The comments submitted, except those relating to textile and apparel products and those relating to the uniform origin rule concept, and the Customs responses thereto are set forth below.

Removal of §§ 10.22, 102.14 and 134.43(e)—U.S. Goods Returned

Comments: Section 10.22, Customs Regulations (19 CFR 10.22), provides that assembled articles eligible for subheading 9802.00.80, HTSUS, treatment are considered products of the country of assembly for purposes of country of origin marking. Section 102.14 of the interim regulations provides that U.S. goods advanced in value or improved in condition abroad are considered to be products of the country where the U.S. goods were advanced in value or improved in condition, and § 134.43(e) of the interim regulations provides for special methods of marking goods the origin of which is determined under § 102.14 of the interim regulations. Five comments opposed the removal of these sections, and five comments favored their removal.

The commenters opposing the removal assert that since the foreign assembly of U.S. components does not necessarily result in a substantial transformation or tariff shift, resulting in a change in origin of a good, §§ 10.22 and 134.43(e) provide a means to identify U.S. components in goods assembled abroad. Additionally, in situations where assembled goods consist largely or entirely of U.S.-made components and there is a change in origin, it is claimed that the use of ''Assembled in'' will be eliminated, and ''Made in'' or ''Product of'' is not only inaccurate, but does not serve the purpose ''to inform the ultimate purchaser of the country of origin''. Furthermore, it is stated that U.S. Note 2(a), Subchapter II, Chapter 98, HTSUS, still provides that any product of the U.S. advanced in value or improved in condition, or assembled abroad will be considered a foreign article upon its return to the U.S.

The commenters who favor the removal of §§ 10.22, 102.14 and 134.43(e) assert that U.S. products should not have to be marked upon return to the U.S., unless they are substantially transformed. Requiring U.S. goods to be marked restricts U.S. companies to the term ''Assembled in'' when all the components being assembled are of U.S. origin, and it is suggested that this does not advise the ultimate purchaser as to the real origin of the imported merchandise.

All of the comments, favorable and unfavorable, urged the continued use of ''Assembled in'' when an eligible subheading 9802.00.80, HTSUS, assembly operation constitutes a substantial transformation conferring origin pursuant to § 102.20 of the interim regulations. The commenters also urged the general usage of the legend ''Assembled in'' as a valid country of origin marking when an assembled good is a product of the country indicated.

One commenter also suggested that if § 10.22 is removed without further amending part 134 to authorize the use of ''Assembled in'' for subheading 9802.00.80 merchandise, there will be ambiguity as to whether ''Assembled in'' is a permissible country of origin marking under the Customs Regulations, inasmuch as rulings approving the use of ''Assembled in'' are still in effect. Furthermore, if § 10.22 is removed, it was suggested that Part 134 be amended to confirm that in all cases, information respecting assembly of an imported product may be noted within an origin statement.

Customs Response: Customs' proposal to remove § 10.22 was originally discussed in the May 5, 1995, notice of proposed rulemaking in the context of the uniform rules proposal. However, as demonstrated by the above comments, the proposed removal of § 10.22 is directly related to the proposed removal of §§ 102.14 and 134.43(e) of the interim regulations. For this reason, Customs is responding collectively to comments regarding the proposed removal of §§ 10.22, 102.14 and 134.43(e).

Customs agrees that 19 U.S.C. 1304 does not preclude the use of ''Assembled in'' or require the use of ''Made in'' or ''Product of'' in a country of origin statement. However, outside the context of articles eligible for subheading 9802.00.80, HTSUS, treatment (*i.e.*, when § 10.22 is applicable), Customs in the past has by rulings determined that the phrase ''Assembled in'' is not an acceptable country of origin statement. Reference was made by a commenter to C.S.D. 79–244 as support that Customs approves of the marking ''Assembled in''. However, that determination involved calculators assembled in Hong Kong with U.S. and/or foreign components. Consequently, it appears that the calculators imported into the United States were eligible for entry under item 807.00, Tariff Schedules of the United States (TSUS) (now subheading 9802.00.80, HTSUS). It is clear that there has been confusion as to the use of ''Assembled in'' when articles eligible for subheading 9802.00.80, HTSUS, treatment contain foreign components as demonstrated by the series of inconsistent rulings subsequent to the determination made in HQ 731507. Consequently, instead of modifying all of the inconsistent rulings concerning the use of ''Assembled in'', and since articles eligible for subheading 9802.00.80, HTSUS, treatment may not undergo a substantial transformation or tariff shift in the country of assembly, it is Customs' opinion that § 10.22 as well as § 102.14 of the interim regulations should be removed so that the country of origin of articles assembled or advanced in value abroad is determined in the same manner as any other good imported into the United States.

All of the comments mention the purpose of 19 U.S.C. 1304, which is to inform the ultimate purchaser of the country of origin. Some of the comments assert that § 10.22 provides the ultimate purchaser with information regarding the country of assembly and the origin of the components used, while other comments suggest that the country of assembly may not necessarily be the true country of origin. It is Customs' opinion that an ultimate purchaser most likely will not be aware that an article imported with the marking ''Assembled in'' is eligible for subheading 9802.00.80, HTSUS, treatment. While U.S. Note 2(a), Subchapter II, Chapter 98, HTSUS, does provide that any product of the United States advanced in value or improved in condition, or assembled abroad, will be considered a foreign article upon its return to the United States, Customs has reconsidered the position that this Note applies for general country of origin purposes. Therefore, once § 10.22 and § 102.14 of the interim regulations are removed, all rulings based on those regulations may no longer be relied upon. Accordingly, goods of U.S. origin which are assembled abroad or

otherwise advanced in value or improved in condition abroad, but which do not undergo a change in origin as a result of these operations, will not be required to have any country of origin marking pursuant to 19 U.S.C. 1304 when they are imported into the United States.

However, since all of the comments favor the use of ''Assembled in'', Customs has reconsidered the proposal to remove all regulations allowing the use of this phrase. Therefore, § 134.43(e) will be retained but in modified form, as set forth below, so as to be limited to assembled goods when the origin of such goods is the country of final assembly.

Section 102.1(g)—Definition of Wholly Obtained or Produced

Comment: A commenter suggests adoption of the Kyoto Convention Rules of Origin definition of ''wholly obtained goods'' in order to eliminate doubts as to when a good is considered to be wholly the growth, product or manufacture of one country.

Customs response: The definition of ''wholly obtained or produced'' contained in § 102.1(g), which is incorporated by reference in § 102.11(a)(1), is substantively identical to the definition set forth in Annex D.1 to the Kyoto Convention, with the single exception that the Part 102 definition also includes goods taken from outer space, provided that they are obtained by that country or a person of that country. Therefore, Customs agrees with this commenter that the definition of wholly obtained or produced goods, which is patterned after Kyoto Convention Annex D.1, provides more predictability in determining when goods are wholly the growth product or manufacture of a single country.

Section 102.1(m)—Definition of Minor Processing

Comment: One comment was received regarding this section. This commenter expressed concern regarding subparagraph (5), which includes ''[u]nloading, reloading, or any other operation necessary to maintain the good in good condition.'' The commenter stated that this language appears overly broad and could be misinterpreted to apply to industrial operations necessary to preserve a good, but which also alter the essential character of the good. Therefore, this commenter suggests that this provision be amended to read as follows: ''Unloading, reloading, or any other insubstantial operation that does not add significant value to the good and is performed solely to preserve or maintain the good in good condition for shipment.''

Customs Response: Customs disagrees. The underlying premise of this comment is that the definitions of § 102.1, unlike most regulatory ''definitions'', can operate independently of other regulatory provisions. This, however, is not the case here. The definition of ''minor processing'' only can operate in the context of other rules set forth in part 102, particularly those provisions setting forth a criterion for determining origin. The definition of ''minor processing'' does not operate as a general disqualifer to the origin criteria of other provisions, such as the way in which the ''non-qualifying operations'' set forth in § 102.17 are generally applicable to all determinations under the specific tariff rules of § 102.20. When the definition of ''minor processing'' is applicable, it normally is expressed as part of a ''negative'' origin criterion, meaning that it is used to illustrate when a change of origin does not occur. Therefore, if the other operations suggested by the commenter also are performed, the good will not be deemed to have been produced ''only'' as a result of ''minor processing'', and thus a change of origin could still be possible under the rules.

Section 102.1(p)—Definition of Substantial Transformation

Comment: One commenter submits that as a result of the proposed elimination of the definition, the question of what constitutes a ''substantial transformation'' now can be determined only on the basis of the specific § 102.20 rule. The commenter also suggests that in the absence of a general definition of ''substantial transformation'', there will be a lack of certainty which is not only needed for Customs origin determinations, but also for other purposes such as origin determinations relating to ''industrial property rights''.

Customs Response: Customs disagrees. First, it is the position of Customs that the principle of substantial transformation is reflected and codified not only in the § 102.20 rules but also in the entire hierarchy of § 102.11. In fact, § 102.20 is only applicable through its incorporation in § 102.11(a)(3). The definition of ''substantial transformation'' was set forth in interim § 102.1(p) only because of the references made to that term in interim § 102.16 and in certain specific interim rules contained in § 102.20. Customs, however, stated in the May 5, 1995, notice of proposed rulemaking that § 102.16 (in its entirety) and the references to ''substantial transformation'' contained in certain § 102.20 specific rules were being proposed for removal because experience in administering the interim regulations had demonstrated that the application of the hierarchy contained in § 102.11 will yield a result that codifies the substantial transformation principle set forth in interim § 102.1(p). If origin is not determined under § 102.11(a)(3) [the section in which the § 102.20 rules are incorporated by reference], the question of whether or not there has been a substantial transformation is not yet answered; the next step in the hierarchy must be considered. As a result of the application of the hierarchy, a specific determination of origin of a good can be made. If, in the final analysis, the origin of the good under the hierarchy is different from the origin of its materials, then there will have been a substantial transformation of those materials.

Therefore, contrary to the underlying premise of this comment, it is specifically because of the need for more certainty in origin determinations that Customs is expressing the substantial transformation principle through the step-by-step operation of the § 102.11 hierarchy. Customs' proposed removal of those provisions, which merely incorporate the abstract definition of ''substantial transformation'' without expressing when the criteria have been met, is consistent with and promotes the overall objective of certainty.

Section 102.11(c)—General Rules

Comments: Two commenters state that § 102.11(c), as applied to mixtures and composite goods, is contrary to 19 U.S.C. 1304 and to judicial precedents promulgated thereunder. These commenters expressed concern that pursuant to § 102.11(c), when no single material, foreign or domestic, imparts the essential character, the mixture will have the origins of the significant materials or ingredients used to produce that mixture, as opposed to considering the mixture itself as a new and different article of commerce.

These commenters also suggest that Customs include an ''escape clause'' to appropriately deal with these and other unforeseeable instances when processing in a country under existing precedent constitutes a substantial transformation, but is not treated as such under the new rules. In this regard, the commenter suggests that when processing is deemed insufficient under § 102.11(a)(3) or § 102.11(b) to confer origin in the country where the processing takes place, this should

create a presumption that no substantial transformation occurs. However, this presumption could be rebutted by factual evidence establishing that the processing causes a change in name, character or use.

Customs Response: Customs disagrees. Section 102.11 sets forth the hierarchical rules for determining the country of origin of goods other than textile and apparel products which are covered by § 102.21. If the country of origin of a good is not determined under § 102.11(a) or (b), § 102.11(c) of the hierarchy must be considered. Thus, by the time § 102.11(c) of the hierarchy is reached, it already has been determined: (1) That the processing performed with respect to foreign materials contained in the good was insufficient to meet the specific tariff rule under § 102.20; and (2) for mixtures and composite goods, that there is no single material that imparts the essential character to such goods.

Consequently, when this provision is applicable, the country of origin of such sets, mixtures, or composite goods is the country or countries of origin of those materials or components meriting equal consideration for determining the essential character of the good. A material or component need not be determined to actually impart the essential character to a good in order to merit equal consideration (*i.e.*, be considered a consequential material or component) for such purpose of making the essential character determination for classification or origin purposes.

Section 102.11(c) is not a departure from Customs practice under the country of origin marking statute. Indeed, it follows and is specifically intended to codify Treasury Decision (T.D.) 91–7, dated January 8, 1991, in which Customs considered, *inter alia*, the country of origin marking requirements of GRI 3, HTSUS, sets, mixtures and composite goods. In this decision, Customs stated that, notwithstanding that these goods may be classified pursuant to GRI 3(b) on the basis of the material or component that imparts the essential character to the good, ''if the materials or components are not substantially transformed as a result of their inclusion in a set or mixed or composite goods * * * each item must be individually marked to indicate its own country of origin.'' Contrary to the suggestions by the commenters, the practice established in T.D. 91–7 has not been limited to ''sets'', but also has been applied to mixtures and composite goods. *See* HQ 735085 dated June 4, 1993.

With regard to the suggestion by one of the commenters that the Part 102 rules contain an escape clause, it is the opinion of Customs that such a clause would negate the primary benefit of these rules: Codification of the substantial transformation principle as interpreted by Customs and the courts, while providing predictability, transparency and objectivity in origin determinations.

Sections 102.12 and 102.11(b)(2)—Fungible Goods and Materials

Comment: One comment was received regarding § 102.12 which provides for the country of origin determination of commingled fungible goods to be made by either direct physical identification or, if that is impractical, by the use of one of the inventory management methods provided under the Appendix to Part 181 of the Customs Regulations (which implements the preferential tariff treatment provisions of the NAFTA). While this commenter endorsed the need for an alternative method to physical identification, the commenter stated that the use of an inventory management method to determine origin of these goods is not workable. As an alternative, the commenter suggests that Customs expand and codify the ''major supplier'' marking policy that exists for country of origin marking of fruit juice products made from juice concentrate of various countries.

Customs Response: First, it should be clarified that the ''major supplier marking'' policy is not an origin rule, but rather is a manner of marking policy that is applicable to certain goods after the determination of origin is made. In contrast, § 102.12, like all of the rules of part 102, will be used to determine the origin of the good at issue. It is only after reaching the origin determination that Customs can address the issue of the appropriate manner of marking the good for purposes of 19 U.S.C. 1304. Both the ''major-supplier'' rule, which applies to manner of marking, and the inventory management option, which is used to determine origin, co-exist. If, under the inventory management method, a single origin is determined, there is no need to use a ''major-supplier'' approach to mark the good in question.

In T.D. 89–66, dated April 7, 1989, which was cited by this commenter, Customs addressed only the issue of the number of countries representing sources of the foreign juice concentrate that had to be physically identified on the retail juice products. The question of origin regarding the juice products already had been settled as a result of the Court of International Trade decision in *National Juice Products Assn.* v. *United States*, 628 F.Supp. 978 (CIT 1986).

Therefore, Customs reserves the right to address the manner of marking issue relating to commingled goods and materials on a case-by-case basis similar to the way the issue was addressed for the juice concentrate products. Customs believes, however, that §§ 102.11(b)(2) and 102.12 provide a practical solution to the problems that gave rise to the major supplier country of origin marking policy. These provisions allow for practical and logistical problems to be resolved at the time the origin determination is being made for fungible goods and materials. Contrary to the commenter's suggestion, the specific inventory management methods set forth in the appendix to part 181 of the Customs Regulations are not so circumscribed to the NAFTA preference rules that they cannot be employed for other origin determination purposes. The examples provided in that Appendix clearly illustrate how accounting methods can be used to assign origin to inputs and outputs. Therefore, Customs believes that inventory management methods allow for adaptable recordkeeping that provides another option to determine origin.

Section 102.13—De Minimis

Comments: Two commenters expressed concern that the de minimis rule set forth in § 102.13 is not applicable to certain agriculture products. These commenters note that if a ''major supplier'' marking rule is adopted, it can include a de minimis amount of 7 percent.

Customs Response: These commenters also confuse ''manner of marking'' issues with ''determination of origin'' issues. Section 102.13 is only applicable in conjunction with the specific tariff rules of § 102.20. Due to the nature of these products and because of health and food safety concerns, Customs has exercised its discretion not to allow a de minimis standard to apply in determining the origin of most agricultural products. This policy, which is incorporated into § 102.13, is consistent with Customs' past practice with regard to country of origin determinations of agricultural products. Therefore, Customs will retain the rule in § 102.13 as it currently exists.

Removal of § 102.16—Goods and Its Parts; Parts of Parts

Comments: Two commenters express concern that, by the elimination of § 102.16, Customs is adopting an ''essential character'' standard in its origin hierarchy for all goods (except for

''sets'') for which country of origin is not determined pursuant to § 102.11(a). Another commenter submits that by eliminating § 102.16, Customs ignores the situation in which imported goods classified as an ''unfinished article'' under GRI 2(a) may be subject to extensive and significant manufacturing processes that change the name, character, or use of the article and add enormous value to the finished product. This commenter suggests adopting the NAFTA preference rules which in some cases include a value added criterion for determining ''originating'' status.

In opposing the removal of § 102.16, these commenters also expressed concern that the hierarchy set forth in § 102.11 does not codify the principle of substantial transformation for goods classified pursuant to GRI 2(a) and the court's decision in *United States* v. *Gibson-Thomsen Co., Inc.*, 27 CCPA 267, C.A.D. 98 (1940); on the other hand, one of the commenters suggests that origin would not necessarily be determined under § 102.11(b) (on the basis of essential character) if several equally important parts are assembled. Another commenter sought specific clarification in connection with the removal of § 102.16 as to whether the country of origin of a single component which has not undergone the applicable change in tariff classification will always be found to impart the ''essential character'' to the product.

Customs Response: It is apparent that these commenters have assumed that interim § 102.16 had a much broader application than it actually did. First, § 102.16, by its very terms, only applied to goods which were assembled from parts that were classified along with the good in the same undivided heading or in the same subheading. Second, even when § 102.16 was applicable, the country of origin of the good would not always be determined under § 102.16. If pursuant to this section Customs concluded (as has happened in some instances) that there was no substantial transformation of the parts, then resort must be had to the next step in the hierarchy under § 102.11, that is, paragraph (b) (or paragraph (c) if the good is a ''set''). In other words, § 102.16 was only applicable within the context of § 102.11(a)(3) and the specific tariff rules of § 102.20. It did not have a life of its own.

Customs also does not agree with the other underlying premise of these comments, *i.e.*, that Customs is creating the ''essential character'' standard. As Customs thought had been made clear in the **SUPPLEMENTARY INFORMATION** portion of the May 5, 1995, notice, whether or not there is a change in the essential character of an article is the principle factor considered by the courts in determining whether there has been a substantial transformation. In *United States* v. *Gibson-Thomsen Co., supra*, the court found that the marking statute was not intended by the Congress to have application to an imported article further processed in the United States so that it became a ''new article having a new name, character *and* use'' (emphasis added).

Although the courts with customs jurisdiction in more recent cases, and Customs in its rulings, have often characterized the standard as ''new name, character *or* use'', the courts and Customs have actually required a change in the name, character *and* use of an imported article for a finding of substantial transformation into a new and different article of commerce. In addition, the courts have actually given much less significance in recent cases to the ''name'' and ''use'' of an article but have emphasized the significance of a change in its ''character'' in making substantial transformation decisions. *See, e.g.*: *National Juice Products Assn.* v. *United States, supra*; *Uniroyal, Inc.* v. *United States*, 542 F.Supp. 1026 (CIT 1982); and *National Hand Tool Corp.* v. *United States*, 16 CIT 308, *aff'd* 989 F.2d 1201 (Fed. Cir. 1993). Therefore, consistent with the courts' interpretation of the substantial transformation standard over recent years, Customs has administered the standard as originally enunciated by the *Gibson-Thomsen Co.* decision as requiring a change in the name, character *and* use of the article and has placed more emphasis on a change in the character of the article than on any change in its name or use. With regard to one of the commenter's suggestions of using the NAFTA preference rules incorporating a value-content requirement, Customs notes that even the Court of International Trade has stated that ''there is no reason to find 'substantial transformation' on the basis of value added in the United States.'' *National Hand Tool Corp.* v. *United States, supra.*

As previously noted, the § 102.11 hierarchy does not stop at the failure of the foreign materials to meet the specific tariff rule of § 102.20. Therefore, one commenter correctly observed that in the case involving multiple parts that are classified in the same undivided heading or same subheading as the finished good (*e.g.*, multiple forgings for a single hand tool), it is possible to conclude that no single one of those parts imparts the essential character to the finished tool. (For purposes of this determination under § 102.11(b), materials which are classified at the subheading level specified in the rule under a general descriptive provision (*e.g.* a ''parts'' provision) will be considered, when distinct in style or type, as separate materials, while materials which are classified at the specified subheading level under a provision which reflects a more specific description (e.g. ''fresh cut flowers'' under subheading 0603.10) will be considered collectively as a ''single material''.) If the good is not classified as a ''set'', ''mixture'' or ''composite good'', § 102.11(c) would not be applicable and in such instance § 102.11(d) would be applicable. If the production of the good from the parts involved more than ''simple assembly'' or ''minor processing'', then it is possible to conclude pursuant to § 102.11(d)(3), that the country of origin of the good is the last country in which the good underwent production.

In response to the question of whether, if there is only one component in a good which is classified in a provision from which a change in tariff classification is not allowed under the § 102.20 rule, that one component always will determine the country of origin, the answer is yes for the following reason. The specific tariff (tariff shift in most cases) rules were developed with the specific view of not allowing a change in tariff classification from materials that can impart the essential character to the good. In those instances in which the tariff shift rule excludes a particular tariff provision, Customs has determined that the processing required to shift from that tariff provision to the provision for the good is not, in itself, sufficient to result in a change in the essential character of the materials classified in the provision from which a change is not allowed. Therefore, unless the good is classified as a set, if a good is made from a single material that is classified in a tariff provision from which a change is not allowed, the single material will be found under § 102.11(b) to impart the essential character to the good, and the country of origin of that material will be the country of origin of the good under Part 102.

As an example of the foregoing, a forging for a flat wrench is imported into the United States. The shape of the flat wrench is defined by the forging such that the two teeth of the open end of the wrench are in place with just a thin web of metal which must be removed, and the closed end of the wrench (a circle) also has a thin piece of metal inside which must be removed, and then heat treated, belt polished, vibrated, acid cleaned, and chrome

plated. If the flat wrench forging is the only material that does not meet the tariff shift rule under § 102.20 as a result of being classified in a provision from which a change is not allowed (the forging is usually classified in the same provision as the finished wrench), this is the single material that imparts the essential character to the finished flat wrench, and the country of origin of this material is the country of origin of the finished flat wrench. In order to clarify this issue, § 102.18(b) has been modified as set forth below to make it clear that if there is only one component or material that is classified in a provision from which a change in tariff classification is not allowed under the § 102.20 rule, that material will constitute the single material that imparts the essential character to the good for purposes of determining country of origin under § 102.11(b).

Section 102.18(a)—Rules of Interpretation

Comments: One commenter states that since § 102.18(a) only applies to rules which contain an exception relating to GRI 2(a) of the HTSUS, two questions remain unanswered. First, how will the origin differ when an unassembled article is shipped with all of its parts in one shipment, therefore invoking GRI 2(a), versus shipping parts separately and thereby not triggering the application of GRI 2(a)? Second, does the assembly of the article under either of the above scenarios determine the country of origin of the assembled article? If the answer to the second question is yes, the commenter questions whether this applies only when the rule for the article does not contain a GRI 2(a) exception.

Another commenter presents an example of semi-knocked-down (''SKD'') bicycles (classified under heading 8712), which are complete bicycles, individually boxed and ready for sale to the ultimate purchaser which, however, are not fully assembled (the seat, seat post, front wheel [consisting of a hub, spokes, nipples, rim, tire, inner tube and rim strip], pedals, handlebars and handlebar stem are not assembled to the bike, but are simply placed separately in the shipping carton in order to reduce the size of the carton thereby reducing freight costs). The SKD bicycles are classifiable as complete bicycles under GRI 2(a), and the commenter seeks confirmation that as a result of the applicability of § 102.18(a) and the proposed new text of § 102.17(e), the assembly or collection of the bicycles will not result in a tariff shift.

Customs Response: The first commenter correctly notes that § 102.18(a) is applicable only when there is reference to GRI 2(a) in a specific tariff rule under § 102.20, which, in turn, only applies in the context of determining origin under § 102.11(a)(3). Section 102.18(a) operates just like the definitions in § 102.1: It cannot be invoked unless specifically referenced in a rule. Thus, the question of whether or not the assembly of an unassembled good confers origin cannot be answered in the abstract. This determination will depend upon the application of the hierarchical rules of § 102.11 to the specific goods and parts in question. Customs also agrees with the conclusions of the second commenter, but probably for slightly different reasons. The response below to the example presented by the second commenter illustrates how the GRI 2(a) exception operates in the § 102.20 rules.

The § 102.20 specific tariff shift rule for bicycles, which are classified in heading 8712, HTSUS, is as follows:

8711–8713

A change to heading 8711 through 8713 from any other heading, including another heading within that group, except from heading 8714 when that change is pursuant to General Rule of Interpretation 2(a).

If the production of an SKD bicycle in Country A entails the use of a subassembly imported from Country B that is classifiable under heading 8714, HTSUS, § 102.18(a) is applicable and the tariff shift from the subassembly (classifiable under heading 8714) to the SKD bicycle (classifiable under 8712 pursuant to GRI 2(a)) will not be allowed.

Also, pursuant to the proposed new text of § 102.17(e), a tariff shift would not be allowed for collections of bicycle parts or incomplete bicycle ''subassemblies'' which as collected are classifiable in the same manner as the complete bicycle, pursuant to GRI 2(a). However, neither § 102.17(e) nor § 102.18(a) will be the reason that the final assembly of the SKD bicycle into the fully assembled bicycle does not result in a tariff shift. In this instance, the tariff shift does not occur simply because the unassembled SKD bicycle and the fully assembled bicycle are classified in the same tariff provision.

Section 102.19—NAFTA Preference Override

1. Section 102.19(a)

Comments: One commenter believes that the application of this provision can result in more than one NAFTA country of origin. Another commenter states that § 102.19(a) should be applicable to goods the origin of which is determined under § 102.21.

Customs Response: Customs disagrees with the comment that this provision can result in more than one country of origin. In § 102.19(a), the word ''single'' before the words ''NAFTA country'' expressly makes clear that it is impossible for originating goods that meet the criteria of this provision to have multiple countries of origin. Customs has not been presented with a scenario in which two parts of a good were produced at the exact same time in two NAFTA countries, which would be the only circumstances in which there can be *two last* NAFTA countries ''in which the good underwent production other than minor processing''. Moreover, § 102.11(c) will never be applicable to goods that meet the criteria of § 102.19(a), since this provision is triggered whenever a single country of origin is not determined after applying both § 102.11(a) and § 102.11(b).

Customs, however, agrees that § 102.21 should be included within the scope of § 102.19(a). Paragraph (c) of § 102.21 (''general rules'') already incorporates by reference all of the additional requirements and conditions of §§ 102.12 through 102.19. Nevertheless, in order to make this point even clearer, § 102.19(a) as set forth below has been modified to expressly refer to § 102.21 so that if a good, which otherwise meets the requirements of § 102.19, is not determined under § 102.21 to have a single NAFTA country, the country of origin of such a good will be determined under § 102.19.

2. Section 102.19(b)

Comments: Two commenters requested clarification that this provision does not apply for marking purposes but rather applies solely for customs duty purposes.

Customs Response: Customs agrees that this provision does not apply for country of origin marking. As stated in the **SUPPLEMENTARY INFORMATION** portion of the May 5, 1995, notice of proposed rulemaking, the term ''Customs duty purposes'' in § 102.19(b) is intended to include merchandise processing fees. This term, however, does not include country of origin marking. Customs believes, however, that the fact that the provision clearly states it is applicable for ''Customs duty purposes'' makes it clear that the use of this provision for any other purpose, such as for country of origin marking, would be improper.

Therefore, Customs believes that there is no need to amend the provision.

Headings 0202, 0210 and 1602 (Meats)

Comments: One comment concerned the fact that the specific tariff rules for these goods do not allow some operations, such as the grinding or blending of imported beef with U.S. beef to produce hamburger meat or patties, to constitute an acceptable change in tariff classification. This commenter also believes that the USDA has the specific statutory jurisdiction over the marking of meat and poultry products whether imported or domestic, pursuant to the Federal Meat Inspection Act, 21 U.S.C. 601.

Customs Response: Customs disagrees. Although Customs has not issued a specific ruling regarding this issue, it is Customs' position that the grinding or blending of foreign raw beef with U.S. beef does not constitute a substantial transformation. In other cases concerning food, Customs has not recognized merely blending or chopping food, without cooking or other preparation, to constitute a substantial transformation. In this regard, it should be noted that consistent with its application of the substantial transformation principle, the tariff shift rules for prepared meat (heading 1601) allow a change from any other chapter, which will include the frozen, salted, and dried meats of Chapter 2.

