

Actions	Compliance	Procedures
<p>(1) Inspect the entire flight control system for improper assembly and any damage.</p> <p>(2) If you find any improperly assembled or damaged flight controls as a result of the inspection required by paragraph (e)(1) of this AD, take corrective action as specified in the service information.</p>	<p>(i) For Group 1 Airplanes: At whichever of the following occurs first:</p> <p>(A) Within the next 100 hours time-in-service (TIS) after December 13, 2006 (the effective date of AD 2006-23-02); or</p> <p>(B) At the next annual inspection that occurs at least 30 days after December 13, 2006 (the effective date of AD 2006-23-02)</p> <p>(ii) For Group 2 Airplanes: At whichever of the following occurs first:</p> <p>(A) Within the next 100 hours TIS after July 16, 2007 (the effective date of this AD); or</p> <p>(B) At the next annual inspection that occurs at least 30 days after July 16, 2007 (the effective date of this AD).</p> <p>Before further flight after the inspection required by paragraph (e)(1) of this AD.</p>	<p>Follow Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Issued: February 2006; or Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Rev. 1, Dated December 2006.</p> <p>Follow Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Issued: February 2006; or Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Rev. 1, Dated December 2006.</p>

#### Alternative Methods of Compliance (AMOCs)

(f) The Manager, Wichita Aircraft Certification Office (ACO), FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. Send information to ATTN: Chris B. Morgan, Aerospace Engineer, FAA, Wichita ACO, 1801 Airport Road, Wichita, Kansas 67209; telephone: (316) 946-4154; fax: (316) 946-4107. Before using any approved AMOC on any airplane to which the AMOC applies, notify your appropriate principal inspector (PI) in the FAA Flight Standards District Office (FSDO), or lacking a PI, your local FSDO.

(g) AMOCs approved for AD 2006-23-02 are approved for this AD.

#### Related Information

(h) To get copies of the service information referenced in this AD, contact Hawker Beechcraft Corporation, P.O. Box 85, Wichita, Kansas 67201-0085; telephone: (800) 429-5372 or (316) 676-3140. To view the AD docket, go to the Docket Management Facility; U.S. Department of Transportation, 400 Seventh Street, SW., Nassif Building, Room PL-401, Washington, DC, or on the Internet at <http://dms.dot.gov>. The docket number is Docket No. FAA-2007-27071; Directorate Identifier 2007-CE-004-AD.

#### Material Incorporated by Reference

(i) You must use Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Issued: February 2006; or Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Rev. 1, Dated December 2006, to do the actions required by this AD, unless the AD specifies otherwise.

(1) The Director of the Federal Register approved the incorporation by reference of Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Rev. 1, Dated December 2006, under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) On December 13, 2006 (71 FR 65390 Nov. 8, 2006), the Director of the Federal Register approved the incorporation by reference of Raytheon Aircraft Company Mandatory Service Bulletin Number SB 27-3761, Issued: February 2006.

(3) For service information identified in this AD, contact Hawker Beechcraft Corporation, P.O. Box 85, Wichita, Kansas 67201-0085; telephone: (800) 429-5372 or (316) 676-3140.

(4) You may review copies at the FAA, Central Region, Office of the Regional Counsel, 901 Locust, Kansas City, Missouri 64106; or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Issued in Kansas City, Missouri, on May 29, 2007.

#### David R. Showers,

*Acting Manager, Small Airplane Directorate, Aircraft Certification Service.*

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**BILLING CODE 4910-13-P**

#### DEPARTMENT OF HOMELAND SECURITY

#### U.S. Customs and Border Protection

#### DEPARTMENT OF THE TREASURY

#### 19 CFR Parts 10, 24, 162, 163, and 178

[USCBP-2007-0057; CBP Dec. 07-28]

RIN 1505-AB48

#### United States-Singapore Free Trade Agreement

**AGENCIES:** U.S. Customs and Border Protection, Department of Homeland Security; Department of the Treasury.

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

**SUMMARY:** This rule amends title 19 of the Code of Federal Regulations ("CFR") on an interim basis to implement the preferential tariff treatment and other customs-related provisions of the U.S.-Singapore Free Trade Agreement entered into by the United States and the Republic of Singapore.

