

Florida, Seminole Nation of Oklahoma, and Seminole Tribe of Florida. Representatives of any other Indian tribe that believes itself to be culturally affiliated with these human remains should contact Barbara Issac, Repatriation Coordinator, Peabody Museum of Archaeology and Ethnology, Harvard University, 11 Divinity Ave., Cambridge, MA 02138; telephone: (617) 495-2254, before April 2, 1998. Repatriation of the human remains and associated funerary objects to the culturally affiliated tribes may begin after that date if no additional claimants come forward.

Dated: February 25, 1998.

Francis P. McManamon,

*Departmental Consulting Archeologist,
Manager, Archeology and Ethnography
Program.*

[FR Doc. 98-5408 Filed 3-2-98; 8:45 am]

BILLING CODE 4310-70-F

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-360]

International Harmonization of Customs Rules of Origin

AGENCY: United States International Trade Commission.

ACTION: Request for public comment on draft proposal concerning certain goods of Chapters 82, 84, 85, and 90.

EFFECTIVE DATE: February 5, 1998.

FOR FURTHER INFORMATION CONTACT: Eugene A. Rosengarden, Director, Office of Tariff Affairs and Trade Agreements (O/TA&TA) (202-205-2595), Chapter 82—Lawrence A. DiRicco (202-205-2606), Chapters 84-85, 90—Craig Houser (202-205-2597). Hearing impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819).

Background

Following receipt of a letter from the United States Trade Representative (USTR) on January 25, 1995, the Commission instituted Investigation No. 332-360, International Harmonization of Customs Rules of Origin, under section 332(g) of the Tariff Act of 1930 (60 FR 19605, April 19, 1995).

The investigation is intended to provide the basis for Commission participation in work pertaining to the Uruguay Round Agreement on Rules of Origin (ARO), under the General

Agreement on Tariffs and Trade (GATT) 1994 and adopted along with the Agreement Establishing the World Trade Organization (WTO).

The ARO is designed to harmonize and clarify nonpreferential rules of origin for goods in trade on the basis of the substantial transformation test; achieve discipline in the rules' administration; and provide a framework for notification, review, consultation, and dispute settlement. These harmonized rules are intended to make country-of-origin determinations impartial, predictable, transparent, consistent, and neutral, and to avoid restrictive or distortive effects on international trade. The ARO provides that technical work to those ends will be undertaken by the Customs Cooperation Council (CCC) (now informally known as the World Customs Organization or WCO), which must report on specified matters relating to such rules for further action by parties to the ARO.

Eventually, the WTO Ministerial Conference is to "establish the results of the harmonization work program in an annex as an integral part" of the ARO.

The ARO called for the establishment of a Committee on Rules of Origin of the WTO and a Technical Committee on Rules of Origin (TCRO) of the CCC. These Committees bear the primary responsibility for developing rules that achieve the objectives of the ARO.

A major component of the work program is the harmonization of origin rules for the purpose of providing more certainty in the conduct of world trade. Under the ARO, the TCRO is to undertake (1) to develop harmonized definitions of goods considered wholly obtained in one country, and of minimal processes or operations deemed not to confer origin, (2) to consider the use of change in Harmonized System classification as a means of reflecting substantial transformation, and (3) for those products or sectors where a change of tariff classification does not allow for the reflection of substantial transformation, to develop supplementary or exclusive origin criteria based on value, manufacturing or processing operations or on other standards.

In March, 1997 (62 F.R. 11464, March 12, 1997), the Commission solicited comments on its draft proposed rules of origin for Chapter 82 and Chapter 84. In July 1997 (62 F.R. 35834, July 2, 1997), the Commission solicited comments on its draft proposed rules of origin for Chapter 85 and Chapter 90.

During its review of the comments submitted in response to those notices, the Commission has identified certain cases where application of the proposed

general rules, i.e., those based on a change-of-classification of the goods, does not appear to satisfactorily attribute origin to the country in which the goods were substantially transformed. It was recognized at the outset of this investigation that situations would arise in which application of change-of-classification rules would cause anomalous or ambiguous origin determinations, and that supplementary or residual rules would need to be developed to account for those cases.