With regard to the country of origin marking of imported meats, it suffices to point out that 19 U.S.C. 1304, the country of origin marking statute, applies to all goods of foreign origin, unless specifically exempt by statute or by the specific regulations authorized by the statute. This statute does not exempt imported meat products from marking, unless Customs determines that the product is substantially transformed into a new and different article by the U.S. importer/processor. As stated above, Customs does not view the mere grinding of fresh meats into hamburger as a substantial transformation; therefore, Customs believes that, notwithstanding any other domestic laws that may be applicable for its marking, such meats should be marked as to country of origin prior to reaching the ultimate purchaser thereof in the United States. In connection with this issue, it should be noted that Customs has issued a General Notice regarding the country of origin marking of beef jerky. 26 Cust. Bull. And Decisions 51 (December 16, 1992). While Customs in this General Notice recognized that there may be conflicting country of origin marking requirements imposed by the USDA and Customs, Customs nevertheless explained the legal basis for the Customs marking determination as well as the basis for Customs jurisdiction in the matter.

Heading 0304 (Fish Fillets and Other Fish Meat, Fresh, Chilled, or Frozen)

Comment: The specific rules for the goods of this heading, except for fillets, require a change to these goods from any other chapter, while for fish fillets the rules allow a change to this heading from any other heading. One commenter states that the rule should generally allow a change to goods of this heading from any other heading, citing the belief that the production of fish meat requires as much or more processing than the production of fillets.

Customs Response: The commenter has not provided, nor has Customs been able to find, any evidence to substantiate the claim that the production of fish meat results in a substantial transformation of the fish. The Explanatory Notes to the Harmonized System describe ''other fish meat'' merely as fish meat from which the bones have been removed, whereas the production of fillets from fish involves specific operations which have been recognized by the Court of International Trade as resulting in a substantial transformation of the fish. *See Koru North America* v. *United States,* 701 F.Supp. 229 (CIT 1988), discussed in the **SUPPLEMENTARY INFORMATION** portion of the May 5, 1995, notice of proposed rulemaking.

Heading 0710 (Vegetables, Uncooked, Steamed, Boiled or Frozen)

Comments: Two comments were received concerning this specific rule. These commenters expressed concern that the rule does not recognize a substantial transformation resulting from the processing performed to produce mixtures of vegetables classified in subheading 0710.90. One commenter noted that in producing their vegetable combinations, imported vegetables are combined with domestic vegetables in precise mixtures through highly sophisticated proprietary mathematical formulas, using state-of-the-art weighing and mixing processes. According to one commenter, the combinations are the result of extensive marketing and product research as well as capital investment and technology to appropriately provide for the blending of the different vegetables. Therefore, these commenters suggest that this specific rule be amended to allow a change to subheading 0710.90 (mixtures of vegetables) from any other subheading, provided that no single vegetable ingredient of foreign origin constitutes 75 percent or more of the product by net weight.

Customs Response: Customs cannot agree to this proposal. Customs addressed the very facts presented by these commenters in a ruling issued in the year before the proposed rules were published. In HQ 735085, dated June 4, 1993, the frozen vegetable products were produced by combining foreign broccoli, cauliflower, water chestnuts, and peas with domestic carrots, yellow peppers, and asparagus and then packaging them for retail sale. Beyond bagging, there was no processing of the combined frozen vegetables, such as cooking or adding sauces. Customs found that the individual imported vegetables retain their identities after the combining operations. Consequently, the vegetable mixtures were not considered different kinds of food articles, and imported vegetables were not considered to have undergone a substantial transformation. In HQ 735085, Customs distinguished prior rulings such as HQ 555524, dated April 11, 1990, (which involved manufacturing soup by mixing eleven ingredients, boiling the mixture to achieve desired consistency, and packaging for retail sale). Customs still adheres to the position expressed in HQ 735085 and for this reason does not agree that the specific tariff rule for vegetable mixtures classified in subheading 0710.90 should be amended as proposed by the commenters.

Headings 0904–0910 (Spices)

Comment: One comment was received concerning the proposal to delete the second tariff shift rule for headings 0904–0910, which provides for a change to crushed, ground, or powdered products of heading 0904 through 0910 from within Chapter 9, if put up for retail sale. This commenter submits that the cleaning (by gas treatment or otherwise), crushing or grinding, and retail packaging of spices substantially transforms the imported whole spices into new and different articles of commerce having a new name, character or use.

Customs Response: Customs agrees. In view of the commenter's analysis and in light of the fact that Customs Headquarters has never issued a binding letter ruling with respect to the country of origin marking of spices, Customs has reconsidered the proposal to amend the § 102.20 rules for these goods and has reverted to its original position, published in T.D. 94–4 (59 FR 110) on January 3, 1994. Accordingly, the May 5, 1995, proposal to delete the second tariff shift rule set forth in § 102.20 for goods of headings 0904–0910 should

not be adopted, and the interim tariff shift rules as published in the January 3, 1994, document are reflected in this final rule document.

Heading 1517 (Vegetable oil)

Comment: One comment was received in connection with the rules for this heading. The interim rules for this heading provided for a tariff classification change to subheading 1517.10 (margarine, excluding liquid margarine) from any other heading and a change to subheading 1517.90 (other edible mixtures or preparations of animal or vegetable fats) from any other chapter. In consideration of an initial comment, Customs proposed in the May 5, 1995, document to amend the rule for subheading 1517.90 by adding an alternative second tariff shift rule which would allow a change from any other heading so long as ''no single oil ingredient of foreign origin constitutes more than 60 percent by volume of the good''. The commenter believes that the processing and blending required to create various blends and grades of a type of oil (*e.g.* palm and sheanut oils) requires rigorous quality control procedures in order to achieve the necessary physical characteristics and thus should be considered a substantial transformation whether or not the resulting product contains more than 60 percent by volume from a single foreign country.

Customs Response: Customs disagrees. First, the tariff shift rule for subheading 1517.90, as proposed to be amended, is supported by the case law. *See National Juice Products Association* v. *United States, supra,* where the Court of International Trade upheld Customs determination that imported orange juice concentrate is not substantially transformed when mixed with water, orange essences, orange oil and in some cases fresh juice and either packaged in cans and frozen or pasteurized, chilled and packed in liquid form, and *Coastal States Marketing, Inc.* v. *United States,* 646 F.Supp. 255 (CIT 1986), where the court held that mixing Soviet Union gas oil with Italian fuel oil in Italy did not result in a substantial transformation such that the mixture became a product of Italy. In both of these cases, the court concluded that the essential character of the foreign component (juice concentrate and Russian oil) remained unchanged after the mixing process. The proposed tariff shift rule which would allow a change of origin if no single foreign oil ingredient in the mixture exceeds 60 percent of the mixture is designed to ensure that there is a change in the essential character of the foreign vegetable oil. This proposed rule is consistent with the proposed rule for mixtures of juices (*e.g.*, a mixture of apple, grape, papaya juices), which is based upon the conclusion that in such mixtures, the individual fruit juices would lose their separate identities and thus there would be a change in the name, character and use of the individual juice ingredients. Thus, this rule represents an effort to distinguish between those blending operations which generally do not result in a substantial transformation and other blending processes which can result in a substantial transformation due to a change in name, character, and use.

However, Customs believes that a technical correction of the proposed amendment to the § 102.20 rule for this subheading is required, involving expression of the 60 percent requirement in terms of ''weight'', rather than in terms of ''volume'', because the unit of measure indicated in the HTSUS for subheading 1517.90 is kilograms. The second tariff shift rule for subheading 1517.90 as set forth below has been modified accordingly.

Chapter 20 Note

Comments: The Note for the Chapter 20 rules under § 102.20 provides that, notwithstanding the specific rules of the chapter, nuts of Chapter 20 that have been prepared merely by roasting, either dry or in oil (including processing incidental to roasting), shall be treated as a good of the country in which the fresh good was produced. One commenter submits that the roasting of nuts should be considered a substantial transformation. This commenter also suggests that the mixing of nuts should constitute a substantial transformation since FDA regulations (21 CFR 164.110) consider mixed nuts a standardized food which, as such, must meet certain formulation requirements.

Customs Response: Customs disagrees. It has been the Customs position for ten years that roasting, or roasting and salting, or roasting and salting and coloring, of pistachio nuts, without more, does not result in a substantial transformation. *See* T.D. 85–158, dated October 15, 1985. Thus, the Chapter Note is consistent with prior Customs position and practice for these goods. With regard to the mixing of different nuts, Customs is not persuaded, by the fact that the Food and Drug Administration considers these mixtures to be a standardized product, that various types of nuts have been substantially transformed as a result of being combined with one another. The same analogy could have been made with regard to the orange juice concentrate and retail juice beverages involved in the *National Juice Products Ass'n., supra.* Moreover, just as Customs believes that the individual frozen vegetables which are combined and packaged for retail sale remain separately identifiable (HQ 735085, June 4, 1993), Customs maintains that the individual types of nuts that are blended together after roasting and salting do not lose their identities and therefore are not substantially transformed into new and different articles of commerce, having a new name, character, and use.

Subheadings 2009.11–2009.30 (Fruit and Vegetable Juices)

Comment: One comment was received concerning this tariff shift rule. This commenter suggested that this rule, which allows a change to these subheadings from any other chapter, be amended to preclude a change from heading 0805 (fresh or dried citrus fruit). The commenter points out that this change would make these rules consistent with the NAFTA preference rules for these goods.

Customs Response: Customs cannot agree. First, it should be pointed out that the purpose for development of these rules is not to provide origin determinations that are necessarily consistent with the NAFTA preference rules (19 U.S.C. 3332). Instead, Customs' goal has been to develop rules that would codify the substantial transformation principle as interpreted by the courts and Customs. Customs recognizes that the NAFTA preference rules are not always consistent with the origin determinations reached under the substantial transformation principle. As a result sometimes the part 102 rules will be less restrictive and in some cases they may appear to be more restrictive. The part 102 rules are less restrictive than the NAFTA preference rules for goods of subheading 2009.11 through 2009.30 because Customs has consistently recognized the production of fruit juices from the fresh fruit as a substantial transformation of the fresh fruit into a new and different article of commerce. *See* HQ 555982 dated August 1991 (substantial transformation of grapefruit and oranges made into juice concentrate) and HQ 084346 dated August 8, 1989 (substantial transformation of cranberries made into juice concentrate).

Subheading 2101.10 (Extracts, Essences and Concentrates of Coffees)

Comments: Three comments were received concerning the § 102.20 tariff shift rule for heading 2101, which requires a change to heading 2101 (extracts, essences, and concentrates of

coffee, etc.) from any other heading. These commenters submit that the rule should be amended to allow a change to subheading 2101.10.21 (extracts, essences, and concentrates of coffee) from elsewhere within heading 2101 since they believe that a change from ''soluble coffee powder'' to ''retail instant coffee products'' should be recognized as a substantial transformation. They cite as support for their position the argument that bulk soluble powder is not purchased by consumers but by coffee manufacturers and is used in non-coffee products such as ice cream as well as in coffee products. They further submit that the use of expensive machinery and the employment of experts and technically-skilled persons are necessary in order to blend, agglomerate, aromatize (often the flavoring and aromas are proprietary) and eventually package the product for retail sale. They claim that the cost of such processing runs about 120 percent of the cost of the soluble powder.

Customs Response: Customs does not agree that the operations described above result in a substantial transformation of water soluble coffee powders (known technically in the trade as spray-dried coffees). Customs addressed this issue in a ruling as early as 1986 (HQ 727913 dated February 5, 1986). In that case, the agglomerated coffee was produced in Canada as a result of blending and agglomeration of various Latin American spray dried coffees. Customs found that the agglomerated coffee imported into the United States from Canada had to be marked to indicate the individual Latin American countries.

Customs most recently addressed this issue in HQ 734479 issued on January 29, 1993. Customs still does not believe that the blending and agglomeration of spray dried coffees from different countries result in a new and different article of commerce, having a new name, character and use. The facts presented in the 1993 ruling concerned the processing of the various Latin American blends of spray dried coffees in a European Community (EC) country, which at that time was subject to the 100 percent special duty rates applicable to these products from the EC. After reviewing the technical literature regarding the processes, Customs concluded that blending and agglomerating spray dried coffee constituted refining and finishing operations which did not change the fundamental character or use of the spray dried coffee. Customs further concluded, consistent with prior rulings, that the agglomerated coffee, while an improved product, remained instant coffee after the processing, and therefore, was not considered an EC product but a product of the various Latin American countries from which the coffee originated. As one requester of a marking ruling issued in 1991 pointed out, the ''spray-dried powder is a finished form of coffee that can be dissolved in hot water to produce a tasteful cup of coffee.'' Customs believes that such a statement is testament to the absence of a substantial transformation when the coffee powders are subjected to the agglomeration process.

Heading 2710 (Petroleum Products)

Comment: One comment was received concerning the tariff shift rules for this heading, which allow a change to the heading from any other heading or a change to goods of the heading from other goods of that heading if the change resulted from a chemical reaction (defined in the Chapter 27 Note). The commenter suggests that the tariff shift criteria applicable to heading 2710 should be expanded to include a change within heading 2710 from motor fuel blending stocks to motor fuel. The commenter argues that finished gasoline differs from each of the blending stocks in name, character and use. Thus, under the traditional change in name, character and use test, the commenter submits that the blending of the various stocks to produce gasoline constitutes a substantial transformation.

Customs Response: Customs disagrees. The specific rules for heading 2710 codify prior Customs rulings regarding the country of origin of various petroleum products. For example, in HQ 555032 dated September 23, 1988, and HQ 557180 dated December 23, 1993, Customs addressed the issue of whether certain petroleum products, such as gasoline and diesel fuel, produced in the U.S. Virgin Islands qualify for duty-free treatment under General Note 3(a)(iv), HTSUS (the duty-free program for products of U.S. insular possessions). Customs determined that one or more substantial transformations occurred when crude oil imported into the Virgin Islands was subjected to refining and other processes, resulting in chemical reactions and the creation of various motor fuel blending stocks and other motor fuel components. Thus, it was determined in the above rulings that the petroleum products qualifed as ''products of'' the insular possession. While Customs also held in HQ 555032 and HQ 557180 that the subsequent blending of the blending stocks and other motor fuel components in the Virgin Islands to create the final petroleum products resulted in a substantial transformation, this portion of these rulings was not an origin determination but rather pertained solely to the issue of whether the imported crude oil could be considered a domestic material for purposes of the foreign material value limitation of General Note 3(a)(iv), HTSUS. Therefore, the § 102.20 rules, which provide for a change to heading 2710 from any other heading (*e.g.*, crude petroleum of heading 2709) or a change to any good of heading 2710 from any other good of heading 2710, provided the change is the result of a chemical reaction (*e.g.*, alkylate produced from a chemical reaction affecting a heading 2710 good), are consistent with Customs country of origin rulings on these products. However, as Customs previously has stated, the Part 102 rules will not be applicable for determining the value content requirements under duty preference programs.

Subheading 2936.90 (Vitamins)

Comment: One comment was received concerning the specific tariff rule for these goods. This commenter suggested that the rule, which provides for a change to this subheading from any other subheading except from subheadings 2936.10 through 2936.29, should be less restrictive. This commenter believes that changes from the other vitamin provisions in this heading should be allowed.

Customs Response: Customs disagrees. Consistent with Customs' interpretation of the substantial transformation standard, this rule is designed to keep simple blending of different vitamins, which after such blending remain classified in this heading, from being considered a substantial transformation. Customs believes that no degree of blending can substantially transform foreign constituent vitamin components into a product of the country in which the blending occurs. The Customs position on this matter is consistent with the position regarding similar processing of other chemical products, such as pharmaceuticals and herbicides. See the analysis of comments below in connection with these products.

Chapter 30 (Pharmaceuticals)

Comments: Six comments were filed in response to the interim and proposed § 102.20 rules applicable to pharmaceuticals of Chapter 30. These rules, for the most part, allow a change to the subheadings of this chapter, which consist of prepared pharmaceuticals, from any other subheading except from the bulk pharmaceuticals of Chapter 29 or other

provisions. The commenters essentially claim that the formulation of dosage form pharmaceuticals is a substantial transformation of the bulk pharmaceuticals of Chapter 29. They claim that the Chapter 29 pharmaceuticals are unsuitable for therapeutic or prophylactic use. In order to be usable, the commenters state that the pharmaceuticals must be worked up to particular dosage forms which involves numerous complex intermediate steps ranging from exact weighing to final presentation in tablets, capsules, injections or ointments and which adds more than 50 percent to the value of the product. In this regard one commenter argues that for a gastric acid secretion pharmaceutical, a substantial transformation occurs when a special coating is given to the medicine so that it can pass through the stomach intact for release in the intestines. Finally, some commenters claim that the ''40 percent'' criterion that is contained in the specific rules for blends of pharmaceuticals, is inconsistent with current practice. Under these rules, if a mixture or blend of bulk pharmaceuticals, classified in this chapter, contains at least 40 percent domestic content of the bulk pharmaceutical, the specific tariff rule of § 102.20 would be met.

Customs Response: Customs disagrees with these comments. Customs believes that the § 102.20 rules properly reflect Customs' current position regarding the substantial transformation of bulk pharmaceuticals. It is Customs' view as reflected most recently in 1993 (HQ 735146 issued on November 15, 1993) that the bulk (pure) active pharmaceutical ingredient which is reduced in potency by dilution with other inert ingredients, such as starch and other excipient, is not substantially transformed into a new and different article having a new name, character and use. The essential character of these products, both chemically and functionally, remains the same after the processes performed to make them readily consumable. For example, when Customs concluded in the 1993 ruling that the processing of 100 percent pure acetaminophen, through granulation and addition of excipient to make a 90 percent pure product that is then used to make tablets, was not a substantial transformation, Customs took note of the following: (1) Like most pharmaceutical products, the ''name'' of the product did not change from the bulk pharmaceutical to the finished product (the product was still referred to as ''acetaminophen''); (2) the ''use'' did not change, since both the original and finished products were used for medicinal purposes (while the metabolic activity of the drug is standardized as a result of a controlled dilution, it is not changed); and (3) finally, the essential character of the product as a medicine did not change even after processing into tablets. The essence of the pharmaceutical ingredient had not changed fundamentally. Indeed, regardless of the commercial brand under which it is marketed, the product being purchased to provide pain relief is the drug, acetaminophen. Similar rulings were issued previously in 1979 (HQ 005716 dated July 12, 1979, C.S.D. 80–34, with regard to the granulation and dilution of Naproxin with starch) and in 1986 (HQ 554067 dated May 23, 1986, with regard to oxfendazole, a veterinary drug, which was micropulverized and packaged into dosages fit for veterinary use). Thus, in response to the comment concerning encapsulation, Customs believes that this process does not alter the fundamental nature of the pharmaceutical. Although it helps to deliver the product, the pharmaceutical still has the same activity.

In response to the comments claiming that significant value is added as a result of the processing of the bulk pharmaceuticals, Customs finds relevant the fact that the Court of International Trade has held that in determining the issue of substantial transformation, the ''name, character, or use'' test should be sufficient since the use of a value criteria can lead to anomalous results. *National Hand Tool* v. *U.S., supra.* In any case, however, Customs believes that in regard to the total production of pharmaceuticals classified in Chapter 30, the predominate costs are incurred in the production of the bulk pharmaceutical drugs classified in Chapter 29 and other chapters under the HTSUS. In most instances, costs of end processing of the pharmaceutical drug are inconsequential when compared to the enormous costs involved in the multi-stage chemical reactions and separations and the years of research needed to develop and produce the bulk pharmaceutical.

Finally, Customs also disagrees with the commenters' objections to the ''40 percent'' criterion in the tariff shift rules for pharmaceuticals mixtures. Under this rule, a change of origin can occur as a result of blending different imported bulk pharmaceuticals with domestic pharmaceuticals if the finished product (*i.e.,* the Chapter 30 product) contains at least 40 percent, by weight, of domestic bulk pharmaceutical. Customs finds this rule to be entirely consistent with, if not more liberal than, Customs' current practice of applying the substantial transformation principle to blending operations involving chemical products. Generally, the simple blending together of chemicals, which does not result in a chemical reaction that creates a new chemical has not been recognized as a substantial transformation. However, if one or more of the chemical ingredients was produced in the country where the blending occurs, Customs would not view the production of the mixture as resulting solely from a simple combining or blending operation. *See, e.g.,* 19 CFR 10.195(a)(2). Customs, however, does not always find a substantial transformation in cases in which there is more than a simple blending. The ''40 percent'' rule, however, codifies the position that when the blending operation involves as least 40 percent domestic origin bulk pharmaceutical, it will not be considered a simple blending and will always be sufficient to confer origin.

Headings 3302 Through 3303 (Perfumes)

Comment: One comment was received concerning the § 102.20 rules for these goods. The first of the two rules disallows a change to heading 3302 (mixtures of odiferous substances that are ''of a kind used as raw materials in industry'') from essential oils of heading 3301 and from ethyl alcohols of headings 2207 and 2208. The rule for perfumes and toilet waters (heading 3303) disallows a change from the perfume oil mixtures and blends of subheading 3302.90. The commenter objects to the above rules, claiming that they are too restrictive.

Customs Response: Customs disagrees. The commenters fail to note that the rules do allow a change from the essential oils of heading 3301 to the perfumes and toilet waters of heading 3303, which is consistent with Customs' application of the substantial transformation principle to these goods. In HQ 723312 dated November 22, 1983 (cited with approval in HQ 733945 dated March 26, 1991), Customs ruled that the production of perfumes as a result of blending foreign essential oil with U.S. origin denatured alcohol, stabilizer, coloring matter and water resulted in a substantial transformation of the foreign essential oil. The § 102.20 rule for perfumes goes even further by allowing the denatured alcohols included in the blend to be foreign as well. Thus, it appears that the commenter's objection is to the fact that the rules do not allow a simple dilution of perfume bases (a change from subheading 3302.90 to heading 3303) or

a simple blending of essential oils and alcohols (a change from heading 3301, 2207 or 2208 to heading 3302). Customs believes that a simple dilution or blending of these goods does not represent a substantial transformation into a new and different article of commerce. However, Customs believes that when the raw materials of headings 3301, 2207 and 2208 are processed to make a finished product such as perfumes or toilet water, they have been substantially transformed, and, as stated above, the § 102.20 rule codifies this position.

Subheading 3402.11 (Linear Alkylbenzene Sulfonates)

Comment: Two comments were received concerning the § 102.20 rule for these goods which provides: ''A change to subheading 3402.11 through 3402.20 from any other subheading, including another subheading within the group.'' Although both commenters support Customs' efforts toward greater objectivity and predictability in origin determinations, they suggest that a change from subheading 3817.10 to subheading 3402.11 should not be allowed since such a change can result from a very simple process which does not result in a substantial transformation.

Customs Response: Customs agrees that the described change should not be recognized as constituting a substantial transformation. The process normally involves in part the segregation of the individual linear alkylbenzene components from mixed linear alkylbenzenes classified in subheading 3817.10. However, in § 102.20, Note 2 to the Section VI (Chapters 28 through 38) tariff shift rules sets forth a ''Separation Prohibition'' provision which expressly precludes ''a change from one classification to another merely as the result of the separation of one or more individual materials or components from a man-made mixture unless the isolated material/component, itself, also underwent a chemical reaction.'' Therefore, Customs believes that the concerns raised by the commenters will be resolved by this note. However, in order to clarify this issue, the § 102.20 rule for subheading 3402.11 has been modified to make clear that a substantial transformation does not result from a change from mixed linear alkylbenzenes of subheading 3817.10.

Headings 3701–3703 (Photographic Film)

Comments: Two comments were received concerning these rules. One of these comments focused primarily on the general result of operating under § 102.14 (U.S. goods returned) and thus is no longer relevant in light of the adoption of the proposal to remove this section as discussed above. The other commenter claims that the § 102.20 rules should allow a change in tariff classification from jumbo rolls of film classified in subheading 3702.41 to the smaller sized film cartridges classified in subheading 3702.51 and subheading 3702.41 so as to be consistent with the substantial transformation principle.

Customs Response: Customs disagrees. The rules for these goods require a change to headings 3701 though 3703 from headings outside that group. It has been a longstanding position of Customs that cutting to length and width does not result in a substantial transformation of the article subjected to such processing. Customs specifically addressed this issue in connection with the production of photographic film cartridges in HQ 732842 dated February 23, 1990. In HQ 732842, the foreign material consisted of sheets of photographic film in rolls measuring 58 inches wide and 9,500 feet long, which were subjected to processes consisting of applying a non-photosensitive emulsion coating, cutting the bulk photographic film to length and width, inserting them into cassettes, and then placing the cassettes into plastic sealed containers and cartons for retail sale. The imported film base in HQ 732842 already had been ''sensitized'', *i.e.*, it already had been subjected to an application of photosensitive emulsion. (This is the process which, in ORR 217–69 dated March 28, 1969, Customs had ruled resulted in a substantial transformation of the film base into photographic film, a new article with new physical characteristics (light sensitivity and ability to form an image from which a positive can be made) and new uses different from the base from which it was made.) Thus, Customs concluded in HQ 732842 that the processes to which the already-sensitized photographic film was further subjected (*e.g.*, cutting to length and width, inserting into cartridges, and packaging) did not result in a new and different article with new name, character and use.

Customs believes that the positions expressed in the above rulings properly interpreted the substantial transformation standard, and the § 102.20 rules for these goods are entirely consistent with these rulings. The rules allow a change from headings 3701 through heading 3703 from headings outside the group. This would allow changes from the unsensitized film base (plastic or paper provisions outside of Chapter 37), consistent with ORR Ruling 217–69. Moreover, the rules do not allow a change from one size of sensitized film to another when the difference in sizes is in terms of length and width.

Subheadings 3808.10 and 3808.20–3808.90 (Pesticides, Herbicides and Fungicides)

Comments: Three comments were received. These commenters object to the proposed tariff shift rules for subheadings 3808.10 and 3808.20–3808.90 that do not allow a change in origin for bulk insecticides, fungicides, herbicides, rodenticides or pesticides of Chapter 28 or 29 that are converted to Chapter 38 products. One commenter agrees that if the conversion only represents mere dilution, there is no change in origin; however, it is suggested that § 102.17 of the interim regulations disqualifies operations involving the mere dilution with water or another substance. Rather, it is stated that some conversion processes are more than ''mere dilution'', such as where an active ingredient is converted to a finished product by formulation and granulation. During formulation, the ingredient is blended with selected inert ingredients and milled. Although the inert ingredients do not chemically react with the active ingredient, it is stated that they do provide a specific functionality as dispersants, wetting agents, defoamers, buffers, binder, diluents, etc. Following the formation process, the material undergoes granulation which is an agglomeration process designed to produce product granules of specified size and characteristics.

One commenter asserts that Customs ignores sophisticated manufacturing procedures such as the conversion of bulk Flumetron into the finished products ''Cotoran 4L'' and ''Cotoran DF''. ''Cotoran 4L'' is manufactured by grinding Flumetron and dispersing the ground product in liquid. ''Cotoran DF'' is a dry herbicide produced by blending Flumetron with inert materials (form of dilution) which is then granulated into the finished product. Another commenter suggests that origin should be conferred by processes such as chemical transformation, physical processing that would place an herbicide into a substrate or medium, and physical processing which modifies a quality.

Customs Response:

Customs disagrees. These rules are consistent with Customs' practice and interpretation of the substantial transformation principle. In HQ 555064 dated March 29, 1990, Customs determined that the formulation of

propanil-4, a herbicide for rice, from technical propanil did not constitute a substantial transformation for purposes of the Caribbean Basin Economic Recovery Act. This decision was based on T.D. 78–168, 12 Cust. Bull. 353 (1978), which held that the formulation of the herbicide diuron wettable powder by mixing technical diuron with various agents was not a substantial transformation for purposes of the Generalized System of Preferences. These findings are also consistent with *National Juice Products Association* v. *United States, supra,* where the court found that imported manufacturing orange juice concentrate was the very essence of frozen concentrated orange juice and reconstituted orange juice. The court noted that the addition of water, orange essence and oils to the concentrate, while making it suitable for retail sale, did not change the fundamental character of the imported product and, therefore, was not a substantial transformation.

While Customs does not dispute the importance to the end user of placing herbicides, such as Flumetron, into its final dilute wettable form, it is the opinion of Customs that these final steps simply place the herbicide in an applicable form without changing its function or chemical structure. Additionally, because the bulk product is more compact than the finished product, it is economically feasible to trade the bulk form (''Flumetron'') of the herbicide rather than the final dilute wettable or liquid forms of the herbicide (''Cotoran''). It is also the opinion of Customs that these tail-end procedures are far less important when compared to the production of the bulk herbicide. The manufacture of the bulk herbicide is a complicated multi-step organic synthesis which takes place in a petrochemical facility. This process normally follows a significant number of years and amount of resources committed to the research and development of the bulk herbicide. Thus, in addition to the fact that the process of mixing the bulk herbicide with inert materials or with a wetting agent to place it in an end use form does not change the essential character of the herbicide, this process, when compared to the manufacture, research, and testing of the bulk herbicide, involves significantly less economic outlay. Therefore, it is the opinion of Customs that the processing of bulk herbicides into dilute wettable form herbicides does not substantially transform the bulk herbicides.