**DATES:** Interim rule effective June 11, 2007; comments must be received by August 10, 2007.

**ADDRESSES:** You may submit comments, identified by docket number, by one of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments via docket number USCBP-2007-0057.
- *Mail:* Trade and Commercial Regulations Branch, Regulations and Rulings, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue,

NW. (Mint Annex), Washington, DC 20229.

*Instructions:* All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <http://www.regulations.gov>, including any personal information provided. For detailed instructions on submitting comments and additional information on the rulemaking process, see the "Public Participation" heading of the **SUPPLEMENTARY INFORMATION** section of this document.

*Docket:* For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>. Submitted comments may also be inspected during regular business days between the hours of 9 a.m. and 4:30 p.m. at the Trade and Commercial Regulations Branch, Regulations and Rulings, U.S. Customs and Border Protection, 799 9th Street, NW., 5th Floor, Washington, DC. Arrangements to inspect submitted comments should be made in advance by calling Mr. Joseph Clark at (202) 572-8768.

**FOR FURTHER INFORMATION CONTACT:**

*Textile Operational Aspects:* Robert Abels, Office of Field Operations, (202) 344-1959.

*Other Operational Aspects:* Lori Whitehurst, Office of Field Operations, (202) 344-2722.

*Audit Aspects:* Mark Hanson, Office of Regulatory Audit, (202) 344-2877.

*Legal Aspects:* Edward Leigh, Office of International Trade, (202) 572-8810.

**SUPPLEMENTARY INFORMATION:**

**I. Public Participation**

Interested persons are invited to participate in this rulemaking by submitting written data, views, or arguments on all aspects of the interim rule. CBP also invites comments that relate to the economic, environmental, or federalism effects that might result from this interim rule. Comments that will provide the most assistance to CBP in developing these procedures will reference a specific portion of the interim rule, explain the reason for any recommended change, and include data, information, or authority that support such recommended change. See **ADDRESSES** above for information on how to submit comments.

**II. Background**

On May 6, 2003, the United States and the Republic of Singapore (the "Parties") signed the U.S.-Singapore Free Trade Agreement ("SFTA"). The stated objectives of the SFTA include

promoting open and competitive markets in trade between the Parties; promoting transparency and eliminating bribery and corruption in business transactions within the territories of the Parties; expanding trade in services between the Parties on a mutually advantageous basis; and, recognizing that liberalized trade in goods and services will assist the expansion of trade and investment flows, raise the standard of living and create new employment opportunities within the territories of the Parties.

The provisions of the SFTA were adopted by the United States with the enactment of the United States-Singapore Free Trade Agreement Implementation Act (the "Act"), Pub. L. 108-78, 117 Stat. 948 (19 U.S.C. 3805 note) (2003). Section 206 of the Act requires that regulations be prescribed as necessary.

U.S. Customs and Border Protection ("CBP") is responsible for administering the provisions of the SFTA and the Act that relate to the importation of goods into the United States from Singapore. Those customs-related SFTA provisions which require implementation through regulation include certain tariff and non-tariff provisions within Chapter One (Establishment of a Free Trade Area and Definitions), Chapter Two (National Treatment and Market Access for Goods), Chapter Three (Rules of Origin), Chapter Four (Customs Administration), and Chapter Five (Textiles and Apparel).

In Chapter One of the SFTA, certain general definitions in Article 1.2 have been incorporated in the SFTA implementing regulations. The tariff-related provisions within SFTA Chapter Two that require regulatory action by CBP are Article 2.6 (Goods re-entered after Repair or Alteration), Article 2.8 (Merchandise Processing Fee), and Article 2.12 (Tariff Preference Levels).

