

GENERAL NOTES

1. Tariff Treatment of Imported Goods. All goods provided for in this schedule and imported into the customs territory of the United States from outside thereof are subject to duty or exempt therefrom as prescribed in general notes 3 and 4.
2. Customs Territory of the United States. The term "customs territory of the United States", as used in the tariff schedule, includes only the States, the District of Columbia and Puerto Rico.
3. Rates of Duty. The rates of duty in the "Rates of Duty" columns designated 1 ("General" and "Special") and 2 of the tariff schedule apply to goods imported into the customs territory of the United States as hereinafter provided in this note:
 - (a) Rate of Duty Column 1.
 - (i) Except as provided in subparagraph (iv) of this paragraph, the rates of duty in column 1 are rates which are applicable to all products other than those of countries enumerated in paragraph (b) of this note. Column 1 is divided into two subcolumns, "General" and "Special", which are applicable as provided below.
 - (ii) The "General" subcolumn sets forth the general most-favored-nation (MFN) rates which are applicable to products of those countries described in subparagraph (i) above which are not entitled to special tariff treatment as set forth below.
 - (iii) The "Special" subcolumn reflects rates of duty under one or more special tariff treatment programs described in paragraph (c) of this note and identified in parentheses immediately following the duty rate specified in such subcolumn. These rates apply to those products which are properly classified under a provision for which a special rate is indicated and for which all of the legal requirements for eligibility for such program or programs have been met. Where a product is eligible for special treatment under more than one program, the lowest rate of duty provided for any applicable program shall be imposed. Where no special rate of duty is provided for a provision, or where the country from which a product otherwise eligible for special treatment was imported is not designated as a beneficiary country under a program appearing with the appropriate provision, the rates of duty in the "General" subcolumn of column 1 shall apply.
 - (iv) Products of Insular Possessions.
 - (A) Except as provided in additional U.S. note 5 of chapter 91 and except as provided in additional U.S. note 2 of chapter 96, and except as provided in section 423 of the Tax Reform Act of 1986, goods imported from insular possessions of the United States which are outside the customs territory of the United States are subject to the rates of duty set forth in column 1 of the tariff schedule, except that all such goods the growth or product of any such possession, or manufactured or produced in any such possession from materials the growth, product or manufacture of any such possession or of the customs territory of the United States, or of both, which do not contain foreign materials to the value of more than 70 percent of their total value (or more than 50 percent of their total value with respect to goods described in section 213(b) of the Caribbean Basin Economic Recovery Act), coming to the customs territory of the United States directly from any such possession, and all goods previously imported into the customs territory of the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which were shipped from the United States, without remission, refund or drawback of such duties or taxes, directly to the possession from which they are being returned by direct shipment, are exempt from duty.
 - (B) In determining whether goods produced or manufactured in any such insular possession contain foreign materials to the value of more than 70 percent, no material shall be considered foreign which either--
 - (1) at the time such goods are entered, or
 - (2) at the time such material is imported into the insular possession,

may be imported into the customs territory from a foreign country, and entered free of duty; except that no goods containing material to which (2) of this subparagraph applies shall be exempt from duty under subparagraph (A) unless adequate documentation is supplied to show that the material has been incorporated into such goods during the 18-month period after the date on which such material is imported into the insular possession.

General Note 3(a)(iv) (con.):

- (C) Subject to the limitations imposed under sections 503(b) and 504(c) of the Trade Act of 1974, goods designated as eligible under section 503 of such Act which are imported from an insular possession of the United States shall receive duty treatment no less favorable than the treatment afforded such goods imported from a beneficiary developing country under title V of such Act.
 - (D) Subject to the provisions in section 213 of the Caribbean Basin Economic Recovery Act, goods which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such goods when they are imported from a beneficiary country under such Act.
- (b) Rate of Duty Column 2. Notwithstanding any of the foregoing provisions of this note, the rates of duty shown in column 2 shall apply to products, whether imported directly or indirectly, of the following countries and areas pursuant to section 401 of the Tariff Classification Act of 1962, to section 231 or 257(e)(2) of the Trade Expansion Act of 1962, to section 404(a) of the Trade Act of 1974 or to any other applicable section of law, or to action taken by the President thereunder:

Afghanistan	German Democratic Republic	Mongolia
Albania	Kampuchea	North Korea
Bulgaria	Laos	Romania
Cuba	Latvia	Union of Soviet Socialist
Czechoslovakia	Lithuania	Republics
Estonia		Vietnam

(c) Products Eligible for Special Tariff Treatment.

- (i) (A) Programs under which special tariff treatment may be provided, and the corresponding symbols for such programs as they are indicated in the "Special" subcolumn, are as follows:

Generalized System of Preferences	.....	A or A*
Automotive Products Trade Act	.....	B
Agreement on Trade in Civil Aircraft	.....	C
United States-Canada Free-Trade Agreement	.....	CA
Caribbean Basin Economic Recovery Act	.....	E or E*
United States-Israel Free Trade Area	.....	IL
- (B) Articles which are eligible for the special tariff treatment provided for in subdivision (c) of this note and which are subject to temporary modification under any provision of subchapters I and II of chapter 99 shall be subject, for the period indicated in the "Effective Period" column in chapter 99, to rates of duty as follows:
 - (1) if a rate of duty for which the article may be eligible is set forth in the "Special" subcolumn in chapter 99 followed by one or more symbols described above, such rate shall apply in lieu of the rate followed by the corresponding symbol(s) set forth for such article in the "Special" subcolumn in chapters 1 to 98; or
 - (2) if "No change" appears in the "Special" subcolumn in chapter 99 and subdivision (B)(1) above does not apply, the rate of duty in the "General" subcolumn in chapter 99 or the applicable rate(s) of duty set forth in the "Special" subcolumn in chapters 1 to 98, whichever is lower, shall apply.
- (C) Unless the context requires otherwise, articles which are eligible for the special tariff treatment provided for in subdivision (c) of this note and which are subject to temporary modification under any provision of subchapters III or IV of chapter 99 shall be subject, for the period indicated in chapter 99, to the rates of duty in the "General" subcolumn in such chapter.
- (D) Whenever any rate of duty set forth in the "Special" subcolumn in chapters 1 to 98 is equal to or higher than, the corresponding rate of duty provided in the "General" subcolumn in such chapters, such rate of duty in the "Special" subcolumn shall be deleted; except that, if the rate of duty in the "Special" subcolumn is an intermediate stage in a series of staged rate reductions for that provision, such rate shall be treated as a suspended rate and shall be set forth in the "Special" subcolumn, followed by one or more symbols described above, and followed by an "s" in parentheses. If no rate of duty for which the article may be eligible is provided in the "Special" subcolumn for a particular provision in chapters 1 to 98, the rate of duty provided in the "General" subcolumn shall apply.

General Note 3(c) (con.):

(ii) Products of Countries Designated Beneficiary Developing Countries for Purposes of the Generalized System of Preferences (GSP).

- (A) The following countries, territories and associations of countries eligible for treatment as one country (pursuant to section 502(a)(3) of the Trade Act of 1974 (19 U.S.C. 2462(a)(3)) are designated beneficiary developing countries for the purposes of the Generalized System of Preferences, provided for in Title V of the Trade Act of 1974, as amended (19 U.S.C. 2461 *et seq.*):

Independent Countries

Angola	Guinea	Rwanda
Antigua and Barbuda	Guinea Bissau	St. Kitts and Nevis
Argentina	Guyana	Saint Lucia
Bahamas, The	Haiti	Saint Vincent and the Grenadines
Bangladesh	Honduras	Sao Tome and Principe
Barbados	Hungary	Senegal
Belize	India	Seychelles
Benin	Indonesia	Sierra Leone
Bhutan	Israel	Solomon Islands
Bolivia	Jamaica	Somalia
Botswana	Jordan	Sri Lanka
Brazil	Kenya	Sudan
Burkina Faso	Kiribati	Suriname
Burundi	Lebanon	Swaziland
Cameroon	Lesotho	Syria
Cape Verde	Madagascar	Tanzania
Chad	Malawi	Thailand
Colombia	Malaysia	Togo
Comoros	Maldives	Tonga
Congo	Mali	Trinidad and Tobago
Costa Rica	Malta	Tunisia
Cote d'Ivoire	Mauritania	Turkey
Cyprus	Mauritius	Tuvalu
Djibouti	Mexico	Uganda
Dominica	Morocco	Uruguay
Dominican Republic	Mozambique	Vanuatu
Ecuador	Nepal	Venezuela
Egypt	Niger	Western Samoa
El Salvador	Oman	Yemen Arab Republic (Sanaa)
Equatorial Guinea	Pakistan	Yugoslavia
Fiji	Panama	Zaire
Gambia, The	Papua New Guinea	Zambia
Ghana	Peru	Zimbabwe
Grenada	Philippines	
Guatemala	Poland	

Non-Independent Countries and Territories

Anguilla	French Polynesia	Pitcairn Islands
Aruba	Gibraltar	Saint Helena
British Indian Ocean Territory	Greenland	Tokelau
Cayman Islands	Heard Island and McDonald Islands	Trust Territory of the Pacific Islands (Palau)
Christmas Island (Australia)	Macau	Turks and Caicos Islands
Cocos (Keeling) Islands	Montserrat	Virgin Islands, British
Cook Islands	Netherlands Antilles	Wallis and Futuna
Falkland Islands (Islas Malvinas)	New Caledonia	Western Sahara
	Niue	
	Norfolk Island	

General Note 3(c)(ii)(A) (con.):

Associations of Countries (treated as one country)Member Countries
of the
Cartagena Agreement
(Andean Group)

Consisting of:

Bolivia
Colombia
Ecuador
Peru
VenezuelaMembers of the
Association of
South East Asian
Nations (ASEAN)
Eligible for GSP

Consisting of:

Indonesia
Malaysia
Philippines
ThailandMember Countries
of the
Caribbean Common
Market (CARICOM)

Consisting of:

Antigua and Barbuda
Bahamas, The
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
Montserrat
St. Kitts and Nevis
Saint Lucia
Saint Vincent and
the Grenadines
Trinidad and Tobago

- (B) The following beneficiary countries are designated as least-developed beneficiary developing countries pursuant to section 504(c)(6) of the Trade Act of 1974, as amended:

Bangladesh
Benin
Bhutan
Botswana
Burkina Faso
Burundi
Cape Verde
Chad
Comoros
Djibouti
Equatorial Guinea
Gambia, The
GuineaGuinea-Bissau
Haiti
Kiribati
Lesotho
Malawi
Maldives
Mali
Mauritania
Mozambique
Nepal
Niger
RwandaSao Tome and
Principe
Sierra Leone
Somalia
Sudan
Tanzania
Togo
Tuvalu
Uganda
Vanuatu
Western Samoa
Yemen Arab Republic
(Sanaa)

Whenever an eligible article is imported into the customs territory of the United States directly from one of the countries designated as a least-developed beneficiary developing country, it shall be entitled to receive the duty-free treatment provided for in subdivision (c)(ii)(C) of this note without regard to the limitations on preferential treatment of eligible articles in section 504(c) of the Trade Act, as amended (19 U.S.C. 2464(c)).