Headings 4104–4107 (Leather)

Comment: One comment was received concerning the May 5, 1995, proposal to amend the § 102.20 interim rule for headings 4104 through 4107 to disallow a change from ''wet blues'' leather to ''finished leather''. This commenter supported the proposed amendment on the grounds that processing raw hides to wet blues leather is sufficient to confer origin and that additional processing to make wet blues into finished leather constitutes finishing operations which are insufficient to change the country of origin of the leather.

Customs Response: Customs agrees with the comment. For the above reasons and the reasons cited in the May 5, 1995, notice, the proposed rule for goods of heading 4104 through 4107 is reflected in § 102.20 as set forth below.

Headings 6401–6405 (Complete Footwear)

Comment: The interim § 102.20 rule for the above goods provides for a change to headings 6401 through 6405 from any heading outside the group, except from formed uppers. One comment was received concerning this rule. This commenter noted, and expressed approval for, the fact that the above rule is consistent with Customs longstanding application of the substantial transformation principle to footwear.

Customs Response: Customs agrees that the § 102.20 rule for these goods is consistent with its interpretation of the substantial transformation principle. It should be noted that Customs' practice in this area is also in direct compliance with the decision in *Uniroyal, Inc.* v. *United States, supra,* where the court held that footwear uppers which were ''lasted'' or permanently molded into the ultimate shape, form, and size of the complete shoe, were not substantially transformed by the attachment thereto of an outsole since the upper was the very ''essence'' of the finished shoe. Therefore, with the exception of footwear with uppers and soles made of wool felt (which are covered by new § 102.21—*see* the above discussion regarding rules of origin for textile and apparel products), the § 102.20 rule for goods of headings 6401 through 6405 is set forth below without substantive change.

Headings 7010–7018 (Glass Articles)

Comments: Only one comment was received in response to the May 5, 1995, proposal to amend several of the § 102.20 rules for goods of the above headings. This comment expressed support for the proposed amendment to the § 102.20 rules applicable to decorative crystal, which will now recognize certain prescribed operations performed on uncut and unpolished glassware blanks as resulting in a change of origin of the glass blanks.

Customs Response: For the reasons stated in the background discussion for the proposed amendments, as well as the reasons cited elsewhere in this document for general changes affecting these rules, and in consideration of the comment received, the proposed changes to the § 102.20 rules for goods of headings 7010 through 7018, are adopted and set forth below without substantive change.

Chapter 72 Note (Cold Rolled, Flat Rolled Steel)

Comments: Three comments were received in response to the July 12, 1995, proposal to amend the § 102.20 rules for Chapter 72 goods by adding a note that allowed cold rolled, flat rolled steel, which is produced by reduction of hot rolled flat rolled steel, to be treated as a good of the country in which the cold reduction occurred. Two commenters supported the note as proposed. One of these commenters stated that the proposed note was consistent with Customs' longstanding position that these cold rolled flat rolled products are substantially transformed in the country where cold reduction took place. The second of these commenters noted its support for all of the Chapter 72 and 73 rules, citing its belief that these rules are more transparent and predictable for determining country of origin. The third commenter supported the principle reflected in the proposed Chapter 72 note but also suggested that the scope should not be limited to flat rolled products but rather should include other products such as pipe that are subjected to a cold reduction process. This commenter stated that the rationale for the Chapter 72 note, *i.e.*, that there is a significant reduction in the thickness of hot rolled, flat rolled, product which changes the crystalline structure of the steel products by elongating it, applies to hot extruded tubular products which are subjected to a cold reduction process.

Customs Response: Customs does not agree with the comment suggesting that the proposed note be amended to cover additional products. Customs believes that the cold reduction of hot rolled flat rolled steel results in a substantial transformation of the hot rolled flat rolled steel not only because there has been reduction in size but also because of the changes in use caused by this process.

Unlike the circumstances relating to the hot extrusions (hollows) and wire rod, Customs finds that the hot rolled flat rolled steel product is not necessarily dedicated to becoming cold rolled flat rolled steel. The cold reduction process results in changing a product (hot rolled steel) which has versatile uses to one that has limited uses. For example, in HQ 080277 dated September 21, 1987, in which Customs ruled that hot rolled steel coil was substantially transformed when made into cold rolled full hard steel coil as result of a cold reduction process, Customs noted the fact that each of the two products was marketable to a distinct consumer group and that thin gauge hot rolled coil generally could be substituted for cold rolled full hard steel coil in commercial applications. Thus, hot rolled flat rolled steel is not dedicated to become cold rolled flat rolled steel before it can be used for any intended purpose. For example, hot rolled, flat rolled steel can be used as steel planks, ship hulls and similar products, or it can be cold rolled into steel sheeting having specific uses (e.g., automobile steel). For reasons explained more fully below, Customs does not agree that the same rationale applies to wire and tube products.

Heading 7210 (Flat Rolled Steel, Coated, Clad or Plated)

Comment: One comment was received regarding the § 102.20 rule for heading 7210 (flat-rolled iron or steel of 600 mm or more, coated, clad, or plated), under which a change from headings 7208 through 7212 is not allowed. This commenter proposes that origin be conferred when flat-rolled steel of heading 7209 is coated, clad, or plated.

Customs Response: Customs disagrees. Consistent with the rationale set forth in the *Superior Wire* case discussed in the response to the next comment, it is the position of Customs that a substantial transformation does not occur through the coating, cladding or plating of flat-rolled steel. It is Customs' view that the use and character of such products are predetermined by the imported steel, and that coating, cladding, and plating merely constitute finishing steps in the completion of the product.

Headings 7217 and 7223 (Wire)

Comments: Four comments pertain to the processing of wire rod into wire. Under the § 102.20 rules, a change is not allowed to heading 7217 (wire of iron or non-alloy steel) from headings 7213 through 7215 (bars and rods of iron or non-alloy steel); nor is a change allowed to heading 7223 (wire of stainless steel) from heading 7221 or 7222 (bars and rods of stainless steel).

Each of the four commenters believes that a change should be allowed when wire rod is converted to wire under certain circumstances. One commenter believes that the rule should take into account the heat treatment (annealing) involved in treating stainless steel rod; another commenter is of the opinion that drawing and annealing the rod should confer origin if at least a minimum reduction of 75 percent in surface area occurs; and a third commenter proposes that origin be conferred when the conversion of wire rod to wire includes the process of galvanizing. The fourth commenter believes that a change should be allowed to heading 7217 from headings 7213 through 7215 if there is either a substantial transformation or a regional value content of not less than 50 percent of the net cost of the good. A change would not be allowed if the carbon content of the wire rod is less than a certain minimum, the reduction in cross-sectional area is less than 75 percent, and the wire is not further processed by heat treatment or coating.

Customs Response: In *Superior Wire* v. *United States*, 11 CIT 608, 669 F. Supp. 472 (CIT 1987), *aff'd*, 867 F.2d 1409 (Fed. Cir. 1989), the Court of International Trade held that the drawing of wire rod into wire through a multi-stage process did not constitute a substantial transformation of the wire rod, since there was no significant change in use or character of the imported material. The court noted that while the wire emerged stronger and more rounded after drawing the wire rod, its strength characteristic was metallurgically predetermined, and the chemical content of the rod and the processes used in its manufacture determined the properties the wire would have after drawing. Thus, while the wire rod and wire had different names and identities in the industry, the court found that they were essentially different stages of the same product.

The § 102.20 rules codify the court's decision in *Superior Wire* that a substantial transformation does not occur when wire rod is converted to wire. While the record in *Superior Wire* does not indicate whether annealing also took place, Customs notes that the most significant operation involved in transforming wire rod to wire is the drawing process, which reduces the rod in cross-sectional area. It is Customs opinion, based on the rationale of *Superior Wire*, that heat treatment (annealing) and/or galvanizing (which may be performed subsequent to the drawing process) do not change the use or character of the wire, which is predetermined by the wire rod. These processes are merely finishing steps in the processing of the wire rod to wire. With regard to the fourth commenter's suggestion of the use of a value added criterion, the Customs responses to previous comments in this document (*e.g.* § 102.16, § 102.20 (pharmaceuticals)) are hereby incorporated by reference.

Subheading 7304.41 (Pipes and Tubes)

Comments: Two comments were received regarding the § 102.20 rule applicable to seamless tubing and pipe classifiable under subheading 7304.41, HTSUS. The rule for these goods provides for a change to heading 7301 through 7307 from any other heading, including another heading within that group. The two commenters oppose this § 102.20 rule. One commenter states that these products are produced by cold working processes performed on thick-walled hot extrusions known as hollows. The hollows are subjected to a cold-working process known as ''pilgering'' which employs matched pairs of rotating dies in conjunction with a mandrel to reduce the diameter and wall thickness. Drawbenches, another cold-working process, is also used in conjunction with pilgering equipment to produce the smallest-sized product range. Other processes, including degreasing, heat treating, straightening, cutting, deburring, and polishing, are also performed. The commenters claim that these processes performed on hollows to produce stainless steel pipe and tube in sizes ranging from ¼ inch up to 1½ inch in outside diameter result in a substantial transformation of the hollows.

Customs Response: Customs disagrees. Customs has found the decision in *Superior Wire* v. *United States, supra*, supportive of the conclusion that tube hollows cold drawn to smaller sizes are not substantially transformed. *See* HQ 558825 dated February 9, 1995, and HQ 556932 dated January 14, 1993. In HQ 556932, only a seven-step process performed on imported steel rod, consisting of pickling, drawing, threading, die-forming, threading of bolts and tapping of nuts, heat treatment, and in some cases, plating, collectively constituted a single substantial transformation. Accordingly, Customs disagrees that the § 102.20 rule, which disallows a change in origin for hollows subjected to pilgering, are inconsistent with the court's application of the substantial transformation test to similar merchandise, *e.g.*, wire rod to wire. To the extent that there may be

rulings which indicate that similar processes resulted in a substantial transformation, these rulings were issued prior to the decision in *Superior Wire.*

Subheadings 8470.10–8471.91 (Calculating, ADP Machines (Computers))

A. Comments on Computers in General

For those § 102.20 rules for goods of Chapters 84 and 85, which generally disallowed tariff changes resulting from a ''simple assembly'', Customs proposed revisions which clarified that only those changes from specifically identified tariff provisions will be disallowed when the production of the good resulted from a ''simple assembly'' as defined under § 102.1(o). Only those provisions from which a change in tariff classification indeed can result from simple assembly are now included in the ''simple assembly'' provisos in these tariff shift rules. Thus, the proposed rules for subheadings 8470.10 through 8471.91 (which covers ADP machines) was proposed to be revised to read as follows:

> A change to subheading 8470.10 through 8471.91 from any subheading outside that group, except from heading 8473; or A change to subheading 8470.10 through 8471.91 from any subheading within that group or from heading 8473, provided the change is not the result of a simple assembly.

Three comments were received concerning the § 102.20 rules applicable to the production of computers from foreign materials. One commenter claims that, since a change in tariff classification occurs when a CPU chip is mounted onto a stuffed printed circuit board, a change of origin should also occur as a result of this operation. Another commenter states its belief that in order to determine the origin of a computer not wholly obtained in a country, one must identify the country in which an identically classified PCA (printed circuit assembly) underwent a prescribed change in classification and then assign that origin to the entire computer. Finally, the third commenter complained that under the § 102.20 rules, the assembly of a motherboard (single board computer) into a housing would not represent the requisite change in tariff classification under the rules.

Customs Response: Customs disagrees with the above comments. As noted above, many of the tariff changes are precluded because of a ''simple assembly'' of the finished good. Section 102.1(o) defines this term as ''the fitting together of five or fewer parts all of which are foreign (excluding fasteners such as screws, bolts, etc.) by bolting, gluing, soldering, sewing or by other means without more than minor processing.''

With respect to the comment regarding the mounting of a CPU chip onto an otherwise stuffed printed circuit board, Customs has ruled that the simple mounting of a CPU chip (classifiable in heading 8542, HTSUS) onto a stuffed printed circuit board (classifiable in heading 8473, HTSUS), which results in a good (a ''motherboard'') classified in subheading 8470.10 through 8471.91, is not a complex and meaningful operation which should confer origin. *See,* HQ 734518 dated June 28, 1993, wherein Customs ruled that the mounting of a CPU chip onto the motherboard was a simple operation which did not constitute a substantial transformation. Therefore, if both the CPU chip and the stuffed printed circuit board are of foreign origin, pursuant to § 102.1(o), the operation of mounting the CPU chip onto the board is a simple assembly and the result reached under the § 102.20 rule is consistent with the Customs position set forth in the cited ruling.

However, if either the CPU chip or the stuffed printed circuit board is of domestic origin, the operation would not be considered a simple assembly under § 102.1(o) and, therefore, the motherboard would meet the tariff shift rule and a change of origin would occur. In addition, even if there is a ''simple assembly'' and the tariff shift rule is not met, by operation of the § 102.11 hierarchy, it must be determined under § 102.11(b) whether one of these parts imparts the essential character to the finished motherboard. If, as a result of the consideration of relevant factors set forth in § 102.18(b), it is determined that one of these parts imparts the essential character to the good, the origin of that part is the origin of the good. If neither of these parts imparts the essential character to the good, then pursuant to § 102.11(d) the origin of the good would be the country of origin of both parts if they are products of the same country, or the country in which the motherboard was finally assembled if these parts have different countries of origin.

Contrary to the general tenor of the comments, Customs believes that, as compared to Customs current practice and rulings under which these goods may have multiple countries of origin in many instances, the part 102 rules for computers are fairly liberal and easily implemented. Essentially, any change in tariff classification at the subheading (six-digit) level results in a change of origin, unless the change is from heading 8473 (parts for computers) or unless the change is from another subheading within the same group covered by the rule, in which case the change in tariff classification still could be allowed so long as the change did not result from a ''simple assembly'' of the finished good.

With respect to the issue of the motherboard, Customs has consistently held that a completed motherboard imparts the essential character to a computer and is therefore classified in the same provision as the computer. The term, ''motherboard'' generally refers to a single board computer generally missing only the housing, fan, and power supply. Therefore, Customs would not consider that there has been a substantial transformation, *i.e.*, a change in name, character or use as a result of incorporating a motherboard into a housing. Therefore, since the motherboard is not classified under heading 8473 or outside the subheading covering the computer to which it relates, but instead is classified as the computer itself, any foreign motherboard will not meet the § 102.20 rule, even if the finished computer did not result from a ''simple assembly''. Customs believes this interpretation is entirely consistent with Customs' longstanding position that the motherboard, when assembled into a housing to make the finished computer, does not undergo a substantial transformation. *See* HQ 734093 dated August 8, 1991, where Customs ruled for country of origin marking purposes that the final assembly of motherboards (*i.e.*, boards that already included the CPU chips) with other components consisting primarily of connectors did not result in a substantial transformation of the motherboard.

B. Comment on Subheading 8470.50 (Point-of-Sale Terminals)

One comment was received concerning the specific rule applicable to point-of-sale terminals which are classifiable in subheading 8470.50, HTSUS. This commenter states that these goods rarely consist of more than five parts (a logic unit, a keyboard, a printer unit, a display stand and a cash drawer) and thus expresses concern about the difficulty in meeting the § 102.20 rule.

Customs Response: Customs disagrees with this comment, which was not supported by specific facts. Customs believes it is unlikely that the assembly of a point-of-sale terminal would include five or fewer parts. For instance, if the assembler adds a power cord or power supply to the unit as described by the commenter, and all of these parts

were assembled in one country, there would have been an assembly of more than five parts.

C. Comment on Processor Units of Subheadings 8471.20 and 8471.91

One comment was received concerning the application of the § 102.20 rule for goods of the above subheading. This commenter expressed concern that the incorporation of a hard disk drive and a floppy disk drive of subheading 8471.93, or a display unit of subheading 8471.92, into processor units of subheadings 8471.20 and 8471.91 would not be an acceptable change in tariff classification under § 102.20.

Customs Response: Customs disagrees. One of the § 102.20 rules for processor units of subheadings 8471.29 and 8471.91 expressly allows a change in tariff classification from hard or floppy disk drives of subheading 8471.93 to display units of subheading 8471.92, since these latter subheadings are outside the group to which the tariff shift rule applies (that is, subheadings 8470.10 through 8471.91). Therefore, incorporating disk drives and display units into ADP processor units would result in a tariff shift, thereby conferring origin. This tariff shift rule is consistent with Customs' current position. *See* HQ 735608 dated April 21, 1995, wherein Customs held that foreign components, consisting of case assemblies, partially completed motherboards (*i.e.*, without the CPU and, in some cases, BIOS), hard disk drives and slot boards, which were further processed and assembled into desktop computers in the United States were substantially transformed as a result of the U.S. operations.

Subheadings 8471.92–8472.90 (Other Machines for Transcribing or Processing Coded Data or Other Office Machines)

A. Comment on Subheading 8471.92 (Printers)

The § 102.20 rules for goods of subheadings 8471.92 through 8472.90 were proposed to be revised in the May 5, 1995, notice of proposed rulemaking to read as follows:

> A change to subheading 8471.92 through 8472.90 from any subheading outside that group, except heading 8473; or A change to subheading 8471.92 through 8472.90 from any subheading within that group or from heading 8473, provided the change is not the result of a simple assembly.

One comment was received on the § 102.20 rules as they relate to printers. This commenter claims that a substantial transformation occurs in the country where any one of the media transport, control or print mechanisms are combined with the others, and with other parts, to make a functional printer. The concerns expressed by this commenter are linked to the fact that as a result of the application of GRI 2(a), the tariff classification for printers, subheading 8471.92, includes unassembled printers as well as printers missing one of the components (*i.e.*, media transport, control or print mechanisms). Thus, if the components at issue are classified in the same provision as the finished printer as a result of GRI 2(a), the § 102.20 rule, which requires a change to the subheading from another subheading outside the group, or a subheading change within the described group if the change did not result from a simple assembly, will not be met.

Customs Response: Customs believes that the result described by this commenter properly reflects the application of the substantial transformation principle. With the exception of the rule for television receivers (subheadings 8528.10 through 8528.20) and video display units (computer monitors) of subheading 8471.92) discussed later in this document, Customs believes that even when there are two or more materials that are classified in a provision from which a change in tariff classification is not allowed under the § 102.20 rule, if one material (*e.g.*, a printer subassembly) is classified in the same HTSUS provision as the finished good, such material invariably will constitute pursuant to § 102.11(b) the ''single material'' that ''imparts the essential character'' to the good, and the origin of that material will be the origin of the finished good.

On the other hand, if the printer is imported completely unassembled, but the § 102.20 rule will not have been met because of the classification of the unassembled printer as the finished good, country of origin may not be able to be determined under § 102.11(b) if no single one of the unassembled components, alone, imparts the essential character to the printer. In such instance, if there are more than five parts, or if some of the parts are of domestic origin, pursuant to § 102.11(d), the country of origin of the printer could be the country of assembly. This possibility further supports the opinion of Customs that the § 102.20 rules, coupled with the operation of the § 102.11 hierarchy, do not depart from Customs' current application of the substantial transformation principle.

B. Comments on Subheading 8471.93 (Storage Devices)

The § 102.20 rule for these goods is the same rule applicable to the printers discussed in the previous comment analysis. The tariff classification for ADP storage units will include units without read-write units assembled therein and read-write units separately entered. Similar to the printer components discussed above, these components are classified pursuant to GRI 2(a) as unassembled or incomplete storage units because they have the essential character of the finished good. Therefore, like the printers components, these units do not meet the § 102.20 tariff shift rule for storage devices. Two comments were received concerning the § 102.20 rule for these goods. Both commenters expressed concern that the assembly of a storage unit into a rack containing other storage units would not be considered a substantial transformation and that when multiple storage units are rack mounted (storage array), they would retain their original country of origin.

Customs Response: The response to the comment concerning printers is hereby incorporated by reference since the analysis set forth therein is equally applicable to the storage units described by these commenters. However, Customs agrees with the present commenter's observation that, in this case, if the § 102.20 rule is not met, the country of origin will be the country or countries of origin of the storage units. The storage unit(s), regardless of their number, will be considered as the ''single material that imparts the essential character'' to the good, and pursuant to § 102.11(b), the country or countries of origin of the storage units will be the country or countries of origin of the rack mounted storage units. Customs believes this outcome is entirely consistent with that reached under the current application of the substantial transformation principle.

C. Comment on Subheading 8471.93 (Control/adapter Units)

One comment was received with respect to the § 102.20 rule for these goods. This commenter states that if control or adapter units were to be assembled in the United States, they could be comprised of other ADP units (disk drives and power supplies) which would not undergo a tariff shift.

Customs Response: Customs disagrees with this observation and believes that the rule in question appropriately reflects the substantial transformation principle. The disk drive and the power supply do not impart the essential

character to the finished control or adapter unit. In fact, a control or adapter unit that is imported without the disk drive and power supply would be classifiable as an unfinished control or adapter unit as a result of the application of GRI 2(a). Thus, the fact that there will be no change in tariff classification is consistent with the view of Customs that the subsequent assembly of these units with the disk drive and power supply does not substantially transform the imported units. *See* the above comment analysis regarding printers. Contrary to the commenter's claim, this result does not represent a departure from current practice, and there are no rulings to support the commenter's position.

Heading 8473 (Parts and Accessories of Machines of Headings 8469–8472)

Comments: The § 102.20 rule for goods of heading 8473 proposed in the May 5, 1995, notice of proposed rulemaking provides for a tariff shift to heading 8473 ''from any other heading, except when the change is from heading 8414, 8501, 8504, 8534, 8541, or 8542 as a result of a simple assembly.'' Three comments were received concerning this proposed rule. One commenter stated its view that the process of fabricating key components should not be a necessary condition for a final product to obtain origin status. Another commenter claims that any change from heading 8414, 8501, 8504, 8534, 8541, or 8542 to heading 8473 should be considered a substantial transformation. This commenter cites example 3 in 19 CFR 10.14(b) in which a complex and meaningful production process of a circuit board is described. Finally, the third commenter seeks to have the rule further revised to allow the programming of goods of heading 8473 to result in a change of origin. As support for this position, this commentor cites HQ 733085 dated July 13, 1990, as clarified and affirmed by HQ 558868 dated February 23, 1995, wherein Customs held that the U.S. programming of random access memory (''RAM'') chips in access security cards constituted a substantial transformation of the imported card.

Customs Response: Customs strongly disagrees with the comments advocating that the § 102.20 rule should allow simple assemblies of key components to confer origin. It has been long established as a principle, by both Customs and the courts, that key components can impart the essential character to the good and consequently will not be substantially transformed by subsequent processing and assembly operations. *See Uniroyal, Inc.* v. *United States,* supra. The operations described in the example cited in 19 CFR 10.14(b) clearly do not constitute a ''simple assembly'' and therefore would meet the criteria set forth in the proposed § 102.20 rule. Thus, the proposed rule is consistent with the example cited by the commenter. On the other hand, since a good of heading 8473 can be created by the mere joining of two items, Customs believes the § 102.20 rule properly disallows changes from key components of goods classified under heading 8473 when the change in tariff classification results from a ''simple assembly''. This result is consistent with the position of Customs and the courts that not all assembly and testing operations result in a substantial transformation of the articles subjected to these operations.

Customs also does not agree with the comment that the programming of goods classifiable in heading 8473 should be allowed to result in a change in origin such as is allowed for goods classified in headings 8541 and 8542. Articles that are classified in heading 8473 consist of a combination of goods that are more than a single integrated circuit of headings 8541 and 8542 and are already identifiable as computer parts and accessories. In order for a good to be classifiable as a computer part or accessory of heading 8473, it usually consists of a significant number of different types of electronic components. As such, they have a substantial identity as computer parts and accessories which is distinct from any individual integrated circuits of which they may be composed. Therefore, any programming of the individual chips resident on a printed circuit board that already has the identity of a heading 8473 ADP part or accessory in no way changes the name, character or use of that computer part or accessory. On the other hand, articles classified in headings 8541 and 8542 are utilized in any number of different goods which are classified in numerous other provisions. Customs recently ruled in HQ 958314, issued November 29, 1995, that the good which was the subject of HQ 733085 and HQ 558868 cited by the third commenter is classifiable, both before and after the programming, in heading 8542. The programming of goods of headings 8541 and 8542 changes their essential character since the programming dedicates the chips to certain applications and the § 102.20 rule for these goods expressly codifies this position. Customs believes its views are consistent with the court's decision in *Data General Corporation* v. *United States,* 4 CIT 182 (1982). Therefore, the May 5, 1995, proposed revision of the § 102.20 rule for these goods of heading 8473 should be adopted.

Subheadings 8482.10–8482.80 (Bearings)

Comments: The § 102.20 rule set forth in the May 5, 1995, notice of proposed rulemaking for subheadings 8482.10 through 8482.80 provides as follows:

> A change to subheading 8482.10 through 8482.80 from any other heading; or
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> A change to subheading 8482.10 through 8482.80 from any other subheading, including another subheading within that group, except from inner or outer races or rings of subheading 8482.99.

One comment was received on the proposed rule. This commentor claims that the processes of grinding, polishing and heat treating of rings and races should confer origin.

Customs Response: Customs disagrees. It remains the position of Customs that these types of operations are merely finishing operations which do not confer origin. None of these operations changes the essential character of the article which is processed. The name, character and use of the article remain the same after these operations are performed. *See National Hand Tool Corp.* v. *United States, supra,* wherein the court held that operations such as grinding, polishing and heat treating are merely finishing operations which do not constitute a substantial transformation. Therefore, the revision of the § 102.20 rule for these goods should be adopted as proposed.

Subheading 8518.21–8518.22 (Loudspeakers)

Comment: One commenter alleges that the § 102.20 rule for subheadings 8518.21 and 8518.22, which requires a change from any other heading, is inconsistent with the substantial transformation test. This commenter states that consumer speakers mounted in an enclosure, classifiable under either subheading 8518.21 or subheading 8518.22, can consist of a tweeter, a mid-range, a woofer, or any combination of the these three loudspeakers, while the speaker drive units (i.e., loudspeakers), which are not mounted in an enclosure and which are used to manufacture complete speaker systems, are not consumer products and are classifiable under subheading 8518.29, HTSUS. Therefore, it is claimed that the § 102.20 rule is contrary to the substantial transformation test in that it does not consider the intricacies of the crossover network, the circuitry usually necessary to deliver each band of signals to the correct loudspeaker when a speaker

system contains a tweeter, a mid-range, and a woofer.

Customs Response: Customs disagrees. In HQ 556699 dated December 28, 1992, Customs held that the manufacture of completed speakers consisting of a woofer, tweeter, midrange cone drivers, crossover networks, and particle board from which the speaker housing was constructed were considered ''products of'' Mexico for purposes of the GSP, but only the cost or value of the particle board could be included in the 35 percent value-content calculation. In that ruling Customs also found that the enclosure of a stereo chassis (radio receiver, dual cassette deck) with a housing, and with the addition of speakers, did not serve to change the identity of the stereo chassis and did not transform the stereo chassis into a new and different article of commerce because the stereo chassis was the essence of the stereo system.

The interim § 102.20 rule for these goods provides for a change in heading. In HQ 559139 dated August 31, 1995, Customs considered the country of origin of a loudspeaker system classifiable under subheading 8518.22, HTSUS, containing a woofer, a tweeter, and a crossover network under the interim Part 102 regulations. Applying the hierarchy set forth in § 102.11, Customs determined that since the woofer and tweeter installed into the loudspeaker system were classifiable under the same heading, namely heading 8518, HTSUS, the § 102.20 rule was not met and § 102.11(b) was then applicable. Since both the woofer and the tweeter were equally important in producing the sound frequencies of the system, neither component imparted the essential character to the loudspeaker system for purposes of determining its country of origin under § 102.11(b). Thus, the country of origin of the loudspeaker system was finally determined, pursuant to § 102.11(d), to be the last country in which the loudspeaker system underwent production, other than by simple assembly or minor processing, which is consistent with the determination in HQ 556699.

In HQ 559139 Customs also determined, under the interim part 102 rules, the country of origin of loudspeaker systems containing only a woofer. Pursuant to § 102.11(b) of the interim regulations, the country of origin was determined to be the country of origin of the woofer and not the country where the loudspeaker system was manufactured. While Customs has not issued a ruling regarding the origin of a loudspeaker containing only one speaker drive unit outside of the context of the interim part 102 rules, it is the position of Customs that the cited ruling under the interim Part 102 rules reflects a proper application of the substantial transformation test. Just as the stereo chassis in HQ 556699 was considered the very essence of the stereo system, the woofer in HQ 559139 was the single material imparting the essential character of the loudspeaker and no crossover network was required to produce the desired sound. Therefore, it is the opinion of Customs that the Part 102 rules codify the Customs interpretation of the substantial transformation principle with respect to loudspeakers classifiable in subheadings 8518.21 and 8518.22, HTSUS.

Subheadings 8528.10–8528.20 (Televisions) and Subheading 8471.92 (Display Units)

A. Comments on Television Receivers

The May 5, 1995, notice of proposed rulemaking proposed to amend the § 102.20 rule for the above goods to read as follows:

> A change to subheading 8528.10 through 8528.20 from any other subheading, including another subheading within that group, except from subheading 8540.11 through 8540.12.

