

(c) *Preparation of Certificate.* The following rules will apply for purposes of completing the Certificate of Origin set forth in paragraph (b) of this section:

(1) Blocks 1 through 5 pertain only to the final article exported to the United States for which preferential treatment may be claimed;

(2) Block 1 should state the legal name and address (including country) of the exporter;

(3) Block 2 should state the legal name and address (including country) of the producer. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers. If this information is confidential, it is acceptable to state "available to Customs upon request" in block 2. If the producer and the exporter are the same, state "same" in block 2;

(4) Block 3 should state the legal name and address (including country) of the importer;

(5) In block 4, insert the number and/or letter that identifies the preference group which applies to the article according to the description contained in the CFR provision cited on the Certificate for that group;

(6) Block 5 should provide a full description of each article. The description should be sufficient to relate it to the invoice description and to the description of the article in the international Harmonized System. Include the invoice number as shown on the commercial invoice or, if the invoice number is not known, include another unique reference number such as the shipping order number;

(7) Blocks 6 through 10 must be completed only when the block in question calls for information that is relevant to the preference group identified in block 4;

(8) Block 6 should state the legal name and address (including country) of the fabric producer;

(9) Block 7 should state the legal name and address (including country) of the yarn producer;

(10) Block 8 should state the legal name and address (including country) of the thread producer;

(11) Block 9 should state the name of the folklore article or should state that the article is handloomed or handmade;

(12) Block 10 should be completed only when the preference group identifier "8" and/or "H" is inserted in block 4 and should state the name of the fabric or yarn that is in short supply in the NAFTA or that has been designated as not available in commercial quantities in the United States;

(13) Block 11 must contain the signature of the exporter or of the

exporter's authorized agent having knowledge of the relevant facts;

(14) Block 15 should reflect the date on which the Certificate was completed and signed;

(15) Block 16 should be completed if the Certificate is intended to cover multiple shipments of identical articles as described in block 5 that are imported into the United States during a specified period of up to one year (see § 10.216(b)(4)(ii)). The "from" date is the date on which the Certificate became applicable to the article covered by the blanket Certificate (this date may be prior to the date reflected in block 15). The "to" date is the date on which the blanket period expires;

(16) The telephone and facsimile numbers included in block 17 should be those at which the person who signed the Certificate may be contacted; and

(17) The Certificate may be printed and reproduced locally. If more space is needed to complete the Certificate, attach a continuation sheet.

5. In § 10.215, paragraph (a) is revised to read as follows:

**§ 10.215 Filing of claim for preferential treatment.**

(a) *Declaration.* In connection with a claim for preferential treatment for a textile or apparel article described in § 10.213, the importer must make a written declaration that the article qualifies for that treatment. The inclusion on the entry summary, or equivalent documentation, of the subheading within Chapter 98 of the HTSUS under which the article is classified will constitute the written declaration. Except in any of the circumstances described in § 10.216(d)(1), the declaration required under this paragraph must be based on an original Certificate of Origin that has been completed and properly executed in accordance with § 10.214, that covers the article being imported, and that is in the possession of the importer.

\* \* \* \* \*

**§ 10.216 [Amended]**

6. In § 10.216, the second sentence of paragraph (b)(4)(ii) is amended by removing the reference "§ 10.214(c)(14)" and adding, in its place, the reference "§ 10.214(c)(15)".

**§ 10.217 [Amended]**

7. In § 10.217, paragraphs (a)(2) and (a)(3) are amended by removing the words "in a beneficiary country".

**Robert C. Bonner,**

*Commissioner of Customs.*

Approved: February 25, 2003.

**Timothy E. Skud,**

*Deputy Assistant Secretary of the Treasury.*

[FR Doc. 03-6760 Filed 3-20-03; 8:45 am]

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**DEPARTMENT OF THE TREASURY**

**Customs Service**

**19 CFR Part 10**

**[T.D. 03-12]**

**RIN 1515-AD22**

**Trade Benefits Under the Caribbean Basin Economic Recovery Act**

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

**ACTION:** Interim regulations; solicitation of comments.

**SUMMARY:** This document sets forth interim amendments to those provisions of the Customs Regulations that implement the trade benefits for Caribbean Basin countries contained in section 213(b) of the Caribbean Basin Economic Recovery Act (the CBERA). The interim regulatory amendments involve the textile and apparel provisions of section 213(b) and in part reflect changes made to those statutory provisions by section 3107 of the Trade Act of 2002. The specific statutory changes addressed in this document involve the amendment of several provisions to clarify the status of apparel articles assembled from knit-to-shape components, the addition of language requiring any dyeing, printing, and finishing of certain fabrics to be done in the United States, the inclusion of exception language in the brassieres provision regarding articles entered under other CBERA apparel provisions, the addition of a provision permitting the dyeing, printing, and finishing of thread in the Caribbean region, and the addition of a new provision to cover additional production scenarios involving the United States and the Caribbean region. This document also includes a number of other changes to the CBERA textile and apparel implementing regulations to clarify a number of issues that arose after their original publication.

**DATES:** Interim rule effective March 21, 2003; comments must be submitted by May 20, 2003.

**ADDRESSES:** Written comments are to be addressed to the U.S. Customs Service, Office of Regulations and Rulings, Attention: Regulations Branch, 1300 Pennsylvania Avenue, NW., Washington, DC 20229. Submitted comments may be inspected at U.S. Customs Service, 799 9th Street, NW., Washington, DC.