General Note 3(c)(ii) (con.):

(C) Articles provided for in a provision for which a rate of duty of "Free" appears in the "Special" subcolumn followed by the symbols "A" or "A*" in parentheses are those designated by the President to be eligible articles for purposes of the GSP pursuant to section 503 of the Trade Act of 1974. The symbol "A" indicates that all beneficiary developing countries are eligible for preferential treatment with respect to all articles provided for in the designated provision. The symbol "A*" indicates that certain beneficiary developing countries, specifically enumerated in subdivision (c)(ii)(D) of this note, are not eligible for such preferential treatment with regard to any article provided for in the designated provision. Whenever an eligible article is imported into the customs territory of the United States directly from a country or territory listed in subdivision (c)(ii)(A) of this note, it shall be eligible for duty-free treatment as set forth in the "Special" subcolumn, unless excluded from such treatment by subdivision (c)(ii)(D) of this note; provided that, in accordance with regulations promulgated by the Secretary of the Treasury the sum of (1) the cost or value of the materials produced in the beneficiary developing country or any 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3) of the Trade Act of 1974, plus (2) the direct costs of processing operations performed in such beneficiary developing country or such member countries is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

(D) Articles provided for in a provision for which a rate of duty of "Free" appears in the "Special" subcolumn of rate of duty column 1 followed by the symbol "A*" in parentheses, if imported from a beneficiary developing country set out opposite the provisions enumerated below, are not eligible for the duty-free treatment provided in subdivision (c)(v)(C) of this note:

0603.10.70 Colombia	2007.99.50 Brazil
0702.00.60 Mexico	2202.10.00 Mexico
0704.10.40 Mexico	2203.00.00 Mexico
0704.10.60 Mexico	2401.20.40 Brazil
0704.20.00 Mexico	2402.10.80 Dominican Republic
0705.11.40 Mexico	2603.00.00 Mexico
0705.19.40 Mexico	2804.69.10 Brazil
0707.00.20 Mexico	2825.90.15 Brazil
0707.00.40 Mexico	2827.59.05 Israel
0708.10.40 Mexico	2836.92.00 Mexico
0709.30.20 Mexico	2903.40.00 Israel
0709.30.40 Mexico	2903.59.40 Israel
0709.60.00 Mexico	2905.19.00 Brazil
0709.90.20 Mexico	2906.11.00 Brazil
0713.31.40 Thailand	2909.19.10 Brazil
0804.50.40 Mexico	2915.31.00 Brazil
0807.10.20 Mexico	2915.70.00 Brazil
0807.10.70 Mexico	2916.15.50 Brazil
0810.90.40 Mexico	2916.19.50 Brazil
0811.10.00 Mexico	2917.13.00 Brazil
0813.10.00 Turkey	2917.14.10 Brazil
0813.30.00 Argentina	2917.19.50 Brazil
1005.90.20 Argentina	2917.35.00 Brazil
1005.90.40 Argentina	2918.11.10 Brazil
1102.30.00 Thailand	2918.22.10 Turkey
1103.14.00 Thailand	2918.90.30 Bahamas
	2933.19.25 Guatemala
1701.11.00 Brazil;	2933.39.25 Brazil
Dominican Republic	2933.40.10 Israel
	2933.90.47 Mexico
1701.12.00 Brazil	2935.00.31 Yugoslavia
1701.91.20 Brazil	2937.92.10 Mexico
1701.99.00 Brazil	3203.00.50 Mexico
1806.10.40 Brazil	3301.12.00 Brazil
1905.90.90 Mexico	3402.90.30 Mexico
2001.90.39 Mexico	3703.10.30 Brazil
2005.80.00 Thailand	3703.20.30 Brazil
2005.90.55 Mexico	3703.90.30 Brazil

General Note 3(c)(ii)(D) (con.):

3823.90.40	Brazil	7113.20.21	Dominican Republic
3904.21.00	Brazil	7113.20.50	Thailand
3909.10.00	Israel	7116.10.10	Thailand
4011.10.00	Brazil	7116.20.10	Thailand
4011.20.00	Brazil	7202.11.10	Mexico
4011.40.00	Brazil	7202.19.50	Mexico
4011.91.50	Brazil	7202.21.10	Brazil
4011.99.50	Brazil	7202.21.50	Brazil
4012.10.50	Brazil	7202.30.00	Brazil
4013.10.00	Mexico	7307.21.50	Brazil
4015.11.00	Malaysia	7307.91.50	Brazil
4104.10.40	India	7314.19.00	Mexico
4104.21.00	Argentina	7323.94.00	Mexico
4104.22.00	Argentina	7413.00.10	Peru
4104.29.50	Argentina	7604.10.30	Venezuela
4104.29.90	Argentina	7604.29.30	Venezuela
4104.31.50	Argentina	7605.11.00	Venezuela
4104.31.60	Argentina	7605.19.00	Venezuela
4104.31.80	Argentina	7605.21.00	Venezuela
4104.39.50	Argentina	7608.10.00	Brazil
4104.39.60	Argentina	7608.20.00	Brazil
4104.39.80	Argentina	7609.00.00	Brazil
4105.20.60	Argentina	7614.90.50	Venezuela
4106.12.00	India	8302.10.90	Mexico
4106.19.00	India	8406.11.90	Israel
4106.20.30	India	8406.19.90	Israel
4106.20.60	India	8406.90.90	Israel
4107.21.00	Argentina	8407.32.20	Brazil
4107.29.30	Argentina	8407.33.20	Brazil
4107.29.60	Argentina		
4107.90.60	Argentina	8407.34.20	Brazil; Mexico
4109.00.70	Argentina		
4409.10.40	Mexico		
4411.11.00	Brazil	8408.10.00	Brazil
4411.19.20	Brazil	8408.20.20	Brazil
4411.19.40	Brazil	8408.20.90	Brazil
4411.21.00	Brazil	8408.90.90	Brazil
4411.29.60	Brazil		
4411.29.90	Brazil	8409.91.91	Brazil; Mexico
4802.51.10	Mexico		
4804.31.60	Mexico		
4818.50.00	Mexico	8409.91.92	Brazil
4818.90.00	Mexico	8409.91.99	Brazil
4823.20.10	Brazil	8409.99.91	Brazil
6406.10.65	Brazil	8409.99.92	Brazil
6406.99.60	Argentina	8409.99.99	Brazil
6702.90.60	Thailand	8411.91.90	Brazil
6810.11.00	Mexico	8411.99.90	Brazil
6905.10.00	Mexico	8414.59.80	Mexico
6908.10.20	Thailand	8415.82.00	Mexico
		8415.90.00	Mexico
6910.10.00	Brazil; Mexico	8419.11.00	Israel
6910.90.00	Brazil	8419.19.00	Israel; Mexico
6911.90.00	Brazil		
6912.00.44	Brazil		
7008.00.00	Mexico	8419.90.10	Israel
7113.11.20	Thailand	8421.23.00	Brazil
7113.11.50	Thailand	8421.31.00	Brazil
7113.19.50	Thailand	8424.20.10	Mexico
		8429.11.00	Brazil

General Note 3(c)(ii)(D) (con.):

8429.19.00	Brazil	8539.90.00	Mexico
8429.20.00	Brazil	8543.80.90	Mexico
8429.30.00	Brazil		
8429.40.00	Brazil	8544.30.00	Mexico; Philippines
8429.51.50	Brazil		
8429.52.50	Brazil		
8429.59.50	Brazil	8544.51.80	Mexico
8430.10.00	Brazil	8547.90.00	Brazil
8430.20.00	Brazil	8708.10.00	Brazil
8430.31.00	Brazil		
8430.39.00	Brazil	8708.21.00	Brazil; Mexico
8430.41.00	Brazil		
8430.49.80	Brazil		
8430.50.50	Brazil	8708.29.00	Brazil
8430.61.00	Brazil	8708.31.50	Brazil
8430.62.00	Brazil	8708.39.50	Brazil
8430.69.00	Brazil	8708.40.10	Brazil
8431.41.00	Brazil	8708.40.20	Brazil
8431.42.00	Brazil	8708.40.50	Brazil
8431.43.80	Brazil	8708.50.50	Brazil
8431.49.90	Brazil	8708.50.80	Brazil
8465.94.00	Brazil	8708.60.50	Brazil
8471.99.30	Mexico	8708.60.80	Brazil
8474.20.00	Philippines	8708.70.80	Brazil
8479.10.00	Brazil	8708.80.50	Brazil
8479.30.00	Brazil	8708.91.50	Brazil
8479.81.00	Brazil	8708.93.50	Brazil
8479.82.00	Brazil		
8479.89.70	Brazil	8708.99.50	Brazil; Mexico
8479.89.90	Brazil		
8479.90.40	Brazil		
8479.90.80	Brazil	8716.90.50	Brazil
8483.10.10	Brazil	8802.30.00	Brazil
8483.10.30	Brazil	9006.52.10	Mexico
8501.40.40	Mexico	9019.20.00	Mexico
8504.10.00	Mexico	9022.29.40	Mexico
8504.32.00	Mexico		
8504.40.00	Mexico	9025.11.20	Brazil; India
8507.90.40	Mexico		
8509.90.20	Mexico		
		9026.80.60	Mexico
8512.40.40	Brazil; Mexico	9031.40.00	Israel
8512.90.90	Brazil	9303.30.40	Brazil
8516.80.80	Mexico	9401.20.00	Mexico
8519.91.00	Brazil	9401.30.40	Yugoslavia
8519.99.00	Brazil	9401.40.00	Thailand
8521.10.00	Thailand	9401.61.40	Yugoslavia
8522.10.00	Mexico	9401.61.60	Thailand
8523.11.00	Mexico	9401.69.60	Yugoslavia
		9401.69.80	Thailand
8527.11.11	Brazil; Malaysia	9401.90.10	Mexico
		9401.90.40	Yugoslavia
8527.21.10	Brazil; Mexico	9403.30.80	Thailand
		9403.40.90	Thailand
8527.31.40	Brazil	9403.50.90	Thailand
8529.90.50	Mexico	9403.60.80	Thailand
8536.50.00	Mexico	9405.30.00	Thailand
8536.69.00	Mexico	9405.91.30	Mexico
8536.90.00	Mexico	9504.20.60	Brazil
		9508.00.00	Brazil
		9603.30.40	Mexico