Two comments were received in response to the above proposed text. The commenters state that the drafters of the HTSUS clearly recognized the overwhelming importance of the television chassis to the functioning of a television by creating 8-digit breakouts for incomplete or unfinished television receivers (subheadings 8528.10.04 and 8528.10.08). These subheadings cover, *inter alia*, ''assemblies for television receivers consisting of all the parts specified in additional U.S. Note 10 to this chapter plus a power supply'' (which collectively are known in the industry as ''chassis'') which thus fall under the same 6-digit subheading (8528.10) as the television receiver itself. The commenters further state that by creating these subheadings under the 6-digit subheading for television receivers, the HTSUS drafters recognized that the function of the chassis is so important that it must be classified as an incomplete or unfinished television receiver (and not merely as a part thereof). (In the background discussion of the May 5, 1995, proposed amendment, Customs stated that ''the television tube may determine origin for some television sets.'') The commenters state that since the chassis is considered to be an incomplete or unfinished television receiver, without the picture tube, it would be inconsistent for Customs to conclude that the picture tube constitutes the single material imparting the essential character to the television receiver.

Customs Response: After careful consideration of the comments, it is Customs' view that, for purposes of determining the country of origin of a finished television receiver, neither the picture tube nor the television chassis independently imparts the essential character to the television receiver. Customs previously has recognized the substantial transformation of both a foreign chassis and a foreign tube when assembled with other components to make a finished television receiver. In HQ 711967 dated March 17, 1980, Customs found that U.S.-origin picture tubes, cabinets, and wiring were substantially transformed in Mexico when they were assembled in Mexico with Korean origin printed circuit boards, power transformers, yokes and tuners, since the operations performed in Mexico resulted in the foreign components becoming integral parts of a new article (the television receiver). On the other hand, in HQ 732170 dated January 5, 1990, Customs ruled that the assembly in the United States of a foreign chassis with a U.S. picture tube assembly and remote control unit resulted in a substantial transformation of the imported chassis and other components. As the above rulings illustrate, Customs has considered both the chassis and the tube assembly as integral parts of a finished television receiver. In neither case did a foreign chassis or a foreign tube determine the country of origin of the completely assembled television receiver. It is for the purpose of maintaining this result that the § 102.20 rule will not be satisfied whenever either the tube or the chassis is of foreign origin. As illustrated below, however, Customs believes that a proper application of the § 102.11 hierarchy will yield a result that is entirely consistent with the results reached in the above cited Customs rulings.

In applying the proposed § 102.20 rule for television receivers, Customs finds that neither the chassis nor the picture tube undergoes the requisite tariff shift. Therefore, it is necessary to proceed to § 102.11(b) to see if origin of the television receiver can be determined under that provision. Section 102.11(b) states that where the country of origin cannot be determined under paragraph (a), the country of origin of the good is the country or countries of origin of the ''single material'' that imparts the essential character to the good. Customs does not

agree with the commenters' suggestion that the fact that the chassis is classified in the same 6-digit HTSUS subheading as the television receiver should dictate the conclusion that the chassis is the ''single material'' that imparts the essential character to the television. Based upon consideration of the factors cited in § 102.18(b), Customs would conclude that for purposes of determining the country of origin of a television under § 102.11(b), neither the picture tube assembly nor the television chassis independently imparts the essential character to this good.

Section 102.11(c) also will not be applicable since the completed television receiver is not classified under the HTSUS as a ''set'', ''mixture'', or ''composite good''. Thus, the country of origin of the television receiver must be determined under § 102.11(d)(1). Under § 102.11(d), unless the finished television receiver is produced as a result of a ''simple assembly'' (as defined in § 102.1(o)) of the tube assembly, chassis, and cabinet which are all goods of the same country, the country of origin of the finished television receiver will be the country in which it is finally assembled.

B. Comments on Video Display Units (Computer Monitors) of Subheading 8471.92:

One comment was received concerning the proposed § 102.20 rules for display units classified in subheading 8571.92 (the text of the proposed rules is set forth in the above discussion of printers of subheading 8471.93). This commenter expressed concern that if a power supply and a cathode ray tube (CRT) are of foreign origin but all other components are domestic, the § 102.20 rule will not be satisfied.

Customs Response: If the CRT is imported separately it will be classified in heading 8540 and thus the proposed § 102.20 rule for display units will be met under the facts described by the commenter. Therefore, Customs assumes that this commenter's primary concern stems from the fact that a CRT-deflection yoke subassembly is classified in subheading 8471.92 as an unfinished display unit, and the subsequent combining of this subassembly with another part, such as a power supply, will not meet the requisite change in tariff classification rule.

Inasmuch as Customs traditionally has treated televisions and computer monitors as comparable articles for purposes of rulings regarding substantial transformation of televisions, such rulings are equally relevant for resolving substantial transformation issues for computer monitors; accordingly, the above comment response regarding television receivers is relevant to the § 102.20 rules for display units. In HQ 734966 dated October 18, 1993, Customs noted prior rulings on the substantial transformation of television tubes and chassis and ruled that the assembly in the United States of a foreign integral tube component (CRT and mounted yoke), printed circuit board, video board, cabinet backs and fronts, cables along with U.S. electrical connectors, wires, etc., to create the finished video display terminals resulted in a substantial transformation of the foreign components.

Consistent with the view expressed above with regard to television chassis which are classified in the same provision as the finished television receivers, Customs concludes that the fact that the CRT-yoke subassembly is classified in the same provision as the finished display unit does not dictate the conclusion that this component, alone, imparts the essential character to the video display unit for origin purposes. The integral role played by parts (for example, a subassembly consisting of the printed circuit board, video board, cabinet backs and fronts, electrical connectors, etc.) classified in heading 8473 (a provision excluded under the specific tariff shift rule) in the function of a video display unit is well established. Thus, in cases involving facts similar to those presented in HQ 734966, origin will not be determined on the basis of the CRT-yoke subassembly under § 102.11(b), and since such facts would not involve a ''simple assembly'' as defined in § 102.1(o), Customs believes the same origin result that was reached in HQ 734966 can be reached under § 102.11(d).

Heading 9001 (Spectacle Lenses, Optical Elements)

Comment: One comment was received regarding the § 102.20 rules applicable to spectacle lens and other optical elements made from lens blanks of Chapter 70. The relevant § 102.20 rules provide as follows:

> A change to subheading 9001.40 through 9001.90 from any other subheading, including another subheading within that group, except from lens blanks of heading 7014 or subheading 7015.10.
>
> A change to subheading 9002.11 through 9002.90 from any other subheading, including another subheading within that group, except from subheading 9001.90 or lens blanks of heading 7014.

This commenter claims that since grinding and polishing lens blanks (which are classified in heading 7014) to produce unmounted lenses (which are classified in heading 9001) results in a change in tariff classification, it should be recognized as a substantial transformation under the § 102.20 rules for unmounted lenses.

Customs Response: Customs disagrees. As Customs has stated consistently in connection with the proposed uniform origin rule concept, the Part 102 rules are intended to codify the interpretation of the substantial transformation principle by Customs and the courts, rather than to create a new standard for determining origin. As has been recognized by the courts, the fact that certain operations may or may not result in a change in tariff classification is not always dispositive of the issue of substantial transformation. *See Superior Wire* v. *United States, supra.* Thus, Customs has endeavored to develop a hierarchy for determining country of origin which allows certain tariff classification changes to result in origin changes, while disallowing others which yield results that are inconsistent with the substantial transformation principle as interpreted by Customs and the courts.

With regard to the issue raised by this commenter, in HQ 555923 dated June 17, 1991, Customs ruled that the further grinding and polishing of lens blanks into finished lenses did not result in a ''double substantial transformation'' of the raw materials, which consisted of cylindrical rods of base metals, specialty glasses, and sheets or rods of dielectrics, for purposes of the value-content requirement under the Generalized System of Preferences. This ruling was affirmed upon reconsideration in HQ 556360 dated July 7, 1992, where Customs ruled that the raw materials used to make the lens blanks did not undergo a second substantial transformation as a result of the further operations to make polished lenses. (Of note is the fact that Customs has applied, consistent with the court cases in this area, a more liberal application of the substantial transformation standard for purposes of the second substantial transformation required to receive duty preferences.) In a more recent internal advice opinion relating to an investigation, Customs again took the position that the processing of foreign lens blanks into polished unmounted lenses did not result in a substantial transformation of the lens blanks since, once the lens blanks were formed into the configuration of the lens, they had a predetermined character and use as a lens and could

not be used thereafter for other purposes. Customs believes that the application of the substantial transformation principle in the above cases is supported by the court decisions in *Superior Wire* v. *United States, supra,* and *National Hand Tool Corp.* v. *United States, supra.* Thus, the § 102.20 rules for these heading 9001 goods properly disallows the change in tariff classification from lens blanks. As a result of the operation of the § 102.11 hierarchy, the country of origin of unmounted lenses of heading 9001 made from foreign lens blanks of heading 7014 or subheading 7015.90 will be determined to be the country of origin of the lens blank pursuant to § 102.11(b).

Subheadings 9003.11–9003.19 (Eyeglass Frames)

Comment: One comment was received concerning the § 102.20 rules for the above goods. The rules pertaining to subheadings 9003.11 through 9003.10 provide as follows:

> A change to subheading 9003.11 through 9003.19 from any other heading; or
>
> A change to subheading 9003.11 through 9003.19 from any other subheading, including another subheading within that group, except from subheading 9003.90, unless the temples or fronts are domestically produced.

The commenter claims that the above rules are inconsistent with the country of origin rules presently applied by Customs. The commenter states that under Customs' current practice, it has consistently and uniformly been recognized that unfinished and unusable eyeglass temples and fronts manufactured in Country A, which are exported to Country B for further processing and finishing operations, are subjected to a substantial transformation and thus qualify as products of Country B for country of origin marking purposes.

Customs Response: Customs recognizes that its position on substantial transformation of eyeglass frames has not been consistent over the years. In HQ 709266 dated July 11, 1978 Customs ruled that the assembly of eyeglass frames did not constitute a substantial transformation. In C.S.D. 80–43, dated July 17, 1979, however, Customs ruled that eyeglass fronts and temples that were subjected to further processing and assembly were substantially transformed. In HQ 728504 dated October 15, 1985, Customs again reverted to the conclusion that the assembly of imported eyeglass fronts and temples did not result in a substantial transformation of those parts. The latter position was again taken in HQ 734663 dated September 4, 1992, wherein Customs ruled that fronts and temples, which were imported into the United States in partially finished conditions from various suppliers worldwide and which were colored and assembled together in the United States along with other minor parts, were not substantially transformed in the United States. Subsequently, in HQ 734771 dated December 17, 1992, Customs ruled that fronts and temples, which were further machined, trimmed, assembled and polished, were substantially transformed.

Contrary to the commenter's claim, Customs has not recognized all finishing and assembly of fronts and temples into eyeglass frames as resulting in a substantial transformation of those parts. The above rulings, however, illustrate why both Customs and the trade community need more transparency and predictability in origin determinations. Customs believes that the proposed § 102.20 rules for eyeglass frames and the remaining rules in the § 102.11 hierarchy achieve this goal, while remaining faithful to the substantial transformation principle. The tariff shift rules in question still allow a change from fronts and temples to finished frames, provided that either the temples or fronts are domestic materials, *i.e.,* they are goods of the country of assembly. In the absence of such a limitation, a change of origin could result from the simple combining of two foreign parts (fronts and temples), a result which neither Customs nor the courts have allowed under the application of the substantial transformation principle.

If the country of origin is not determined under § 102.11(a)(3) (that is, by meeting the criteria in the § 102.20 rules), § 102.11(b) of the hierarchy would next apply. However, since both the fronts and temples are important components of eyeglass frames, it would be difficult to conclude that either the fronts or the temples, alone, impart the essential character to the finished frames. Thus, it would be highly unlikely that country of origin could be determined pursuant to § 102.11(b). Accordingly, the country of origin of the eyeglass frame most probably would have to be determined under § 102.11(d). If the good was not produced as a result of a ''simple assembly'' (as defined in § 102.1(o)) of fronts and temples from the same country, the country in which the eyeglass frames were assembled would be the country of origin under § 102.20(d). If there was a ''simple assembly'' of fronts and temples of the same country of origin, then the country of origin of those parts would be the country of origin of the eyeglass frames under § 102.11(d). Customs believes the foregoing demonstrates that the application of the § 102.11 hierarchy will result in origin determinations that are not only consistent with Customs' past practice but also far more transparent and predictable.

Subheadings 9018.31–9019.90 (Surgical Instruments)

Comment: The § 102.20 rules applicable to the above goods basically require a change from any other subheading, except from certain provisions that are not relevant to the one comment submitted regarding these goods. A commenter claims that surgical instruments often are made from steel forgings produced in one country (*e.g.,* the United States or Germany) and further processed by machining operations in a second country (*e.g.,* Pakistan, Hungary, Russia). Both the forgings and the machined surgical instruments are classified in subheading 9018.90 as other medical instruments. The commenter claims that on several occasions, Customs has ruled that the machining of a steel forging substantially transforms the forging into a surgical instrument and cites C.S.D. 80–15 of June 25, 1979, HQ 553197 dated February 11, 1985, and C.S.D. 90–53 of February 12, 1990, as support for his position. The commenter claims that the § 102.20 rules should codify these rulings.

Customs Response: Customs disagrees. The Court of International Trade recently considered whether the processing of forgings classified in the same provision as the finished good resulted in a substantial transformation in *National Hand Tool Corp.* v. *United States,* supra, a country of origin marking case. At issue in *National Hand Tool* was whether certain imported hand tool components processed in the United States underwent a substantial transformation. The components were either cold-formed or hot-forged into their final shape in Taiwan (except the speeder handle, which was bent to shape in the United States), while others underwent heat treatment in Taiwan. In holding that there was no substantial transformation of the imported forgings, the court found that the name of each article as imported was the same as that of the completed tool, that the character of the articles remained unchanged after the operations, and that the use of the imported articles was predetermined at the time of importation. Customs is now of the opinion that steel forgings subjected to processes similar to those considered in *National Hand Tool* also

do not undergo a substantial transformation, because such processing does not result in a change in the name, character, and use of the imported steel forgings. *See* HQ 558747 dated January 20, 1995. The Part 102 rules codify Customs current position which applies the rationale of *National Hand Tool.*

Assuming *arguendo* that two or more imported forgings are classified in subheadings 9018.31 through 9019.90 as parts or accessories of surgical instruments, the § 102.20 rule will not be met when the finished surgical instruments are produced. The next step is to go to § 102.11(b) and determine whether a single imported component imparts the essential character to the surgical instruments. Since the forgings are classified in provisions from which a change is not allowed under the applicable § 102.20 rule, pursuant to § 102.18(b) these are the parts considered for purposes of determining if a single material imparts the essential character to the finished good. Depending upon the type of surgical instrument at issue, a single steel forging could constitute the single material that imparts the essential character to the surgical instrument. In such instances, under § 102.11(b), the country of origin would be the country in which that steel forging is produced. This result would be entirely consistent with the position taken by the court in the *National Hand Tool* case.

Headings 9101–9110 (Watches and Watch Movements)

Comments: Customs proposed to amend the § 102.20 rules for clocks and watches and for complete and assembled movements by adding in each case a second rule to allow changes from complete movements, unassembled (movement sets), of subheading 9110.11 or 9110.90, or from rough movements of subheading 9110.19 or 9110.90. Customs also proposed to amend the rules applicable to heading 9110 (relating to watch and clock movements, complete and unassembled or partly assembled, incomplete movements, and rough movements) by deleting the alternative rule which allowed a change from subheading 9114.90 ''if there had been a substantial transformation.''

Two comments were received concerning the above proposals. Both commenters generally agree with the proposed amendments. One commenter agrees with Customs position that a change should not be allowed from an incomplete watch or clock movement, assembled, to a complete movement, but only to the extent that such items are so close to being complete movements that the final manufacturing steps needed to complete the movements are insignificant. The other commenter questions why Customs did not also propose to allow a change to headings 9101 through 9109 from incomplete watch or clock movements, assembled, of subheading 9110.12. This commenter states that from the producer's standpoint, the manufacturing operations necessary to produce a finished movement from either an incomplete movement or a rough movement are significant.

With regard to the § 102.20 rule for heading 9110, one of the commenters is of the opinion that the rule should allow a change to this heading from any other heading or subheading, including subheading 9114.90. The other commenter, however, agrees with Customs' ''apparent analysis'' that little or no manufacturing may be involved when, for example, a movement set is put together from subheading 9114.90 assemblies and subassemblies.

Customs Response: Customs continues to believe that a change in tariff classification should not be allowed from subheading 9110.12 to headings 9101 through 9109 because an incomplete movement may be essentially a movement and, therefore, allowing such a change would be inconsistent with Customs' longstanding interpretation of the substantial transformation principle. Customs also notes that, as stated in the May 5, 1995, notice of proposed rulemaking, the proposal to exclude the alternative rule for heading 9110 is necessary to avoid redundancy. Customs believes that if a required change in tariff classification does not occur under § 102.20, when in fact there has been a substantial transformation of the foreign material at issue, a substantial transformation result will still be reached under the § 102.11 rules.

As noted in the May 5, 1995, notice of proposed rulemaking and elsewhere in this document, the general rules for determining the country of origin of a good in §§ 102.11 (a) through (d) are applied in a hierarchal and sequential manner. Thus, although a prescribed change in tariff classification may not occur for purposes of determining origin under §§ 102.11(a)(3) and 102.20, the country of origin of a movement made from an incomplete movement of subheading 9110.12 or a part of subheading 9114.90 will nevertheless be determined once the appropriate rule in the § 102.11 hierarchy is applied. Depending upon several factors, the foreign material classified in subheading 9110.12 or 9114.90 may constitute the single material that imparts the essential character to the complete movement for purposes of determining the country of origin under § 102.11(b). On the other hand, if there are several components properly being considered under §§ 102.11(b) and 102.18(b), and if no single component imparts the essential character to the complete movement, then the country of origin will be determined to be the country in which the movement was produced (provided that such production was not the result of a ''simple assembly'' of parts from the same country).

Subheading 9506.31 (Golf Clubs)

Comment: The § 102.20 rule for golf clubs provides for a change to subheading 9506.31 (complete golf clubs) from any other subheading, except from subheading 9506.39 (parts of golf clubs). One comment was received concerning this rule. A commenter states that it has been Customs' longstanding position that the process of joining the essential component parts—heads, shafts and grips—into completed golf clubs constitutes a substantial transformation and, therefore, the country where this process occurs is the country of origin of the golf clubs. As support, this commenter cites several Customs rulings (HQ 724901 dated April 9, 1984, HQ 728213 dated July 3, 1985, HQ 733185 dated April 11, 1990, HQ 733151 dated September 11, 1990, HQ 734136 dated June 17, 1991, and HQ 735125 dated November 17, 1993) in which Customs ruled that the assembly of either a foreign head or shaft with a domestic head or shaft and a domestic grip, or the use of foreign grips in the manufacture of completed golf clubs in the United States, resulted in a substantial transformation of the foreign head or shaft or grip so that the country of origin of the completed golf club was the United States where the assembly took place.

Customs Response: Contrary to the commenter's suggestion, Customs has not taken the general position that the country of origin of a golf club is the country in which it is finally assembled. In fact, Customs has never ruled on the question of whether the assembly in the United States of a foreign head and shaft with either a foreign or domestic grip into a completed club results in a substantial transformation of the imported components, thereby making the United States the country of origin of the completed club. Customs, however, believes that the § 102.20 rule for golf clubs allows for the substantial transformation principle to be applied in a manner consistent with the approach taken in the rulings cited by

the commenter. Applying the § 102.20 rule to determine whether the foreign components change their origin as a result of an assembly operation, Customs finds no tariff shift for the imported components. However, if the hierarchal rules of § 102.11 are properly applied to the circumstances in the above-cited rulings (*e.g.*, assembly of a golf club using a foreign head and a domestic shaft and grip) Customs finds that the same origin result can be reached under the § 102.11 hierarchy.

If the § 102.20 rule is not met, § 102.11(b) will be applicable. If there is a single component that imparts the essential character to the golf club, the country of origin of that component will be the country of origin of the golf club. If no single component can be found to impart the essential character to the finished golf club, § 102.11(d) is then applicable (§ 102.11(c) would not be relevant in this case). If the golf club was not produced as a result of a ''simple assembly'' (as defined in § 102.1(o)) of parts from the same country, then the country of origin of the finished golf club would be the country of assembly. Therefore, Customs believes that the Part 102 rules as a whole codify the substantial transformation principle as applied to golf clubs.

Other Changes

In addition to the changes mentioned in connection with the above discussion of public comments, the regulatory texts set forth below incorporate the following additional changes which Customs believes are necessary based on further internal review of the interim and proposed regulatory texts:

1. A second sentence has been added to the introductory text of § 102.20 to provide that requisite tariff shifts within the same heading must involve changes in subheadings at the same (that is, 6-digit) level. Since tariff classification is the basis for the § 102.20 rules, Customs believes that it is essential for those rules to incorporate the fundamental rule of tariff classification, as stated in General Rule of Interpretation 6 of the Harmonized System and the HTSUS, that only subheadings at the same level are comparable.

2. In § 102.20, the tariff shift rules for subheadings 4202.12–4202.22, 4202.31–4202.32, 4202.91–4202.99 and 4302.30 have been modified to refer to the assembly of ''foreign'' (rather than ''imported'') cut components, because the word ''imported'' does not necessarily convey the origin significance that was intended to be attached to the cut components.

3. In § 102.20, the listings for headings 6815 and 7113–7115 have been redrafted to reflect subheading rules, as intended by the wording of the respective interim tariff shift rules.

4. In § 102.20, the listing for subheadings 7505.11–7505.22 has been redrafted to reflect a heading 7505 rule. This change removes an ambiguity in the tariff shift rule and ensures consistency with the rules for other related headings of Chapter 75.

5. In § 102.20, the listing for headings 8545–8548 has been broken into two listings, one for subheadings 8545.11–8547.90 and the other for heading 8548. This change clarifies the intent and removes an ambiguity from the interim text.

6. In § 102.20, the words ''domestically produced'' at the end of the second tariff shift rule for subheadings 9003.11–9003.19 have been replaced by ''domestic materials'' because ''produced'' has no specific legal meaning within Part 102 whereas ''domestic material'' is defined in § 102.1(d).

7. In § 102.20, the listing for headings 9701–9706 has been broken into two listings, one for subheadings 9701.10–9701.90 and the other for headings 9702–9706. This change clarifies the intent and removes an ambiguity from the interim text.

8. Finally, a number of other editorial changes have been made in the interim and proposed texts, including a large number of changes to the provisions in the table under § 102.20. These changes, which correct typographical or other obvious errors or inconsistencies in language, are also not substantive in effect.

Conclusion

Accordingly, based on the comments received and the analysis of those comments as set forth above, and based on the additional considerations discussed above, Customs believes that the interim NAFTA Marking Rules and the other interim regulations published as T.D. 94–4 and the proposed amendments to those interim regulations published on May 5, 1995, and on July 12, 1995, should be adopted as a final rule with certain changes thereto as discussed above and as set forth below. Although this document sets forth the majority of the interim regulatory amendments and proposed changes thereto adopted herein as a final rule and thus both republishes portions of the interim texts without change and amends other portions of the interim texts to incorporate the changes discussed above, it does not republish those unchanged interim amendments involving § 12.130.

Inapplicability of Public Notice and Comment Procedures

Pursuant to the provisions of 5 U.S.C. 553(a), public notice and comment procedures are inapplicable to these final regulations because they are within the foreign affairs function of the United States.

Executive Order 12866

Because this document involves a foreign affairs function of the United States and implements an international agreement, it is not subject to the provisions of E.O. 12866.

Regulatory Flexibility Act

Based on the supplementary information set forth above and because these regulations implement obligations of international agreements, pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) it is certified that the regulations will not have a significant economic impact on a substantial number of small entities. Accordingly, the regulations are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 and 604.

Drafting Information

The principal author of this document was Francis W. Foote, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects

19 CFR Part 10

Customs duties and inspection, Imports, Reporting and recordkeeping requirements.

19 CFR Part 12

Customs duties and inspection, Labeling, Marking, Reporting and recordkeeping requirements, Textiles and textile products.

19 CFR Part 102

Customs duties and inspections, Imports, Reporting and recordkeeping requirements, Rules of origin, Trade agreements.

19 CFR Part 134

Country or origin, Customs duties and inspections, Imports, Labeling, Marking, Packaging and containers.

Amendments to the Regulations

Accordingly, part 10 is amended and the interim rule amending parts 12 and 134 of the Customs Regulations (19 CFR parts 12 and 134) and adding part 102

of the Customs Regulations (19 CFR part 102), which was published at 59 FR 110–140 on January 3, 1994, and which was corrected at 59 FR 5082 on February 3, 1994, is adopted as a final rule with certain changes as discussed above and set forth below.

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

1. The general authority citation for part 10 continues to read as follows, and the specific authority citation for § 10.22 is removed:

Authority: 19 U.S.C. 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314;

* * * * *

§ 10.22 [Removed]

2. Section 10.22 is removed.

PART 102—RULES OF ORIGIN

1. The authority citation for part 102 continues to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1624, 3314, 3592.

§§ 102.14 and 102.16 [Removed]

2. Sections 102.14 and 102.16 are removed and § 102.12 is republished, and §§ 102.0, 102.1, 102.11, 102.13, 102.15, 102.17, 102.18, 102.19 and 102.20 are revised, to read as follows:

§ 102.0 Scope.

Except in the case of goods covered by § 102.21, this part sets forth rules for determining the country of origin of imported goods for the purposes specified in paragraph 1 of Annex 311 of the North American Free Trade Agreement (''NAFTA''). These specific purposes are: country of origin marking; determining the rate of duty and staging category applicable to originating textile and apparel goods as set out in Section 2 (Tariff Elimination) of Annex 300–B (Textile and Apparel Goods); determining the rate of duty and staging category applicable to an originating good as set out in Annex 302.2 (Tariff Elimination). The rules for determining the country of origin of textile and apparel products set forth in § 102.21 apply for the foregoing purposes and for the other purposes stated in that section.

Subpart A—General

§ 102.1 Definitions.

(a) *Advanced in value.* ''Advanced in value'' means an increase in the value of a good as a result of production with respect to that good, other than by means of those ''minor processing'' operations described in paragraphs (m)(5), (m)(6), and (m)(7) of this section.

(b) *Commingled.* ''Commingled'' means physically combined or mixed.

(c) *Direct physical identification.* ''Direct physical identification'' means identification by visual or other organoleptic examination.

(d) *Domestic material.* ''Domestic material'' means a material whose country of origin as determined under these rules is the same country as the country in which the good is produced.

(e) *Foreign material.* ''Foreign material'' means a material whose country of origin as determined under these rules is not the same country as the country in which the good is produced.

(f) *Fungible goods or fungible materials.* ''Fungible goods or fungible materials'' means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical.

(g) *A good wholly obtained or produced.* A good ''wholly obtained or produced'' in a country means:

(1) A mineral good extracted in that country;

(2) A vegetable or plant good harvested in that country;

(3) A live animal born and raised in that country;

(4) A good obtained from hunting, trapping or fishing in that country;

(5) A good (fish, shellfish and other marine life) taken from the sea by vessels registered or recorded with that country and flying its flag;

(6) A good produced on board factory ships from the goods referred to in paragraph (g)(5) of this section, provided such factory ships are registered or recorded with that country and fly its flag;

(7) A good taken by that country or a person of that country from the seabed or beneath the seabed outside territorial waters, provided that country has rights to exploit such seabed;

(8) A good taken from outer space, provided they are obtained by that country or a person of that country;

(9) Waste and scrap derived from:

(i) Production in a country, or

(ii) Used goods collected in that country provided such goods are fit only for the recovery of raw materials; and

(10) A good produced in that country exclusively from goods referred to in paragraphs (g)(1) through (10) of this section or from their derivatives, at any stage of production.

(h) *Harmonized System.* ''Harmonized System'' means the Harmonized Commodity Description and Coding System, including its general rules of Interpretation, Section Notes and Chapter Notes, as adopted and implemented by the United States.

(i) *Improved in condition.* ''Improved in condition'' means the enhancement of the physical condition of a good as a result of production with respect to that good, other than by means of those ''minor processing'' operations described in paragraphs (m)(5), (m)(6), and (m)(7) of this section.

(j) *Incorporated.* ''Incorporated'' means physically incorporated into a good as a result of production with respect to that good.

(k) *Indirect materials.* ''Indirect materials'' means a good used in the production, testing or inspection of another good but not physically incorporated into that other good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of that other good, including:

(1) Fuel and energy;

(2) Tools, dies and molds;

(3) Spare parts and materials used in the maintenance of equipment and buildings;

(4) Lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;

(5) Gloves, glasses, footwear, clothing, safety equipment and supplies;

(6) Equipment, devices, and supplies used for testing or inspecting the goods;

(7) Catalysts and solvents; and

(8) Any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production.

(l) *Material.* ''Material'' means a good that is incorporated into another good as a result of production with respect to that other good, and includes parts, ingredients, subassemblies, and components.