**FOR FURTHER INFORMATION CONTACT:**  
*Operational issues:* Robert Abels, Office of Field Operations (202-927-1959).  
*Legal issues:* Cynthia Reese, Office of Regulations and Rulings (202-572-8790).

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

##### *Textile and Apparel Articles Under the Caribbean Basin Economic Recovery Act*

The Caribbean Basin Economic Recovery Act (the CBERA, also referred to as the Caribbean Basin Initiative, or CBI, statute, codified at 19 U.S.C. 2701-2707) instituted a duty preference program that applies to exports of goods from those Caribbean Basin countries that have been designated by the President as program beneficiaries. On May 18, 2000, the President signed into law the Trade and Development Act of 2000, Public Law 106-200, 114 Stat. 251, which included as Title II the United States-Caribbean Basin Trade Partnership Act, or CBTPA. The CBTPA provisions included section 211 which amended section 213(b) of the CBERA (19 U.S.C. 2703(b)) in order to, among other things, provide in new paragraph (2) for the preferential treatment of certain textile and apparel articles, specified in subparagraph (A), that had previously been excluded from the CBI duty-free program. The preferential treatment for those textile and apparel articles under paragraph (2)(A) of section 213(b) involves not only duty-free treatment but also entry in the United States free of quantitative restrictions, limitations, or consultation levels.

Sections 10.221 through 10.227 of the Customs Regulations (19 CFR 10.221 through 10.227) set forth the legal requirements and procedures that apply for purposes of obtaining preferential treatment of textile and apparel articles pursuant to the provisions added to section 213(b) by the CBTPA. Those regulations were adopted on an interim basis in T.D. 00-68, published in the **Federal Register** (65 FR 59650) on October 5, 2000, and took effect on October 1, 2000. Action to adopt those interim regulations as a final rule was withheld pending anticipated action on the part of Congress to amend the underlying statutory provisions.

##### *Trade Act of 2002 Amendments*

On August 6, 2002, the President signed into law the Trade Act of 2002 (the "Act"), Pub. L. 107-210, 116 Stat. 933. Section 3107(a) of the Act made a number of changes to the textile and apparel provisions of paragraph (2)(A) of section 213(b) of the CBERA. The amendments made by section 3107(a) of the Act were as follows:

1. The article description in the introductory text of paragraph (2)(A)(i) was amended to refer to apparel articles "sewn or otherwise" assembled and to include a reference to articles assembled "from components knit-to-shape." The amended statutory text reads as follows:

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are \* \* \*.

2. At the end of paragraph (2)(A)(i), two new sentences were added to provide that apparel articles entered on or after September 1, 2002, will qualify for preferential treatment under paragraph (2)(A)(i) only if, in the case of knit fabrics and woven fabrics, all dyeing, printing, and finishing of the fabrics from which the articles are assembled is carried out in the United States. This dyeing, printing, and finishing provision, which applies equally to the articles covered by paragraph (2)(A)(i)(I) and to the articles covered by paragraph (2)(A)(i)(II), reads as follows:

Apparel articles entered on or after September 1, 2002, shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles entered on or after September 1, 2002, shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.

3. The article description in paragraph (2)(A)(ii) was reorganized in order to accommodate the addition of references to apparel articles "sewn or otherwise" assembled and to apparel articles assembled "from components knit-to-shape in the United States from yarns wholly formed in the United States." In addition, the same dyeing, printing, and finishing language described above was added at the end of this paragraph. The amended paragraph (2)(A)(ii) text reads as follows:

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from fabrics wholly formed in the United States and cut in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States). Apparel articles entered on or after September 1, 2002, shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles entered on or after September 1, 2002, shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.

4. The quantitative limitation provisions for knit apparel set forth in paragraphs (2)(A)(iii)(II) and (2)(A)(iii)(IV) were revised. These statutory changes do not affect the regulatory provisions and therefore are not dealt with in this document.

5. In paragraph (2)(A)(iv) which covers brassieres, subclause (I) was amended by the addition of exception language regarding articles covered by certain other clauses under paragraph (2)(A). In addition, subclauses (II) and (III), which set forth 75 and 85 percent U.S. fabric content requirements that apply to articles described in subclause (I) beginning on October 1, 2001, were amended by replacing each reference to "fabric components" with "fabrics," by adding exclusion language regarding findings and trimmings after each reference to fabric(s), and by adding various references to articles that are "entered" and that are "eligible" under clause (iv). Since the subclause (II) and (III) provisions were not dealt with in T.D. 00-68 but rather were the subject of a separate interim rule document (see T.D. 01-74 published in the **Federal Register** at 66 FR 50534 on October 4, 2001), the changes which section 3107(a) of the Act made to those provisions similarly will be dealt with in a separate rulemaking procedure. Accordingly, this document addresses only that portion of paragraph (2)(A)(iv) text that was dealt with in T.D. 00-68, that is, subclause (I) which, as amended by section 3107(a) of the Act, reads as follows:

Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, except for articles entered under clause (i), (ii), (iii), (v), or (vi), if the article is both cut and sewn or otherwise assembled

in the United States, or one or more CBTPA beneficiary countries, or both.

6. In paragraph (2)(A)(vii) which consists of multiple subclauses setting forth special rules regarding the treatment of certain fibers, yarns, materials or components for purposes of preferential treatment, a new subclause (V) was added to clarify the status of dyed, printed, or finished thread. This new provision reads as follows:

An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the thread used to assemble the article is dyed, printed, or finished in one or more CBTPA beneficiary countries.