Chapter Three of the SFTA sets forth the rules for determining whether an imported good qualifies as an originating good of the United States or Singapore ("SFTA country") and, as such, is therefore eligible for preferential tariff (duty-free or reduced duty) treatment under the SFTA as provided for in the Harmonized Tariff Schedule of the United States ("HTSUS"). Under Article 3.1 of Chapter Three, originating goods may be grouped in three broad categories: (1) Goods that are wholly obtained or produced entirely in one or both of the Parties; (2) goods that are listed in Annex 3B (Integrated Sourcing Initiative) of the SFTA and are imported from the territory of Singapore; and (3) goods that have been produced in one

or both of the Parties so that each non-originating material satisfies the specific requirements in SFTA Annex 3A (change in tariff classification requirement and/or regional value content requirement). Article 3.2 provides originating status for goods covered by the Agreement's Integrated Sourcing Initiative. Article 3.3 provides a *de minimis* criterion. Article 3.4 allows production that takes place in the territory of both Parties to be accumulated such that, provided other requirements are met, the resulting good is considered originating. Article 3.5 sets forth the methods for calculating the regional value content of a good. Article 3.6 sets forth the rules for determining the value of materials for purposes of calculating the regional value content of a good and applying the *de minimis* rule. The remaining Articles within Section A of Chapter Three consist of additional sub-rules, applicable to the originating good concept, involving accessories, spare parts and tools, fungible materials, packaging materials, packing materials, indirect materials, and third country transportation. The basic rules of origin in Chapter Three of the SFTA are set forth in General Note 25, HTSUS.

Section B of Chapter Three sets forth the procedural and recordkeeping requirements that apply under the SFTA, in particular with regard to claims for preferential tariff treatment; Section C sets forth consultation mechanisms among the parties; and Section D lists the definitions to be used within the context of the rules of origin in the Chapter.

Chapter Four sets forth the customs operational provisions related to the implementation and continued administration of the SFTA.

Chapter Five sets forth the measures relating to trade in textile and apparel goods between Singapore and the United States under the SFTA.

In order to provide transparency and facilitate their use, the majority of the SFTA implementing regulations set forth in this document have been included within new Subpart I in Part 10 of the CBP regulations (19 CFR Part 10). However, in those cases in which SFTA implementation is more appropriate in the context of an existing regulatory provision, the SFTA regulatory text has been incorporated in an existing Part within the CBP regulations. In addition, this document sets forth a number of cross-references and other consequential changes to existing regulatory provisions to clarify the relationship between those existing provisions and the new SFTA implementing regulations. The

regulatory changes are discussed below in the order in which they appear in this document.

### III. Discussion of Amendments

#### Part 10

Section 10.31(f) concerns temporary importations under bond. It is amended by adding references to certain goods originating in Singapore for which, like goods originating in Canada, Mexico and Chile, no bond or other security will be required when imported temporarily for prescribed uses. The provisions of SFTA Article 2.5 (temporary admission of goods) are already reflected in existing temporary importation bond or other provisions contained in Part 10 of the CBP regulations and in Chapter 98 of the HTSUS.

#### Part 10, Subpart I

##### General Provisions

Section 10.501 outlines the scope of new Subpart I, Part 10 of the CBP regulations. This section also clarifies that, except where the context otherwise requires, the requirements contained in Subpart I, Part 10 are in addition to general administrative and enforcement provisions set forth elsewhere in the CBP regulations. Thus, for example, the specific merchandise entry requirements contained in Subpart I, Part 10 are in addition to the basic entry requirements contained in Parts 141–143 of the CBP regulations.

Section 10.502 sets forth definitions of common terms used in multiple contexts or places within Subpart I, Part 10. Although the majority of the definitions in this section are based on definitions contained in Articles 1.2, 3.19, and 5.11 and Annex 1A of the SFTA, and § 3 of the Act, other definitions have also been included to clarify the application of the regulatory texts. Additional definitions which apply in a more limited Subpart I, Part 10 context are set forth elsewhere with the substantive provisions to which they relate.

##### Import Requirements

Section 10.510 sets forth the procedure for claiming SFTA preferential treatment at the time of entry and, as provided in SFTA Article 3.13, states that an importer may make a claim for SFTA preferential treatment based on the importer's knowledge or information in the importer's possession that the good qualifies as an originating good. Section 10.510 also reflects that portion of SFTA Article 3.14 which requires an importer to promptly correct an invalid claim for preferential

treatment in order to avoid being subject to penalties.