(m) *Minor processing.* ''Minor processing'' means the following:

(1) Mere dilution with water or another substance that does not materially alter the characteristics of the good;

(2) Cleaning, including removal of rust, grease, paint, or other coatings;

(3) Application of preservative or decorative coatings, including lubricants, protective encapsulation, preservative or decorative paint, or metallic coatings;

(4) Trimming, filing or cutting off small amounts of excess materials;

(5) Unloading, reloading or any other operation necessary to maintain the good in good condition;

(6) Putting up in measured doses, packing, repacking, packaging, repackaging;

(7) Testing, marking, sorting, or grading;

(8) Ornamental or finishing operations incidental to textile good production designed to enhance the marketing appeal or the ease of care of the product, such as dyeing and printing, embroidery and appliques, pleating, hemstitching, stone or acid washing, permanent pressing, or the attachment of accessories notions, findings and trimmings; or

(9) Repairs and alterations, washing, laundering, or sterilizing.

(n) *Production.* ''Production'' means growing, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling a good.

(o) *Simple assembly.* ''Simple assembly'' means the fitting together of five or fewer parts all of which are foreign (excluding fasteners such as screws, bolts, etc.) by bolting, gluing, soldering, sewing or by other means without more than minor processing.

(p) *Value.* ''Value'' means, with respect to § 102.13:

(1) In the case of a good, its customs value or transaction value within the meaning of the appendix to part 181 of this chapter; or

(2) In the case of a material, its customs value or value within the meaning of the appendix to part 181 of this chapter.

Subpart B—Rules of Origin

§ 102.11 General rules.

The following rules shall apply for purposes of determining the country of origin of imported goods other than textile and apparel products covered by § 102.21.

(a) The country of origin of a good is the country in which:

(1) The good is wholly obtained or produced;

(2) The good is produced exclusively from domestic materials; or

(3) Each foreign material incorporated in that good undergoes an applicable change in tariff classification set out in § 102.20 and satisfies any other applicable requirements of that section, and all other applicable requirements of these rules are satisfied.

(b) Except for a good that is specifically described in the Harmonized System as a set, or is classified as a set pursuant to General Rule of Interpretation 3, where the country of origin cannot be determined under paragraph (a) of this section:

(1) The country of origin of the good is the country or countries of origin of the single material that imparts the essential character to the good, or

(2) If the material that imparts the essential character to the good is fungible, has been commingled, and direct physical identification of the origin of the commingled material is not practical, the country or countries of origin may be determined on the basis of an inventory management method provided under the appendix to part 181 of this chapter.

(c) Where the country of origin cannot be determined under paragraph (a) or (b) of this section and the good is specifically described in the Harmonized System as a set or mixture, or classified as a set, mixture or composite good pursuant to General Rule of Interpretation 3, the country of origin of the good is the country or countries of origin of all materials that merit equal consideration for determining the essential character of the good.

(d) Where the country of origin of a good cannot be determined under paragraph (a), (b) or (c) of this section, the country of origin of the good shall be determined as follows:

(1) If the good was produced only as a result of minor processing, the country of origin of the good is the country or countries of origin of each material that merits equal consideration for determining the essential character of the good;

(2) If the good was produced by simple assembly and the assembled parts that merit equal consideration for determining the essential character of the good are from the same country, the country of origin of the good is the country of origin of those parts; or

(3) If the country of origin of the good cannot be determined under paragraph (d)(1) or (d)(2) of this section, the country of origin of the good is the last country in which the good underwent production.

§ 102.12 Fungible goods.

When fungible goods of different countries of origin are commingled the country of origin of the goods:

(a) Is the countries of origin of those commingled goods; or

(b) If the good is fungible, has been commingled, and direct physical identification of the origin of the commingled good is not practical, the country or countries of origin may be determined on the basis of an inventory management method provided under the appendix to part 181 of this chapter.

§ 102.13 De Minimis.

(a) Except as otherwise provided in paragraphs (b) and (c) of this section, foreign materials that do not undergo the applicable change in tariff classification set out in § 102.20 or satisfy the other applicable requirements of that section when incorporated into a good shall be disregarded in determining the country of origin of the good if the value of those materials is no more than 7 percent of the value of the good or 10 percent of the value of a good of Chapter 22, Harmonized System.

(b) Paragraph (a) of this section does not apply to a foreign material incorporated in a good provided for in Chapter 1, 2, 3, 4, 7, 8, 11, 12, 15, 17, or 20 of the Harmonized System.

(c) Foreign components or materials that do not undergo the applicable change in tariff classification set out in § 102.21 or satisfy the other applicable requirements of that section when incorporated into a textile or apparel product covered by that section shall be disregarded in determining the country of origin of the good if the total weight of those components or materials is not more than 7 percent of the total weight of the good.

§ 102.15 Disregarded materials.

(a) The following materials shall be disregarded when determining whether the good undergoes the applicable change in tariff classification set out in § 102.20 or § 102.21, or satisfies the other applicable requirements of those sections:

(1) Packaging materials and containers in which a good is packaged for retail sale that are classified with the good;

(2) Accessories, spare parts or tools delivered with the good that are classified with the good and shipped with the good;

(3) Packing materials and containers in which a good is packed for shipment; and

(4) Indirect materials.

(b) [Reserved]

§ 102.17 Non-qualifying operations.

A foreign material shall not be considered to have undergone an applicable change in tariff classification specified in § 102.20 or § 102.21 or to have met any other applicable requirements of those sections merely by reason of one or more of the following:

(a) A change in end-use;

(b) Dismantling or disassembly;

(c) Simple packing, repacking or retail packaging without more than minor processing;

(d) Mere dilution with water or another substance that does not materially alter the characteristics of the material; or

(e) Collecting parts that, as collected, are classifiable in the same tariff provision as an assembled good pursuant to General Rule of

Interpretation 2(a), without any additional operation other than minor processing.

§ 102.18 Rules of interpretation.

(a) When General Rule of Interpretation (GRI) 2(a) is referred to in § 102.20 as an exception to an allowed change in tariff classification, this means that such change will not be acceptable for purposes of that section if the change results from the assembly of parts into an incomplete or unfinished good which is classifiable in the same manner as a complete or finished good pursuant to GRI 2(a).

(b) (1) For purposes of identifying the material that imparts the essential character to a good under § 102.11, the only materials that shall be taken into consideration are those domestic or foreign materials that are classified in a tariff provision from which a change in tariff classification is not allowed under the § 102.20 specific rule or other requirements applicable to the good. For purposes of this paragraph (b)(1):

(i) The materials to be considered must be classified in a tariff provision from which a change in tariff classification is not allowed under the specific rule or other requirements applicable to the good under consideration. For example, in the case of a good classified in HTSUS subheading 8607.11 (the rule for which specifies a change to subheading 8607.11 from any other subheading, except from subheading 8607.12, and except from subheading 8607.19 when that change is pursuant to GRI 2(a)), the only materials that may be considered for purposes of identifying the materials that impart the essential character to the good are those that are classified in subheadings 8607.11, 8607.12 and, if the tariff shift is pursuant to GRI 2(a), 8607.19;

(ii) Materials that may be considered include materials produced by the producer of the good and incorporated in the good. For example, if a producer of a good purchases raw materials and converts those raw materials into a component that is incorporated in the good, that component is a material that may be considered for purposes of identifying the materials that impart the essential character to the good, provided that the component is classified in a tariff provision from which a change in tariff classification is not allowed under the specific rule or other requirements applicable to the good; and

(iii) If there is only one material that is classified in a tariff provision from which a change in tariff classification is not allowed under the § 102.20 specific rule or other requirements applicable to the good, then that material will represent the single material that imparts the essential character to the good under § 102.11.

(2) For purposes of determining which one of two or more materials described in paragraph (b)(1) of this section imparts the essential character to a good under § 102.11, various factors may be examined depending upon the type of good involved. These factors include, but are not limited to, the following:

(i) The nature of each material, such as its bulk, quantity, weight or value; and

(ii) The role of each material in relation to the use of the good.

§ 102.19 NAFTA preference override.

(a) Except in the case of goods covered by paragraph (b) of this section, if a good which is originating within the meaning of § 181.1(q) of this chapter is not determined under § 102.11(a) or (b) or § 102.21 to be a good of a single NAFTA country, the country of origin of such good is the last NAFTA country in which that good underwent production other than minor processing, provided that a Certificate of Origin (see § 181.11 of this chapter) has been completed and signed for the good.

(b) If, under any other provision of this part, the country of origin of a good which is originating within the meaning of § 181.1(q) of this chapter is determined to be the United States and that good has been exported from, and returned to, the United States after having been advanced in value or improved in condition in another NAFTA country, the country of origin of such good for Customs duty purposes is the last NAFTA country in which that good was advanced in value or improved in condition before its return to the United States.

§ 102.20 Specific rules by tariff classification.

The following rules are the rules specified in § 102.11(a)(3) and other sections of this part. Where a rule under this section permits a change to a subheading from another subheading of the same heading, the rule shall be satisfied only if the change is from a subheading of the same level specified in the rule.

HTSUS	Tariff shift and/or other requirements
(a)	**Section I: Chapters 1 through 5**
0101–0106	A change to heading 0101 through 0106 from any other chapter.
0201–0209	A change to heading 0201 through 0209 from any other chapter.
0210.11–0210.20	A change to subheading 0210.11 through 0210.20 from any other chapter.
0210.90	A change to subheading 0210.90 from any other chapter; or A change to edible meals and flours of subheading 0210.90 from any product other than edible meals and flours of Chapter 2.
0301–0303	A change to heading 0301 through 0303 from any other chapter.
0304	A change to heading 0304 from any other chapter; or A change to fillets of heading 0304 from any other heading.
0305.10	A change to subheading 0305.10 from any other subheading.
0305.20	A change to subheading 0305.20 from any other chapter.
0305.30	A change to subheading 0305.30 from any other subheading, except from fillets of heading 0304.
0305.41–0305.69	A change to subheading 0305.41 through 0305.69 from any other chapter.
0306	A change to heading 0306 from any other chapter.
0307	A change to heading 0307 from any other chapter; or A change to edible meals and flours from within Chapter 3.
0401	A change to heading 0401 from any other chapter.
0402.10–0402.29	A change to subheading 0402.10 through 0402.29 from any other chapter.
0402.91–0402.99	A change to subheading 0402.91 through 0402.99 from any other chapter.
0403.10	A change to subheading 0403.10 from any other subheading.
0403.90	A change to subheading 0403.90 from any other chapter; or A change to sour cream or kephir from any other product of Chapter 4.

HTSUS	Tariff shift and/or other requirements
0404	A change to heading 0404 from any other heading.
0405.10	A change to subheading 0405.10 from any other heading.
0405.20	A change to subheading 0405.20 from any other chapter, except from subheading 1901.90; or A change to subheading 0405.20 from any other subheading, provided that the good contains no more than 50 percent by weight of milk solids.
0405.90	A change to subheading 0405.90 from any other heading.
0406	A change to heading 0406 from any other heading.
0407–0410	A change to heading 0407 through 0410 from any other chapter.
0501–0511	A change to heading 0501 through 0511 from any other chapter.
(b)	**Section II: Chapters 6 through 14**
Note: Notwithstanding the specific rules of this section, an agricultural or horticultural good grown in the territory of a country shall be treated as a good of that country even if grown from seed or bulbs, root stock, cuttings, slips or other live parts of plants, or from whole plants, imported from a foreign country.	
0601–0602	A change to heading 0601 through 0602 from any other heading, including another heading within that group.
0603–0604	A change to heading 0603 through 0604 from any other heading, including another heading within that group, except from heading 0602.
0701–0709	A change to heading 0701 through 0709 from any other chapter.
0710	A change to heading 0710 from any other chapter.
0711	A change to heading 0711 from any other chapter.
0712	A change to heading 0712 from any other chapter; or A change to powdered vegetables of heading 0712 from any other product of Chapter 7, if put up for retail sale.
0713–0714	A change to heading 0713 through 0714 from any other chapter.
0801–0810	A change to heading 0801 through 0810 from any other chapter.
0811	A change to heading 0811 from any other chapter.
0812	A change to heading 0812 from any other chapter.
0813	A change to heading 0813 from any other chapter.
0814	A change to heading 0814 from any other chapter.
0901.11–0901.12	A change to subheading 0901.11 through 0901.12 from any other chapter.
0901.21–0901.22	A change to subheading 0901.21 through 0901.22 from any subheading outside that group.
0901.90	A change to subheading 0901.90 from any other chapter.
0902–0903	A change to heading 0902 through 0903 from any other chapter.
0904–0910	A change to heading 0904 through 0910 from any other chapter; or A change to crushed, ground, or powdered products of heading 0904 through 0910 from within Chapter 9, if put up for retail sale; or A change to subheading 0910.91 from any other subheading, provided that a single spice ingredient of foreign origin constitutes no more than 60 percent by weight of the good.
1001–1008	A change to heading 1001 through 1008 from any other chapter.
1101–1106	A change to heading 1101 through 1106 from any other chapter.
1107	A change to heading 1107 from any other chapter.
1108–1109	A change to heading 1108 through 1109 from any other heading, including another heading within that group.
1201–1207	A change to heading 1201 through 1207 from any other chapter.
1208	A change to heading 1208 from any other heading.
1209–1214	A change to heading 1209 through 1214 from any other chapter.
1301–1302	A change to heading 1301 through 1302 from any other chapter.
1401–1404	A change to heading 1401 through 1404 from any other chapter.
(c)	**Section III: Chapter 15**
1501–1516	A change to heading 1501 through 1516 from any other chapter.
1517.10	A change to subheading 1517.10 from any other heading.
1517.90	A change to subheading 1517.90 from any other chapter, except from heading 3823; or A change to subheading 1517.90 from any other heading, provided that no single oil ingredient of foreign origin constitutes more than 60 percent by weight of the good.
1518	A change to heading 1518 from any other heading.
1520	A change to heading 1520 from any other heading, except from subheading 2905.45 and heading 3823.
1521–1522	A change to heading 1521 through 1522 from any other chapter, except from heading 3823.
(d)	**Section IV: Chapters 16 through 24**
1601–1605	A change to heading 1601 through 1605 from any other chapter.
1701–1702	A change to heading 1701 through 1702 from any other chapter.
1703	A change to heading 1703 from any other chapter.
1704	A change to heading 1704 from any other heading.
1801–1803	A change to heading 1801 through 1803 from any other chapter.
1804	A change to heading 1804 from any other heading, except from heading 1803.
1805	A change to heading 1805 from any other heading, except from subheading 1803.20.
1806.10	A change to subheading 1806.10 from any other heading, except from heading 1805 or from Chapter 17; or A change to subheading 1806.10 from Chapter 17, provided that the good contains less than 65 percent by dry weight of sugar.
1806.20	A change to subheading 1806.20 from any other heading, except from Chapter 17; or

HTSUS	Tariff shift and/or other requirements
	A change to subheading 1806.20 from Chapter 17, provided that the good contains less than 65 percent by dry weight of sugar.
1806.31	A change to subheading 1806.31 from any other subheading.
1806.32	A change to subheading 1806.32 from any other subheading.
1806.90	A change to subheading 1806.90 from any other subheading.
1901.10	A change to subheading 1901.10 from any other subheading.
1901.20	A change to subheading 1901.20 from any other subheading.
1901.90	A change to subheading 1901.90 from any other heading.
1902.11–1902.19	A change to subheading 1902.11 through 1902.19 from any other heading.
1902.20	A change to subheading 1902.20 from any other subheading.
1902.30–1902.40	A change to subheading 1902.30 through 1902.40 from any other heading.
1903	A change to heading 1903 from any other heading.
1904.10	A change to subheading 1904.10 from any other heading.
1904.20	A change to subheading 1904.20 from any other subheading.
1904.90	A change to subheading 1904.90 from any other heading.
1905	A change to heading 1905 from any other heading.
Chapter 20 Note: Notwithstanding the specific rules of this chapter, fruit, nut and vegetable preparations of Chapter 20 that have been prepared or preserved merely by freezing, by packing (including canning) in water, brine or natural juices, or by roasting, either dry or in oil (including processing incidental to freezing, packing, or roasting), shall be treated as a good of the country in which the fresh good was produced.	
2001–2007	A change to heading 2001 through 2007 from any other chapter.
2008.11	A change to subheading 2008.11 from any other chapter, provided that the change is not the result of mere blanching of peanuts.
2008.19–2008.99	A change to subheading 2008.19 through 2008.99 from any other chapter, provided that the change is not the result of mere blanching of nuts.
2009.11–2009.30	A change to subheading 2009.11 through 2009.30 from any other chapter.
2009.40–2009.80	A change to subheading 2009.40 through 2009.80 from any other chapter.
2009.90	A change to subheading 2009.90 from any other chapter; or
	A change to subheading 2009.90 from any other subheading, provided that a single juice ingredient of foreign origin, or juice ingredients from a single foreign country, constitute in single strength form no more than 60 percent by volume of the good.
2101	A change to heading 2101 from any other heading.
2102	A change to heading 2102 from any other heading.
2103.10	A change to subheading 2103.10 from any other heading.
2103.20	A change to subheading 2103.20 from any other heading.
2103.30	A change to subheading 2103.30 from any other subheading; or
	A change to prepared mustard of subheading 2103.30 from mustard flour or meal.
2103.90	A change to subheading 2103.90 from any other subheading.
2104.10	A change to subheading 2104.10 from any other subheading.
2104.20	A change to subheading 2104.20 from any other subheading.
2105	A change to heading 2105 from any other heading.
2106.10	A change to subheading 2106.10 from any other subheading.
2106.90	A change to a good of subheading 2106.90, other than to compound alcoholic preparations, from any other subheading, except from Chapter 4, Chapter 17, heading 2009, subheading 1901.90 or subheading 2202.90; or
	A change to subheading 2106.90 from Chapter 4 or subheading 1901.90, provided that the good contains no more than 50 percent by weight of milk solids; or
	A change to subheading 2106.90 from Chapter 17, provided that the good contains less than 65 percent by dry weight of sugar; or
	A change to subheading 2106.90 from heading 2009 or subheading 2202.90, provided that a single juice ingredient of foreign origin, or juice ingredients from a single foreign country, constitute in single strength form no more than 60 percent by volume of the good; or
	A change to compound alcoholic preparations of subheading 2106.90 from any other subheading, except from subheading 2208.20 through 2208.50.
2201	A change to heading 2201 from any other chapter.
2202.10	A change to sweetened and/or flavored waters of subheading 2202.10 from any other chapter; or
	A change to other beverages of subheading 2202.10 from any other heading.
2202.90	A change to subheading 2202.90 from any other subheading, except from Chapter 4 or heading 1901, 2009, or 2106; or
	A change to subheading 2202.90 from Chapter 4 or heading 1901, provided that the good contains no more than 50 percent by weight of milk solids; or
	A change to subheading 2202.90 from heading 2009 or subheading 2106.90, provided that a single juice ingredient of foreign origin, or juice ingredients from a single foreign country, constitute in single strength form no more than 60 percent by volume of the good.
2203	A change to heading 2203 from any other heading.
2204.10–2204.29	A change to subheading 2204.10 through 2204.29 from any other subheading outside that group.
2204.30	A change to subheading 2204.30 from any other heading.
2205	A change to heading 2205 from any other heading, except from heading 2204; or
	A change to vermouth of heading 2205 from heading 2204.
2206	A change to heading 2206 from any other heading.
2207	A change to heading 2207 from any other heading, except from compound alcoholic preparations of subheading 2106.90 or heading 2208.
2208.20–2208.70	A change to subheading 2208.20 through 2208.70 from any other subheading outside that group, except from subheading 2106.90; or

HTSUS	Tariff shift and/or other requirements
	A change to liqueurs or cordials of subheading 2208.70 from any other product.
2208.90	A change to subheading 2208.90 from any other subheading, except from subheading 2106.90; or A change to kirschwasser or ratafia of subheading 2208.90 from any other product.
2209	A change to heading 2209 from any other heading.
2301–2308	A change to heading 2301 through 2308 from any other chapter.
2309.10	A change to subheading 2309.10 from any other heading.
2309.90	A change to subheading 2309.90 from any other heading, except from Chapter 4 or heading 1901; or A change to subheading 2309.90 from Chapter 4 or heading 1901, provided that the good contains no more than 50 percent by weight of milk solids.
2401	A change to heading 2401 from any other chapter.
2402–2403	A change to heading 2402 through 2403 from any other heading, including another heading within that group.
(e)	**Section V: Chapters 25 through 27**
2501–2516	A change to heading 2501 through 2516 from any other heading, including another heading within that group.
2517.10–2517.20	A change to subheading 2517.10 through 2517.20 from any other heading.
2517.30	A change to subheading 2517.30 from any other subheading.
2517.41–2517.49	A change to subheading 2517.41 through 2517.49 from any other heading.
2518–2530	A change to heading 2518 through 2530 from any other heading, including another heading within that group.
2601–2621	A change to heading 2601 through 2621 from any other heading, including another heading within that group.
Chapter 27 Note: For purposes of this chapter, a ''chemical reaction'' is defined as a process in which chemical bonds in molecules are broken and new chemical bonds are formed between the fragmented molecules and/or added elements so that one or more of the original bond/s no longer link the same chemical element/s or functional group/s.	
2701–2706	A change to heading 2701 through 2706 from any other heading, including any heading within that group.
2707.10–2707.99	A change to subheading 2707.10 through 2707.99 from any other heading; or A change to subheading 2707.10 through 2707.99 from any other subheading, including any subheading within that group, provided that the good resulting from such change is the product of a chemical reaction.
2708–2709	A change to heading 2708 through 2709 from any other heading, including another heading within that group.
2710	A change to heading 2710 from any other heading; or A change to any good of heading 2710 from any other good of heading 2710, provided that the good resulting from such change is the product of a chemical reaction.
2711.11	A change to subheading 2711.11 from any other subheading, except from subheading 2711.21.
2711.12–2711.19	A change to subheading 2711.12 through 2711.19 from any other subheading, including another subheading within that group, except from subheading 2711.29.
2711.21	A change to subheading 2711.21 from any other subheading, except from subheading 2711.11.
2711.29	A change to subheading 2711.29 from any other subheading, except from subheading 2711.12 through 2711.21.
2712–2714	A change to heading 2712 through 2714 from any other heading, including another heading within that group.
2715	A change to heading 2715 from any other heading, except from heading 2714 or subheading 2713.20.
2716	A change to heading 2716 from any other heading.
(f)	**Section VI: Chapters 28 through 38**

Notes: 1. Chemical reaction origin rule—

Any good of Chapters 28, 29, 31, 32 or 38, except a good of heading 3823, that is the product of a chemical reaction shall be considered to be a good of the country in which the reaction occurred.

A chemical reaction is defined as a process in which chemical bonds in molecules are broken and new chemical bonds are formed between the fragmented molecules and/or added elements so that one or more of the original bonds no longer link the same chemical element/s or functional group/s.

Notwithstanding any of the line-by-line rules, the ''chemical reaction'' rule may be applied to any good classified in the above chapters.

2. Separation prohibition—

A foreign material/component will not be deemed to have satisfied all applicable requirements of these rules by reason of a change from one classification to another merely as the result of the separation of one or more individual materials or components from a man-made mixture unless the isolated material/component, itself, also underwent a chemical reaction.

2801.10–2801.30	A change to subheading 2801.10 through 2801.30 from any other subheading, including another subheading within that group.
2802	A change to heading 2802 from any other heading, except from heading 2503.
2803	A change to heading 2803 from any other heading.
2804.10–2804.50	A change to subheading 2804.10 through 2804.50 from any other subheading, including another subheading within that group.
2804.61–2804.69	A change to subheading 2804.61 through 2804.69 from any other subheading outside that group.
2804.70–2804.90	A change to subheading 2804.70 through 2804.90 from any other subheading, including another subheading within that group.
2805	A change to heading 2805 from any other heading.
2806.10–2806.20	A change to subheading 2806.10 through 2806.20 from any other subheading,
including another subheading within that group..	
2807–2808	A change to heading 2807 through 2808 from any other heading, including another heading within that group.
2809.10–2809.20	A change to subheading 2809.10 through 2809.20 from any other subheading, including another subheading within that group.
2810	A change to heading 2810 from any other heading.
2811.11	A change to subheading 2811.11 from any other subheading.

HTSUS	Tariff shift and/or other requirements
2811.19	A change to subheading 2811.19 from any other subheading, except from subheading 2811.22.
2811.21	A change to subheading 2811.21 from any other subheading.
2811.22	A change to subheading 2811.22 from any other subheading, except from subheading 2505.10, 2506.10, or 2811.19.
2811.23–2811.29	A change to subheading 2811.23 through 2811.29 from any other subheading, including another subheading within that group.
2812.10–2813.90	A change to subheading 2812.10 through 2813.90 from any other subheading, including another subheading within that group.
2814	A change to heading 2814 from any other heading.
2815.11–2815.12	A change to subheading 2815.11 through 2815.12 from any other subheading outside that group.
2815.20–2815.30	A change to subheading 2815.20 through 2815.30 from any other subheading, including another subheading within that group.
2816.10	A change to subheading 2816.10 from any other subheading.
2816.20	A change to subheading 2816.20 from any other subheading, except from subheading 2530.90.
2816.30	A change to subheading 2816.30 from any other subheading.
2817	A change to heading 2817 from any other heading, except from heading 2608.
2818.10–2818.30	A change to subheading 2818.10 through 2818.30 from any other subheading, including another subheading within that group, except from heading 2606 or subheading 2620.40.
2819.10–2819.90	A change to subheading 2819.10 through 2819.90 from any other subheading, including another subheading within that group.
2820.10–2820.90	A change to subheading 2820.10 through 2820.90 from any other subheading, including another subheading within that group, except from subheading 2530.90 or heading 2602.
2821.10	A change to subheading 2821.10 from any other subheading.
2821.20	A change to subheading 2821.20 from any other subheading, except from subheading 2530.30 or 2601.11 through 2601.20.
2822	A change to heading 2822 from any other heading, except from heading 2605.
2823	A change to heading 2823 from any other heading.
2824.10–2824.90	A change to subheading 2824.10 through 2824.90 from any other subheading, including another subheading within that group, except from heading 2607.
2825.10–2825.40	A change to subheading 2825.10 through 2825.40 from any other subheading, including another subheading within that group.
2825.50	A change to subheading 2825.50 from any other subheading, except from heading 2603.
2825.60	A change to subheading 2825.60 from any other subheading, except from subheading 2615.10.
2825.70	A change to subheading 2825.70 from any other subheading, except from subheading 2613.10.
2825.80	A change to subheading 2825.80 from any other subheading, except from subheading 2617.10.
2825.90	A change to subheading 2825.90 from any other subheading, provided that the good classified in subheading 2825.90 is the product of a ''chemical reaction'' as defined in Note 1.
2826.11–2833.19	A change to subheading 2826.11 through 2833.19 from any other subheading, including another subheading within that group.
2833.21	A change to subheading 2833.21 from any other subheading, except from subheading 2530.20.
2833.22–2833.26	A change to subheading 2833.22 through 2833.26 from any other subheading, including another subheading within that group.
2833.27	A change to subheading 2833.27 from any other subheading, except from subheading 2511.10.
2833.29	A change to subheading 2833.29 from any other subheading, except from heading 2520.
2833.30–2833.40	A change to subheading 2833.30 through 2833.40 from any other subheading, including another subheading within that group.
2834.10–2834.29	A change to subheading 2834.10 through 2834.29 from any other subheading, including another subheading within that group.
2835.10–2835.25	A change to subheading 2835.10 through 2835.25 from any other subheading, including another subheading within that group.
2835.26	A change to subheading 2835.26 from any other subheading, except from heading 2510.
2835.29–2835.39	A change to subheading 2835.29 through 2835.39 from any other subheading, including another subheading within that group.
2836.10	A change to subheading 2836.10 from any other subheading.
2836.20	A change to subheading 2836.20 from any other subheading, except from subheading 2530.90.
2836.30–2836.40	A change to subheading 2836.30 through 2836.40 from any other subheading, including another subheading within that group.
2836.50	A change to subheading 2836.50 from any other subheading, except from heading 2509, subheading 2517.41 or 2517.49, heading 2521, or subheading 2530.90.
2836.60	A change to subheading 2836.60 from any other subheading, except from subheading 2511.20.
2836.70	A change to subheading 2836.70 from any other subheading, except from heading 2607.
2836.91	A change to subheading 2836.91 from any other subheading.
2836.92	A change to subheading 2836.92 from any other subheading, except from subheading 2530.90.
2836.99	A change to bismuth carbonate of subheading 2836.99 from any other subheading, except from subheading 2617.90; or A change to subheading 2836.99 from any other subheading, provided that the good classified in subheading 2836.99 is the product of a ''chemical reaction'' as defined in Note 1.
2837.11–2837.20	A change to subheading 2837.11 through 2837.20 from any other subheading, including another subheading within that group.
2838	A change to heading 2838 from any other heading.
2839.11–2839.19	A change to subheading 2839.11 through 2839.19 from any other subheading outside that group.
2839.20–2839.90	A change to subheading 2839.20 through 2839.90 from any other subheading, including another subheading within that group.