The Commission is therefore making available for public comment, the following draft proposed supplemental rules affecting certain goods of Chapter 82, e.g., tools of heading 82.04; Chapters 84, 85 and 90, e.g., goods of headings or subheadings which specifically provide for parts or parts and accessories and goods which undergo a change of classification which results merely from the form in which they are presented to Customs.

Draft Rules

Draft Supplemental Rule for Chapter 82

1. When the product specific rules provided in the matrix are not determinant of origin, the following shall apply:

A. *Goods produced from blanks.*—Where a goods is produced from a blank:

(1) Provided all the following criteria are met, the country of origin of the good shall be the country in which the blank was processed into a finished good:

(a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and

(b) In the country in which the goods is finished:

(i) The blank was configured to final shape by the removal of material (other than by honing or polishing), or by bending, hammering, pressing, stamping or similar forming process; and

(ii) The blank underwent one or more of the following processes:

1. Hardening to a minimum hardness of 38 degrees Rockwell C or equivalent standard of hardness; or

2. Assembly with five or more parts (other than parts of general use as defined in Note 2 to Section XV).

(2) If the criteria of subparagraph 1(A)(1) above are not satisfied, the country of origin of the good shall be the country of origin of the blank.

B. *Other Goods of This Chapter.*—When paragraph 1(A) is not applicable,

the country of origin shall be determined as follows:

(1) *Goods obtained by assembly of components.*—Goods obtained by assembly of components which are classified as parts of goods of this chapter (but not as unfinished goods), shall originate in the country in which the parts were assembled into the finished good, provided that the assembly used five or more parts (other than parts of general use as defined in Note 2 to Section XVI).

(2) *Other.*—If the requirements of subparagraph 1(B)(1) are not met, the country of origin of the goods shall be the country in which the working edge, working surface or working part underwent a change of classification to a heading of this chapter from any other chapter (e.g., from a bar or rod of Chapter 72 to a chisel of Heading 82.05).

Purpose of Draft Supplemental Rule for Chapter 82

The rule provides a determination of origin in situations in which the change of classification rules fail to confer origin because the processing of the one or more of the input goods did not result in a change classification even though there was a substantial transformation. This occurs when the input is an incomplete or unfinished article classifiable in the same heading or subheading as a blank. It can also occur when goods are assembled from parts classified in the same heading or subheading. Rule 1(A) applies in the former instance and Rule 1(B) applies in the latter.

Draft Supplemental Rules for Chapters 84 and 85

1. *Limitations on change of classification rules.*—Notwithstanding the product specific rules in the matrix, where a change of classification (i.e., change of heading, subheading, split heading or split subheading) results from one of the following circumstances, origin shall be determined as indicated:

A. *Disassembly.*—Where a change in classification results from disassembly of a previously assembled good, the origin of the good shall be the origin prior to disassembly.

B. *Packaging.*—Where a change in classification results from packaging or repackaging, the origin of the good shall be the origin prior to such packaging or repackaging.

C. *Collection of parts into kits.*—Where a change in classification results from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading

or subheading, the individual parts shall retain their origin prior to such collection.

D. *Multi-function machines and composite machines.*—Where a change in classification results from application of note 3 to Section XVI, the origin of the good shall be the origin of the machine or component which determines the classification of the good under note 3 to section XVI.

E. *Functional units.*—Where a change in classification results from the application of note 4 to Section XVI to separately packaged goods presented together in a single shipment, the separately packaged goods shall retain their origin prior to such presentation.

2. *Residual rules.*—When neither the product specific rules provided in the matrix nor legal note 1 above are determinant of origin, the following shall apply:

A. *Goods produced from incomplete or unfinished articles classifiable in the same heading or subheading by application of GRI 2(a).*—Where a good is produced from an incomplete or unfinished (other than unassembled or disassembled) article which had the essential character of the complete or finished good and was classifiable, by application of GRI 2(a), in the same heading or subheading as the complete or finished goods, origin of the presented good shall be determined as follows:

(1) *Goods produced from blanks.*—Where a good is produced from a blank:

(a) Provided all the following criteria are met, the country of origin of the good shall be the country in which the blank was processed into a finished good:

(i) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and

(ii) In the country in which the good is finished:

1. The blank was configured to final shape by the removal of material (other than by honing or polishing), or by bending, hammering, pressing, stamping or similar forming process; and

2. The blank underwent one or more of the following processes:

A. Hardening to a minimum hardness of 38 degrees Rockwell C or equivalent standard of hardness; or

B. Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI).

