

U.S. Customs Service

Treasury Decision

19 CFR Part 102

(T.D. 02-47)

TECHNICAL CORRECTIONS: RULES OF ORIGIN FOR TEXTILE AND APPAREL PRODUCTS

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Interim rule; corrections.

SUMMARY: This document makes technical corrections to the Customs Regulations to reflect the terms of the 2002 Harmonized Tariff Schedule of the United States within the country of origin rules for certain textile and apparel products. The document also corrects an error in the rules regarding the scope of the definition of the term “textile or apparel product.”

DATES: These corrections are effective August 9, 2002.

FURTHER INFORMATION CONTACT: Shari Suzuki, Textile Branch, Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, N.W., Washington, D.C., 20229, Tel. (202) 572-8818.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Section 334 of the Uruguay Round Agreements Act (URAA), Public Law 103-465, 108 Stat. 4809 (19 U.S.C. 3592), directs the Secretary of the Treasury to prescribe rules implementing certain principles for determining the origin of textiles and apparel products. Section 102.21 of the Customs Regulations (19 CFR 102.21) implements section 334 of the URAA.

On May 1, 2001, Customs published in the Federal Register (66 FR 21660), as T.D. 01-36, an interim rule amending § 102.21 of the Customs Regulations (19 CFR 102.21) to align the existing country of origin rules for certain textile and apparel products with the statutory amendments to section 334 of the URAA, effected by section 405 of Title IV of the Trade and Development Act of 2000. A technical correction to T.D.

01–36 was published in the Federal Register (66 FR 23981) on May 10, 2001.

NEED FOR CORRECTION

Recent changes to the 2002 Harmonized Tariff Schedule of the United States (HTSUS) have resulted in the transfer of certain goods, for classification purposes, to newly created tariff provisions. Because of these classification changes, there are certain textile products which were intended under the scope of 19 U.S.C. 3592 to be covered by the rules of origin set forth in § 102.21 but, as a result of the changes to the 2002 HTSUS, are currently excluded from the scope of that regulatory provision or are not provided for within the tariff shift rules referenced in § 102.21(c)(2).

For example, it is noted that goods previously classifiable under heading 6002, HTSUS, which provides for “other knitted or crocheted fabrics,” are now classifiable under HTSUS headings 6002 through 6006 (as a result of the creation of new headings 6003 through 6006). As new HTSUS headings 6003 through 6006 are not included in the tariff shift rules set forth in § 102.21(e), the goods classifiable under these provisions are currently precluded from having their origin determined pursuant to § 102.21(c)(2). The technical corrections in this document amend the tariff shift rules in § 102.21(e) to add these new tariff provisions.

Similarly, a new subheading has been created at 4202.92.05, HTSUS, which provides for “insulated food and beverage bags with an outer surface of textile materials.” This document amends § 102.21 to include reference to this new tariff provision.

A technical correction to § 102.21 is also necessary to reflect that the listing in § 102.21(b)(5) of the HTSUS headings and subheadings that describe the textile and apparel products covered by these rules of origin inadvertently excluded a subheading which, pursuant to 19 U.S.C. 3592, should have been included. Section 102.21(b)(5) does not include subheading 9404.90.20, HTSUS, which provides for pillows, cushions, and similar furnishings of materials other than cotton. Section 3592, the statutory provision authorizing the rules of origin for textile and apparel products, explicitly includes subheading 9404.90, HTSUS, within the scope of the provision. *See* 19 U.S.C. 3592(b)(2)(A). Because § 102.21(b)(5) lists 9404, HTSUS, tariff provisions at a greater level of specificity (*i.e.*, to the 8-digit level) than is statutorily required (*i.e.*, to the 6-digit level), the regulation is inadvertently more restrictive in scope than the authorizing statute.

This document corrects § 102.21(b)(5) to reflect the terms of the authorizing statute to include HTSUS subheading 9404.90 as a tariff provision that is within the definition of a textile and apparel product covered by these rules of origin (and deletes the more specific tariff references to subheadings 9404.90.10 and 9404.90.80–95). By this correction, it is clear that pillows, cushions, and similar furnishings of materials other than cotton are textile and apparel products covered by

the regulation. These changes will also serve to align § 102.21(b)(5) to § 102.21(e)(1) which lists a tariff shift rule for HTSUS 9404.90.