HTSUS	Tariff shift and/or other requirements
2840.11–2840.20	A change to subheading 2840.11 through 2840.20 from any other subheading outside that group, except from subheading 2528.10.
2840.30	A change to subheading 2840.30 from any other subheading.
2841.10–2841.40	A change to subheading 2841.10 through 2841.40 from any other subheading, including another subheading within that group.
2841.50	A change to subheading 2841.50 from any other subheading, except from heading 2610.
2841.61–2841.69	A change to subheading 2841.61 through 2841.69 from any other subheading outside that group.
2841.70	A change to subheading 2841.70 from any other subheading, except from subheading 2613.90.
2841.80	A change to subheading 2841.80 from any other subheading, except from heading 2611.
2841.90	A change to subheading 2841.90 from any other subheading, provided that the good classified in subheading 2841.90 is the product of a ''chemical reaction'' as defined in Note 1.
2842.10	A change to subheading 2842.10 from any other subheading.
2842.90	A change to subheading 2842.90 from any other subheading, provided that the good classified in subheading 2842.90 is the product of a ''chemical reaction'' as defined in Note 1.
2843.10	A change to subheading 2843.10 from any other subheading, except from heading 7106, 7108, 7110, or 7112.
2843.21–2843.29	A change to subheading 2843.21 through 2843.29 from any other subheading, including another subheading within that group.
2843.30–2843.90	A change to subheading 2843.30 through 2843.90 from any other subheading, including another subheading within that group, except from subheading 2616.90.
2844.10	A change to subheading 2844.10 from any other subheading, except from subheading 2612.10.
2844.20	A change to subheading 2844.20 from any other subheading.
2844.30	A change to subheading 2844.30 from any other subheading, except from subheading 2844.20.
2844.40–2844.50	A change to subheading 2844.40 through 2844.50 from any other subheading, including another subheading within that group.
2845	A change to heading 2845 from any other heading.
2846	A change to heading 2846 from any other heading, except from subheading 2530.90.
2847	A change to heading 2847 from any other heading.
2848	A change to heading 2848 from any other heading.
2849.10–2849.90	A change to subheading 2849.10 through 2849.90 from any other subheading, including another subheading within that group.
2850–2851	A change to heading 2850 through 2851 from any other heading, including another heading within that group.
2901.10–2901.90	A change to subheading 2901.10 through 2901.90 from any other subheading, including another subheading within that group, except from acyclic petroleum oils of heading 2710 or from subheading 2711.13, 2711.14, 2711.19, or 2711.29.
2902.11	A change to subheading 2902.11 from any other subheading.
2902.19	A change to subheading 2902.19 from any other subheading, except from non-aromatic cyclic petroleum oils of subheading 2707.50, 2707.99, or heading 2710.
2902.20	A change to subheading 2902.20 from any other subheading, except from subheading 2707.10, 2707.50, or 2707.99.
2902.30	A change to subheading 2902.30 from any other subheading, except from subheading 2707.20, 2707.50, or 2707.99.
2902.41–2902.44	A change to subheading 2902.41 through 2902.44 from any other subheading, including another subheading within that group, except from subheading 2707.30, 2707.50 or 2707.99.
2902.50	A change to subheading 2902.50 from any other subheading.
2902.60	A change to subheading 2902.60 from any other subheading, except from subheading 2707.30, 2707.50, 2707.99, or heading 2710.
2902.70–2902.90	A change to subheading 2902.70 through 2902.90 from any other subheading, including another subheading within that group, except from subheading 2707.50, 2707.99, or heading 2710.
2903.11–2903.30	A change to subheading 2903.11 through 2903.30 from any other subheading, including another subheading within that group.
2903.41–2903.49	A change to subheading 2903.41 through 2903.49 from any other subheading outside that group.
2903.51–2904.90	A change to subheading 2903.51 through 2904.90 from any other subheading, including another subheading within that group.
2905.11–2905.19	A change to subheading 2905.11 through 2905.19 from any other subheading, including another subheading within that group.
2905.22–2905.29	A change to subheading 2905.22 through 2905.29 from any other subheading, including another subheading within that group, except from subheading 1301.90, 3301.90, or 3805.90.
2905.31–2905.44	A change to subheading 2905.31 through 2905.44 from any other subheading, including another subheading within that group.
2905.45	A change to subheading 2905.45 from any other subheading, except from heading 1520.
2905.49–2905.50	A change to subheading 2905.49 through 2905.50 from any other subheading, including another subheading within that group.
2906.11	A change to subheading 2906.11 from any other subheading, except from subheading 3301.24 or 3301.25.
2906.12–2906.13	A change to subheading 2906.12 through 2906.13 from any other subheading, including another subheading within that group.
2906.14	A change to subheading 2906.14 from any other subheading, except from heading 3805.
2906.19	A change to subheading 2906.19 from any other subheading, except from subheading 3301.90 or 3805.90.
2906.21	A change to subheading 2906.21 from any other subheading.
2906.29	A change to subheading 2906.29 from any other subheading, except from subheading 2707.60 or 3301.90.
2907.11	A change to subheading 2907.11 from any other subheading, except from subheading 2707.60.
2907.12–2907.22	A change to subheading 2907.12 through 2907.22 from any other subheading, including another subheading within that group, except from subheading 2707.99.
2907.23	A change to subheading 2907.23 from any other subheading.

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2907.29–2907.30	A change to subheading 2907.29 through 2907.30 from any other subheading, including another subheading within that group, except from subheading 2707.99.
2908	A change to heading 2908 from any other heading.
2909.11–2909.49	A change to subheading 2909.11 through 2909.49 from any other subheading, including another subheading within that group.
2909.50	A change to subheading 2909.50 from any other subheading, except from subheading 3301.90.
2909.60	A change to subheading 2909.60 from any other subheading.
2910.10–2910.90	A change to subheading 2910.10 through 2910.90 from any other subheading, including another subheading within that group.
2911	A change to heading 2911 from any other heading.
2912.11–2912.13	A change to subheading 2912.11 through 2812.13 from any other subheading, including another subheading within that group.
2912.19–2912.49	A change to subheading 2912.19 through 2912.49 from any other subheading, including another subheading within that group, except from subheading 3301.90.
2912.50–2912.60	A change to subheading 2912.50 through 2912.60 from any other subheading, including another subheading within that group.
2913	A change to heading 2913 from any other heading.
2914.11–2914.19	A change to subheading 2914.11 through 2914.19 from any other subheading, including another subheading within that group, except from subheading 3301.90.
2914.21–2914.22	A change to subheading 2914.21 through 2914.22 from any other subheading, including another subheading within that group.
2914.23	A change to subheading 2914.23 from any other subheading, except from subheading 3301.90.
2914.29	A change to subheading 2914.29 from any other subheading, except from subheading 3301.90 or 3805.90.
2914.31–2914.39	A change to subheading 2914.31 through 2914.39 from any other subheading outside that group, except from subheading 3301.90.
2914.40–2914.70	A change to subheading 2914.40 through 2914.70 from any other subheading, including another subheading within that group, except from subheading 3301.90.
2915.11–2915.35	A change to subheading 2915.11 through 2915.35 from any other subheading, including another subheading within that group.
2915.39	A change to subheading 2915.39 from any other subheading, except from subheading 3301.90.
2915.40–2915.90	A change to subheading 2915.40 through 2915.90 from any other subheading, including another subheading within that group.
2916.11–2916.20	A change to subheading 2916.11 through 2916.20 from any other subheading, including another subheading within that group.
2916.31–2916.39	A change to subheading 2916.31 through 2916.39 from any other subheading, including another subheading within that group, except from subheading 3301.90.
2917.11–2917.39	A change to subheading 2917.11 through 2917.39 from any other subheading, including another subheading within that group.
2918.11–2918.22	A change to subheading 2918.11 through 2918.22 from any other subheading, including another subheading within that group.
2918.23	A change to subheading 2918.23 from any other subheading, except from subheading 3301.90.
2918.29–2918.30	A change to subheading 2918.29 through 2918.30 from any other subheading, including another subheading within that group.
2918.90	A change to subheading 2918.90 from any other subheading, except from heading 3301.90.
2919	A change to heading 2919 from any other heading.
2920.10–2926.90	A change to subheading 2920.10 through 2926.90 from any other subheading, including another subheading within that group.
2927–2928	A change to heading 2927 through 2928 from any other heading, including another heading within that group.
2929.10–2930.90	A change to subheading 2929.10 through 2930.90 from any other subheading, including another subheading within that group.
2931	A change to heading 2931 from any other heading.
2932.11–2932.99	A change to subheading 2932.11 through 2932.99 from any other subheading, including another subheading within that group, except from subheading 3301.90.
2933.11–2934.90	A change to subheading 2933.11 through 2934.90 from any other subheading, including another subheading within that group.
2935	A change to heading 2935 from any other heading.
2936.10–2936.29	A change to subheading 2936.10 through 2936.29 from any other subheading, including another subheading within that group.
2936.90	A change to subheading 2936.90 from any other subheading, except from subheading 2936.10 through 2936.29.
2937–2941	A change to heading 2937 through 2941 from any other heading, including another heading within that group.
2942	A change to heading 2942 from any other chapter.
3001.10	A change to subheading 3001.10 from any other subheading, except from subheading 0206.10 through 0208.90 or 0305.20, heading 0504 or 0510, or subheading 0511.99 if the change from these provisions is not to a powder classified in subheading 3001.10.
3001.20–3001.90	A change to subheading 3001.20 through 3001.90 from any other subheading, including another subheading within that group.
3002.10–3002.90	A change to subheading 3002.10 through 3002.90 from any other subheading, including another subheading within that group.
3002.90	A change to subheading 3002.90 from any other subheading.
3003.10	A change to subheading 3003.10 from any other subheading, except from subheading 2941.10, 2941.20, or 3003.20.
3003.20	A change to subheading 3003.20 from any other subheading, except from subheading 2941.30 through 2941.90.
3003.31	A change to subheading 3003.31 from any other subheading, except from subheading 2937.91.

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3003.39	A change to subheading 3003.39 from any other subheading, except from hormones or their derivatives classified in Chapter 29.
3003.40	A change to subheading 3003.40 from any other subheading, except from heading 1211, subheading 1302.11, 1302.19, 1302.20, or 1302.39 or alkaloids or derivatives thereof classified in Chapter 29.
3003.90	A change to subheading 3003.90 from any other subheading, provided that the domestic content of the therapeutic or prophylactic component is no less than 40 percent by weight of the total therapeutic or prophylactic content.
3004.10	A change to subheading 3004.10 from any other subheading, except from subheading 2941.10, 2941.20, 3003.10, or 3003.20.
3004.20	A change to subheading 3004.20 from any other subheading, except from subheading 2941.30 through 2941.90 or 3003.20.
3004.31	A change to subheading 3004.31 from any other subheading, except from subheading 2937.91, 3003.31, or 3003.39.
3004.32	A change to subheading 3004.32 from any other subheading, except from subheading 3003.39 or adrenal cortical hormones classified in Chapter 29.
3004.39	A change to subheading 3004.39 from any other subheading, except from subheading 3003.39 or hormones or derivatives thereof classified in Chapter 29.
3004.40	A change to subheading 3004.40 from any other subheading, except from heading 1211, subheading 1302.11, 1302.19, 1302.20, 1302.39, or 3003.40 or alkaloids or derivatives thereof classified in Chapter 29.
3004.50	A change to subheading 3004.50 from any other subheading, except from subheading 3003.90 or vitamins classified in Chapter 29 or products classified in heading 2936.
3004.90	A change to subheading 3004.90 from any other subheading, except from subheading 3003.90, and provided that the domestic content of the therapeutic or prophylactic component is no less than 40 percent by weight of the total therapeutic or prophylactic content.
3005.10	A change to subheading 3005.10 from any other subheading.
3006.10	A change to subheading 3006.10 from any other subheading, except from subheading 1212.20 or 4206.10.
3006.20–3006.60	A change to subheading 3006.20 through 3006.60 from any other subheading, including another subheading within that group.
3101	A change to heading 3101 from any other heading, except from subheading 2301.20 or from powders and meals of subheading 0506.90, heading 0508, or subheading 0511.91 or 0511.99.
3102.10–3102.21	A change to subheading 3102.10 through 3102.21 from any other subheading, including another subheading within that group.
3102.29	A change to subheading 3102.29 from any other subheading, except from subheading 3102.21 or 3102.30.
3102.30	A change to subheading 3102.30 from any other subheading.
3102.40	A change to subheading 3102.40 from any other subheading, except from subheading 3102.30.
3102.50	A change to subheading 3102.50 from any other subheading.
3102.60	A change to subheading 3102.60 from any other subheading, except from subheading 2834.29 or 3102.30.
3102.70	A change to subheading 3102.70 from any other subheading.
3102.80	A change to subheading 3102.80 from any other subheading, except from subheading 3102.10 or 3102.30.
3102.90	A change to subheading 3102.90 from any other subheading, except from subheading 3102.10 through 3102.80.
3103.10–3103.20	A change to subheading 3103.10 through 3103.20 from any other subheading, including another subheading within that group.
3103.90	A change to subheading 3103.90 from any other subheading, except from subheading 3103.10 or 3103.20.
3104.10–3104.30	A change to subheading 3104.10 through 3104.30 from any other subheading, including another subheading within that group.
3104.90	A change to subheading 3104.90 from any other subheading, except from subheading 3104.10 through 3104.30.
3105.10	A change to subheading 3105.10 from any other subheading, except from Chapter 31.
3105.20	A change to subheading 3105.20 from any other heading, except from heading 3102 through 3104.
3105.30–3105.40	A change to subheading 3105.30 through 3105.40 from any other subheading, including another subheading within that group.
3105.51–3105.59	A change to subheading 3105.51 through 3105.59 from any other subheading, including another subheading within that group, except from subheading 3102.10 through 3103.90 or 3105.30 through 3105.40.
3105.60	A change to subheading 3105.60 from any other subheading, except from heading 3103 through 3104.
3105.90	A change to subheading 3105.90 from any other chapter, except from subheading 2834.21.
3201.10–3202.90	A change to subheading 3201.10 through 3202.90 from any other subheading, including another subheading within that group.
3203	A change to heading 3203 from any other heading.
3204.11–3204.17	A change to subheading 3204.11 through 3204.17 from any other subheading, including another subheading within that group.
3204.19	A change to subheading 3204.19 from any other subheading, except from subheading 3204.11 through 3204.17.
3204.20–3204.90	A change to subheading 3204.20 through 3204.90 from any other subheading, including another subheading within that group.
3205	A change to heading 3205 from any other heading.
3206.11–3206.19	A change to subheading 3206.11 through 3206.19 from any other subheading outside that group.
3206.20–3209.90	A change to subheading 3206.20 through 3209.90 from any other subheading, including another subheading within that group.
3210	A change to heading 3210 from any other heading.
3211	A change to heading 3211 from any other heading, except from subheading 3806.20.
3212.10–3212.90	A change to subheading 3212.10 through 3212.90 from any other subheading, including another subheading within that group.
3213	A change to heading 3213 from any other heading.
3214.10–3214.90	A change to subheading 3214.10 through 3214.90 from any other subheading, including another subheading within that group, except from subheading 3824.50.
3215	A change to heading 3215 from any other heading.

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3301.11–3301.90	A change to subheading 3301.11 through 3301.90 from any other subheading, including another subheading within that group.
3302	A change to heading 3302 from any other heading, except from subheading 2106.90 or heading 2207, 2208, or 3301.
3303	A change to heading 3303 from any other heading, except from subheading 3302.90.
3304.10–3306.10	A change to subheading 3304.10 through 3306.10 from any other subheading, including another subheading within that group.
3306.20	A change to subheading 3306.20 from any other subheading, except from Chapter 54.
3306.90–3307.90	A change to subheading 3306.90 through 3307.90 from any other subheading, including another subheading within that group.
3401	A change to heading 3401 from any other heading.
3402.11	A change to subheading 3402.11 from any other subheading, except from subheading 3817.10.
3402.12–3402.20	A change to subheading 3402.11 through 3402.20 from any other subheading, including another subheading within that group.
3402.90	A change to subheading 3402.90 from any other heading.
3403.11–3403.19	A change to subheading 3403.11 through 3403.19 from any other subheading, including another subheading within that group, except from heading 2710 or 2712.
3403.91–3403.99	A change to subheading 3403.91 through 3403.99 from any other subheading, including another subheading within that group.
3404.10–3404.20	A change to subheading 3404.10 through 3404.20 from any other subheading, including another subheading within that group.
3404.90	A change to subheading 3404.90 from any other subheading, except from heading 1521 or subheading 2712.20 or 2712.90.
3405.10–3405.90	A change to subheading 3405.10 through 3405.90 from any other subheading, including another subheading within that group.
3406–3407	A change to heading 3406 through 3407 from any other heading, including another heading within that group.
3501.10–3501.90	A change to subheading 3501.10 through 3501.90 from any other subheading, including another subheading within that group.
3502.11–3502.19	A change to subheading 3502.11 through 3502.19 from any other subheading outside that group, except from heading 0407.
3502.20–3502.90	A change to subheading 3502.20 through 3502.90 from any other subheading, including another subheading within that group.
3503–3504	A change to heading 3503 through 3504 from any other heading, including another heading within that group.
3505.10	A change to subheading 3505.10 from any other subheading.
3505.20	A change to subheading 3505.20 from any other subheading, except from heading 1108.
3506.10	A change to subheading 3506.10 from any other subheading, except from heading 3503 or subheading 3501.90.
3506.91–3506.99	A change to subheading 3506.91 through 3506.99 from any other subheading, including another subheading within that group.
3507	A change to heading 3507 from any other heading.
3601–3606	A change to heading 3601 through 3606 from any other heading, including any other heading within that group.
3701–3703	A change to heading 3701 through 3703 from any other heading outside that group.
3704–3706	A change to heading 3704 through 3706 from any other heading, including another heading within that group.
3707.10–3707.90	A change to subheading 3707.10 through 3707.90 from any other subheading, including another subheading within that group.
3801.10	A change to subheading 3801.10 from any other subheading.
3801.20	A change to subheading 3801.20 from any other subheading, except from heading 2504 or subheading 3801.10.
3801.30	A change to subheading 3801.30 from any other subheading.
3801.90	A change to subheading 3801.90 from any other subheading, except from heading 2504.
3802–3805	A change to heading 3802 through 3805 from any other heading, including another heading within that group.
3806.10–3806.90	A change to subheading 3806.10 through 3806.90 from any other subheading, including another subheading within that group.
3807	A change to heading 3807 from any other heading.
3808.10	A change to subheading 3808.10 from any other subheading, except from subheading 1302.14 or from any insecticide classified in Chapter 28 or 29.
3808.20	A change to subheading 3808.20 from any other subheading, except from fungicides classified in Chapter 28 or 29.
3808.30	A change to subheading 3808.30 from any other subheading, except from herbicides, antisprouting products and plant-growth regulators classified in Chapter 28 or 29; or A change to a mixture of subheading 3808.30 from any other subheading, provided that the mixture is made from two or more active ingredients and a domestic active ingredient constitutes no less than 40 percent by weight of the total active ingredients.
3808.40	A change to subheading 3808.40 from any other subheading.
3808.90	A change to subheading 3808.90 from any other subheading, except from rodenticides and other pesticides classified in Chapter 28 or 29; or A change to a mixture of subheading 3808.90 from any other subheading, provided that the mixture is made from two or more active ingredients and a domestic active ingredient constitutes no less than 40 percent by weight of the total active ingredients.
3809.10	A change to subheading 3809.10 from any other subheading, except from subheading 3505.10.
3809.91–3809.99	A change to subheading 3809.91 through 3809.99 from any other subheading, including another subheading within that group.
3810–3816	A change to heading 3810 through 3816 from any other heading, including another heading within that group.
3817.10–3817.20	A change to subheading 3817.10 through 3817.20 from any other subheading, including another subheading within that group, except from subheading 2902.90.
3818	A change to heading 3818 from any other heading.

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3819	A change to heading 3819 from any other heading, except from heading 2710.
3820	A change to heading 3820 from any other heading, except from subheading 2905.31.
3821	A change to heading 3821 from any other heading.
3822	A change to heading 3822 from any other heading, except from subheading 3002.10 or 3502.90 or heading 3504.
3823.11–3823.13	A change to subheading 3823.11 through 3823.13 from any other subheading, including another subheading within that group, except from heading 1520.
3823.19	A change to subheading 3823.19 from any other subheading.
3823.70	A change to subheading 3823.70 from any other subheading, except from heading 1520.
3824.10	A change to subheading 3824.10 from any other subheading, except from heading 3505, subheading 3806.10 or 3806.20, or heading 3903, 3905, 3906, 3909, 3911, or 3913.
3824.20	A change to subheading 3824.20 from any other subheading.
3824.30	A change to subheading 3824.30 from any other subheading, except from heading 2849.
3824.40	A change to subheading 3824.40 from any other subheading.
3824.50	A change to subheading 3824.50 from any other subheading, except from subheading 3214.90.
3824.60	A change to subheading 3824.60 from any other subheading.
3824.71–3824.90	A change to subheading 3824.71 through 3824.90 from any other subheading, including another subheading within that group, provided that no more than 60 percent by weight of the good classified in this subheading is attributable to one substance or compound.
(g)	**Section VII: Chapters 39 through 40**

Chapter 39 Note: The country of origin of goods classified in subheadings 3921.12.15, 3921.13.15, and 3921.90.2550 shall be determined under the provisions of § 102.21.

3901–3915	A change to heading 3901 through 3915 from any other heading, including another heading within that group, provided that the domestic polymer content is no less than 40 percent by weight of the total polymer content.
3916.10–3918.90	A change to subheading 3916.10 through 3918.90 from any other subheading, including another subheading within that group.
3919.10–3919.90	A change to subheading 3919.10 through 3919.90 from any other subheading outside that group.
3920.10–3921.90	A change to subheading 3920.10 through 3921.90 from any other subheading, including another subheading within that group.
3922–3926	A change to heading 3922 through 3926 from any other heading, including another heading within that group.
4001.10–4001.22	A change to subheading 4001.10 through 4001.22 from any other subheading, including another subheading within that group.
4001.29	A change to subheading 4001.29 from any other subheading, except from subheading 4001.21 or 4001.22.
4001.30	A change to subheading 4001.30 from any other subheading.
4002.11–4002.70	A change to subheading 4002.11 through 4002.70 from any other subheading, including another subheading within that group.
4002.80–4002.99	A change to subheading 4002.80 through 4002.99 from any other subheading, including another subheading within that group, provided that the domestic rubber content is no less than 40 percent by weight of the total rubber content.
4003–4004	A change to heading 4003 through 4004 from any other heading, including another heading within that group.
4005	A change to heading 4005 from any other heading, except from heading 4001 or 4002.
4006–4010	A change to heading 4006 through 4010 from any other heading, including another heading within that group.
4011.10–4012.90	A change to subheading 4011.10 through 4012.90 from any other subheading, including another subheading within that group.
4013	A change to heading 4013 from any other heading.
4014.10–4014.90	A change to subheading 4014.10 through 4014.90 from any other subheading, including another subheading within that group.
4015	A change to heading 4015 from any other heading.
4016.10–4016.99	A change to subheading 4016.10 through 4016.99 from any other subheading, including another subheading within that group.
4017	A change to heading 4017 from any other heading.
(h)	**Section VIII: Chapters 41 through 43**
4101–4103	A change to heading 4101 through 4103 from any other chapter.
4104–4107	A change to heading 4104 through 4107 from any other heading, including another heading within that group.
4108–4111	A change to heading 4108 through 4111 from any other heading, including another heading within that group.

Chapter 42 Note: The country of origin of goods classified in subheadings 4202.12.40 through 4202.12.80, 4202.22.40 through 4202.22.80, 4202.32.40 through 4202.32.95, 4202.92.15 through 4202.92.30, and 4202.92.60 through 4202.92.90 shall be determined under the provisions of § 102.21.

4201	A change to heading 4201 from any other heading.
4202.11	A change to subheading 4202.11 from any other heading.
4202.12–4202.22	A change to subheading 4202.12 through 4202.22 from any other heading, provided that the change does not result from the assembly of foreign cut components.
4202.29	A change to subheading 4202.29 from any other heading.
4202.31–4202.32	A change to subheading 4202.31 through 4202.32 from any other heading, provided that the change does not result from the assembly of foreign cut components.
4202.39	A change to subheading 4202.39 from any other heading.
4202.91–4202.99	A change to subheading 4202.91 through 4202.99 from any other heading, provided that the change does not result from the assembly of foreign cut components.
4203–4206	A change to heading 4203 through 4206 from any other heading, including another heading within that group.

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4301	A change to heading 4301 from any other chapter.
4302.11–4302.20	A change to subheading 4302.11 through 4302.20 from any other heading.
4302.30	A change to subheading 4302.30 from any other subheading, provided that the change does not result from the assembly of foreign cut fur components.
4303–4304	A change to heading 4303 through 4304 from any other heading, including another heading within that group.
(i)	**Section IX: Chapters 44 through 46**
4401–4411	A change to heading 4401 through 4411 from any other heading, including another heading within that group.
4412	A change to heading 4412 from any other heading; or A change to surface-covered plywood of heading 4412 from any other plywood that is not surface-covered or is surface-covered only with a clear or transparent material which does not obscure the grain, texture, or markings of the face ply.
4413–4421	A change to heading 4413 through 4421 from any other heading, including another heading within that group.
4501	A change to heading 4501 from any other heading.
4502	A change to heading 4502 from any other heading, except from heading 4501.
4503–4504	A change to heading 4503 through 4504 from any other heading, including another heading within that group.
4601	A change to subheading 4601.10 through 4601.99 from any other subheading, including another subheading within that group.
4602	A change to heading 4602 from any other heading.
(j)	**Section X: Chapters 47 through 49**
4701–4702	A change to heading 4701 through 4702 from any other heading, including another heading within that group.
4703.11–4704.29	A change to subheading 4703.11 through 4704.29 from any other subheading, including another subheading within that group.
4705–4707	A change to heading 4705 through 4707 from any other heading, including another heading within that group.
4801–4807	A change to heading 4801 through 4807 from any other heading, including another heading within that group.
4808.10	A change to subheading 4808.10 from any other heading.
4808.20–4808.30	A change to subheading 4808.20 through 4808.30 from any other heading, except from heading 4804.
4808.90	A change to subheading 4808.90 from any other chapter.
4809	A change to heading 4809 from any other heading.
4810	A change to heading 4810 from any other heading.
4811.10–4811.31	A change to subheading 4811.10 through 4811.31 from any other heading.
4811.39	A change to subheading 4811.39 from any other heading, except from heading 4804.
4811.40–4811.90	A change to subheading 4811.40 through 4811.90 from any other heading.
4812–4814	A change to heading 4812 through 4814 from any other heading, including another heading within that group.
4815	A change to heading 4815 from any other heading.
4816	A change to heading 4816 from any other heading, except from heading 4809.
4817–4822	A change to heading 4817 through 4822 from any other heading, including another heading within that group.
4823.11	A change to subheading 4823.11 from any other subheading.
4823.19	A change to subheading 4823.19 from any other subheading.
4823.20–4823.59	A change to subheading 4823.20 through 4823.59 from any other chapter.
4823.60–4823.70	A change to subheading 4823.60 through 4823.70 from any other subheading, including another subheading within that group.
4823.90	A change to a good of subheading 4823.90, other than to cards not punched and for punchcard machines, from any other subheading; or A change to cards not punched and for punchcard machines of subheading 4823.90 from any other chapter.
4901–4911	A change to heading 4901 through 4911 from any other heading, including another heading within that group.
(k)	**Section XII: Chapters 64 through 67**

Chapter 64 Note: For purposes of this chapter, the term ''formed uppers'' means uppers, with closed bottoms, which have been shaped by lasting, molding or otherwise but not by simply closing at the bottom. The country of origin of goods classified in subheadings 6405.20.60, 6406.10.77, 6406.10.90, and 6406.99.15 shall be determined under the provisions of § 102.21.

6401–6405	A change to heading 6401 through 6405 from any other heading outside that group, except from formed uppers.
6406.10	A change to subheading 6406.10 from any other subheading.
6406.20–6406.99	A change to subheading 6406.20 through 6406.99 from any other chapter.
6505.10	A change to subheading 6505.10 from any other subheading.
6506	A change to heading 6506 from any other heading, except from heading 6501 through 6502; or A change to heading 6506 from heading 6501 by means of a blocking process; or A change to heading 6506 from heading 6502, provided that the change is the result of at least three processing steps (e.g. dyeing, blocking, trimming, or adding a sweatband).
6507	A change to heading 6507 from any other heading.
6602	A change to heading 6602 from any other heading.
6603.10	A change to subheading 6603.10 from any other heading.
6603.20	A change to subheading 6603.20 from any other heading; or A change to subheading 6603.20 from subheading 6603.90, except when that change is pursuant to General Rule of Interpretation 2(a).
6603.90	A change to subheading 6603.90 from any other heading.
6701	A change to heading 6701 from any other heading; or A change to articles of feather or down of heading 6701 from feathers or down.