(b) If the criteria of subparagraph (a) above are not satisfied, the country of origin of the good shall be the country of origin of the blank.

(2) *Goods produced from incomplete or unfinished articles, other than blanks.*—Where the good is produced from an incomplete or unfinished article, other than a blank, the origin of presented goods shall be the country of origin of the incomplete or unfinished article from which it was produced.

B. *Other rules for assembled goods.*—Where neither the product specific rules in the matrix nor the preceding legal notes are determinant of origin, the following shall apply:

(1) *Origin in the country of assembly.*—Provided the following criteria are met, the goods shall originate in the country of assembly:

(a) The assembly resulted in a device or apparatus capable of performing one or more new mechanical or electrical function(s), and either:

(i) The assembly involved 5 or more parts (other than parts of general use, as defined in Note 1(g) to Section XVI), or

(ii) The assembly involved less than 5 parts (other than parts of general use, as defined in Note 1(g) to Section XVI), and one or more of the parts (other than parts of general use, as defined in Note 1(g) to Section XVI), satisfies the product specific rules provided in the matrix as having origin in the country of assembly.

(b) For purposes of the subparagraph (a) above, the following shall not be considered assembly operations:

(i) The attachment of machinery to a base,

(ii) The installation of machinery or apparatus into cabinets or similar encasements,

(iii) The attachment of dials, knobs, hand cranks, and other consumer-operated controls,

(iv) The attachment of a power cord, or

(v) Installation of batteries, accumulators or other articles not designed to become a permanent part of the good.

(2) *Other.*—If the requirements of subparagraph (1) above are not met, the following shall apply:

(a) If the principal rule applicable to the goods in the product specific matrix includes an exception to a change of classification from a particular heading or subheading and a non-originating part classifiable in such heading or subheading was used in the assembly of the good, the country of origin of the good shall be the country of origin of such excepted part.

(b) In all other cases, the country of origin shall be the country in which the majority of the parts originated. If there is no majority, the country of origin shall be the country of origin of the part which appears last in the Nomenclature.

Purpose of Draft Supplemental Rules for Chapters 84 and 85

Rule 1 supercedes the change of classification rules for those situations in which a change of classification occurs, either by virtue of the presentation of the goods or by application of one of the legal notes to the Harmonized System, but the change of classification does not necessarily reflect a substantial transformation of the goods. For each of the situations specified, the change of classification rules are superseded by the rule provided therein. On the other hand, Rule 2 provides a determination of origin in situations in which the change of classification rules fail to confer origin because the processing of the one or more of the input goods did not result in a change classification even though there was a substantial transformation. This occurs when the input is an incomplete or unfinished article classifiable in the same heading or subheading as the complete or finished article, by application of General Rule of Interpretation 2(a). In particular, this applies to the processing of blanks into finished goods. It can also occur when "major" parts of goods, i.e. subassemblies, are assembled from "minor" parts classified in the same parts heading or subheading. Rule 2(A) applies in the former instance and Rule 2(A) applies in the latter.

Draft Supplemental Rules for Chapter 90

1. *Limitations on change of classification rules.*—Notwithstanding the product specific rules in the matrix, where a change of classification (i.e., change of heading, subheading, split heading or split subheading) results from one of the following circumstances, origin shall be determined as indicated:

A. *Disassembly.*—Where a change in classification results from disassembly of a previously assembled good, the origin of the good shall be the origin prior to disassembly.

B. *Packaging.*—Where a change in classification results from packaging or repackaging, the origin of the good shall be the origin prior to such packaging or repackaging.

C. *Collection of parts into kits.*—Where a change in classification results from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading, the individual parts shall retain their origin prior to such collection.