7. Finally, a new clause (ix) was added to paragraph (2)(A) to cover hybrid operations, that is, combinations of various production scenarios described in other clauses under paragraph (2)(A). This new provision, which also incorporates the new dyeing, printing, and finishing language, reads as follows:

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from components cut in the United States and in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States, or from components knit-to-shape in the United States and one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS). Apparel articles shall qualify under this clause only if they meet the requirements of clause (i) or (ii) (as the case may be) with respect to dyeing, printing, and finishing of knit and woven fabrics from which the articles are assembled.

On November 13, 2002, the President signed Proclamation 7626 (published in the **Federal Register** at 67 FR 69459 on November 18, 2002) which, among other things, in Annex I sets forth modifications to the HTSUS to implement the changes to section 213(b)(2)(A) of the CBERA made by section 3107(a) of the Act. The Proclamation provides that the HTSUS modifications that implement the changes made by section 3107(a) of the Act are effective with respect to eligible articles entered, or withdrawn from warehouse for consumption, on or after August 6, 2002, except that (1) the provisions of Annex I relating to the dyeing, printing, and finishing of fabrics are effective with respect to eligible articles entered, or withdrawn from warehouse for consumption, on or after September 1, 2002, and (2) the provisions of Annex I relating to the

new quantitative limits for certain knit apparel and relating to the CBTPA brassieres provision are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after October 1, 2002.

On December 31, 2002, the Office of the United States Trade Representative (USTR) published a notice in the **Federal Register** (67 FR 79954) setting forth technical corrections to the HTSUS to address several inadvertent errors and omissions in various Presidential Proclamations. With regard to Proclamation 7626, this notice made the following two changes to the article description in subheading 9820.11.18, HTSUS: (1) removal of the parenthetical exception reference regarding non-underwear t-shirts, effective on or after October 2, 2000; and (2) insertion of the words “, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both” after the phrase “from yarns wholly formed in the United States,” effective on or after August 6, 2002.

#### *Changes to the Interim Regulatory Texts*

As a consequence of the statutory changes described above and as a result of the modifications to the HTSUS made by Proclamation 7626 and by the December 31, 2002, USTR notice, the interim CBTPA implementing regulations published in T.D. 00–68 no longer fully reflect the current state of the law. In addition, following publication of those interim regulations, a number of other issues came to the attention of Customs that warrant clarification in the CBTPA implementing regulations. Accordingly, this document sets forth interim amendments to the CBTPA implementing regulations, with provision for public comment on those changes, to reflect the amendments to the statute mentioned above and to clarify or otherwise improve those previously published regulations. It is the intention of Customs, after the close of the public comment period prescribed in this document, to publish one document that (1) addresses both the comments submitted on the interim regulations published in T.D. 00–68 and the comments submitted on the interim regulations set forth in this document and (2) adopts, as a final rule, the CBTPA implementing regulations contained in the two interim rule documents with any additional changes as may be appropriate based on issues raised in the submitted public comments. The interim regulatory changes contained in this document are discussed below.

#### *Amendments To Reflect the Statutory Changes*

The interim regulatory amendments set forth in this document that are in response to the statutory changes made to section 213(b) of the CBERA by section 3107(a) of the Act are as follows:

1. In § 10.223, paragraphs (a)(1) and (a)(2) are revised to conform to the amendment of the product description in the introductory text of paragraph (2)(A)(i) of the statute. The amended regulatory text in each case includes a cross-reference to new paragraph (b), discussed below, which addresses, among other things, the new statutory provision regarding dyeing, printing, and finishing of fabrics.

2. In § 10.223, paragraph (a)(3) is revised to conform to the amendment of the product description in paragraph (2)(A)(ii) of the statute. The amended regulatory text also includes a cross-reference to new paragraph (b), discussed below, which addresses the new statutory provision regarding dyeing, printing, and finishing of fabrics.

3. In § 10.223, paragraph (a)(6) is revised to conform to the amendment of the description of brassieres contained in subclause (I) of paragraph (2)(A)(iv) of the statute.

4. In § 10.223, paragraph (a)(12), which corresponds to subheading 9820.11.18, HTSUS, is revised in order to (1) reflect the HTSUS changes made in the December 31, 2002, USTR notice discussed above and (2) include a cross-reference to new paragraph (b), discussed below, which addresses the new statutory provision regarding dyeing, printing, and finishing of fabrics.

5. In § 10.223, a new paragraph (a)(13) is added to cover the hybrid operations described in new clause (ix) of paragraph (2)(A) of the statute. This new provision also includes a cross-reference to new paragraph (b) which addresses the new statutory provision regarding dyeing, printing, and finishing of fabrics.

6. In § 10.223, paragraphs (b) and (c) are redesignated as paragraphs (c) and (d) and a new paragraph (b) is added primarily to address the issue of dyeing, printing, and finishing of fabrics. The following points are noted regarding this new paragraph (b) text:

a. Customs believes that it is preferable to set forth the basic statutory dyeing, printing, and finishing rule in one place in the regulations rather than repeat it in each of the article description contexts to which the rule relates. Customs notes that this is similar to the approach taken for

HTSUS purposes in Annex I to Proclamation 7626 referred to above.

b. As regards the structure of paragraph (b), it is divided into two parts. Paragraph (b)(1) covers dyeing, printing, and finishing operations and consists of a general statement followed by two specific limitations, the first one of which addresses the statutory rule adopted in the Trade Act of 2002. Paragraph (b)(2) covers post-assembly and other operations (for example, embroidering, stone-washing, perma-pressing, garment-dyeing) and consists of a general statement followed by one specific limitation.