General Note 3(c) (con.):

- (iii) Automotive Products and Motor Vehicles Eligible for Special Tariff Treatment. Articles entered under the Automotive Products Trade Act are subject to the following provisions:
- (A) Motor vehicles and original motor-vehicle equipment which are Canadian articles and which fall in provisions for which the rate of duty "Free (B)" appears in the "Special" subcolumn may be entered free of duty. As used in this note--
- (1) The term "Canadian article" means an article which originates in Canada, as defined in subdivision (c)(vii) of this note.
 - (2) The term "original motor-vehicle equipment", as used with reference to a Canadian article (as defined above), means such a Canadian article which has been obtained from a supplier in Canada under or pursuant to a written order, contract or letter of intent of a bona fide motor vehicle manufacturer in the United States, and which is a fabricated component originating in Canada, as defined in subdivision (c)(vii) of this note, and intended for use as original equipment in the manufacture in the United States of a motor vehicle, but the term does not include trailers or articles to be used in their manufacture.
 - (3) The term "motor vehicle", as used in this note, means a motor vehicle of a kind described in headings 8702, 8703 and 8704 of chapter 87 (excluding an electric trolley bus and a three-wheeled vehicle) or an automobile truck tractor principally designed for the transport of persons or goods.
 - (4) The term "bona fide motor-vehicle manufacturer" means a person who, upon application to the Secretary of Commerce, is determined by the Secretary to have produced no fewer than 15 complete motor vehicles in the United States during the previous 12 months, and to have installed capacity in the United States to produce 10 or more complete motor vehicles per 40-hour week. The Secretary of Commerce shall maintain, and publish from time to time in the *Federal Register*, a list of the names and addresses of bona fide motor-vehicle manufacturers.
- (B) If any Canadian article accorded the status of original motor-vehicle equipment is not so used in the manufacture in the United States of motor vehicles, such Canadian article or its value (to be recovered from the importer or other person who diverted the article from its intended use as original motor-vehicle equipment) shall be subject to forfeiture, unless at the time of the diversion of the Canadian article the United States Customs Service is notified in writing, and, pursuant to arrangements made with the Service--
- (1) the Canadian article is, under customs supervision, destroyed or exported, or
 - (2) duty is paid to the United States Government in an amount equal to the duty which would have been payable at the time of entry if the Canadian article had not been entered as original motor-vehicle equipment.
- (iv) Articles Eligible for Duty-Free Treatment Pursuant to the Agreement on Trade in Civil Aircraft. Whenever a product is entered under a provision for which the rate of duty "Free (C)" appears in the "Special" subcolumn, the importer shall file a written statement, accompanied by such supporting documentation as the Secretary of the Treasury may require, with the appropriate customs officer stating that the imported article has been imported for use in civil aircraft, that it will be so used and that the article has been approved for such use by the Administrator of the Federal Aviation Authority (FAA) or by the airworthiness authority in the country of exportation, if such approval is recognized by the FAA as an acceptable substitute for FAA certification, or that an application for approval for such use has been submitted to, and accepted by, the Administrator of the FAA. For purposes of the tariff schedule, the term "civil aircraft" means all aircraft other than aircraft purchased for use by the Department of Defense or the United States Coast Guard.

General Note 3(c) (con.):

(v) Products of Countries Designated as Beneficiary Countries for Purposes of the Caribbean Basin Economic Recovery Act (CBERA).

(A) The following countries and territories or successor political entities are designated beneficiary countries for the purposes of the CBERA, pursuant to section 212 of that Act (19 U.S.C. 2702):

Antigua and Barbuda	El Salvador	Netherlands Antilles
Aruba	Grenada	Panama
Bahamas	Guatemala	Saint Christopher and Nevis
Barbados	Guyana	Saint Lucia
Belize	Haiti	Saint Vincent and the Grenadines
Costa Rica	Honduras	Trinidad and Tobago
Dominica	Jamaica	Virgin Islands, British
Dominican Republic	Montserrat	

(B) (1) Unless otherwise excluded from eligibility by the provisions of subdivisions (c)(v)(D) or (c)(v)(E) of this note, any article which is the growth, product, or manufacture of a beneficiary country shall be eligible for duty-free treatment if that article is provided for in a subheading for which a rate of duty of "Free" appears in the "Special" subcolumn followed by the symbol "E" or "E*" in parentheses, and if--

(I) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(II) the sum of (A) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (B) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered. For purposes of determining the percentage referred to in (II)(B) above, the term "beneficiary country" includes the Commonwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which subdivision (c)(v) of this note applies, an amount not to exceed 15 per centum of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in (II)(B) above.

(2) Pursuant to subsection 213(a)(2) of the CBERA, the Secretary of the Treasury shall prescribe such regulation as may be necessary to carry out subdivision (c)(v) of this note including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under CBERA, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country, and must be stated as such in a declaration by the appropriate party; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone--

(I) simple combining or packaging operations, or

(II) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

General Note 3(c)(v)(B) (con.):

- (3) As used in subdivision (c)(v)(B) of this note, the phrase "direct costs of processing operations" includes, but is not limited to--
- (I) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and
 - (II) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (I) profit, and (II) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

- (4) Notwithstanding section 311 of the Tariff Act of 1930 (19 U.S.C. 1311), the products of a beneficiary country which are imported directly from such country into Puerto Rico may be entered under bond for processing or manufacturing in Puerto Rico. No duty shall be imposed on the withdrawal from warehouse of the product of such processing or manufacturing if, at the time of such withdrawal, such product meets the requirements of subdivision (c)(v)(B)(1)(II) above.
- (C) Articles provided for in a provision for which a rate of duty of "Free" appears in the "Special" subcolumn followed by the symbols "E" or "E*" in parentheses are eligible articles for purposes of the CBERA pursuant to section 213 of that Act. The symbol "E" indicates that all articles provided for in the designated provision are eligible for preferential treatment except those described in subdivision (c)(v)(E). The symbol "E*" indicates that some articles provided for in the designated provision are not eligible for preferential treatment, as further described in subdivision (c)(v)(D) of this note. Whenever an eligible article is imported into the customs territory of the United States in accordance with the provisions of subdivision (c)(v)(B) of this note from a country or territory listed in subdivision (c)(v)(A) of this note, it shall be eligible for duty-free treatment as set forth in the "Special" subcolumn, unless excluded from such treatment by subdivisions (c)(v)(D) or (c)(v)(E) of this note.
- (D) Articles provided for in a provision for which a rate of duty of "Free" appears in the "Special" subcolumn followed by the symbol "E*" in parentheses shall be eligible for the duty-free treatment provided for in subdivision (c)(v) of this note, except--
- (1) articles of beef or veal, however provided for in chapter 2 or chapter 16 and heading 2301, and sugars, sirups and molasses, provided for in heading 1701 and subheadings 1702.90.30, 1806.10.40 and 2106.90.10, if a product of the following countries, pursuant to section 213(c) of the CBERA:
 - Antigua and Barbuda
 - Montserrat
 - Netherlands Antilles
 - Saint Lucia
 - Saint Vincent and the Grenadines
 - (2) sugars, sirups and molasses, provided for in heading 1701 and subheadings 1702.90.30, 1806.10.40 and 2106.90.10, to the extent that importation and duty-free treatment of such articles are limited by additional U.S. note 4 of chapter 17, pursuant to section 213(d) of the CBERA; or

General Note 3(c)(v)(D) (con.):

- (3) textile and apparel articles--
- (I) of cotton, wool or fine animal hair, man-made fibers, or blends thereof in which those fibers, in the aggregate, exceed in weight each other single component fiber thereof; or
 - (II) in which either the cotton content or the man-made fiber content equals or exceeds 50 percent by weight of all component fibers thereof; or
 - (III) in which the wool or fine animal hair content exceeds 17 percent by weight of all component fibers thereof; or
 - (IV) containing blends of cotton, wool or fine animal hair, or man-made fibers, which fibers, in the aggregate, amount to 50 percent or more by weight of all component fibers thereof;

provided, that beneficiary country exports of handloom fabrics of the cottage industry, or handmade cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products, if such products are properly certified under an arrangement established between the United States and such beneficiary country, are eligible for the duty-free treatment provided for in subdivision (c)(v) of this note.

- (E) The duty-free treatment provided under the CBERA shall not apply to watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which column 2 rates of duty apply.

General Note 3(c) (con.):

(vi) United States-Israel Free Trade Area Implementation Act of 1985.

- (A) The products of Israel described in Annex 1 of the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel, entered into on April 22, 1985, are subject to duty as provided herein. Products of Israel, as defined in subdivision (c)(vi)(B) of this note, imported into the customs territory of the United States and entered under a provision for which a rate of duty appears in the "Special" subcolumn followed by the symbol "IL" in parentheses are eligible for the tariff treatment set forth in the "Special" subcolumn, in accordance with section 4(a) of the United States-Israel Free Trade Area Implementation Act of 1985 (99 Stat. 82).
- (B) For purposes of subdivision (c)(vi) of this note, goods imported into the customs territory of the United States are eligible for treatment as "products of Israel" only if--
- (1) each article is the growth, product or manufacture of Israel or is a new or different article of commerce that has been grown, produced or manufactured in Israel;
 - (2) each article is imported directly from Israel into the customs territory of the United States; and
 - (3) the sum of--
 - (I) the cost or value of the materials produced in Israel plus
 - (II) the direct costs of processing operations performed in Israel, is not less than 35 percent of the appraised value of each article at the time it is entered.