Unlike certain other free trade agreements to which the United States is a Party, such as the North American Free Trade Agreement (NAFTA) and the United States-Chile Free Trade Agreement (US–CFTA), the SFTA does not specify a procedure for making a post-importation claim. However, nothing in the SFTA or the Act bars an adjustment prior to liquidation to recognize a claim for SFTA benefits. Therefore, Subpart I, Part 10 contains no regulatory provisions governing such claims. However, a protest against an alleged error in the liquidation of an entry may be brought under the normal procedures to contest a denial of SFTA benefits (*see* Part 174, CBP regulations (19 CFR Part 174)).

Section 10.511, as provided in SFTA Article 3.13, requires a U.S. importer, upon request, to submit a supporting statement setting forth the reasons that the good qualifies as an SFTA originating good, in connection with the claim. Section 10.512 sets forth certain importer obligations regarding the truthfulness of information and documents submitted in support of a claim for preferential treatment.

Section 10.513 provides that the importer's supporting statement is not required for certain non-commercial or low-value importations.

Section 10.514 implements SFTA Article 3.15 concerning the maintenance of relevant records regarding the imported good.

Section 10.515, which is based on SFTA Article 3.14, authorizes the denial of SFTA tariff benefits if the importer fails to comply with any of the requirements under Subpart I, Part 10, CBP regulations.

##### Tariff Preference Level

Sections 10.520 and 10.521, which are based on SFTA Article 2.12, specify the cotton and man-made fiber apparel goods for which an importer may claim preferential tariff treatment under a tariff preference level (TPL), and explain the procedure for making such claims. Section 10.522 provides that a TPL claim must be accompanied by a certificate of eligibility issued by the Government of Singapore.

##### Rules of Origin

Sections 10.530 through 10.543 provide the implementing regulations regarding the rules of origin provisions of HTSUS General Note 25, SFTA Chapter Three, and section 202 of the Act.

##### Definitions

Section 10.530 sets forth terms that are defined for purposes of the rules of origin.

##### General Rules of Origin

Section 10.531 sets forth the basic rules of origin established in Chapter Three of the SFTA, section 202(a) of the Act, and General Note 25(b), HTSUS. The provisions of § 10.531 apply both to the determination of the status of an imported good as an originating good for purposes of preferential tariff treatment and to the determination of the status of a material as an originating material used in a good which is subject to a determination under General Note 25, HTSUS. Section 10.531(a) specifies those goods that are originating goods because they are wholly obtained or produced entirely in the territory of one or both of the Parties.

Section 10.531(b) provides that goods that have been produced in the territory of one or both of the Parties so that each non-originating material undergoes an applicable change in tariff classification and satisfies any applicable regional value content or other requirement set forth in General Note 25(o), are originating goods. Essential to the rules in § 10.531(b) are the specific rules of General Note 25(o), HTSUS, which are incorporated by reference.

Section 10.531(c) provides originating status for goods of the SFTA Integrated Sourcing Initiative ("ISI"). Goods eligible for originating status under the ISI are information technology goods listed in Annex 3B of the Agreement and General Note 25(m), HTSUS. These are goods for which the current U.S. Normal Trade Relations (Most-Favored Nation) duty rate is zero. The SFTA ISI arrangement provides not only the zero rate of duty for these goods, but also exempts them, regardless of their origin under any other rule, from the Merchandise Processing Fee. This treatment is afforded to goods that, in their condition as imported into the United States, are enumerated in General Note 25(m), HTSUS, and are imported from the territory of Singapore. However, ISI goods may not be counted as originating materials when used to produce other goods in Singapore unless either another rule of origin is satisfied or the ISI goods are imported into Singapore from the United States prior to being used in the production of other goods in Singapore.

Section 10.532 specifies the requirements for a good to be treated as an originating good under the ISI and the limitations on the treatment of an ISI good as an originating material when

used in the production of another good in Singapore.