c. The general statements regarding dyeing, printing, and finishing operations in paragraph (b)(1) and regarding other operations in paragraph (b)(2) are specifically intended to clarify the status of those operations under the CBTPA program when applied to yarns, fabrics, components and articles in those contexts that are not directly addressed in the statutory texts. The general statement in each case provides that the operations in question may be performed on any yarn or fabric or component, or on any article, without affecting the eligibility of an article for preferential treatment, provided that the dyeing, printing, finishing, or other operation is performed only in the United States or in a CBTPA beneficiary country. Customs believes that limiting those processes to the United States and CBTPA beneficiary countries is consistent with the overall objective of the CBTPA program. Customs notes in this regard that the Conference Report relating to the CBTPA legislation (House Report 106-606, 106th Congress, 2d Session) states the conferees' intent to foster increased opportunities for U.S. textile and apparel companies to expand co-production arrangements with CBTPA beneficiary countries. Moreover, the findings of Congress in section 202 of the Trade and Development Act of 2000 specifically referred to the offering of benefits to Caribbean Basin countries to "promote the growth of free enterprise and economic opportunity in those neighboring countries." Those findings also stated that "increased trade and economic activity between the United States and countries in the Western Hemisphere will create new jobs in the United States as a result of expanding export opportunities."

d. The dyeing, printing, and finishing provision of paragraph (b)(1)(i) corresponds to the statutory provision and therefore refers specifically to articles described in paragraphs (a)(1), (a)(2), (a)(3), (a)(12), and (a)(13) of § 10.223. However, the regulatory text refers to knitted "or crocheted" fabrics,

in order to reflect the terminology employed in Annex I to Proclamation 7626. In addition, this regulatory text includes a reference to a fabric component "produced from fabric" in order to (1) reflect the fact that apparel articles are most often assembled from apparel components rather than from fabrics and (2) clarify the Customs position that knitting to shape does not create a fabric but rather results in the creation of a component that is ready for assembly without having gone through a fabric stage.

e. The second provision under the general rule regarding dyeing, printing, and finishing operations, set forth in paragraph (b)(1)(ii), reflects the principle that in the case of assembled articles described in paragraph (a)(1), and in the case of assembled luggage described in paragraph (a)(10), an operation that is incidental to the assembly process may be performed in a CBTPA beneficiary country. This provision reflects the terms of subheading 9802.00.80, HTSUS, and the regulations under that HTSUS provision which include, in 19 CFR 10.16(c), a list of operations not considered incidental to assembly.

f. The statement in the last sentence of paragraph (b)(2) regarding other operations is included for the same reason stated at point e. above in connection with paragraph (b)(1) concerning operations incidental to assembly under subheading 9802.00.80, HTSUS.

7. In § 10.223, a new subparagraph (3) is added at the end of redesignated paragraph (c) to cover the new statutory provision regarding dyed, printed, or finished thread.

8. Finally, the preference group descriptions on the Certificate of Origin set forth under paragraph (b) of § 10.224 are revised to reflect the amended product descriptions in the statute and to include a reference to articles covered by new clause (ix) of paragraph (2)(A) of the statute and paragraph (a)(13) of § 10.223.

#### Other Amendments

In addition to the regulatory amendments described above that result from the changes made to section 213(b) of the CBERA by section 3107(a) of the Act, Customs has included in this document a number of other changes to the interim regulations published in T.D. 00-68. These additional changes, which are intended to clarify or otherwise improve the interim regulatory texts, are as follows:

1. In § 10.222, in the text of the definition of "assembled in one or more CBTPA beneficiary countries," the word

"CBTPA" is added before the words "beneficiary countries."

2. Customs believes that it would be useful to include a definition of "luggage" in the regulatory texts in order to clarify the scope of paragraphs (a)(10) and (a)(11) of § 10.223. Customs further believes that the meaning of this term should be consistent with trade practice to the greatest extent practicable. While no definition of luggage appears in the HTSUS, it is noted that this term was defined with specificity in the Subpart D headnotes to Schedule 7 of the predecessor Tariff Schedules of the United States (TSUS). Customs believes that the TSUS definition is consistent with what the industry would consider "luggage" to have been then and to be now. Accordingly, § 10.222 is amended by the inclusion of a new definition of "luggage" that is based on the definition that appeared in the TSUS.

3. Customs has found two errors in the § 10.222 definition of "wholly formed" as it relates to yarns or thread. First, the reference to "thread" in this context is inappropriate because the CBTPA texts do not use the expression "wholly formed" with reference to thread (thread needs only to be "formed" in the United States). Second, Customs failed to provide for textile strip classified in headings 5404 and 5405 of the HTSUS.

Regarding the second point, it is noted that textile strip may be formed by extrusion, similar to the formation of filaments, or may be formed by slitting plastic film or sheet. With regard to what may be considered to be a yarn, Customs notes that "yarn" is defined in the *Dictionary of Fiber & Textile Technology* (KoSa, 1999), at 222, as follows: "A generic term for a continuous strand of textile fibers, filaments, or material in a form suitable for knitting, weaving, or otherwise intertwining to form a textile fabric. Yarn occurs in the following forms: (1) A number of fibers twisted together (spun yarn), (2) a number of filaments laid together without twist (a zero-twist yarn), (3) a number of filaments laid together with a degree of twist, (4) a single filament with or without twist (a monofilament), or (5) a narrow strip of material, such as paper, plastic film, or metal foil, with or without twist, intended for use in a textile construction." The identical definition is found in *Dictionary of Fiber & Textile Technology* (Hoechst Celanese, 1990) at 181. There is nothing to indicate that Congress intended textile strip to be excluded from use in the CBTPA, and Customs believes the term "yarn" may

be understood to include that type of material.