HTSUS	Tariff shift and/or other requirements
6702–6704	A change to heading 6702 through 6704 from any other heading, including another heading within that group.
(l)	**Section XIII: Chapters 68 through 70**
6801–6808	A change to heading 6801 through 6808 from any other heading, including another heading within that group.
6809.11	A change to subheading 6809.11 from any other heading.
6809.19	A change to subheading 6809.19 from any other heading.
6809.90	A change to subheading 6809.90 from any other subheading.
6810.11–6810.19.	A change to subheading 6810.11 through 6810.19 from any other heading.
6810.91	A change to subheading 6810.91 from any other subheading.
6810.99	A change to subheading 6810.99 from any other heading.
6811.10	A change to subheading 6811.10 from any other heading.
6811.20	A change to subheading 6811.20 from any other heading.
6811.30	A change to subheading 6811.30 from any other heading.
6811.90	A change to subheading 6811.90 from any other heading.
6812.10	A change to subheading 6812.10 from any other heading.
6812.20	A change to subheading 6812.20 from any other subheading.
6812.30	A change to subheading 6812.30 from any other subheading, except from subheading 6812.20.
6812.40	A change to subheading 6812.40 from any other subheading.
6812.50	A change to subheading 6812.50 from any other subheading.
6812.60–6812.70.	A change to subheading 6812.60 through 6812.70 from any other subheading outside that group.
6812.90	A change to subheading 6812.90 from any other heading.
6813	A change to heading 6813 from any other heading.
6814.10	A change to subheading 6814.10 from any other heading.
6814.90	A change to subheading 6814.90 from any other heading.
6815.10–6815.99.	A change to subheading 6815.10 through 6815.99 from any other subheading, including another subheading within that group.
6901–6914	A change to heading 6901 through 6914 from any other chapter.
Chapter 70 Note: The country of origin of goods classified in subheadings 7019.19.15 and 7019.19.28 shall be determined under the provisions of §102.21.	
7001	A change to heading 7001 from any other heading.
7002	A change to heading 7002 from any other heading.
7003–7006	A change to heading 7003 through 7006 from any other heading outside that group.
7007	A change to heading 7007 from any other heading.
7008	A change to heading 7008 from any other heading.
7009.10	A change to subheading 7009.10 from any other subheading.
7009.91–7009.92	A change to subheading 7009.91 through 7009.92 from any other heading.
7010	A change to heading 7010 from any other heading.
7011	A change to heading 7011 from any other heading, except from subheading 7003.30.
7012–7018	A change to heading 7012 through 7018 from any other heading, including another heading within that group; or A change from uncut and unpolished glassware blanks classified in heading 7013 to cut and polished glassware classified in heading 7013, provided that there has been a substantial amount of both cutting and polishing operations in a single country.
7019.11–7019.19	A change to subheading 7019.11 through 7019.19 from any other heading.
7019.31–7019.32	A change to subheading 7019.31 through 7019.32 from any other subheading outside that group.
7019.39	A change to subheading 7019.39 from any other subheading.
7019.40–7019.59	A change to subheading 7019.40 through 7019.59 from any other subheading outside that group.
7019.90	A change to subheading 7019.90 from any other heading.
7020.	A change to heading 7020 from any other heading, except from heading 7010 through 7018.
(m)	**Section XIV: Chapter 71**
7101	A change to heading 7101 from any other heading, except from heading 0307.
7102–7103	A change to heading 7102 through 7103 from any other chapter.
7104–7105	A change to heading 7104 through 7105 from any other heading, including another heading within that group.
7106	A change to heading 7106 from any other chapter.
7107	A change to heading 7107 from any other chapter, except from Chapter 72 through 76 or Chapter 78 through 83.
7108	A change to heading 7108 from any other chapter.
7109	A change to heading 7109 from any other chapter, except from Chapter 72 through 76 or Chapter 78 through 83.
7110	A change to heading 7110 from any other chapter.
7111	A change to heading 7111 from any other chapter, except from Chapter 72 through 76 or Chapter 78 through 83.
7112	A change to heading 7112 from any other heading.
7113.11–7115.90	A change to subheading 7113.11 through 7115.90 from any other subheading, including another subheading within that group.
7116	A change to heading 7116 from any other heading, except that pearls strung but without the addition of clasps or other ornamental features of precious metals or stones, shall have the origin of the pearls.
7117–7118	A change to heading 7117 through 7118 from any other heading, including another heading within that group.
(n)	**Section XV: Chapters 72 through 83**

Chapter 72 Note: Notwithstanding the specific rules of this chapter, hot-rolled flat-rolled steel which is cold-reduced (by cold rolling) shall be treated as a good of the country in which the cold-rolled steel is produced.

HTSUS	Tariff shift and/or other requirements
7201–7206	A change to heading 7201 through 7206 from any other heading, including another heading within that group.
7207	A change to heading 7207 from any other heading, except from heading 7206.
7208	A change to heading 7208 from any other heading.
7209	A change to heading 7209 from any other heading, except from heading 7208 or 7211.
7210	A change to heading 7210 from any other heading, except from heading 7208 through 7212.
7211	A change to heading 7211 from any other heading, except from heading 7208 through 7209.
7212	A change to heading 7212 from any other heading, except from heading 7208 through 7211.
7213	A change to heading 7213 from any other heading.
7214	A change to heading 7214 from any other heading, except from heading 7213.
7215	A change to heading 7215 from any other heading, except from heading 7213 through 7214.
7216	A change to heading 7216 from any other heading, except from heading 7208 through 7215.
7217	A change to heading 7217 from any other heading, except from heading 7213 through 7215.
7218	A change to heading 7218 from any other heading.
7219–7220	A change to heading 7219 through 7220 from any other heading outside that group.
7221–7222	A change to heading 7221 through 7222 from any other heading outside that group.
7223	A change to heading 7223 from any other heading, except from heading 7221 through 7222.
7224	A change to heading 7224 from any other heading.
7225–7226	A change to heading 7225 through 7226 from any other heading outside that group.
7227–7228	A change to heading 7227 through 7228 from any other heading outside that group.
7229	A change to heading 7229 from any other heading, except from heading 7227 through 7228.
7301–7307	A change to heading 7301 through 7307 from any other heading, including another heading within that group.
7308	A change to heading 7308 from any other heading, except for changes resulting from the following processes performed on angles, shapes, or sections classified in heading 7216: (a) drilling, punching, notching, cutting, cambering, or sweeping, whether performed individually or in combination; (b) adding attachments or weldments for composite construction; (c) adding attachments for handling purposes; (d) adding weldments, connectors or attachments to H-sections or I-sections; provided that the maximum dimension of the weldments, connectors, or attachments is not greater than the dimension between the inner surfaces of the flanges of the H-sections or I-sections; (e) painting, galvanizing, or otherwise coating; or (f) adding a simple base plate without stiffening elements, individually or in combination with drilling, punching, notching, or cutting, to create an article suitable as a column.
7309–7314	A change to heading 7309 through 7314 from any other heading, including another heading within that group.
7315.11–7315.12	A change to subheading 7315.11 through 7315.12 from any other heading; or A change to subheading 7315.11 through 7315.12 from subheading 7315.19 or 7315.90, except when that change is pursuant to General Rule of Interpretation 2(a).
7315.19	A change to subheading 7315.19 from any other subheading.
7315.20–7315.89	A change to subheading 7315.20 through 7315.89 from any other heading; or A change to subheading 7315.20 through 7315.89 from subheading 7315.90, except when that change is pursuant to General Rule of Interpretation 2(a).
7315.90	A change to subheading 7315.90 from any other subheading.
7316	A change to heading 7316 from any other heading, except from heading 7312 or 7315.
7317–7318	A change to heading 7317 through 7318 from any other heading, including another heading within that group.
7319	A change to heading 7319 from any other heading.
7320	A change to heading 7320 from any other heading.
7321.11–7321.83	A change to subheading 7321.11 through 7321.83 from any other heading; or A change to subheading 7321.11 through 7321.83 from heading 7321.90, except when that change is pursuant to General Rule of Interpretation 2(a).
7321.90	A change to subheading 7321.90 from any other heading.
7322–7323	A change to heading 7322 through 7323 from any other heading, including another heading within that group.
7324.10–7324.29	A change to subheading 7324.10 through 7324.29 from any other subheading, including another subheading within that group.
7324.90	A change to subheading 7324.90 from any other subheading.
7325–7326	A change to heading 7325 through 7326 from any other heading, including another heading within that group.
7401–7407	A change to heading 7401 through 7407 from any other heading, including another heading within that group.
7408	A change to heading 7408 from any other heading, except from heading 7407.
7409	A change to heading 7409 from any other heading.
7410	A change to heading 7410 from any other heading, except from plate, sheet, or strip classified in heading 7409 of a thickness less than 5mm.
7411–7418	A change to heading 7411 through 7418 from any other heading, including another heading within that group.
7419.10–7419.99	A change to subheading 7419.10 through 7419.99 from any other subheading, including another subheading within that group.
7501	A change to heading 7501 from any other heading.
7502	A change to heading 7502 from any other heading.
7503	A change to heading 7503 from any other heading.
7504	A change to heading 7504 from any other heading.
7505	A change to heading 7505 from any other heading.
7506	A change to heading 7506 from any other heading; or A change to foil, not exceeding 0.15 mm in thickness, from any other good of heading 7506, provided that there has been a reduction in thickness of no less than 50 percent.
7507.11–7508.90	A change to subheading 7507.11 through 7508.90 from any other subheading, including another subheading within that group.
7601–7604	A change to heading 7601 through 7604 from any other heading, including another heading within that group.
7605	A change to heading 7605 from any other heading, except from heading 7604.

HTSUS	Tariff shift and/or other requirements
7606–7615	A change to heading 7606 through 7615 from any other heading, including another heading within that group.
7616.10–7616.99	A change to subheading 7616.10 through 7616.99 from any other subheading, including another subheading within that group.
7801–7803	A change to heading 7801 through 7803 from any other heading, including another heading within that group.
7804.11–7804.20	A change to subheading 7804.11 through 7804.20 from any other subheading, including another subheading within that group; or A change to any of the following goods classified in subheading 7804.11 through 7804.20, including from materials also classified in subheading 7804.11 through 7804.20: powder except from flakes; flakes except from powder; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate.
7805–7806	A change to heading 7805 through 7806 from any other heading, including another heading within that group; or A change to any of the following goods classified in heading 7805 through 7806, including from materials also classified in heading 7805 through 7806: tubes except from pipes; pipes except from tubes; tube or pipe fittings except from tubes or pipes; cables/stranded wire/plaited bands.
7901–7906	A change to heading 7901 through 7906 from any other heading, including another heading within that group; or A change to any of the following goods classified in heading 7901 through 7906, including from materials also classified in heading 7901 through 7906: Matte; unwrought; powder except from flakes; flakes except from powder; bars except from rods or profiles; rods except from bars or profiles; profiles except from rods or bars; wire except from rod; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate; foil except from sheet or strip; tubes except from pipes; pipes except from tubes; tube or pipe fittings except from tubes or pipes.
7907	A change to heading 7907 from any other heading.
8001	A change to heading 8001 from any other heading.
8002–8004	A change to heading 8002 through 8004 from any other heading, including another heading within that group; or A change to any of the following goods classified in heading 8002 through 8004, including from materials also classified in heading 8002 through 8004: Bars except from rods or profiles; rods except from bars or profiles; profiles except from rods or bars; wire except from rod; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate.
8005	A change to heading 8005 from any other heading; or A change to foil of heading 8005 from powder or flakes of that heading; or A change to powder of heading 8005 from foil of that heading; or A change to flakes of heading 8005 from foil of that heading.
8006–8007	A change to heading 8006 through 8007 from any other heading, including another heading within that group; or A change to any of the following goods classified in heading 8006 through 8007, including from materials also classified in heading 8006 through 8007: Tubes except from pipes; pipes except from tubes; tube or pipe fittings except from tubes or pipes; cables/stranded wire/plaited bands.
Chapter 81 Note: Waste and scrap are products of the country in which they are collected.	
8101.10–8101.92	A change to subheading 8101.10 through 8101.92 from any other subheading, including another subheading within that group; or A change to any of the following goods classified in subheading 8101.10 through 8101.92, including from materials also classified in subheading 8101.10 through 8101.92: Matte; unwrought; bars except from rods or profiles; rods except from bars or profiles; profiles except from rods or bars; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate; foil except from sheet or strip.
8101.93	A change to subheading 8101.93 from any other subheading, except from subheading 8101.92.
8101.99	A change to subheading 8101.99 from any other subheading; or A change to any of the following goods classified in subheading 8101.99, including from materials also classified in subheading 8101.99: Tubes except from pipes; pipes except from tubes; tube or pipe fittings except from tubes or pipes; cables/stranded wire/plaited bands.
8102.10–8102.92	A change to subheading 8102.10 through 8102.92 from any other subheading, including another subheading within that group; or A change to any of the following goods classified in subheading 8102.10 through 8102.92, including from materials also classified in subheading 8102.10 through 8102.92: Matte; unwrought; bars except from rods or profiles; rods except from bars or profiles; profiles except from rods or bars; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate; foil except from sheet or strip.
8102.93	A change to subheading 8102.93 from any other subheading, except from subheading 8102.92.
8102.99	A change to subheading 8102.99 from any other subheading.
8103.10–8113.00	A change to subheading 8103.10 through 8113.00 from any other subheading, including another subheading within that group; or A change to any of the following goods classified in subheading 8103.10 through 8113.00, including from materials also classified in subheading 8103.10 through 8113.00: Matte; unwrought; powder except from flakes; flakes except from powder; bars except from rods or profiles; rods except from bars or profiles; profiles except from rods or bars; wire except from rod; plates except from sheets or strip; sheets except from plate or strip; strip except from sheets or plate; foil except from sheet or strip; tubes except from pipes; pipes except from tubes; tube or pipe fittings except from tubes or pipes; cables/stranded wire/plaited bands.
8201.10–8202.40	A change to subheading 8201.10 through 8202.40 from any other subheading, including another subheading within that group.
8202.91	A change to subheading 8202.91 from any other subheading, except from subheading 8202.99.
8202.99	A change to subheading 8202.99 from any other heading.
8203.10–8207.90	A change to subheading 8203.10 through 8207.90 from any other subheading, including another subheading within that group.
8208–8215	A change to heading 8208 through 8215 from any other heading, including another heading within that group.
8301.10–8301.50	A change to subheading 8301.10 through 8301.50 from any other subheading, including another subheading within that group, except from subheading 8301.60 when that change is pursuant to General Rule of Interpretation 2(a).

HTSUS	Tariff shift and/or other requirements
8301.60–8301.70	A change to subheading 8301.60 through 8301.70 from any other chapter.
8302.10–8302.60	A change to subheading 8302.10 through 8302.60 from any other subheading, including another subheading within that group.
8303–8304	A change to heading 8303 through 8304 from any other heading, including another heading within that group.
8305.10–8305.90	A change to subheading 8305.10 through 8305.90 from any other subheading, including another subheading within that group.
8306–8307	A change to heading 8306 through 8307 from any other heading, including another heading within that group.
8308.10–8308.90	A change to subheading 8308.10 through 8308.90 from any other subheading, including another subheading within that group.
8309–8310	A change to heading 8309 through 8310 from any other heading, including another heading within that group.
8311.10–8311.90	A change to subheading 8311.10 through 8311.90 from any other subheading, including another subheading within that group.
(o)	**Section XVI: Chapters 84 through 85**
Note: Tariff changes within Chapters 84 and 85 which occur only as a result of the application of General Rule of Interpretation 2(a) of the HTSUS shall not be sufficient to confer origin.	
8401.10	A change to subheading 8401.10 from any other subheading.
8401.20	A change to subheading 8401.20 from any other subheading; or A change to completed machinery and apparatus classified in subheading 8401.20 from parts classified in subheading 8401.20.
8401.30	A change to subheading 8401.30 from any other subheading.
8401.40	A change to subheading 8401.40 from any other heading.
8402.11–8402.12	A change to subheading 8402.11 through 8402.12 from any other subheading outside that group.
8402.19–8402.20	A change to subheading 8402.19 through 8402.20 from any other subheading, including another subheading within that group.
8402.90	A change to subheading 8402.90 from any other heading, except from heading 7303, 7304, 7305, or 7306 unless the change from these headings involves bending to shape.
8403.10	A change to subheading 8403.10 from any other subheading.
8403.90	A change to subheading 8403.90 from any other heading.
8404.10–8404.20	A change to subheading 8404.10 through 8404.20 from any other subheading, including another subheading within that group.
8404.90	A change to subheading 8404.90 from any other heading.
8405.10	A change to subheading 8405.10 from any other subheading.
8405.90	A change to subheading 8405.90 from any other heading.
8406.10	A change to subheading 8406.10 from any other subheading.
8406.81–8406.82	A change to subheading 8406.81 through 8406.82 from any other subheading outside that group.
8406.90	A change to subheading 8406.90 from any other heading.
8407	A change to heading 8407 from any other heading.
8408	A change to heading 8408 from any other heading.
8409.10	A change to subheading 8409.10 from any other heading.
8409.91–8409.99	A change to subheading 8409.91 through 8409.99 from any other heading, except a change resulting from a simple assembly.
8410.11–8410.13	A change to subheading 8410.11 through 8410.13 from any other subheading outside that group.
8410.90	A change to subheading 8410.90 from any other heading.
8411.11–8411.82	A change to subheading 8411.11 through 8411.82 from any other subheading outside that group.
8411.91–8411.99	A change to subheading 8411.91 through 8411.99 from any other heading.
8412.10–8412.80	A change to subheading 8412.10 through 8412.80 from any other subheading, including another subheading within that group.
8412.90	A change to subheading 8412.90 from any other heading.
8413.11–8413.82	A change to subheading 8413.11 through 8413.82 from any other subheading, including another subheading within that group.
8413.91	A change to subheading 8413.91 from any other heading.
8413.92	A change to subheading 8413.92 from any other heading.
8414.10–8414.80	A change to subheading 8414.10 through 8414.80 from any other subheading, including another subheading within that group.
8414.90	A change to subheading 8414.90 from any other heading.
8415.10–8415.83	A change to subheading 8415.10 through 8415.83 from any subheading, including another subheading within that group, except a change within that group resulting from a simple assembly.
8415.90	A change to subheading 8415.90 from any other subheading, except from heading 7411, 7608, 8414, 8501, or 8535 through 8537 when resulting from a simple assembly.
8416.10–8416.30	A change to subheading 8416.10 through 8416.30 from any other subheading, including another subheading within that group.
8416.90	A change to subheading 8416.90 from any other heading.
8417.10–8417.80	A change to subheading 8417.10 through 8417.80 from any other subheading, including another subheading within that group.
8417.90	A change to subheading 8417.90 from any other heading.
8418.10–8418.91	A change to subheading 8418.10 through 8418.91 from any other subheading, including another subheading within that group.
8418.99	A change to subheading 8418.99 from any other heading, except from heading 7303, 7304, 7305, or 7306 unless the change from these headings involves bending to shape.
8419.11–8419.89	A change to subheading 8419.11 through 8419.89 from any other subheading, including another subheading within that group.

HTSUS	Tariff shift and/or other requirements
8419.90	A change to subheading 8419.90 from any other heading, except from heading 7303, 7304, 7305, or 7306 unless the change from these headings involves bending to shape, and except from heading 8501 when resulting from a simple assembly.
8420.10	A change to subheading 8420.10 from any other subheading.
8420.91	A change to subheading 8420.91 from any other heading.
8420.99	A change to subheading 8420.99 from any other heading, except from heading 8501 when resulting from a simple assembly.
8421.11–8421.39	A change to subheading 8421.11 through 8421.39 from any other subheading, including another subheading within that group.
8421.91	A change to subheading 8421.91 from any other heading.
8421.99	A change to subheading 8421.99 from any other heading.
8422.11–8422.40	A change to subheading 8422.11 through 8422.40 from any other subheading, including another subheading within that group.
8422.90	A change to subheading 8422.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8423.10–8423.89	A change to subheading 8423.10 through 8423.89 from any other subheading, including another subheading within that group.
8423.90	A change to subheading 8423.90 from any other heading.
8424.10–8424.89	A change to subheading 8424.10 through 8424.89 from any other subheading, including another subheading within that group.
8424.90	A change to subheading 8424.90 from any other heading, except from subheading 8414.40 or 8414.80.
8425.11–8430.69	A change to subheading 8425.11 through 8430.69 from any other subheading, including another subheading within that group.
8431	A change to heading 8431 from any other heading, except from heading 8501 when resulting from a simple assembly.
8432.10–8432.80	A change to subheading 8432.10 through 8432.80 from any other subheading, including another subheading within that group.
8432.90	A change to subheading 8432.90 from any other heading.
8433.11–8433.60	A change to subheading 8433.11 through 8433.60 from any other subheading, including another subheading within that group.
8433.90	A change to subheading 8433.90 from any other heading, except from heading 8407 or 8408 when resulting from a simple assembly.
8434.10–8434.20	A change to subheading 8434.10 through 8434.20 from any other subheading, including another subheading within that group.
8434.90	A change to subheading 8434.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8435.10	A change to subheading 8435.10 from any other subheading.
8435.90	A change to subheading 8435.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8436.10–8436.80	A change to subheading 8436.10 through 8436.80 from any other subheading, including another subheading within that group.
8436.91	A change to subheading 8436.91 from any other heading.
8436.99	A change to subheading 8436.99 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8437.10–8437.80	A change to subheading 8437.10 through 8437.80 from any other subheading, including another subheading within that group.
8437.90	A change to subheading 8437.90 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8438.10–8438.80	A change to subheading 8438.10 through 8438.80 from any other subheading, including another subheading within that group.
8438.90	A change to subheading 8438.90 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8439.10–8439.30	A change to subheading 8439.10 through 8439.30 from any other subheading, including another subheading within that group.
8439.91	A change to subheading 8439.91 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8439.99	A change to subheading 8439.99 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8440.10	A change to subheading 8440.10 from any other subheading.
8440.90	A change to subheading 8440.90 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8441.10–8441.80	A change to subheading 8441.10 through 8441.80 from any other subheading, including another subheading within that group.
8441.90	A change to subheading 8441.90 from any other heading, except from heading 8407, 8408, or 8501 when resulting from a simple assembly.
8442.10–8442.30	A change to subheading 8442.10 through 8442.30 from any other subheading outside that group.
8442.40	A change to subheading 8442.40 from any other heading, except from heading 8501 when resulting from a simple assembly.
8442.50	A change to subheading 8442.50 from any other heading.
8443.11–8443.60	A change to subheading 8443.11 through 8443.60 from any other subheading outside that group.
8443.90	A change to subheading 8443.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8444	A change to heading 8444 from any other heading.
8445.11–8447.90	A change to subheading 8445.11 through 8447.90 from any other subheading outside that group.

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8448.11–8448.19	A change to subheading 8448.11 through 8448.19 from any other subheading, including another subheading within that group.
8448.20–8448.59	A change to subheading 8448.20 through 8448.59 from any other heading, except from heading 8501 when resulting from a simple assembly.
8449	A change to heading 8449 from any other heading.
8450.11–8450.20	A change to subheading 8450.11 through 8450.20 from any other subheading, including another subheading within that group.
8450.90	A change to subheading 8450.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8451.10–8451.80	A change to subheading 8451.10 through 8451.80 from any other subheading, including another subheading within that group.
8451.90	A change to subheading 8451.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8452.10–8452.29	A change to subheading 8452.10 through 8452.29 from any other subheading outside that group.
8452.30–8452.40	A change to subheading 8452.30 through 8452.40 from any other subheading, including another subheading within that group.
8452.90	A change to subheading 8452.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8453.10–8453.80	A change to subheading 8453.10 through 8453.80 from any other subheading, including another subheading within that group.
8453.90	A change to subheading 8453.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8454.10–8454.30	A change to subheading 8454.10 through 8454.30 from any other subheading, including another subheading within that group.
8454.90	A change to subheading 8454.90 from any other heading.
8455.10–8455.22	A change to subheading 8455.10 through 8455.22 from any other subheading, including another subheading within that group.
8455.30	A change to subheading 8455.30 from any other heading.
8455.90	A change to subheading 8455.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8456.10–8456.99	A change to subheading 8456.10 through 8456.99 from any other heading.
8457.10	A change to subheading 8457.10 from any other heading, except from heading 8458 through 8465 when resulting from a simple assembly.
8457.20–8465.99	A change to subheading 8457.20 through 8465.99 from any other heading, including another heading within that group.
8466.10–8466.94	A change to subheading 8466.10 through 8466.94 from any other heading outside that group, except from heading 8501 when resulting from a simple assembly.
8467.11–8467.89	A change to subheading 8467.11 through 8467.89 from any other subheading, including another subheading within that group.
8467.91–8467.99	A change to subheading 8467.91 through 8467.99 from any other heading, except from heading 8407.
8468.10–8468.80	A change to subheading 8468.10 through 8468.80 from any other subheading, including another subheading within that group.
8468.90	A change to subheading 8468.90 from any other heading.
8469.11–8469.12	A change to subheading 8469.11 through 8469.12 from any other subheading outside that group.
8469.20–8469.30	A change to subheading 8469.20 through 8469.30 from any other subheading outside that group.
8470.10–8471.50	A change to subheading 8470.10 through 8471.50 from any other subheading outside that group, except from heading 8473; or A change to subheading 8470.10 through 8471.50 from any other subheading within that group or from heading 8473, provided that the change is not the result of a simple assembly.
8471.60–8472.90	A change to subheading 8471.60 through 8472.90 from any other subheading outside that group, except from subheading 8504.40 or heading 8473; or A change to subheading 8471.60 through 8472.90 from any other subheading within that group or from subheading 8504.40 or from heading 8473, provided that the change is not the result of a simple assembly.
8473	A change to heading 8473 from any other heading, except from heading 8414, 8501, 8504, 8534, 8541, or 8542 when resulting from a simple assembly.
8474.10–8474.80	A change to subheading 8474.10 through 8474.80 from any other subheading outside that group, except from heading 8501; or A change to subheading 8474.10 through 8474.80 from any other subheading within that group or from heading 8501, provided that the change is not the result of a simple assembly.
8474.90	A change to subheading 8474.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8475.10	A change to subheading 8475.10 from any other subheading.
8475.21–8475.29	A change to subheading 8475.21 through 8475.29 from any other subheading outside that group.
8475.90	A change to subheading 8475.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8476.21–8476.89	A change to subheading 8476.21 through 8476.89 from any other subheading outside that group.
8476.90	A change to subheading 8476.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8477.10–8477.80	A change to subheading 8477.10 through 8477.80 from any other subheading, including another subheading within that group.
8477.90	A change to subheading 8477.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8478.10	A change to subheading 8478.10 from any other subheading.

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8478.90	A change to subheading 8478.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8479.10–8479.89	A change to subheading 8479.10 through 8479.89 from any other subheading, including another subheading within that group.
8479.90	A change to subheading 8479.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8480	A change to heading 8480 from any other heading.
8481.10–8481.80	A change to subheading 8481.10 through 8481.80 from any other heading, or from subheading 8481.90 except when resulting from a simple assembly.
8481.90	A change to subheading 8481.90 from any other heading.
8482.10–8482.80	A change to subheading 8482.10 through 8482.80 from any other heading; or A change to subheading 8482.10 through 8482.80 from any other subheading, including another subheading within that group, except from inner or outer races or rings classified in subheading 8482.99.05, 8482.99.15, or 8482.99.25.
8482.91–8482.99	A change to subheading 8482.91 through 8482.99 from any other heading.
8483.10	A change to subheading 8483.10 from any other subheading.
8483.20	A change to subheading 8483.20 from any other subheading, except from subheading 8482.10 through 8482.80.
8483.30–8483.60	A change to subheading 8483.30 through 8483.60 from any other subheading, including another subheading within that group.
8483.90	A change to subheading 8483.90 from any other heading.
8484.10–8484.90	A change to subheading 8484.10 through 8484.90 from any other subheading, including another subheading within that group.
8485	A change to subheading 8485 from any other heading.
8501	A change to heading 8501 from any other heading.
8502	A change to heading 8502 from any other heading.
8503	A change to heading 8503 from any other heading.
8504.10–8504.50	A change to subheading 8504.10 through 8504.50 from any other subheading outside that group.
8504.90	A change to subheading 8504.90 from any other heading.
8505.11–8505.30	A change to subheading 8505.11 through 8505.30 from any other subheading, including another subheading within that group.
8505.90	A change to subheading 8505.90 from any other heading.
8506.10	A change to subheading 8506.10 from any other subheading; or A change to a primary cell or battery of maganese dioxide of an external volume not exceeding 300 cm^3 of subheading 8506.10 from any other good of subheading 8506.10; or A change to a primary cell or battery of maganese dioxide of an external volume exceeding 300 cm^3 of subheading 8506.10 from any other good of subheading 8506.10.
8506.30	A change to subheading 8506.30 from any other subheading; or A change to a primary cell or battery of mercuric oxide of an external volume not exceeding 300 cm^3 of subheading 8506.30 from any other good of subheading 8506.30; or A change to a primary cell or battery of mercuric oxide of an external volume exceeding 300 cm^3 of subheading 8506.30 from any other good of subheading 8506.30.
8506.40	A change to subheading 8506.40 from any other subheading; or A change to a primary cell or battery of silver oxide of an external volume not exceeding 300 cm^3 of subheading 8506.40 from any other good of subheading 8506.40; or A change to a primary cell or battery of silver oxide of an external volume exceeding 300 cm^3 of subheading 8506.40 from any other good of subheading 8506.40.
8506.50–8506.80	A change to subheading 8506.50 through 8506.80 from any other subheading outside that group; or A change to a primary cell or battery of an external volume not exceeding 300 cm^3 of subheading 8506.50 through 8506.80 from any other good of subheading 8506.50 through 8506.80; or A change to a primary cell or battery of an external volume exceeding 300 cm^3 of subheading 8506.50 through 8506.80 from any other good of subheading 8506.50 through 8506.80.
8506.90	A change to subheading 8506.90 from any other heading.
8507.10–8507.80	A change to subheading 8507.10 through 8507.80 from any other subheading, including another subheading within that group.
8507.90	A change to subheading 8507.90 from any other heading.
8508.10–8508.80	A change to subheading 8508.10 through 8508.80 from any other subheading, including another subheading within that group.
8508.90	A change to subheading 8508.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8509.10–8509.80	A change to subheading 8509.10 through 8509.80 from any other subheading, including another subheading within that group.
8509.90	A change to subheading 8509.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8510.10–8510.30	A change to subheading 8510.10 through 8510.30 from any other subheading, including another subheading within that group.
8510.90	A change to subheading 8510.90 from any other heading, except from heading 8501 when resulting from a simple assembly.
8511.10–8511.80	A change to subheading 8511.10 through 8511.80 from any other subheading, including another subheading within that group.
8511.90	A change to subheading 8511.90 from any other heading.
8512.10–8512.30	A change to subheading 8512.10 through 8512.30 from any other subheading outside that group.
8512.40	A change to subheading 8512.40 from any other subheading, except from subheading 8512.90 or heading 8501 when resulting from a simple assembly.
8512.90	A change to subheading 8512.90 from any other heading.