#### De Minimis

Section 10.533 sets forth *de minimis* rules for goods that may be considered to qualify as originating goods even though they fail to qualify as originating goods under the rules in § 10.531.

#### Accumulation

Section 10.534 sets forth the rule by which originating materials from the territory of Singapore or the United States that are used in the production of a good in the territory of the other country will be considered to originate in the territory of such other country. In addition, this section also establishes that a good that is produced by one or more producers in the territory of Singapore or the United States, or both, is an originating good if the good satisfies all of the applicable requirements of the rules of origin of the SFTA.

#### Value Content

Section 10.535 sets forth the basic rules which apply for purposes of determining whether an imported good satisfies a minimum regional value content ("RVC") requirement. Section 10.536 sets forth the rules for determining the value of a material for purposes of calculating the regional value content of a good as well as for purposes of applying the *de minimis* rules.

#### Accessories, Spare Parts, or Tools

Section 10.537 specifies the conditions under which a good's standard accessories, spare parts, or tools are (1) treated as originating goods and (2) disregarded in determining whether all non-originating materials undergo an applicable change in tariff classification under General Note 25(o), HTSUS.

#### Fungible Goods and Materials

Section 10.538 sets forth the rules by which "fungible" goods or materials may be claimed as originating.

#### Packaging Materials and Packing Materials

Sections 10.539 and 10.540 provide that retail packaging materials and packing materials for shipment are to be disregarded with respect to their actual origin in determining whether non-originating materials undergo an applicable change in tariff classification under General Note 25(o), HTSUS. These sections also set forth the treatment of packaging and packing

materials for purposes of the regional value content requirement of the note.

#### Indirect Materials

Section 10.541 provides that indirect materials, as defined in § 10.502(j), are considered to be originating materials without regard to where they are produced.

#### Third Country Transportation

Section 10.542 sets forth the rule that an originating good loses its originating status and is treated as a non-originating good if, subsequent to the production in a SFTA country that qualifies the good as originating, the good undergoes production in a territory outside that of a SFTA country.

#### Certain Apparel Goods Made from Fabric or Yarn in Short Supply

Section 10.543 provides for an exception to the basic rules of origin set forth in § 10.531 in the case of certain apparel goods made from fabric or yarn that is not available in commercial quantities. This section states that an apparel article classified in Chapter 61 or 62 of the HTSUS is considered originating if cut (or knit to shape) and assembled in one or both of the Parties from fabric or yarn, regardless of origin, that has been designated by the Committee for the Implementation of Textile Agreements ("CITA") as not available in commercial quantities in a timely manner in the United States. The designations by CITA must have been made by notices published in the **Federal Register** no later than November 15, 2002.

#### Origin Verifications and Determinations

Sections 10.550 and 10.551 implement the provisions of SFTA Articles 3.14 and 3.16 which concern the conduct of verifications to determine whether imported goods are originating goods entitled to SFTA preferential duty treatment and the issuance and application of origin determinations resulting from such verifications. These sections also govern the conduct of verifications directed to producers of materials that are used in the production of a good for which SFTA preferential duty treatment is claimed.

Section 10.551 provides the procedures that apply when preferential tariff treatment is denied on the basis of an origin verification conducted under this subpart.

Sections 10.552 through 10.554, which are based on Articles 5.4 and 5.5 of the SFTA, set forth provisions relating to information sharing by CBP,

site visits, and enforcement in regard to trade in textile and apparel goods.

#### Penalties

Section 10.560 concerns the general application of penalties to SFTA transactions and is based on SFTA Article 4.7.