Accordingly, the definition of “wholly formed” as it relates to yarns is amended in this document by removing the words “or thread” and by adding language regarding textile strip.

4. In § 10.223(a)(4), in the second parentheses, the words “classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTSUS and described in paragraph (a)(5) of this section” are added in order to align the text more closely on the corresponding wording in HTSUS subheading 9820.11.09.

5. With reference to the findings, trimmings and interlinings provisions under redesignated § 10.223(c)(1), Customs believes that it would be useful to specify in the regulatory texts an appropriate basis for determining the “cost” of the components and the “value” of the findings and trimmings and interlinings. Customs further believes that the standard should be based on the regulations that apply to components and materials under subheading 9802.00.80, HTSUS (in particular, 19 CFR 10.17), and under the GSP (in particular, 19 CFR 10.177(c)). Accordingly, this document adds a new subparagraph (ii) to § 10.223(c)(1), with former subparagraph (ii) consequently redesignated as (iii), to address this point.

6. In addition to the modification of the preference group descriptions on the Textile Certificate of Origin set forth under § 10.224(b) as discussed above, the format of the Certificate is modified and some of the blocks are reworded solely for purposes of clarity. The instructions for completion of the Certificate in paragraph (c) of § 10.224 are also revised to reflect the changes made to the Certificate and to provide additional clarification regarding its completion, including provision for signature by an exporter’s authorized agent having knowledge of the relevant facts.

7. In the case of articles described in §§ 10.223(a)(1) and (a)(10), § 10.225(a) as published in T.D. 00–68 provided for the inclusion of the symbol “R” as a prefix to the applicable Chapter 98, HTSUS, subheading (that is subheading 9802.00.80) as the means for making the required written declaration on the entry documentation. This procedure was adopted because, contrary to the case of the other articles described in § 10.223(a), no unique HTSUS subheading had been identified for these two groups of articles when T.D. 00–68 was published. Unique HTSUS subheadings now exist for these two groups of articles (that is, subheading 9802.00.8044 in the case of

§ 10.223(a)(1) articles and subheading 9802.00.8046 in the case of § 10.223(a)(10) articles). Accordingly, § 10.225(a) has been modified to prescribe the same entry documentation declaration procedure for all articles described in § 10.223, that is, inclusion of the HTSUS Chapter 98 subheading under which the article is classified.

8. In § 10.227(a)(2) and (3), the words “in a CBTPA beneficiary country” have been removed in recognition of the fact that verification of documentation and other information regarding country of origin and verification of evidence regarding the use of U.S. materials might take place outside a beneficiary country, for example within the United States.

9. Finally, in addition to those conforming changes already noted above, some paragraph or other references within regulatory text in §§ 10.223, 226 and 10.227 have been changed to conform to changes to the regulatory texts discussed above.

#### Comments

Before adopting these interim regulations as a final rule, consideration will be given to any written comments timely submitted to Customs, including comments on the clarity of this interim rule and how it may be made easier to understand. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.5 of the Treasury Department Regulations (31 CFR 1.5), and § 103.11(b) of the Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9 a.m. and 4:30 p.m. at the Office of Regulations and Rulings, U.S. Customs Service, 799 9th Street, NW., Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Mr. Joseph Clark at (202) 572–8768.

#### Inapplicability of Notice and Delayed Effective Date Requirements and the Regulatory Flexibility Act

Pursuant to the provisions of 5 U.S.C. 553(b)(B), Customs has determined that prior public notice and comment procedures on these regulations are unnecessary and contrary to the public interest. The regulatory changes provide trade benefits to the importing public, in some cases implement direct statutory mandates, and are necessary to carry out the preferential treatment and United States tariff changes proclaimed by the President under the Caribbean Basin Economic Recovery Act. For the same reasons, pursuant to the provisions of 5 U.S.C. 553(d)(1) and (3), Customs finds

that there is good cause for dispensing with a delayed effective date. Because no notice of proposed rulemaking is required for interim regulations, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

#### Executive Order 12866

This document does not meet the criteria for a “significant regulatory action” as specified in E.O. 12866.

#### Paperwork Reduction Act

The collection of information contained in this interim rule has previously been reviewed and approved by the Office of Management and Budget (OMB) in accordance with the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) under OMB control number 1515–0226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

#### 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 in 19 CFR Part 10

Assembly, Bonds, Customs duties and inspection, Exports, Imports, Preference programs, Reporting and recordkeeping requirements, Trade agreements.

#### Amendments to the Regulations

For the reasons set forth in the preamble, part 10 of the Customs Regulations (19 CFR part 10) is amended as set forth below.

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

1. The authority citation for Part 10 continues to read in part as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 23, Harmonized Tariff Schedule of the United States (HTSUS)), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314;

\* \* \* \* \*

Sections 10.221 through 10.228 and §§ 10.231 through 10.237 also issued under 19 U.S.C. 2701 *et seq.*

2. In § 10.222:

a. The text of the definition of “assembled in one or more CBTPA beneficiary countries” is amended by adding the word “CBTPA” between the words “more” and “beneficiary”;

b. A new definition of “luggage” is added; and

c. The text of the definition of “wholly formed” is amended by removing the words “or thread” and adding after “filament” the words “, strip, film, or sheet and including slitting a film or sheet into strip.”