Lastly, this document corrects a typographical error in § 102.21(e)(1) whereby the number “17” inadvertently appears in the tariff shift rule for HTSUS 6301–6303.

For the reasons set forth above, this document makes technical corrections to § 102.21 to reflect the terms of the 2002 HTSUS, to conform § 102.21 to the scope of the authorizing statute, and to correct a typographical error.

EXECUTIVE ORDER 12866, REGULATORY FLEXIBILITY ACT, INAPPLICABILITY OF PRIOR PUBLIC NOTICE AND COMMENT PROCEDURES AND DELAYED EFFECTIVE DATE REQUIREMENTS

This document does not meet the criteria for a “significant regulatory action” as specified in Executive Order 12866. Because these amendments merely update the Customs Regulations by reflecting the terms of the 2002 HTSUS within the country of origin rules for certain textile and apparel products, and otherwise correct errors in those rules, Customs has determined, pursuant to the provisions of 5 U.S.C. 553(b)(B), that prior public notice and comment procedures on this regulation are unnecessary and contrary to the public interest and that pursuant to the provisions of 5 U.S.C. 553(d)(3), there is good cause for dispensing with a delayed effective date. Because the document is not subject to the requirements of 5 U.S.C. 553, as noted, it is not subject to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

DRAFTING INFORMATION

The principal author of this document was Ms. Suzanne Kingsbury, Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

LIST OF SUBJECTS IN 19 CFR PART 102

Customs duties and inspection, Imports, Rules of Origin, Trade agreements.

AMENDMENTS TO THE REGULATIONS

For the reasons stated above, part 102 of the Customs Regulations (19 CFR part 102) is amended as set forth below.

PART 102—RULES OF ORIGIN

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

Authority: 19 U.S.C. 66, 1202 (General Note 23, Harmonized Tariff Schedule of the United States), 1624, 3314, 3592.

2. In § 102.21:

- (a) Paragraph (b)(5) is amended by removing the listings “9404.90.10” and “9404.90.80–95” and adding, in numerical order, the listings “4202.92.05” and “9404.90”;

(b) The table in paragraph (e)(1) is amended by:

(i) Adding an entry, in numerical order, for “4202.92.05”;

(ii) Removing the number “6002” from the entries in the “Tariff shift and/or other requirements” column adjacent to the “HTSUS” entries for 3005.90, 5810.91–5810.99, 5908, 5909, 5910, 5911.10–5911.20, 5911.31–5911.32, 5911.40, 5911.90, 6101–6117, 6210–6212, 6406.10.77, 6406.10.90, 6406.99.15, 6502, 6504, 6505.90, 8804, and 9113.90.40 and adding in its place the number “6006”;

(iii) Removing the number “6002” from the entries in the “Tariff shift and/or other requirements” column adjacent to the “HTSUS” entries for 5608, 5801–5803, 5901–5903, 5905, 5906–5907 and 9612.10.9010 and adding in its place the phrase “6002 through 6006”;

(iv) Removing the entry for “6001–6002” and adding in its place the entry “6001–6006”; and

(v) Removing the number “17” from the entry in the “Tariff shift and/or other requirements” column adjacent to the “HTSUS” entry for 6301–6306.

The new entries read as follows:

§ 102.21 Textile and apparel products.

* * * * *

(e) *Specific rules by tariff classification*—(1) The following rules will apply for purposes of determining the country of origin of a textile or apparel product under paragraph (c)(2) of this section:

<i>HTSUS</i>	<i>Tariff shift and/or other requirements</i>
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4202.92.05	A change to subheading 4202.92.05 from any other heading, provided that the change is the result of the good being wholly assembled in a single country, territory or insular possession.”
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6001–6006	(1) Except for fabric of wool or of fine animal hair, a change from greige fabric of heading 6001 through 6006 to finished fabric of heading 6001 through 6006 by both dyeing and printing when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing, or moireing; or,
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(2) If the country of origin cannot be determined under paragraph (1) of this entry, a change to heading 6001 through 6006 from any heading outside that group, provided that the change is the result of a fabric-making process.

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ROBERT C. BONNER,
Commissioner of Customs.

Approved: August 6, 2002.

TIMOTHY E. SKUD,

Deputy Assistant Secretary of the Treasury.

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