If the cost or value of materials produced in the customs territory of the United States is included with respect to an article to which subdivision (c)(vi) of this note applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in subdivision (c)(vi)(B)(3) of this note.

- (C) No goods may be considered to meet the requirements of subdivision (c)(vi)(B)(1) of this note by virtue of having merely undergone--
- (1) simple combining or packaging operations; or
 - (2) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the goods.
- (D) As used in subdivision (c)(vi) of this note, the phrase "direct costs of processing operations" includes, but is not limited to--
- (1) all actual labor costs involved in the growth, production, manufacture or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control and similar personnel; and
 - (2) dies, molds, tooling and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned, or are not costs of manufacturing the product, such as (I) profit, and (II) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising and salesmen's salaries, commissions or expenses.

- (E) The Secretary of the Treasury, after consultation with the United States Trade Representative, shall prescribe such regulations as may be necessary to carry out subdivision (c)(vi) of this note.

General Note 3(c) (con.):

- (vii) United States-Canada Free-Trade Agreement Implementation Act of 1988.
- (A) Goods originating in the territory of Canada that are described in Annex 401.2(B) of the United States-Canada Free-Trade Agreement, entered into on January 2, 1988, are subject to duty as provided herein. Goods originating in the territory of Canada, as defined in subdivision (c)(vii)(B) of this note, that are imported into the customs territory of the United States and that are entered under a provision for which a rate of duty appears in the "Special" subcolumn followed by the symbol "CA" in parentheses are eligible for the tariff treatment set forth in the "Special" subcolumn, in accordance with section 201 of the United States-Canada Free-Trade Agreement Implementation Act of 1988.
- (B) For the purposes of subdivision (c)(vii) of this note, goods imported into the customs territory of the United States are eligible for treatment as "goods originating in the territory of Canada" only if--
- (1) they are goods wholly obtained or produced in the territory of Canada and/or the United States, or
 - (2) they have been transformed in the territory of Canada and/or the United States, so as to be subject--
 - (I) to a change in tariff classification as described in the rules of subdivision (c)(vii)(R) of this note, or
 - (II) to such other requirements subdivision (c)(vii)(R) of this note may provide when no change in tariff classification occurs, and they meet the other conditions set out in subdivisions (c)(vii)(F), (G), (H), (I), (J) and (R) of this note.
- (C) Goods shall not be considered to originate in the territory of Canada pursuant to subdivision (c)(vii)(B)(2) merely by virtue of having undergone--
- (1) simple packaging or, except as expressly provided by the rules of subdivision (c)(vii)(R) of this note, combining operations,
 - (2) mere dilution with water or another substance that does not materially alter the characteristics of the goods, or
 - (3) any process or work in respect of which it is established, or in respect of which the facts as ascertained clearly justify the presumption, that the sole object was to circumvent the provisions of subdivision (c)(vii) of this note.
- (D) Accessories, spare parts, or tools delivered with any piece of equipment, machinery, apparatus, or vehicle that form part of its standard equipment shall be treated as having the same origin as that equipment, machinery, apparatus, or vehicle if the quantities and values of such accessories, spare parts, or tools are customary for the equipment, machinery, apparatus, or vehicle.
- (E) Goods exported from the territory of Canada originate in the territory of Canada only if the goods meet the applicable requirements of subdivisions (c)(vii)(B), (C) and (D) of this note and are shipped to the territory of the United States without having entered the commerce of any third country and the goods, if shipped through the territory of a third country, do not undergo any operations other than unloading, reloading, or any operation necessary to transport them to the territory of the United States or to preserve them in good condition, and the documents related to the exportation and shipment of the goods from the territory of Canada show the territory of the United States as their final destination.
- (F) Whenever the processing or assembly of goods in the territory of Canada and/or the United States results in one of the changes in tariff classification in Canada described by the rules set forth in subdivision (c)(vii)(R) of this note, such goods shall be considered to have been transformed in the territory of Canada and shall be treated as goods originating in the territory of Canada, provided that such processing or assembly occurs entirely within the territory of Canada and/or the United States and that such goods have not subsequently undergone any processing or assembly outside of Canada or the United States that improves the goods in condition or advances them in value.

General Note 3(c)(vii) (con.):

- (G) Whenever the assembly of goods in the territory of Canada fails to result in a change of tariff classification because--
 - (1) the goods were imported into the territory of Canada in an unassembled or a disassembled form and were classified as unassembled or disassembled goods pursuant to General Rule of Interpretation 2(a), or
 - (2) the tariff provision for the goods provides for both the goods themselves and their parts,such goods shall not be treated as goods originating in the territory of Canada.
- (H) Notwithstanding subdivision (c)(vii)(G), goods described in that paragraph shall be considered to have been transformed in the territory of Canada and be treated as goods originating in the territory of Canada if--
 - (1) the value of materials originating in the territory of Canada and/or the United States that are used or consumed in the production of the goods plus the direct cost of assembling the goods in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States, and
 - (2) the goods have not subsequent to assembly undergone processing or further assembly in a third country and they meet the requirements of subdivision (c)(vii)(E) of this note.
- (I) The provisions of subdivision (c)(vii)(H) of this note shall not apply to goods of chapters 61 through 63.
- (J) In making the determination required by subdivision (c)(vii)(H)(1) of this note and in making the same or a similar determination when required by the rules of subdivision (c)(vii)(R) of this note, where materials originating in the territory of Canada and/or the United States and materials obtained or produced in a third country are used or consumed together in the production of goods in the territory of Canada, the value of materials originating in the territory of Canada and/or the United States shall be treated as such only to the extent that it is directly attributable to the goods under consideration.
- (K) In applying the rules set forth in subdivision (c)(vii) of this note, a specific rule shall take precedence over a more general rule.
- (L) As used in subdivision (c)(vii)(B) of this note, the phrase "goods wholly obtained or produced in the territory of Canada and/or the United States" means--
 - (1) mineral goods extracted in the territory of Canada and/or the United States,
 - (2) goods harvested in the territory of Canada and/or the United States,
 - (3) live animals born and raised in the territory of Canada and/or the United States,
 - (4) fish, shellfish and other marine life taken from the sea by vessels registered or recorded with Canada and flying its flag,
 - (5) goods produced on board factory ships from the marine life referred to in subparagraph (4) provided such factory ships are registered or recorded with Canada and fly its flag,
 - (6) goods taken by Canada or a Canadian national or enterprise from the seabed or beneath the seabed outside territorial waters, provided that Canada has rights to exploit such seabed,
 - (7) goods taken from space provided they are obtained by Canada or a Canadian national or enterprise and not processed in a third country,
 - (8) waste and scrap derived from manufacturing operations and used goods, provided they were collected in the territory of Canada and/or the United States, and are fit only for the recovery of raw materials, and

General Note 3(c)(vii)(L) (con.):

- (9) goods produced in the territory of Canada and/or the United States exclusively from goods referred to in subparagraphs (1) to (8), inclusive, or from their derivatives, at any stage of production.
- (M) As used in subdivisions (c)(vii)(H) and (R) of this note, the phrase "value of materials originating in the territory of Canada and/or the United States" means the aggregate of:
- (1) the price paid by the producer of exported goods for materials originating in the territory of Canada and/or the United States or for materials imported from a third country used or consumed in the production of such originating materials, and
 - (2) when not included in that price, the following costs related thereto--
 - (I) freight, insurance, packing and all other costs incurred in transporting any of the materials referred to in subparagraph (1) to the location of the producer,
 - (II) duties, taxes and brokerage fees on such materials paid in the territory of Canada and/or the United States,
 - (III) the cost of waste or spoilage resulting from the use or consumption of such materials, less the value of renewable scrap or byproduct, and
 - (IV) the value of goods and services relating to such materials determined in accordance with subparagraph 1(b) of article 8 of the Agreement on Implementation of article VII of the General Agreement on Tariffs and Trade.
- (N) As used in subdivision (c)(vii)(H) and (R) of this note, the phrase "value of the goods when exported to the territory of the United States" means the aggregate of--
- (1) the price paid by the producer for all materials, whether or not the materials originate in Canada and/or the United States, and, when not included in the price paid for the materials, the following costs related thereto--
 - (I) freight, insurance, packing and all other costs incurred in transporting all materials to the location of the producer,
 - (II) duties, taxes and brokerage fees on all materials paid in the territory of Canada and/or the United States,
 - (III) the cost of waste or spoilage resulting from the use or consumption of such materials, less the value of renewable scrap or byproduct, and
 - (IV) the value of goods and services relating to all materials determined in accordance with subparagraph 1(b) of article 8 of the Agreement on Implementation of article VII of the General Agreement on Tariffs and Trade, and
 - (2) the direct cost of processing or the direct cost of assembling the goods.
- (O) As used in subdivisions (c)(vii)(H), (N) and (R) of this note, the phrase "direct cost of processing or direct cost of assembling" means the costs directly incurred in, or that can reasonably be allocated to, the production of goods, including--
- (1) the cost of all labor, including benefits and on-the-job training, labor provided in connection with supervision, quality control, shipping, receiving, storage, packaging, management at the location of the process or assembly, and other like labor, whether provided by employees or independent contractors,
 - (2) the cost of inspecting and testing the goods,
 - (3) the cost of energy, fuel, dies, molds, tooling, and the depreciation and maintenance of machinery and equipment, without regard to whether they originate within the territory of Canada and/or the United States,

General Note 3(c)(vii)(O) (con.):

- (4) development, design, and engineering costs,
- (5) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes and the cost of utilities for real property used in the production of the goods, and
- (6) royalty, licensing, or other like payments for the right to the goods, but not including--
 - (I) costs relating to the general expense of doing business, such as the cost of providing executive, financial, sales, advertising, marketing, accounting and legal services and insurance,
 - (II) brokerage charges relating to the importation and exportation of goods,
 - (III) costs for telephone, mail and other means of communication,
 - (IV) packing costs for exporting the goods,
 - (V) royalty payments related to a licensing agreement to distribute or sell the goods,
 - (VI) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes and the cost of utilities for real property used by personnel charged with administrative functions, or
 - (VII) profit on the goods.
- (P) For the purposes of subdivision (c)(vii) of this note, the term "materials" means goods, other than those included as part of the direct cost of processing or assembling, used or consumed in the production of other goods.
- (Q) For the purposes of subdivision (c)(vii) of this note, the term "territory" means--
 - (1) with respect to Canada, the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic laws, Canada may exercise rights with respect to the seabed and subsoil and their natural resources, and
 - (2) with respect to the United States,
 - (I) the customs territory of the United States,
 - (II) the foreign trade zones located in the United States and the Commonwealth of Puerto Rico, and
 - (III) any area beyond the territorial seas of the United States within which, in accordance with international law and its domestic laws, the United States may exercise rights with respect to the seabed and subsoil and their natural resources.
- (R) Change in Tariff Classification Rules.
 - (1) Section I: Chapters 1 through 5.