The addition reads as follows:

**§ 10.222 Definitions.**

\* \* \* \* \*

*Luggage.* “Luggage” means travel goods (such as trunks, hand trunks, lockers, valises, satchels, suitcases, wardrobe cases, overnight bags, pullman bags, gladstone bags, traveling bags, knapsacks, kitbags, haversacks, duffle bags, and like articles designed to contain clothing or other personal effects during travel) and brief cases, portfolios, school bags, photographic equipment bags, golf bags, camera cases, binocular cases, gun cases, occupational luggage cases (for example, physicians’ cases, sample cases), and like containers and cases designed to be carried with the person. The term “luggage” does not include handbags (that is, pocketbooks, purses, shoulder bags, clutch bags, and all similar articles, by whatever name known, customarily carried by women or girls). The term “luggage” also does not include flat goods (that is, small flatware designed to be carried on the person, such as banknote cases, bill cases, billfolds, bill purses, bill rolls, card cases, change cases, cigarette cases, coin purses, coin holders, compacts, currency cases, key cases, letter cases, license cases, money cases, pass cases, passport cases, powder cases, spectacle cases, stamp cases, vanity cases, tobacco pouches, and similar articles).

\* \* \* \* \*

3. In § 10.223:

a. Paragraphs (a)(1), (a)(2) and (a)(3) are revised;

b. Paragraph (a)(4) is amended by removing the words “(other than non-underwear t-shirts)” and adding, in their place, the words “(other than non-underwear t-shirts classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTSUS and described in paragraph (a)(5) of this section)”;

c. Paragraph (a)(6) is revised;

d. Paragraph (a)(11) is amended by removing the word “and” after the semicolon;

e. Paragraph (a)(12) is revised;

f. A new paragraph (a)(13) is added;

g. Paragraphs (b) and (c) are redesignated as paragraphs (c) and (d) respectively and a new paragraph (b) is added; and

h. In newly redesignated paragraph (c), paragraph (c)(1)(ii) is redesignated as paragraph (c)(1)(iii), newly redesignated paragraph (c)(1)(iii) is

amended by removing the words “paragraph (b)(1)(i)(A)” and adding, in their place, the words “paragraph (c)(1)(i)(A)” and removing the words “paragraph (b)(1)(i)” and adding, in their place, the words “paragraph (c)(1)(i)”, and new paragraphs (c)(1)(ii) and (c)(3) are added.

The revisions and additions read as follows:

**§ 10.223 Articles eligible for preferential treatment.**

(a) \* \* \*

(1) Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed and cut in the United States) that are entered under subheading 9802.00.80 of the HTSUS, and provided that any other processing involving the article conforms to the rules set forth in paragraph (b) of this section;

(2) Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed and cut in the United States) that are entered under Chapter 61 or 62 of the HTSUS, if, after that assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTSUS but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes in a CBTPA beneficiary country, and provided that any other processing involving the article conforms to the rules set forth in paragraph (b) of this section;

(3) Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from fabrics wholly formed in the United States and cut in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603

of the HTSUS and are wholly formed in the United States), and provided that any other processing involving the article conforms to the rules set forth in paragraph (b) of this section;

\* \* \* \* \*

(6) Brassieres classifiable under subheading 6212.10 of the HTSUS, if both cut and sewn or otherwise assembled in the United States, or in one or more CBTPA beneficiary countries, or in both, other than articles entered as articles described in paragraphs (a)(1) through (a)(5), paragraphs (a)(7) through (a)(9), or paragraph (a)(12), and provided that any applicable additional requirements set forth in § 10.228 are met;

\* \* \* \* \*

(12) Knitted or crocheted apparel articles cut and assembled in one or more CBTPA beneficiary countries from fabrics wholly formed in the United States from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are formed wholly in the United States), provided that the assembly is with thread formed in the United States, and provided that any other processing involving the article conforms to the rules set forth in paragraph (b) of this section; and

(13) Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States:

(i) From components cut in the United States and in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS);

(ii) From components knit-to-shape in the United States and one or more CBTPA beneficiary countries from yarns wholly formed in the United States; or

(iii) From any combination of two or more of the cutting or knitting-to-shape operations described in paragraph (a)(13)(i) or paragraph (a)(13)(ii) of this section; and

(iv) Provided that any processing not described in this paragraph (a)(13) conforms to the rules set forth in paragraph (b) of this section.

(b) *Dyeing, printing, finishing and other operations*—(1) *Dyeing, printing and finishing operations.* Dyeing, printing, and finishing operations may be performed on any yarn, fabric, or

knit-to-shape or other component used in the production of any article described under paragraph (a) of this section without affecting the eligibility of the article for preferential treatment, provided that the operation is performed in the United States or in a CBTPA beneficiary country and not in any other country and subject to the following additional conditions:

(i) In the case of an article described in paragraph (a)(1), (a)(2), (a)(3), (a)(12), or (a)(13) of this section that is entered on or after September 1, 2002, and that contains a knitted or crocheted or woven fabric, or a knitted or crocheted or woven fabric component produced from fabric, that was wholly formed in the United States from yarns wholly formed in the United States, any dyeing, printing, or finishing of that knitted or crocheted or woven fabric or component must have been carried out in the United States; and

(ii) In the case of assembled luggage described in paragraph (a)(10) of this section, an operation may be performed in a CBTPA beneficiary country only if that operation is incidental to the assembly process within the meaning of § 10.16.