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8513.10	A change to subheading 8513.10 from any other subheading.
8513.90	A change to subheading 8513.90 from any other heading.
8514.10–8514.40	A change to subheading 8514.10 through 8514.40 from any other subheading, including another subheading within that group.
8514.90	A change to subheading 8514.90 from any other heading.
8515.11–8515.80	A change to subheading 8515.11 through 8515.80 from any other subheading outside that group.
8515.90	A change to subheading 8515.90 from any other heading.
8516.10–8516.79	A change to subheading 8516.10 through 8516.79 from any other subheading, including another subheading within that group.
8516.80	A change to subheading 8516.80 from any other heading.
8516.90	A change to subheading 8516.90 from any other heading.
8517.11–8517.80	A change to subheading 8517.11 through 8517.80 from any other subheading outside that group, except from subheading 8517.90; or A change to subheading 8517.11 through 8517.80 from subheading 8517.90, provided that the change is not the result of a simple assembly.
8517.90	A change to subheading 8517.90 from any other heading.
8518.10–8518.50	A change to subheading 8518.10 through 8518.50 from any other heading.
8518.90	A change to subheading 8518.90 from any other heading.
8519.10–8519.40	A change to subheading 8519.10 through 8519.40 from any other subheading, including another subheading within that group.
8519.92–8519.93	A change to subheading 8519.92 through 8519.93 from any other subheading outside that group.
8519.99	A change to subheading 8519.99 from any other subheading.
8520.10–8520.20	A change to subheading 8520.10 through 8520.20 from any other subheading, including another subheading within that group.
8520.32–8520.33	A change to subheading 8520.32 through 8520.33 from any other subheading outside that group.
8520.39–8520.90	A change to subheading 8520.39 through 8520.90 from any other subheading, including another subheading within that group.
8521.10–8521.90	A change to subheading 8521.10 through 8521.90 from any other subheading, including another subheading within that group.
8522	A change to heading 8522 from any other heading.
8523	A change to heading 8523 from any other heading.
8524	A change to heading 8524 from any other heading.
8525.10–8525.20	A change to subheading 8525.10 through 8525.20 from any other subheading outside that group.
8525.30–8525.40	A change to subheading 8525.30 through 8525.40 from any other subheading, including another subheading within that group, except a change to video camera recorders of subheading 8525.40 from television cameras of subheading 8525.30.
8526.10–8526.92	A change to subheading 8526.10 through 8526.92 from any other subheading, including another subheading within that group.
8527.12–8527.13	A change to subheading 8527.12 through 8527.13 from any other subheading outside that group.
8527.19–8527.90	A change to subheading 8527.19 through 8527.90 from any other subheading, including another subheading within that group.
8528.12–8528.30	A change to subheading 8528.12 through 8528.30 from any other subheading, including another subheading within that group, except from subheading 8540.11 through 8540.12.
8529	A change to heading 8529 from any other heading.
8530.10–8530.80	A change to subheading 8530.10 through 8530.80 from any other subheading, including another subheading within that group.
8530.90	A change to subheading 8530.90 from any other heading.
8531.10–8531.80	A change to subheading 8531.10 through 8531.80 from any other subheading, including another subheading within that group, except from subheading 8531.90 when resulting from a simple assembly.
8531.90	A change to subheading 8531.90 from any other heading.
8532.10–8532.30	A change to subheading 8532.10 through 8532.30 from any other subheading, including another subheading within that group.
8532.90	A change to subheading 8532.90 from any other heading.
8533.10–8533.40	A change to subheading 8533.10 through 8533.40 from any other subheading, including another subheading within that group.
8533.90	A change to subheading 8533.90 from any other heading.
8534	A change to heading 8534 from any other heading.
8535.10–8535.90	A change to subheading 8535.10 through 8535.90 from any other subheading, including another subheading within that group.
8536.10–8536.90	A change to subheading 8536.10 through 8536.90 from any other subheading, including another subheading within that group.
8537	A change to heading 8537 from any other heading.
8538	A change to heading 8538 from any other heading.
8539.10–8539.31	A change to subheading 8539.10 through 8539.31 from any other subheading, including another subheading within that group.
8539.32–8539.39	A change to subheading 8539.32 through 8539.39 from any other subheading outside that group.
8539.41–8539.49	A change to subheading 8539.41 through 8539.49 from any other subheading outside that group.
8539.90	A change to subheading 8539.90 from any other heading.
8540.11–8540.20	A change to subheading 8540.11 through 8540.20 from any other subheading, including another subheading within that group.
8540.40–8540.60	A change to subheading 8540.40 through 8540.60 from any other subheading outside that group.
8540.71–8540.99	A change to subheading 8540.71 through 8540.99 from any other subheading, including another subheading within that group.

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8540.91–8540.99	A change to subheading 8540.91 through 8540.99 from any other subheading, including another subheading within that group, except when resulting from a simple assembly.
8541–8542	A change to heading 8541 through 8542 from any other subheading, including another subheading within that group; or A change to a mounted chip, die or wafer classified in heading 8541 or 8542 from an unmounted chip, die or wafer classified in heading 8541 or 8542; or A change to a programmed ''read only memory'' (ROM) chip from an unprogrammed ''programmable read only memory'' (PROM) chip.
8543.11–8543.19	A change to subheading 8543.11 through 8543.19 from any other subheading outside that group.
8543.20–8543.30	A change to subheading 8543.20 through 8543.30 from any other subheading, including another subheading within that group.
8543.40–8543.89	A change to subheading 8543.40 through 8543.89 from any other subheading outside that group.
8543.90	A change to subheading 8543.90 from any other heading.
8544.11–8544.70	A change to subheading 8544.11 through 8544.70 from any other subheading, including another subheading within that group, except when resulting from a simple assembly.
8545.11–8547.90	A change to subheading 8545.11 through 8547.90 from any other subheading, including another subheading within that group.
8548	A change to heading 8548 from any other heading.
(p)	**Section XVII: Chapters 86 through 89**
8601	A change to heading 8601 from any other heading.
8602	A change to heading 8602 from any other heading.
8603–8606	A change to heading 8603 through 8606 from any other heading, including another heading within that group, except from heading 8607 when that change is pursuant to General Rule of Interpretation 2(a).
8607.11	A change to subheading 8607.11 from any other subheading, except from subheading 8607.12, and except from subheading 8607.19 when that change is pursuant to General Rule of Interpretation 2(a).
8607.12	A change to subheading 8607.12 from any other subheading, except from subheading 8607.11, and except from subheading 8607.19 when that change is pursuant to General Rule of Interpretation 2(a).
8607.19	A change to subheading 8607.19 from any other subheading.
8607.21–8607.99	A change to subheading 8607.21 through 8607.99 from any other heading, except to mounted brake linings and pads of subheading 8607.21 through 8607.99 from subheading 6813.10.
8608	A change to heading 8608 from any other heading.
8609	A change to heading 8609 from any other heading, except from heading 7309 through 7311.
8701–8705	A change to heading 8701 through 8705 from any other heading, including another heading within that group, except from heading 8706.
8706	A change to heading 8706 from any other heading.
8707	A change to heading 8707 from any other heading, except from subheading 8708.29 when that change is pursuant to General Rule of Interpretation 2(a).
Note: Any change to heading 8708 from subheading 8709.90, 8716.90, 8431.20, or 8431.49 shall not be considered to satisfy a required change in tariff classification.	
8708.10	A change to subheading 8708.10 from any other subheading.
8708.29	A change to subheading 8708.29 from any other subheading.
8708.31	A change to subheading 8708.31 from any other heading, except to mounted brake linings and pads of subheading 8708.31 from subheading 6813.10.
8708.39	A change to subheading 8708.39 from any other heading.
8708.40	A change to subheading 8708.40 from any other subheading, except from subheading 8708.99 when that change is pursuant to General Rule of Interpretation 2(a).
8708.50	A change to subheading 8708.50 from any other subheading, except from subheading 8708.99 when that change is pursuant to General Rule of Interpretation 2(a).
8708.60	A change to subheading 8708.60 from any other subheading.
8708.70	A change to subheading 8708.70 from any other subheading.
8708.80	A change to subheading 8708.80 from any other subheading, except from subheading 8708.99 when that change is pursuant to General Rule of Interpretation 2(a).
8708.91	A change to subheading 8708.91 from any other subheading, except from subheading 8708.99 when that change is pursuant to General Rule of Interpretation 2(a).
8708.92	A change to subheading 8708.92 from any other subheading.
8708.93	A change to subheading 8708.93 from any other subheading.
8708.94	A change to subheading 8708.94 from any other subheading, except from subheading 8708.99 when that change is pursuant to General Rule of Interpretation 2(a).
8708.99	A change to subheading 8708.99 from any other subheading.
8709.11–8709.19	A change to subheading 8709.11 through 8709.19 from any other subheading outside that group, except from subheading 8709.90 when that change is pursuant to General Rule of Interpretation 2(a).
8709.90	A change to subheading 8709.90 from any other heading, except from subheading 8431.20 or heading 8708.
8710	A change to heading 8710 from any other heading.
8711–8713	A change to heading 8711 through 8713 from any other heading, including another heading within that group, except from heading 8714 when that change is pursuant to General Rule of Interpretation 2(a).
8714	A change to heading 8714 from any other heading, except from subheading 6813.10 to mounted brake linings or pads classified in heading 8714.
8715	A change to heading 8715 from any other heading.
8716.10–8716.80	A change to subheading 8716.10 through 8716.80 from any other heading, except from subheading 8716.90 when that change is pursuant to General Rule of Interpretation 2(a).
8716.90	A change to subheading 8716.90 from any other heading, except from subheading 8709.90 or 8431.49.

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8801–8802	A change to heading 8801 through 8802 from any other heading outside that group, except from heading 8803 when that change is pursuant to General Rule of Interpretation 2(a).
8803.10–8803.90	A change to subheading 8803.10 through 8803.90 from any other subheading, including another subheading within that group.
8805	A change to heading 8805 from any other heading.
8901–8903	A change to heading 8901 through 8903 from any other heading outside that group.
8904	A change to heading 8904 from any other heading.
8905	A change to heading 8905 from any other chapter.
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8906–8907	A change to heading 8906 through 8907 from any other heading, including another heading within that group, except from heading 8903 or 8905.
8908	A change to heading 8908 from any other chapter.
(q)	**Section XVIII: Chapters 90 through 92**
9001.10	A change to subheading 9001.10 from any other subheading, except from subheading 8544.70.
9001.20–9001.30	A change to subheading 9001.20 through 9001.30 from any other subheading, including another subheading within that group.
9001.40–9001.90	A change to subheading 9001.40 through 9001.90 from any other subheading, including another subheading within that group, except from lens blanks of heading 7014 or subheading 7015.10.
9002.11–9002.90	A change to subheading 9002.11 through 9002.90 from any other subheading, including another subheading within that group, except from subheading 9001.90 or from lens blanks of heading 7014.
9003.11–9003.19	A change to subheading 9003.11 through 9003.19 from any other heading; or A change to subheading 9003.11 through 9003.19 from any other subheading, including another subheading within that group, except from subheading 9003.90 if the temples or fronts are not domestic materials.
9003.90	A change to subheading 9003.90 from any other heading.
9004	A change to heading 9004 from any other heading, except from subheading 9001.40 or 9001.50.
9005.10–9005.80	A change to subheading 9005.10 through 9005.80 from any other subheading, including another subheading within that group.
9005.90	A change to subheading 9005.90 from any other heading, except from heading 9001 or 9002.
9006.10–9006.69	A change to subheading 9006.10 through 9006.69 from any other subheading, including another subheading within that group.
9006.91–9006.99	A change to subheading 9006.91 through 9006.99 from any other heading.
9007.11–9007.19	A change to subheading 9007.11 through 9007.19 from any other subheading, including another subheading within that group.
9007.20	A change to subheading 9007.20 from any other subheading; or A change to a projector for film of less than 16mm width of subheading 9007.20 from any other projector of subheading 9007.20; or A change from a projector for film of less than 16mm width of subheading 9007.20 to any other projector of subheading 9007.20.
9007.91–9007.92	A change to subheading 9007.91 through 9007.92 from any other heading, except from lenses of heading 9002 when resulting from a simple assembly.
9008.10–9008.40	A change to subheading 9008.10 through 9008.40 from any other subheading, including another subheading within that group.
9008.90	A change to subheading 9008.90 from any other heading, except from lenses of heading 9002 when resulting from a simple assembly.
9009.11–9009.30	A change to subheading 9009.11 through 9009.30 from any other subheading, including another subheading within that group.
9009.90	A change to subheading 9009.90 from any other heading.
9010.10	A change to subheading 9010.10 from any other subheading.
9010.41–9010.50	A change to subheading 9010.41 through 9010.50 from any other subheading outside that group.
9010.60	A change to subheading 9010.60 from any other subheading.
9010.90	A change to subheading 9010.90 from any other heading.
9011.10–9011.80	A change to subheading 9011.10 through 9011.80 from any other subheading, including another subheading within that group.
9011.90	A change to subheading 9011.90 from any other heading.
9012.10	A change to subheading 9012.10 from any other subheading, including another subheading within that group.
9012.90	A change to subheading 9012.90 from any other heading.
9013.10	A change to subheading 9013.10 from any other subheading, except from optical telescopes of subheading 9005.80.
9013.20–9013.80	A change to subheading 9013.20 through 9013.80 from any other subheading, including another subheading within that group.
9013.90	A change to subheading 9013.90 from any other subheading, except from subheading 9002.19 when resulting from a simple assembly.
9014.10–9014.80	A change to subheading 9014.10 through 9014.80 from any other subheading, including another subheading within that group.
9014.90	A change to subheading 9014.90 from any other heading.
9015.10–9015.80	A change to subheading 9015.10 through 9015.80 from any other subheading, including another subheading within that group.
9015.90	A change to subheading 9015.90 from any other heading.
9016	A change to heading 9016 from any other heading.
9017.10–9017.80	A change to subheading 9017.10 through 9017.80 from any other subheading, including another subheading within that group.

HTSUS	Tariff shift and/or other requirements
9017.90	A change to subheading 9017.90 from any other heading.
9018.11	A change to subheading 9018.11 from any other subheading, except to electro-cardiographs from printed circuit assemblies when resulting from a simple assembly.
9018.12–9018.14	A change to subheading 9018.12 through 9018.14 from any other subheading outside that group, except from subheading 9018.19.
9018.19	A change to subheading 9018.19 from any other subheading, except to patient monitoring systems from printed circuit assemblies when resulting from a simple assembly.
9018.20–9018.32	A change to subheading 9018.20 through 9018.32 from any other subheading, including another subheading within that group.
9018.39	A change to subheading 9018.39 from any other subheading, except from surgical tubing of subheading 4009.10 when resulting from a simple assembly.
9018.41–9018.50	A change to subheading 9018.41 through 9018.50 from any other subheading, including another subheading within that group.
9018.90	A change to subheading 9018.90 from any other subheading, except from subheading 9001.90 or synthetic rubber classified in heading 4002 when resulting from a simple assembly; or A change to defibrillators from printed circuit assemblies, except when resulting from a simple assembly.
9019.10–9019.20	A change to subheading 9019.10 through 9019.20 from any other subheading, including another subheading within that group.
9020	A change to heading 9020 from any other heading.
9021.11	A change to subheading 9021.11 from any other subheading, including another subheading within that group.
9021.19	A change to subheading 9021.19 from any other subheading, except from nails classified in heading 7317 or screws classified in heading 7318 when resulting from a simple assembly.
9021.21–9021.90	A change to subheading 9021.21 through 9021.90 from any other subheading, including another subheading within that group.
9022.12–9022.14	A change to subheading 9022.12 through 9022.14 from any other subheading outside that group.
9022.19–9022.90	A change to subheading 9022.19 through 9022.90 from any other subheading, including another subheading within that group.
9023	A change to heading 9023 from any other heading.
9024.10–9024.80	A change to subheading 9024.10 through 9024.80 from any other subheading, including another subheading within that group.
9024.90	A change to subheading 9024.90 from any other heading.
9025.11–9025.80	A change to subheading 9025.11 through 9025.80 from any other subheading, including another subheading within that group.
9025.90	A change to subheading 9025.90 from any other heading.
9026.10–9026.80	A change to subheading 9026.10 through 9026.80 from any other subheading, including another subheading within that group.
9026.90	A change to subheading 9026.90 from any other heading.
9027.10–9027.90	A change to subheading 9027.10 through 9027.90 from any other subheading, including another subheading within that group.
9028.10–9028.30	A change to subheading 9028.10 through 9028.30 from any other subheading, including another subheading within that group.
9028.90	A change to subheading 9028.90 from any other heading.
9029.10–9029.20	A change to subheading 9029.10 through 9029.20 from any other subheading, including another subheading within that group.
9029.90	A change to subheading 9029.90 from any other heading.
9030.10–9030.40	A change to subheading 9030.10 through 9030.40 from any other subheading, including another subheading within that group.
9030.82–9030.83	A change to subheading 9030.82 through 9030.83 from any other subheading outside that group.
9030.89–9030.90	A change to subheading 9030.89 through 9030.90 from any other subheading outside that group.
9031.10–9031.30	A change to subheading 9031.10 through 9031.30 from any other subheading, including another subheading within that group.
9031.41–9031.49	A change to subheading 9031.41 through 9031.49 from any other subheading outside that group.
9031.80	A change to subheading 9031.80 from any other subheading.
9031.90	A change to subheading 9031.90 from any other heading.
9032.10–9032.89	A change to subheading 9032.10 through 9032.89 from any other subheading, including another subheading within that group.
9032.90	A change to subheading 9032.90 from any other subheading, except from heading 8537 when resulting from a simple assembly.
9033	A change to heading 9033 from any other heading.
Chapter 91 Note: The country of origin of goods classified in subheading 9113.90.40 shall be determined under the provisions of § 102.21.	
9101–9107	A change to heading 9101 through 9107 from any other heading outside that group, except from heading 9108 through 9110; or A change to heading 9101 through 9107 from complete movements, unassembled, classified in subheading 9110.11 or 9110.90, or from rough movements classified in subheading 9110.19 or 9110.90.
9108–9109	A change to heading 9108 through 9109 from any other heading outside that group, except from heading 9110; or A change to heading 9108 through 9109 from complete movements, unassembled, classified in subheading 9110.11 or 9110.90, or from rough movements classified in subheading 9110.19 or 9110.90.
9110	A change to heading 9110 from any other heading, except from subheading 9114.90.
9111.10–9111.80	A change to subheading 9111.10 through 9111.80 from any other subheading outside that group, except from subheading 9111.90 when that change is pursuant to General Rule of Interpretation 2(a).
9111.90	A change to subheading 9111.90 from any other heading.
9112.10–9112.80	A change to subheading 9112.10 through 9112.80 from any other subheading outside that group, except from subheading 9112.90 when that change is pursuant to General Rule of Interpretation 2(a).
9112.90	A change to subheading 9112.90 from any other heading.

HTSUS	Tariff shift and/or other requirements
9113	A change to heading 9113 from any other heading.
9114	A change to heading 9114 from any other heading.
9201–9208	A change to heading 9201 through 9208 from any other heading, including another heading within that group, except from heading 9209 when that change is pursuant to General Rule of Interpretation 2(a).
9209	A change to heading 9209 from any other heading.
(r)	**Section XIX: Chapter 93**
9301–9304	A change to heading 9301 through 9304 from any other heading, including another heading within that group, except from heading 9305 when that change is pursuant to General Rule of Interpretation 2(a).
9305	A change to heading 9305 from any other heading.
9306	A change to heading 9306 from any other heading.
9307	A change to heading 9307 from any other heading.
(s)	**Section XX: Chapters 94 through 96**

Chapter 94 Note: For a good classifiable in subheadings 9404.30 through 9404.90 which does not meet the appropriate tariff shift rule specified for those subheadings, the country of origin is the country where all cutting and sewing operations required to form the outer shell were performed. If all cutting and sewing operations required to form the outer shell were not performed in a single country, the country of origin will be the single country where the component of the outer shell which determines the classification of that good was produced. If a single country did not produce a component of the outer shell which determines the classification of that good, then the country of origin will be the country in which the good last underwent a substantial assembly process. Notwithstanding the foregoing provisions of this Note, the country of origin of goods classified in subheadings 9404.90.10 and 9404.90.80 through 9404.90.95 shall be determined under the provisions of § 102.21.

9401.10–9401.80	A change to subheading 9401.10 through 9401.80 from any other subheading outside that group, except from subheading 9403.10 through 9403.80, and except from subheading 9401.90 or 9403.90 when that change is pursuant to General Rule of Interpretation 2(a).
9401.90	A change to subheading 9401.90 from any other heading, except from subheading 9403.90.
9402	A change to heading 9402 from any other heading, except from subheading 9401.10 through 9401.80 or subheading 9403.10 through 9403.80, and except from subheading 9401.90 or 9403.90 when that change is pursuant to General Rule of Interpretation 2(a).
9403.10–9403.80	A change to subheading 9403.10 through 9403.80 from any other subheading outside that group, except from subheading 9401.10 through 9401.80, and except from subheading 9401.90 or 9403.90 when that change is pursuant to General Rule of Interpretation 2(a).
9403.90	A change to subheading 9403.90 from any other heading, except from subheading 9401.90.
9404.10–9404.29	A change to subheading 9404.10 through 9404.29 from any other heading.
9404.30–9404.90	A change to down- and/or feather-filled goods classified in subheading 9404.30 through 9404.90 from any other heading; or For all other goods classified in subheading 9404.30 through 9404.90, a change from any other heading, except from heading 5007, 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407 through 5408, 5512 through 5516, 5602 through 5603, 5801 through 5804, 5806, 5809 through 5810, 5901, 5903 through 5904, 5906 through 5907, or 6001 through 6002, or subheading 6307.90.
9405.10–9405.60	A change to subheading 9405.10 through 9405.60 from any other subheading outside that group, except from subheading 9405.91 through 9405.99 when that change is pursuant to General Rule of Interpretation 2(a).
9405.91–9405.99	A change to subheading 9405.91 through 9405.99 from any other heading.
9406	A change to heading 9406 from any other heading.
9501	A change to heading 9501 from any other chapter, except from heading 8714 when that change is pursuant to General Rule of Interpretation 2(a).
9502.10	A change to subheading 9502.10 from any other subheading, except from skins for stuffed dolls classified in subheading 9502.99.
9502.99	A change to subheading 9502.99 from any other heading, except from subheading 9503.41 through 9503.49.
9503.10–9503.30	A change to subheading 9503.10 through 9503.30 from any other subheading, including another subheading within that group.
9503.41–9503.49	A change to toys classified in subheading 9503.41 through 9503.49 from any other heading; or A change to toys classified in subheading 9503.41 through 9503.49 from parts and accessories classified in subheading 9503.41 through 9503.49; or A change to parts and accessories classified in subheading 9503.41 through 9503.49 from any other heading, except from heading 9502, 6111, or 6209.
9503.50–9503.60	A change to subheading 9503.50 through 9503.60 from any other subheading, including another subheading within that group.
9503.70–9503.90	A change to subheading 9503.70 through 9503.90 from any other chapter.
9504.10–9506.29	A change to subheading 9504.10 through 9506.29 from any other subheading, including another subheading within that group.
9506.31	A change to subheading 9506.31 from any other subheading, except from subheading 9506.39.
9506.32–9506.99	A change to subheading 9506.32 through 9506.99 from any other subheading, including another subheading within that group.
9507.10–9507.30	A change to subheading 9507.10 through 9507.30 from any other chapter.
9507.90	A change to subheading 9507.90 from any other subheading, except from heading 5004 through 5006, subheading 5402.10 through 5402.49, subheading 5406.10 through 5406.20, or heading 5603 or 5404.
9508	A change to heading 9508 from any other heading.

Chapter 96 Note: The country of origin of goods classified in subheading 9612.10.9010 shall be determined under the provisions of § 102.21.

9601	A change to heading 9601 from any other heading.
9602	A change to heading 9602 from any other heading.

HTSUS	Tariff shift and/or other requirements
9603	A change to heading 9603 from any other heading.
9604–9605	A change to heading 9604 through 9605 from any other heading, including another heading within that group.
9606.10	A change to subheading 9606.10 from any other heading.
9606.21–9606.29	A change to subheading 9606.21 through 9606.29 from any other heading.
9606.30	A change to subheading 9606.30 from any other heading.
9607.11–9607.19	A change to subheading 9607.11 through 9607.19 from any other subheading, except from subheading 9607.20 when that change is pursuant to General Rule of Interpretation 2(a).
9607.20	A change to subheading 9607.20 from any other subheading.
9608.10–9608.40	A change to subheading 9608.10 through 9608.40 from any other subheading, including another subheading within that group, except from subheading 9608.60.
9608.50	A change to subheading 9608.50 from any other heading.
9608.60–9608.99	A change to subheading 9608.60 through 9608.99 from any other subheading, including another subheading within that group.
9609.10	A change to subheading 9609.10 from any other subheading.
9609.20	A change to subheading 9609.20 from any other chapter.
9609.90	A change to subheading 9609.90 from any other chapter.
9610–9612	A change to heading 9610 through 9612 from any other heading, including another heading within that group.
9613.10–9613.20	A change to subheading 9613.10 through 9613.20 from any other subheading outside that group.
9613.30–9613.80	A change to subheading 9613.30 through 9613.80 from any other subheading, including another subheading within that group.
9613.90	A change to subheading 9613.90 from any other heading.
9614.20	A change to subheading 9614.20 from any other subheading, except to roughly shaped blocks of wood or root of subheading 9614.20 from heading 4407.
9614.90	A change to subheading 9614.90 from any other heading.
9615.11–9615.90	A change to subheading 9615.11 through 9615.90 from any other subheading, including another subheading within that group.
9616–9618	A change to heading 9616 through 9618 from any other heading, including another heading within that group.
(t)	**Section XXI: Chapter 97**
9701.10–9701.90	A change to subheading 9701.10 through 9701.90 from any other subheading, including another subheading within that group.
9702–9706	A change to heading 9702 through 9706 from any other heading, including another heading within that group.

PART 134—COUNTRY OF ORIGIN MARKING

1. The authority citation for part 134 continues to read as follows:

Authority: 5 U.S.C. 301; 19 U.S.C. 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States), 1304, 1624.

§ 134.32 [Amended]

2. In § 134.32, paragraph (r) is removed.

3. In § 134.43, paragraph (e) is revised to read as follows:

§ 134.43 Methods of marking specific articles.

* * * * *

(e) *Assembled articles.* Where an article is produced as a result of an assembly operation and the country of origin of such article is determined under this chapter to be the country in which the article was finally assembled, such article may be marked, as appropriate, in a manner such as the following:

(1) Assembled in (country of final assembly);

(2) Assembled in (country of final assembly) from components of (name of country or countries of origin of all components); or

(3) Made in, or product of, (country of final assembly).

Michael H. Lane,

Acting Commissioner of Customs.

Approved: May 29, 1996.

John P. Simpson,

Deputy Assistant Secretary of the Treasury.

[FR Doc. 96–14027 Filed 6–5–96; 8:45 am]

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