A change from one chapter to another; no changes within chapters.
 - (2) Section II: Chapters 6 through 14.
 - (aa) A change from one chapter to another; no changes within chapters except that agricultural and horticultural goods grown in the territory of Canada shall be treated as originating in the territory of Canada even if grown from seed or bulbs imported from a third country.
 - (bb) A change to subheadings 0901.12 through 0901.40 from any other subheadings, including another subheading within that group.

General Note 3(c)(vii)(R) (con.):

- (3) Section III: Chapter 15.
- (aa) A change to chapter 15 from any other chapter.
 - (bb) A change to any of the following subheadings from any other subheading: 1507.90, 1508.90, 1511.90, 1512.19, 1512.29, 1513.19, 1513.29, 1514.90, 1515.19, 1515.29.
 - (cc) A change to heading 1516 from any other heading.
 - (dd) A change to heading 1517 from any other heading.
 - (ee) A change to headings 1519 through 1520 from any other heading outside that group.
 - (ff) A change to subheading 1519.19 from any other subheading.
 - (gg) A change to subheading 1519.20 from any other subheading.
 - (hh) A change to subheading 1520.90 from any other subheading.
- (4) Section IV: Chapters 16 through 24.
- (aa) A change from one chapter to another, except for goods of chapter 20 subject to rule (ee).
 - (bb) A change to heading 1704 from any other heading.
 - (cc) A change to heading 1806 from any other heading.
 - (dd) A change to subheading 1806.31 or 1806.90 from any other subheading.
 - (ee) 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 in 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.
 - (ff) A change to subheading 2009.90 from any other subheading; provided, that neither a single juice ingredient, nor juice ingredients from a single third country, constitutes in single-strength form more than 60 percent by volume of the product.
 - (gg) A change to headings 2203 through 2209 from any other heading outside that group.
 - (hh) A change to heading 2309 from any other heading.
 - (ii) A change to headings 2402 through 2403 (except subheading 2403.91) from any other heading outside that group.
- (5) Section V: Chapters 25 through 27.
- (aa) A change from one chapter to another.
 - (bb) A change to headings 2710 through 2715 from any other heading outside that group.
 - (cc) A change to heading 2716 from any other heading.
- (6) Section VI: Chapters 28 through 38.
- (aa) A change to chapters 28 through 38 from any chapter outside that group.
 - (bb) A change to any subheading of chapters 28 through 38 from any other subheading within those chapters; provided, except for the other rules in this section, that the value of

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materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.

- (cc) A change to a heading of chapter 30 from any other heading, including other headings within that chapter, except a change to heading 3004 from heading 3003.
 - (dd) A change to chapter 31 from any other chapter.
 - (ee) A change to headings 3208 through 3215 from any other heading outside that group.
 - (ff) A change to chapter 33 from any other chapter.
 - (gg) A change to heading 3304 through 3307 from any heading outside that group.
 - (hh) A change to a heading of chapter 34 from any other heading, including another heading within that chapter.
 - (ii) A change to subheadings 3402.20 through 3402.90 from any other subheading outside that group.
 - (jj) A change to a heading of chapter 35 from any other heading, including another heading within that chapter.
 - (kk) A change to a heading of chapter 36 from any other heading, including another heading within that chapter.
 - (ll) A change to chapter 37 from any other chapter.
 - (mm) A change to heading 3704 from any other heading.
 - (nn) A change to headings 3705 through 3706 from any other heading outside that group.
 - (oo) A change to heading 3808 from any other heading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States, or, in the case of goods which contain more than one active ingredient, not less than 70 percent of the value of the goods when exported to the territory of the United States. Any materials that are eligible for duty-free treatment in both Canada and the United States on a most-favored-nation basis, or any materials imported into the territory of either Canada or the United States which, if imported into the territory of the United States, would be free of duty under a trade agreement that is not subject to a competitive need limitation, shall be treated as materials originating in the territory of Canada and/or the United States.
- (7) Section VII: Chapters 39 through 40.
- (aa) A change to any heading of chapter 39 from any other heading, including another heading within that chapter; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (bb) A change to chapter 40 from any other chapter.
 - (cc) A change to any heading of chapter 40 from any other heading within that chapter; provided, except for the rules listed below in this section, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of

General Note 3(c)(vii)(R)(7)(cc) (con.):

processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.

- (dd) A change to headings 4007 through 4008 from any other heading outside that group.
 - (ee) A change to headings 4009 through 4017 from any other heading outside that group.
 - (ff) A change to subheading 4012.10 from any other subheading.
- (8) Section VIII: Chapters 41 through 43.
- (aa) A change from one chapter to another.
 - (bb) A change to headings 4104 through 4111 from any other heading outside that group.
 - (cc) A change to heading 4302 from any other heading.
 - (dd) A change to headings 4303 through 4304 from any other heading outside that group.
- (9) Section IX: Chapters 44 through 46.
- (aa) A change from one chapter to another.
 - (bb) A change between headings in chapter 44.
 - (cc) A change to any of the following subheadings from any other subheading: 4412.11.50, 4412.12.50, 4412.19.50, 4412.29.50, or 4412.99.90.
 - (dd) A change to headings 4503 through 4504 from any other heading outside that group.
 - (ee) A change to heading 4602 from any other heading.
- (10) Section X: Chapters 47 through 49.
- (aa) A change from one chapter to another.
 - (bb) A change to heading 4808 through 4809 from any other heading outside that group.
 - (dd) A change to headings 4814 through 4823 from any other heading outside that group except a change from heading 4809 to heading 4816.
- (11) Section XI: Chapters 50 through 63.
- (aa) A change to headings 5004 through 5006 from any heading outside that group.
 - (bb) A change to heading 5007 from any other heading.
 - (cc) A change to headings 5106 through 5113 from any heading outside that group.
 - (dd) A change to headings 5204 through 5212 from any heading outside that group.
 - (ee) A change to headings 5306 through 5311 from any heading outside that group.
 - (ff) A change to any heading of chapter 54 from any other chapter.
 - (gg) A change to headings 5501 through 5507 from any other chapter.
 - (hh) A change to headings 5508 through 5516 from any heading outside that group.

General Note 3(c)(vii)(R)(11) (con.):

- (ii) A change to any heading of chapter 56 from any heading outside that chapter other than headings 5106 through 5113, 5204 through 5212, 5306 through 5311, or headings of chapters 54 and 55.
- (jj) A change to any heading of chapter 57 from any heading outside that chapter other than headings 5106 through 5113, 5204 through 5212, 5306 through 5309, 5311, any heading of chapter 54, or 5508 through 5516.
- (kk) A change to any heading of chapter 58 from any heading outside that chapter other than headings 5106 through 5113, 5204 through 5212, 5306 through 5311, or headings of chapters 54 and 55.
- (ll) A change to any heading of chapter 59 from any heading outside that chapter other than headings 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407, 5408, or 5512 through 5516.
- (mm) A change to any heading of chapter 60 from any heading outside that chapter other than headings 5106 through 5113, 5204 through 5212, 5309 through 5311, or headings of chapters 54 and 55.
- (nn) A change to any heading of chapter 61 from any heading outside that chapter other than headings 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407, 5408, 5512 through 5516, or 6001 through 6002; provided, that goods are both cut (or knit to shape) and sewn or otherwise assembled in the territory of Canada and/or the United States.
- (oo) A change to any heading of chapter 62 from any heading outside that chapter other than headings 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407, 5408, 5512 through 5516, or 6001 through 6002; provided, that goods are both cut and sewn in the territory of Canada and/or the United States.
- (pp) A change to any heading of chapter 63 from any heading outside that chapter other than headings 5106 through 5113, 5204 through 5212, 5306 through 5311, or headings of Chapters 54 and 55; provided, that goods are both cut and sewn in the territory of Canada and/or the United States.
- (qq) Notwithstanding rules (nn) and (oo), apparel goods provided for in chapters 61 and 62 that are both cut and sewn in the territory of Canada and/or the United States from fabric produced or obtained in a third country, and that meet other applicable conditions for preferred tariff treatment under subdivision (c)(vii) of this note, shall be subject to the rate of duty provided in the "Special" subcolumn for goods that originate in Canada, in the annual quantities set forth below, and shall, above those quantities for the remainder of the annual period, be subject to duty at the rates provided for in the "General" subcolumn of column 1:
- | | |
|------------------|-----------------------------|
| Non-wool apparel | 41,806,500
square meters |
| Wool apparel | 5,016,780
square meters |
- (rr) Notwithstanding rules (dd), (ee), (ff), (hh), (kk), (mm) and (pp), non-wool fabric and non-wool made-up textile articles provided for in chapters 52 through 55, 58, 60 and 63 that are woven or knitted in Canada from yarn produced or obtained in a third country, and that meet other applicable conditions for preferred tariff treatment under subdivision (c)(vii) of this note, shall be subject to the rate of duty provided in the "Special" subcolumn for goods that originate in Canada, in the annual quantity of 25,083,900 square meters for the period commencing on January 1, 1989, and ending on December 31, 1992, and shall, above this quantity for the remainder of the annual period, be subject to duty at the rates provided for in the "General" subcolumn of column 1.