(2) *Other operations.* An article described under paragraph (a) of this section that is otherwise eligible for preferential treatment will not be disqualified from receiving that treatment by virtue of having undergone one or more operations such as embroidering, stone-washing, enzyme-

washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing or screen printing, provided that the operation is performed in the United States or in a CBTPA beneficiary country and not in any other country. However, in the case of assembled luggage described in paragraph (a)(10) of this section, an operation may be performed in a CBTPA beneficiary country without affecting the eligibility of the article for preferential treatment only if it is incidental to the assembly process within the meaning of § 10.16.

(c) \* \* \*

(1) \* \* \*

(ii) *“Cost” and “value” defined.* The “cost” of components and the “value” of findings and trimmings or interlinings referred to in paragraph (c)(1)(i) of this section means:

(A) The price of the components, findings and trimmings, or interlinings when last purchased, f.o.b. port of exportation, as set out in the invoice or other commercial documents, or, if the price is other than f.o.b. port of exportation:

(1) The price as set out in the invoice or other commercial documents adjusted to arrive at an f.o.b. port of exportation price; or

(2) If no exportation to a CBTPA beneficiary country is involved, the price as set out in the invoice or other commercial documents, less the freight, insurance, packing, and other costs incurred in transporting the components, findings and trimmings, or

interlinings to the place of production if included in that price; or

(B) If the price cannot be determined under paragraph (c)(1)(ii)(A) of this section or if Customs finds that price to be unreasonable, all reasonable expenses incurred in the growth, production, manufacture, or other processing of the components, findings and trimmings, or interlinings, including the cost or value of materials and general expenses, plus a reasonable amount for profit, and the freight, insurance, packing, and other costs, if any, incurred in transporting the components, findings and trimmings, or interlinings to the port of exportation.

\* \* \* \* \*

(3) *Dyed, printed, or finished thread.* An article otherwise described under paragraph (a) of this section will not be ineligible for the preferential treatment referred to in § 10.221 because the thread used to assemble the article is dyed, printed, or finished in one or more CBTPA beneficiary countries.

\* \* \* \* \*

4. In § 10.224, paragraphs (b) and (c) are revised to read as follows:

**§ 10.224 Certificate of Origin.**

\* \* \* \* \*

(b) *Form of Certificate.* The Certificate of Origin referred to in paragraph (a) of this section must be in the following format:

BILLING CODE 4820-02-P

### Caribbean Basin Trade Partnership Act Textile Certificate of Origin

1. Exporter Name & Address:		3. Importer Name & Address:	
2. Producer Name & Address:		4. Preference Group:	
5. Description of Article:			
<b>Group</b>	<i>Each description below is only a summary of the cited CFR provision.</i>	<b>19 CFR</b>	
<b>A.</b>	Apparel assembled from U.S. formed and cut fabrics and/or knit-to-shape components, from U.S. yarns.	10.223(a)(1)	
<b>B.</b>	Apparel assembled and further processed from U.S. formed and cut fabrics and/or knit-to-shape components, from U.S. yarns.	10.223(a)(2)	
<b>C.</b>	Apparel (except apparel in group K) assembled with U.S. thread, cut from U.S. formed fabrics from U.S. yarns, and may include components knit-to-shape in the United States from U.S. yarns.	10.223(a)(3)	
<b>D.</b>	Apparel knit-to-shape in the region from U.S. yarn (except socks in heading 6115); and knit apparel cut and assembled from regional or regional and U.S. fabrics from U.S. yarn. This group does not include non-underwear t-shirts in group E.	10.223(a)(4)	
<b>E.</b>	Non-underwear t-shirts in subheading 6109.10.00 & 6109.90.10 made of regional fabric from U.S. yarn.	10.223(a)(5)	
<b>F.</b>	Brassieres cut and assembled in the United States and/or one or more CBTPA beneficiary countries.	10.223(a)(6)	
<b>G.</b>	Apparel assembled from fabrics or yarns considered in short supply in the NAFTA, or designated as not available in commercial quantities in the United States.	10.223(a)(7) 10.223(a)(8)	
<b>H.</b>	Handloomed fabrics, handmade articles made of handloomed fabrics, or textile folklore articles – as defined in bilateral consultations.	10.223(a)(9)	
<b>I.</b>	Textile luggage assembled from U.S. formed and cut fabric from U.S. yarns.	10.223(a)(10)	
<b>J.</b>	Textile luggage cut and assembled from U.S. fabric from U.S. yarn.	10.223(a)(11)	
<b>K.</b>	Knit apparel assembled with U.S. thread, cut from U.S. formed fabrics from U.S. yarns, and may include components knit-to-shape in the United States from U.S. yarns.	10.223(a)(12)	
<b>L.</b>	Apparel assembled with U.S. thread from (1) U.S. fabric cut in the United States and the region, or (2) components knit-to-shape in the United States and the region, or (3) a combination of cutting and knitting-to-shape in the United States or the region.	10.223(a)(13)	
6. U.S./Caribbean Fabric Producer Name & Address:		7. U.S./Caribbean Yarn Producer Name & Address:	
		8. U.S. Thread Producer Name & Address:	
9. Handloomed, Handmade, or Folklore Article:		10. Name of Short Supply Fabric or Yarn:	

I certify that the information on this document is complete and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document. I agree to maintain, and present upon request, documentation necessary to support this certificate.