D. *Functional units.*—Where a change in classification results from the

application of note 4 to Section XVI to separately packaged goods presented together in a single shipment, the separately packaged goods shall retain their origin prior to such presentation.

2. *Residual rules.*—When neither the product specific rules provided in the matrix nor legal note 1 above are determinant of origin, the following shall apply:

A. *Goods produced from incomplete or unfinished articles classifiable in the same heading or subheading by application of GRI 2(a).*—Where a good is produced from an incomplete or unfinished (other than unassembled or disassembled) article which had the essential character of the complete or finished good and was classifiable, by application of GRI 2(a), in the same heading or subheading as the complete or finished goods, origin of the presented good shall be determined as follows:

(1) *Goods produced from blanks.*—Where a good is produced from a blank:

(a) Provided all the following criteria are met, the country of origin of the good shall be the country in which the blank was processed into a finished good:

(i) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and

(ii) In the country in which the good is finished:

1. The blank was configured to final shape by the removal of material (other than by honing or polishing), or by bending, hammering, pressing, stamping or similar forming process; and

2. The blank underwent one or more of the following processes:

A. Hardening to a minimum hardness of 38 degrees Rockwell C or equivalent standard of hardness; or

B. Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI).

(b) If the criteria of subparagraph (a) above are not satisfied, the country of origin of the good shall be the country of origin of the blank.

(2) *Goods produced from incomplete or unfinished articles, other than blanks.*—Where a good is produced from an incomplete or unfinished article, other than a blank, the origin of presented goods shall be the country of origin of the incomplete or unfinished article from which it was produced.

B. *Other rules for assembled goods.*—Where neither the product specific rules in the matrix nor the preceding legal notes are determinant of origin, the following shall apply:

(1) *Origin in the country of assembly.*—Provided the following criteria are met, the good shall originate in the country of assembly:

(a) The assembly resulted in a device or apparatus capable of performing one or more new mechanical or electrical function(s), and either:

(i) The assembly involved 5 or more parts (other than parts of general use, as defined in Note 1(g) to Section XVI), or

(ii) The assembly involved less than 5 parts (other than parts of general use, as defined in Note 1(g) to Section XVI), and one or more of the parts (other than parts of general use, as defined in Note 1(g) to Section XVI), satisfies the product specific rules provided in the matrix as having origin in the country of assembly.

(b) For purposes of the subparagraph (a) above, the following shall not be considered assembly operations:

(i) The attachment of machinery to a base,

(ii) The installation of machinery or apparatus into cabinets or similar encasements,

(iii) The attachment of dials, knobs, hand cranks, and other consumer-operated controls,

(iv) The attachment of a power cord, or

(v) Installation of batteries, accumulators or other articles not designed to become a permanent part of the good.

(2) *Other.*—If the requirements of subparagraph (1) above are not met, the following shall apply:

(a) If the principal rule applicable to the goods in the product specific matrix includes an exception to a change of classification from a particular heading or subheading and a non-originating part classifiable in such heading or subheading was used in the assembly of the good, the country of origin of the good shall be the country of origin of such excepted part.

(b) In all other cases, the country of origin shall be the country in which the majority of the parts originated. If there is no majority, the country of origin shall be the country of origin of the part which appears last in the Nomenclature.

Purpose of Draft Supplemental Rules for Chapter 90

Rule 1 supercedes the change of classification rules for those situations in which a change of classification occurs, either by virtue of the presentation of the goods or by application of one of the legal notes to the Harmonized System, but the change of classification does not necessarily reflect a substantial transformation of the goods. For each of the situations

specified, the change of classification rules are superceded by the rule provided therein. On the other hand, Rule 2 provides a determination of origin in situations in which the change of classification rules fail to confer origin because the processing of the one or more of the input goods did not result in a change classification even though there was a substantial transformation. This occurs when the input is an incomplete or unfinished article classifiable in the same heading or subheading as the complete or finished article, by application of General Rule of Interpretation 2(a). In particular, this applies to the processing of blanks into finished goods. It can also occur when "major" parts of goods, i.e. subassemblies, are assembled from "minor" parts classified in the same parts heading or subheading. Rule 2(A) applies in the former instance and Rule 2(B) applies in the latter.