General Note 3(c)(vii)(R) (con.):

- (12) Section XII: Chapters 64 through 67.
- (aa) A change from one chapter to another.
 - (bb) A change to subheadings 6401.10 through 6406.10 from any other subheading outside that group; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (cc) A change to headings 6503 through 6507 from any other heading outside that group.
 - (dd) A change to headings 6601 through 6602 from any other heading outside that group; provided that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (ee) Within heading 6701, goods fabricated from feathers (such as fans, feather dusters, and feather apparel) in which feathers are the material or component that gives the fabricated goods their essential character shall be treated as good of the country in which fabrication occurred.
 - (ff) A change to heading 6702 from any other heading.
 - (gg) A change to heading 6704 from any other heading.
- (13) Section XIII: Chapters 68 through 70.
- (aa) A change from one chapter to another.
 - (bb) A change to subheading 6812.20 from any other subheading.
 - (cc) A change to subheading 6812.30 through 6812.40 from any other subheading outside that group.
 - (dd) A change to subheading 6812.50 from any other subheading.
 - (ee) A change to subheadings 6812.60 through 6812.90 from any other subheading outside that group.
 - (ff) A change to heading 6813 from any other heading.
 - (gg) A change to headings 7003 through 7006 from any other heading outside that group.
 - (hh) A change to headings 7007 through 7020 from any other heading outside that group.
 - (ii) A change to subheading 7019.20 from any other heading.
- (14) Section XIV: Chapter 71.
- (aa) A change from one chapter to another.
 - (bb) A change to headings 7113 through 7118 from any other heading outside that group, except that pearls, temporarily or permanently strung but without the addition of clasps or other ornamental features of precious metals or stones, shall be treated as a good of the country in which the pearls were obtained.
- (15) Section XV: Chapters 72 through 83.
- (aa) A change from one chapter to another; provided, that goods subject to rules (ii) or (vv) meet the conditions set forth therein.

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- (bb) A change to headings 7206 through 7207 from any other heading outside that group.
- (cc) A change to headings 7208 through 7216 from any other heading outside that group.
- (dd) A change to heading 7217 from any other heading except headings 7213 through 7215.
- (ee) A change to headings 7218 through 7222 from any other heading outside that group.
- (ff) A change to heading 7223 from any other heading except headings 7221 and 7222.
- (gg) A change to headings 7224 through 7228 from any other heading outside that group.
- (hh) A change to heading 7229 from any other heading except headings 7227 and 7228.
- (ii) A change to heading 7308 from any other heading, except for changes resulting from the following processes performed on angles, shapes, or sections of heading 7216--
 - drilling, punching, notching, cutting, cambering, or sweeping, whether performed individually or in combination,
 - adding attachments or weldments for composite construction,
 - adding of attachments for handling purposes,
 - adding weldments, connectors, or attachments to H-sections or I-sections; provided, that the maximum cross-sectional dimension of the weldments, connectors, or attachments is not greater than the dimension between the inner surfaces of the flanges of the H-section or I-sections,
 - painting, galvanizing, or otherwise coating, or
 - 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.
- (jj) A change to headings 7309 through 7326 from any other heading outside that group.
- (kk) A change to headings 7403 through 7408 from any other heading of chapter 74 outside that group; provided, with the exception of a change to subheading 7408.19, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
- (ll) A change to heading 7409 from any other heading.
- (mm) A change to headings 7410 through 7419 from any other heading outside that group; provided, that with respect to a change to heading 7413, the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of goods when exported to the territory of the United States.
- (nn) A change to heading 7505 from any other heading.
- (oo) A change to heading 7506 from any other heading.
- (pp) A change to subheading 7506.20.50 from any other subheading.
- (qq) A change to headings 7507 through 7508 from any other heading outside that group.
- (rr) A change to headings 7604 through 7606 from any other heading outside that group.

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- (ss) A change to heading 7607 from any other heading.
 - (tt) A change to headings 7608 through 7609 from any other heading outside that group.
 - (uu) A change to headings 7610 through 7616 from any other heading outside that group.
 - (vv) A change to headings 7801 or 7901 from headings of other chapters; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (ww) A change to headings 7803 through 7806 from any other heading, including another heading within that group; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (xx) A change to headings 7904 through 7907 from any other heading, including another heading within that group; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (yy) A change to headings 8003 through 8004 from any other heading outside that group.
 - (zz) A change to headings 8005 through 8007 from any other heading outside that group.
 - (ab) A change to any of the following subheadings from any other subheading: 8101.92, 8101.99, 8102.92, 8102.99, 8103.90, 8104.90, 8105.90, 8108.90, 8109.90.
 - (cd) A change to subheading 8107.90 from any other subheading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (ef) A change to subheading 8111.00.60 from any other subheading.
- (16) Section XVI: Chapters 84 through 85.
- (aa) A change from one chapter to another, other than a change to heading 8544.
 - (bb) A change from one heading (other than a parts heading) to another heading, other than heading 8528 or 8529.
 - (cc) A change to heading 8407 from any other heading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (dd) A change to heading 8528 or 8529 from any other heading, a change from a parts heading to a heading other than a parts heading, or a change from a parts subheading to a subheading other than a parts subheading; provided, with the exception of a change to subheading 8471.92, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (ee) A change to subheadings 8471.20 through 8471.91 from any subheadings outside that group.

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- (ff) A change to subheadings 8516.10 through 8516.79 from subheading 8516.80.
 - (gg) A change to heading 8524 from any other heading.
 - (hh) A change to heading 8544 from any other heading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
- (17) Section XVII: Chapters 86 through 89.
- (aa) A change from one chapter to another.
 - (bb) A change to any heading of this section (other than a heading within the groups 8701 through 8705 or 8901 through 8905) from another heading other than a parts heading.
 - (cc) A change to any heading of this section from a parts heading; or within any heading, a change to any subheading from a parts subheading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (dd) A change to headings 8701 through 8705 from any other heading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (ee) A change to headings 8901 through 8905 from any other headings; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
- (18) Section XVIII: Chapters 90 through 92.
- (aa) A change from one chapter to another.
 - (bb) A change to any heading of this section from a parts heading, or to any subheading from a parts subheading; provided, with the exception of a change to heading 9009, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
 - (cc) A change to any heading within the group 9005 through 9032 from any other heading (including another heading within that group), except that a change from a parts heading shall be subject to rule (bb) of this section.
 - (dd) Notwithstanding rule (bb), goods subject to classification within headings 9101 through 9107 shall be treated as goods of the country in which the movement subject to classification under headings 9108 through 9110 was produced.
 - (ee) A change to headings 9108 through 9113 from any other heading, including another heading within that group; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.

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(19) Section XIX: Chapter 93.

- (aa) A change to this chapter from any other chapter.
- (bb) A change to any heading of this section from a parts heading, or to any subheading from a parts subheading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.

(20) Section XX: Chapters 94 through 96.

- (aa) A change from one chapter to another, except a change to subheading 9404.90 from headings 5007, 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407 through 5408, and 5512 through 5516.
- (bb) A change to any heading of this section from a parts heading, or to any subheading from a parts subheading; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
- (cc) A change to a subheading within the group 9608.10 through 9608.39 from a subheading within the group 9608.91 through 9608.99; provided, that the value of materials originating in the territory of Canada and/or the United States plus the direct cost of processing performed in the territory of Canada and/or the United States constitute not less than 50 percent of the value of the goods when exported to the territory of the United States.
- (dd) A change to subheading 9614.20 from subheading 9614.10.

(21) Section XXI: Chapter 97.

A change to this chapter from any other chapter.

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(viii) Articles Imported from the Freely Associated States.

- (A) Pursuant to sections 101 and 401 of the Compact of Free Association Act of 1985 (99 Stat. 1773 and 1838), the following countries shall be eligible for treatment as freely associated states:

Marshall Islands
Micronesia, Federated States of

- (B) Except as provided in subparagraphs (D) and (E) of this paragraph, any article imported from a freely associated state shall enter the customs territory of the United States free of duty if--

- (1) such article is imported directly from the freely associated state, and
- (2) the sum of (I) the cost or value of the materials produced in the freely associated state, plus (II) the direct costs of processing operations performed in the freely associated state is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

If the cost or value of materials produced in the customs territory of the United States is included with respect to an article the product of a freely associated state and not described in subparagraph (D) of this paragraph, an amount not to exceed 15 percent of the appraised value of such article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B)(2)(II) above.

- (C) Tuna of subheading 1604.14.20 in an aggregate quantity entered in any calendar year from the freely associated states not to exceed 10 percent of United States consumption of canned tuna during the immediately preceding calendar year, as reported by the National Marine Fisheries Service, may enter the customs territory free of duty, provided that such imports shall be counted against the aggregate quantity of tuna that is dutiable under the general subcolumn of rate of duty column 1 for subheading 1604.14.20 for that calendar year.

- (D) The duty-free treatment provided under subparagraph (B) of this paragraph shall not apply to--

- (1) tuna of subheading 1604.14.20 (except tuna in an aggregate quantity entered in any calendar year from the freely associated states not to exceed 10 percent of United States consumption of canned tuna during the immediately preceding calendar year, as reported by the National Marine Fisheries Service);
- (2) textile and apparel articles which are subject to textile agreements;
- (3) footwear, handbags, luggage, flat goods, work gloves and leather wearing apparel, the foregoing which were not eligible articles for purposes of the Generalized System of Preferences on April 1, 1984;
- (4) watches, clocks and timing apparatus of chapter 91 (except such articles incorporating an optoelectronic display and no other type of display); and
- (5) buttons of subheading 9606.21.40 or 9606.29.20.

- (E) (1) Whenever a freely associated state--

- (I) has exported (directly or indirectly) to the United States during a calendar year a quantity of such article having an appraised value in excess of an amount which bears the same ratio to \$25,000,000 as the gross national product of the United States for the preceding calendar year (as determined by the Department of Commerce) bears to the gross national product of the United States for calendar year 1974 (as determined for purposes of section 504(c)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2464(c)(1)(A)); or
- (II) has exported (either directly or indirectly) to the United States during a calendar year a quantity of such article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during that calendar year;

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then on or after July 1 of the next calendar year the duty-free treatment provided under subparagraph (B) of this paragraph shall not apply to such article imported from such freely associated state.

