

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.

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- (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

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- (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,

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- (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.

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- (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

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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.

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- (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.



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- (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 <sup>2</sup>	-	square centimeters	m <sup>2</sup>	-	square meters
cm <sup>3</sup>	-	cubic centimeters	m <sup>3</sup>	-	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 Puerto Rico (advanced in value or improved in condition in a CBERA beneficiary country) (see 19 U.S.C. 2703(a)(5))	-	-	W
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.

General statistical note 4 (con.):

(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>
Bermuda grass seed .....	1209.29.0045	1	kg
Sorghum-Sudan grass seed .....	1209.29.0050	3	kg
Flue-cured cigarette leaf tobacco, not stemmed or stripped, not containing wrapper tobacco or not containing over 35 percent wrapper tobacco .....	2401.10.6030	0	kg cnt.kg
Other than U.S.-grown content .....			
Burley cigarette leaf tobacco, not stemmed or stripped, not containing wrapper tobacco or not containing over 35 percent wrapper tobacco .....	2401.10.6060	3	kg cnt.kg
Other than U.S.-grown content .....			
Flue-cured tobacco, partly or wholly stemmed, not threshed or similarly processed, not containing wrapper tobacco or not containing over 35 percent wrapper tobacco .....	2401.20.3010	9	kg cnt.kg
Other than U.S.-grown content .....			
Burley tobacco, partly or wholly stemmed or stripped, not threshed or similarly processed, not containing wrapper tobacco or not containing over 35 percent wrapper tobacco .....	2401.20.3020	7	kg cnt.kg
Other than U.S.-grown content .....			
Flue-cured tobacco, threshed or similarly processed, partly or wholly stemmed or stripped .....	2401.20.8010	8	kg cnt.kg
Other than U.S.-grown content .....			
Burley tobacco, threshed or similarly processed, partly or wholly stemmed or stripped .....	2401.20.8020	6	kg cnt.kg
Other than U.S.-grown content .....			
Tobacco stems .....	2401.30.0050	4	kg cnt.kg
Other than U.S.-grown content .....			
Tobacco refuse, not elsewhere specified or indicated .....	2401.30.9000	6	kg cnt.kg
Other than U.S.-grown content .....			
Cotton, other, having staple length under 25.4 mm (1 inch) .....	5201.00.1025	5	run- ning bale kg



Cotton, other, having staple length 25.4 mm (1 inch) or more but under 28.575 mm (1 1/8 inch) .....	5201.00.1090	5	run- ning bale 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.
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.
Electro-chemical instruments and apparatus .....	9027.80.3100	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