These proposals have been reviewed by interested government agencies and are intended to serve as the basis for the U.S. proposal to the Technical Committee on Rules of Origin of the World Customs Organization or to the Technical Committee of the World Trade Organization. The proposals do not necessarily reflect or restate existing Customs treatment with respect to country of origin applications for all current non-preferential purposes. Based upon a decision of the Trade Policy Staff Committee, the proposals are intended for future harmonization for the nonpreferential purposes indicated in the ARO for application on a global basis. They seek to take into account not only U.S. Customs current positions on substantial transformation but additionally seek to consider the views of the business community and practices of our major trading partners as well. As such they represent an attempt at reaching a basis for agreement among the contracting parties. The proposals may undergo change as proposals from other government administrations and the private sector are received and considered. Under the circumstances, the proposals should not be cited as authority for the application of current domestic law.

Written Submissions

Interested persons are invited to submit written statements concerning this phase of the Commission's investigation. Written statements should be submitted as quickly as possible, and follow-up statements are permitted; but all statements must be received at the Commission by the close of business on March 18, 1998, in order to be

considered. The Commission notes that it is particularly interested in receiving input from the private sector on the effects of the various proposed rules and definitions on U.S. exports. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business information, will be available for inspection by interested persons.

All submissions should be addressed to the Office of the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436.

World Wide Web Access: This notice may be obtained from the ITC Internet web server: <http://www.usitc.gov>.

Issued: February 25, 1998.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 98-5394 Filed 2-28-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-388]

Simplification of the Harmonized Tariff Schedule of the United States

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject investigation.

EFFECTIVE DATE: January 30, 1998.

FOR FURTHER INFORMATION CONTACT:

Eugene A. Rosengarden, Director, Office of Tariff Affairs and Trade Agreements (O/TA&TA) (202-205-2592). The O/TA&TA fax number is: 202/205-2616. Mr. Rosengarden may also be reached via Internet e-mail at rosengarden@usitc.gov. Hearing impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810. Media representatives should contact Margaret O'Laughlin, Public Affairs Officer (202-205-1819). This notice, and any subsequent notices published pursuant to section 332(g) of the Tariff Act of 1930, may be obtained from the ITC Internet web server: <http://www.usitc.gov>.

SUPPLEMENTARY INFORMATION: The Commission instituted investigation No. 332-388 on November 5, 1997. In the notice of institution, the Commission stated that the investigation would be completed by July 13, 2000.

The Commission's new schedule for the investigation is as follows:

Initial public comment deadline May 29, 1998

Publish draft HTS proposals for comment April 1, 1999

Deadline for public comment June 30, 1999

Final Commission report February 28, 2000

Issued: February 25, 1998.

By order of the Commission.

Donna R. Koehnke,
Secretary.

[FR Doc. 98-5396 Filed 3-2-98; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 731-TA-776-779 (Preliminary)]

Certain Preserved Mushrooms From Chile, China, India, and Indonesia

Determinations

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Chile, China, India, and Indonesia of certain preserved mushrooms,² provided for in subheadings 0711.90.40, 2003.10.27, 2003.10.31, 2003.10.37, 2003.10.43,

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

² For purposes of these investigations, certain prepared mushrooms are of the species *Agaricus bisporus* and *Agaricus bitorquis*, whether imported whole, sliced, diced, or as stems and pieces. "Preserved mushrooms" refers to mushrooms that have been prepared or preserved by cleaning, blanching, and sometimes slicing or cutting. These mushrooms are then packed and heated in containers, including but not limited to cans or glass jars, in a suitable medium that may include, but is not limited to, water, brine, or butter (or butter sauce). Included within the scope of the investigations are "brined" mushrooms, which are presalted and packed in a heavy salt solution to provisionally preserve them for further processing. Excluded from the scope of the investigations are: (1) All other species of mushroom, including straw mushrooms; (2) all fresh and chilled mushrooms, including "refrigerated" or "quick blanched" mushrooms; (3) dried mushrooms; (4) frozen mushrooms; and (5) "marinated," "acidified," or "pickled" mushrooms, which are prepared or preserved by means of vinegar or acetic acid, but may contain oil or other additives.