- (2) Whenever during a subsequent calendar year imports of such article from such freely associated state no longer exceed the limits specified in this subparagraph, then on and after July 1 of the next calendar year such article imported from such freely associated state shall again enter the customs territory of the United States free of duty under subparagraph (B) of this paragraph.

- (F) The provisions of subparagraph (E) of this paragraph shall not apply with respect to an article--

- (1) imported from a freely associated state, and
- (2) not excluded from duty-free treatment under subparagraph (D) of this paragraph,

if such freely associated state has entered a quantity of such article during the preceding calendar year with an aggregate value that does not exceed the limitation on de minimis waivers applicable under section 504(c)(3) of the Trade Act of 1974 (19 U.S.C. 2464(c)(3)) to such preceding calendar year.

- (G) Any article imported from a freely associated state and excluded from duty-free treatment pursuant to subparagraphs (D) or (E) of this paragraph shall be dutiable at the rate provided in the general subcolumn of rate of duty column 1 for the appropriate heading or subheading.

4. Exemptions. For the purposes of general note 1--

- (a) corpses, together with their coffins and accompanying flowers,
- (b) telecommunications transmissions,
- (c) records, diagrams and other data with regard to any business, engineering or exploration operation whether on paper, cards, photographs, blueprints, tapes or other media, and
- (d) articles returned from space within the purview of section 484a of the Tariff Act of 1930,

are not goods subject to the provisions of the tariff schedule.

5. Commingling of Goods.

- (a) Whenever goods subject to different rates of duty are so packed together or mingled that the quantity or value of each class of goods cannot be readily ascertained by customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means:
 - (i) sampling,
 - (ii) verification of packing lists or other documents filed at the time of entry, or
 - (iii) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury,

the commingled goods shall be subject to the highest rate of duty applicable to any part thereof unless the consignee or his agent segregates the goods pursuant to subparagraph (b) hereof.

- (b) Every segregation of goods made pursuant to this note shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 30 days (unless the Secretary authorizes in writing a longer time) after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the goods are commingled and that the quantity or value of each class of goods cannot be readily ascertained by customs officers. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.
- (c) The foregoing provisions of this note do not apply with respect to any part of a shipment if the consignee or his agent furnishes, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof--
 - (i) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and
 - (ii) that the commingling was not intended to avoid the payment of lawful duties.

Any goods with respect to which such proof is furnished shall be considered for all customs purposes as a part of the goods, subject to the next lower rate of duty, with which they are commingled.

- (d) The foregoing provisions of this note do not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof--
 - (i) that the value of the commingled goods is less than the aggregate value would be if the shipment were segregated;
 - (ii) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and
 - (iii) that the commingling was not intended to avoid the payment of lawful duties.

Any goods with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate applicable to the material present in greater quantity than any other material.

- (e) The provisions of this note shall apply only in cases where the tariff schedule does not expressly provide a particular tariff treatment for commingled goods.

6. Abbreviations. In the tariff schedule the following symbols and abbreviations are used with the meanings respectively indicated below:

\$	-	dollars	kN	-	kilonewtons
¢	-	cents	kVA	-	kilovolt-amperes
%	-	percent ad valorem	kvar	-	kilovolt-amperes reactive
+	-	plus	kW	-	kilowatts
/	-	per	kWH	-	kilowatt-hours
°	-	degrees	lin	-	linear
AC	-	alternating current	m	-	meter
ASTM	-	American Society for Testing Materials	Mbq	-	megabecquerel
bbl	-	barrels	mc	-	millicuries
C	-	Celsius	mg	-	milligrams
cc	-	cubic centimeters	MHz	-	megahertz
cu.	-	cubic	ml	-	milliliters
cg	-	centigrams	mm	-	millimeters
cm	-	centimeters	MPa	-	megapascals
cm ²	-	square centimeters	m ²	-	square meters
cm ³	-	cubic centimeters	m ³	-	cubic meters
cy	-	clean yield	No.	-	number
d	-	Denier	ode	-	ozone depletion equivalent
DC	-	direct current	pcs.	-	pieces
doz.	-	dozens	pf.	-	proof
g	-	grams	prs.	-	pairs
G.V.W.	-	gross vehicle weight	r.p.m.	-	revolutions per minute
I.R.C.	-	Internal Revenue Code	sbe	-	standard brick equivalent
kcal	-	kilocalories	t	-	metric tons
kg	-	kilograms	V	-	volts
kHz	-	kilohertz	W	-	watts
			wt.	-	weight

7. Definitions. For the purposes of the tariff schedule, unless the context otherwise requires--

- (a) the term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States;
- (b) the term "entered for consumption" does not include withdrawals from warehouse for consumption;
- (c) the term "withdrawn from warehouse for consumption" means withdrawn from warehouse for consumption and does not include goods entered for consumption;
- (d) the term "rate of duty" includes a free rate of duty;
- (e) the terms "wholly of", "in part of", and "containing", when used between the description of an article and a material (e.g., "woven fabrics, wholly of cotton"), have the following meanings:
 - (i) "wholly of" means that the goods are, except for negligible or insignificant quantities of some other material or materials, composed completely of the named material;
 - (ii) "in part of" or "containing" mean that the goods contain a significant quantity of the named material.

With regard to the application of the quantitative concepts specified above, it is intended that the *de minimis* rule apply.

- (f) the term "headings" refers to the article descriptions and tariff provisions appearing in the schedule at the first hierarchical level; the term "subheading" refers to any article description or tariff provision indented thereunder; a reference to "headings" encompasses subheadings indented thereunder.

8. Issuance of Rules and Regulations. The Secretary of the Treasury is hereby authorized to issue rules and regulations governing the admission of articles under the provisions of the tariff schedule. The allowance of an importer's claim for classification, under any of the provisions of the tariff schedule which provides for total or partial relief from duty or other import restrictions on the basis of facts which are not determinable from an examination of the article itself in its condition as imported, is dependent upon his complying with any rules or regulations which may be issued pursuant to this note.
9. Methods of Ascertainment. The Secretary of the Treasury is authorized to prescribe methods of analyzing, testing, sampling, weighing, gauging, measuring or other methods of ascertainment whenever he finds that such methods are necessary to determine the physical, chemical or other properties or characteristics of articles for purposes of any law administered by the Customs Service.

GENERAL RULES OF INTERPRETATION

Classification of goods in the tariff schedule shall be governed by the following principles:

1. The table of contents, alphabetical index, and titles of sections, chapters and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes and, provided such headings or notes do not otherwise require, according to the following provisions:
2.
 - (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as entered, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), entered unassembled or disassembled.
 - (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.
3. When, by application of rule 2(b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:
 - (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.
 - (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.
 - (c) When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
4. Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.
5. In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:
 - (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and entered with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character;
 - (b) Subject to the provisions of rule 5(a) above, packing materials and packing containers entered with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision does not apply when such packing materials or packing containers are clearly suitable for repetitive use.
6. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, *mutatis mutandis*, to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule, the relative section, chapter and subchapter notes also apply, unless the context otherwise requires.

ADDITIONAL U.S. RULES OF INTERPRETATION

1. In the absence of special language or context which otherwise requires--
 - (a) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of goods of that class or kind to which the imported goods belong, and the controlling use is the principal use;
 - (b) a tariff classification controlled by the actual use to which the imported goods are put in the United States is satisfied only if such use is intended at the time of importation, the goods are so used and proof thereof is furnished within 3 years after the date the goods are entered;
 - (c) a provision for parts of an article covers products solely or principally used as a part of such articles but a provision for "parts" or "parts and accessories" shall not prevail over a specific provision for such part or accessory; and
 - (d) the principles of section XI regarding mixtures of two or more textile materials shall apply to the classification of goods in any provision in which a textile material is named.

GENERAL STATISTICAL NOTES

1. Statistical Requirements for Imported Goods.

- (a) Persons making customs entry or withdrawal of goods imported into the customs territory of the United States shall complete the entry summary or withdrawal forms, as provided herein and in regulations issued pursuant to law, to provide for statistical purposes information as follows:
- (i) the number of the Customs district and of the port where the goods are being entered for consumption or warehouse, as shown in Statistical Annex A of the tariff schedule;
 - (ii) the name of the vessel or the name of the airline, or in the case of shipment by other than vessel or air, the means of transportation by which the goods first arrived in the United States;
 - (iii) the foreign port of lading;
 - (iv) the U.S. port of unloading for vessel and air shipments;
 - (v) the date of importation;
 - (vi) the country of origin of the goods expressed in terms of the designation therefor in Statistical Annex B of the tariff schedule;
 - (vii) the country of exportation expressed in terms of the designation therefor in Statistical Annex B of the tariff schedule;
 - (viii) the date of exportation;
 - (ix) a description of the goods in sufficient detail to permit the classification thereof under the proper statistical reporting number in the tariff schedule;
 - (x) the statistical reporting number under which the goods are classifiable, including the appropriate check digit placed as a suffix to each 10-digit number and the appropriate symbol placed as a prefix to the statistical reporting number when claiming special tariff treatment as provided for in general note 3(c)(i) (asterisks, however, are not to be reported with or in place of the symbol prefix, e.g. for the Generalized System of Preferences only the "A" and not the asterisk shall be reported);
 - (xi) gross weight in kilograms for the goods covered by each reporting number for all modes of transportation;
 - (xii) the net quantity in the units specified herein for the classification involved and with the units noted;
 - (xiii) the U.S. dollar value in accordance with the definition of section 402 of the Tariff Act of 1930, as amended, for all merchandise including that free of duty or dutiable at specific rates;
 - (xiv) the aggregate cost (not including U.S. import duty, if any), in U.S. dollars, of freight, insurance and all other charges, costs and expenses (each of which charges, costs and expenses shall be separately itemized on or attached to the related invoice) incurred (except as provided below) in bringing the merchandise from alongside the carrier at the port of exportation in the country of exportation and placing it alongside the carrier at the first U.S. port of entry. In the case of overland shipments originating in Canada or Mexico, such costs shall include freight, insurance, and all other charges, costs and expenses incurred in bringing the merchandise from the point of origin (where the merchandise begins its journey to the United States) in Canada or Mexico to the first U.S. port of entry; and
 - (xv) such other information with respect to the imported goods as is provided for elsewhere in the tariff schedule.
- (b) For the purpose of paragraph (a), the following provisions shall govern:
- (i) the country of exportation shall be the country of origin except when the merchandise while located in a third country is the subject of a new purchase in which event the third country shall be regarded and reported as the country of exportation, and the date of exportation from the third country shall be regarded and reported as the date of exportation; and
 - (ii) in the event that information for the purposes of subparagraph (xiv) of paragraph (a) cannot be readily obtained, the person making the entry or withdrawal shall provide reasonable estimates of such information. The acceptance of an estimate for a particular transaction does not necessarily relieve the person making the entry or withdrawal from obtaining the necessary information for similar future transactions.