11. Authorized Signature:		12. Company:	
13. Name: (Print or Type)		14. Title:	
15. Date: (DD/MM/YY)	16. Blanket Period From:                      To:	17. Telephone: Facsimile:	



(c) *Preparation of Certificate.* The following rules will apply for purposes of completing the Certificate of Origin set forth in paragraph (b) of this section:

(1) Blocks 1 through 5 pertain only to the final article exported to the United States for which preferential treatment may be claimed;

(2) Block 1 should state the legal name and address (including country) of the exporter;

(3) Block 2 should state the legal name and address (including country) of the producer. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers. If this information is confidential, it is acceptable to state "available to Customs upon request" in block 2. If the producer and the exporter are the same, state "same" in block 2;

(4) Block 3 should state the legal name and address (including country) of the importer;

(5) In block 4, insert the letter that designates the preference group which applies to the article according to the description contained in the CFR provision cited on the Certificate for that group;

(6) Block 5 should provide a full description of each article. The description should be sufficient to relate it to the invoice description and to the description of the article in the international Harmonized System. Include the invoice number as shown on the commercial invoice or, if the invoice number is not known, include another unique reference number such as the shipping order number;

(7) Blocks 6 through 10 must be completed only when the block in question calls for information that is relevant to the preference group identified in block 4;

(8) Block 6 should state the legal name and address (including country) of the fabric producer;

(9) Block 7 should state the legal name and address (including country) of the yarn producer;

(10) Block 8 should state the legal name and address (including country) of the thread producer;

(11) Block 9 should state the name of the folklore article or should state that the article is handloomed or handmade of handloomed fabric;

(12) Block 10 should be completed if the article described in block 5 incorporates a fabric or yarn described in preference group G and should state the name of the fabric or yarn that has been considered as being in short supply in the NAFTA or that has been designated as not available in

commercial quantities in the United States;

(13) Block 11 must contain the signature of the exporter or of the exporter's authorized agent having knowledge of the relevant facts;

(14) Block 15 should reflect the date on which the Certificate was completed and signed;

(15) Block 16 should be completed if the Certificate is intended to cover multiple shipments of identical articles as described in block 5 that are imported into the United States during a specified period of up to one year (see § 10.226(b)(4)(ii)). The "from" date is the date on which the Certificate became applicable to the article covered by the blanket Certificate (this date may be prior to the date reflected in block 15). The "to" date is the date on which the blanket period expires; and

(16) The Certificate may be printed and reproduced locally. If more space is needed to complete the Certificate, attach a continuation sheet.

5. In § 10.225, paragraph (a) is revised to read as follows:

**§ 10.225 Filing of claim for preferential treatment.**

(a) *Declaration.* In connection with a claim for preferential treatment for a textile or apparel article described in § 10.223, the importer must make a written declaration that the article qualifies for that treatment. The inclusion on the entry summary, or equivalent documentation, of the subheading within Chapter 98 of the HTSUS under which the article is classified will constitute the written declaration. Except in any of the circumstances described in § 10.226(d)(1), the declaration required under this paragraph must be based on a Certificate of Origin that has been completed and properly executed in accordance with § 10.224 and that covers the article being imported.

\* \* \* \* \*

**§ 10.226 [Amended]**

6. In § 10.226, the second sentence of paragraph (b)(4)(ii) is amended by removing the reference "§ 10.224(c)(14)" and adding, in its place, the reference "§ 10.224(c)(15)".

**§ 10.227 [Amended]**

7. In § 10.227:

a. Paragraph (a)(2) is amended by removing the words "in a CBTPA beneficiary country";

b. Paragraph (a)(3) is amended by removing the words "in a CBTPA beneficiary country"; and

c. Paragraph (b)(3) is amended by removing the words "§ 10.223(c)(3)(i)

through (iii)" and adding, in their place, the words "§ 10.223(d)(3)(i) through (iii)".

**Robert C. Bonner,**

*Commissioner of Customs.*

Approved: February 28, 2003.

**Timothy E. Skud,**

*Deputy Assistant Secretary of the Treasury.*

[FR Doc. 03-6755 Filed 3-20-03; 8:45 am]

**BILLING CODE 4820-02-P**

## DEPARTMENT OF THE TREASURY

### Customs Service

#### 19 CFR Part 12

[T.D. 03-13]

RIN 1515-AD15

#### Entry of Certain Steel Products

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

**ACTION:** Final rule.

**SUMMARY:** This document adopts as a final rule, with some changes, a proposed amendment to the Customs Regulations to set forth special requirements for the entry of certain steel products. The steel products in question are primarily those designated by the President in Proclamation 7529 for increased duty or tariff-rate quota treatment under the safeguard provisions of section 203 of the Trade Act of 1974. The amendment requires the inclusion of an import license number on the entry summary or foreign-trade zone admission documentation filed with Customs for any steel product for which the U.S. Department of Commerce requires an import license under its steel licensing and import monitoring program.

**EFFECTIVE DATE:** Final rule effective: March 21, 2003.

**FOR FURTHER INFORMATION CONTACT:** Lisa Santana, Office of Field Operations (202-927-4342).

#### SUPPLEMENTARY INFORMATION:

##### Background

On March 5, 2002, President Bush signed Proclamation 7529 "To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products," which was published in the **Federal Register** (67 FR 10553) on March 7, 2002. The Proclamation was issued under section 203 of the Trade Act of 1974, as amended (19 U.S.C. 2253), and was in response to determinations by the U.S. International Trade Commission (ITC) under section 202 of the Trade Act of 1974, as