2. Statistical Annotations.

- (a) The statistical annotations to the Harmonized Tariff Schedule of the United States consist of--
 - (i) the 2-digit statistical suffixes and any article descriptions applicable thereto,
 - (ii) the check digits,
 - (iii) the indicated units of quantity, and
 - (iv) the statistical notes and annexes.
- (b) The legal text of the Harmonized Tariff Schedule of the United States consists of the remaining text as more specifically identified in the general rules of interpretation.

3. Statistical Reporting Number.

- (a) Except as provided in paragraph (b) of this note, and in the absence of specific instructions to the contrary elsewhere, the statistical reporting number for an article consists of the 10-digit number formed by combining the 8-digit subheading number with the appropriate 2-digit statistical suffix. Thus, the statistical reporting number for live monkeys dutiable under subheading 0106.00.50 is "0106.00.5010". As explained in note 1(a)(x) above, the appropriate check digit is to be added as a suffix to this 10-digit statistical reporting number when completing entry summary or withdrawal forms.
- (b) Whenever in the tariff schedule an article is classifiable under a provision which derives its rate of duty from a different provision, the statistical reporting number is, in the absence of specific instructions to the contrary elsewhere, the 10-digit number for the basic provision followed by the 10-digit subheading number of the provision from which the rate is derived. Thus, the statistical reporting number of mountings for optical telescopes is "9005.90.0000-9005.80.4040". As explained in note 1(a)(x) above, the appropriate check digit is to be added as a suffix to the 10-digit number under which the goods are classified when completing entry summary or withdrawal forms. If multiple statistical reporting numbers are shown for the subheading from which the duty rate is derived and the shipment contains articles covered by more than one statistical reporting number from the subheading, then report the last applicable statistical reporting number only.
- (c) Whenever in the tariff schedule an article is eligible for reduced Merchandise Processing Fee (MPF), and a claim therefor is made under one of the following programs, the statistical reporting number is, in absence of specific instructions to the contrary elsewhere, the 10-digit number prefixed by the appropriate symbol indicated below:

Automotive Products Trade Act	-	B#
Agreement on Trade in Civil Aircraft	-	C#
United States-Canada Free-Trade Agreement	-	CA

- (d) Whenever a claim is made for special tariff treatment under one of the following programs, the statistical reporting number is, in absence of specific instructions to the contrary elsewhere, the 10-digit number prefixed by the appropriate symbol indicated below:

Products of Insular Possessions	-	Y
Articles from the Freely Associated States	-	Z

4. Abbreviations.

- (a) An "X" appearing in the column for units of quantity means that no quantity (other than gross weight) is to be reported.
- (b) Whenever two separate units of quantity are shown for the same article, the "v" following one of such units means that the value of the article is to be reported with that quantity.
- (c) The following symbols and abbreviations are used with the meanings respectively indicated below:

gr. containers	-	gross containers
ISRI	-	Institute of Scrap Recycling Industries
ode	-	ozone depletion equivalent

5. Reporting of exports.

Except as noted below, the statistical reporting numbers for articles classified in chapters 1 through 97 of this schedule may be used in place of comparable Schedule B numbers on the Shipper's Export Declaration. Statistical reporting numbers for articles covered by chapters 98 and 99 of this schedule may only be used on import entries. Schedule B numbers may not be reported on import entries in place of HTS numbers. Statistical reporting numbers used on the Shipper's Export Declaration should not include any symbols in the form of prefixes used to denote special tariff treatment. For purposes of the Shipper's Export Declaration, the check digit should be reported along with either the HTS number or the Schedule B number.

Through this notice, this publication may be used in place of the reporting codes of Schedule B for reporting exports on the Shipper's Export Declaration or under the program for electronic reporting of exports.

Except as noted below, the statistical reporting numbers (with the appropriate check digits, article descriptions and units of quantity) for articles falling in Chapters 1 through 97 may be used in place of those in Schedule B. The special prefix symbols which denote special tariff treatment should not be included.

Exceptions:

The following provisions are applicable for export purposes in lieu of the corresponding provisions in the HTS:

<u>Description</u>	<u>Schedule B Number</u>	<u>Check Digit</u>	<u>Unit of Quantity</u>
Tobacco, unmanufactured, not stemmed or stripped, foreign leaf, re-exported	2401.10.9000	0	kg
Tobacco, unmanufactured, partly or wholly stemmed or stripped, not threshed, or similarly processed, foreign leaf, re-exported	2401.20.5000	6	kg
Tobacco, unmanufactured, partly or wholly stemmed or stripped, threshed or similarly processed, foreign leaf, re-exported	2401.20.9000	8	kg
American Pima having a staple length of 28.575 mm (1-1/8 inches) or more	5201.00.2030	6	run- ning bale kg
Turbojet aircraft engines, of a thrust not exceeding 25 kN, for use in civil aircraft	8411.11.4010	3	No.
Turbojet aircraft engines, of a thrust exceeding 25 kN, for use in civil aircraft	8411.12.4010	2	No.
Turbopropeller aircraft engines, of a power not exceeding 1,100 kW, for use in civil aircraft	8411.21.4010	1	No.
Turbopropeller aircraft engines, of a power exceeding 1,100 kW, for use in civil aircraft	8411.22.4010	0	No.
Gas turbine aircraft engines, of a power not exceeding 5,000 kW, for use in civil aircraft	8411.81.4010	8	No.
Gas turbine aircraft engines, of a power exceeding 5,000 kW, for use in civil aircraft	8411.82.4010	7	No.
Parts of turbojet and turbopropeller aircraft turbines except cast iron, for use in civil aircraft	8411.91.7010	9	X
Parts of other aircraft gas turbines, except cast iron, for use in civil aircraft	8411.99.7010	1	X
Transmitters, for use in civil aircraft	8525.10.6010	2	No.
Transmission apparatus, except television and transmitters, for use in civil aircraft	8525.10.8020	6	X
Transceivers except citizens band (CB) and transceivers operating on frequencies from 49.82 to 49.90 MHz (including walkie talkies), for use in civil aircraft	8525.20.3010	7	No.

<u>Description</u>	<u>Schedule B Number</u>	<u>Check Digit</u>	<u>Unit of Quantity</u>
Radar apparatus, for use in civil aircraft	8526.10.0010	4	No.
Radio navigational aid apparatus, for use in civil aircraft	8526.91.0010	6	No.
Radiotelephonic or radiotelegraphic receivers, for use in civil aircraft	8527.90.8005	6	No.
Direction finding compasses, optical instruments, for use in civil aircraft	9014.10.1040	3	No.
Gyroscopic compasses, other than electrical, for use in civil aircraft	9014.10.6040	2	No.
Gyroscopic compasses, electrical, for use in civil aircraft	9014.10.7040	0	No.
Other direction finding compasses, for use in civil aircraft	9014.10.9040	6	No.

Chapter 98

Special Classification Provisions

Exports of Articles Previously Imported for Repair or Alterations;
Instruments of International Traffic;
Articles Donated for Relief or Charity, Not Elsewhere Specified or Included;
Military Wearing Apparel; Military Equipment Not Identified By Kind

Statistical Notes

1. For the purpose of Schedule B number 9801.10.0000, the value of repairs or alterations made in the United States shall be:
 - (a) Reported only for articles previously imported for repairs or alterations.
 - (b) The total cost of the repair or alteration (including parts and labor); or
 - (c) If no charge is made, the value to the exporter of such repair or alteration.
2. Shipping containers leaving the United States strictly as instruments of international traffic (i.e., in their capacity as carriers of merchandise), and not for sale or transfer of ownership, are not considered to be exported; therefore, such containers are not required to be reported on the Shipper's Export Declaration. However, they may be:
 - (a) Reported (if for any reason the exporter wishes to record their movement) under Schedule B number 9801.20.0000, whether loaded or empty; and
 - (b) The value reported for such instruments of international traffic shall exclude the value of the contents (if any) of such containers.
3. This chapter does not cover:
 - (a) Articles exported after having been imported temporarily under bond for processing (importations under statistical reporting number 9813.00.0520).

- (b) Those food products donated for relief or charity provided for in chapter 1 through 16 when shipped individually in bulk.
- (c) Shipments of commodities for relief or charitable purposes by government agencies, except used wearing apparel donated by government agencies.

<u>Description</u>	<u>Schedule B Number</u>	<u>Check Digit</u>	<u>Unit of Quantity</u>
Exports of Articles Previously Imported for Repairs or Alterations; Instruments of International Traffic:			
Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from the United States	9801.10.0000	0	X
Shipping containers as instruments of international traffic	9801.20.0000	8	X
Articles Donated for Relief or Charity, Not Elsewhere Specified or Included:			
Commingled food products, donated for relief or charity by individuals or private agencies	9802.10.0000	9	X
Medicinal and pharmaceutical products donated for relief or charity by individuals or private agencies	9802.20.0000	7	X
All wearing apparel (including footwear and headwear) donated for relief or charity by individuals or private agencies; and used wearing apparel donated for relief or charity by government agencies	9802.30.0000	5	X
Articles donated for relief or charity by individuals or private agencies, not elsewhere specified or included	9802.40.0000	3	X
Military Wearing Apparel, Military Equipment Not Identified By Kind:			
Military wearing apparel of all types and materials, including footwear and headwear	9803.10.0000	8	X
Military equipment not identified by kind	9803.20.0000	6	X