Section 10.561 reflects SFTA Article 3.14 with regard to exceptions to the application of penalties in the case of an importer who promptly and voluntarily makes a corrected claim and pays any duties owing. The SFTA's exception to the application of penalties is contingent upon the importer correcting the claim and paying any duties owing within a period, determined by each importing Party, that may not be less than one year from submission of the invalid claim. Section 10.562 sets a period within which a corrected claim enjoys the exception from penalties in § 10.561 at one year, and also extends § 10.561 to any corrected claim made after the one-year period, if made (1) before the commencement of a formal investigation, or (2) before any of the events specified in § 162.74(i) of this chapter has occurred, or (3) within 30 days after the importer becomes aware that the claim is not valid. Corrected claims that fail to meet these requirements are not excepted from penalties, although the importer making the corrected claim may, depending on the circumstances, qualify for a reduced penalty as a prior disclosure under 19 U.S.C. 1592(c)(4).

#### Goods Returned After Repair or Alteration

Section 10.570 implements SFTA Article 2.6 regarding duty-free treatment for goods re-entered after repair or alteration in Singapore.

#### Part 24

An amendment is made to § 24.23(c), which concerns the merchandise processing fee, to implement Article 2.8 of the SFTA and § 203 of the Act, to provide that the merchandise processing fee is not applicable to goods that qualify as originating goods under the SFTA.

#### Part 162

Part 162 contains regulations regarding the inspection and examination of, among other things, imported merchandise. A cross-reference is added to § 162.0, which is the scope section of the part, to refer readers to the additional SFTA records maintenance and examination provisions contained in new Subpart I, Part 10, HTSUS.

## Part 163

A conforming amendment is made to § 163.1 to include the completion of the SFTA importer's supporting statement and any other supporting documentation pursuant to the SFTA as activities for which records must be maintained. Also, the list appearing in the Appendix to Part 163 (commonly known as the (a)(1)(A) list) is amended to add: (1) The SFTA importer's supporting statement and any other supporting documentation; and (2) the SFTA TPL Certificate of Eligibility.

## Part 178

Part 178 sets forth the control numbers assigned to information collections of CBP by the Office of Management and Budget, pursuant to the Paperwork Reduction Act of 1995, Pub. L. 104-13. The list contained in § 178.2 is amended to add the information collections used by CBP to determine eligibility for a tariff preference or other rights or benefits under the SFTA and the Act.

#### IV. Inapplicability of Notice and Delayed Effective Date Requirements

Under the Administrative Procedure Act ("APA") (5 U.S.C. 553), agencies generally are required to publish a notice of proposed rulemaking in the **Federal Register** that solicits public comment on the proposed regulatory amendments, consider public comments in deciding on the content of the final amendments, and publish the final amendments at least 30 days prior to their effective date. However, section 553(a)(1) of the APA provides that the standard prior notice and comment procedures and delayed effective date provisions of 5 U.S.C. 553(d) do not apply to an agency rulemaking to the extent that it involves a foreign affairs function of the United States. CBP has determined that these interim regulations involve a foreign affairs function of the United States because they implement preferential tariff treatment and related provisions of the SFTA. Therefore, the rulemaking requirements under the APA do not apply and this interim rule will be effective upon publication.

#### V. Executive Order 12866 and Regulatory Flexibility Act

CBP has determined that this document is not a regulation or rule subject to the provisions of Executive Order 12866 of September 30, 1993 (58 FR 51735, October 1993), because it pertains to a foreign affairs function of the United States and implements an international agreement, as described above, and therefore is specifically

exempted by section 3(d)(2) of Executive Order 12866. Because a notice of proposed rulemaking is not required under section 553(b) of the APA for the reasons described above, CBP notes that the provisions of the Regulatory Flexibility Act, as amended (5 U.S.C. 601 *et seq.*), do not apply to this rulemaking. Accordingly, CBP also notes that this interim rule is not subject to the regulatory analysis requirements or other requirements of 5 U.S.C. 603 and 604.

#### VI. Paperwork Reduction Act

These regulations are being issued without prior notice and public procedure pursuant to the APA, as described above. For this reason, the collections of information contained in these regulations have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1651-0117.

The collections of information in these regulations are in §§ 10.510 and 10.511. This information is required in connection with claims for preferential tariff treatment and for the purpose of the exercise of other rights under the SFTA and the Act and will be used by CBP to determine eligibility for a tariff preference or other rights or benefits under the SFTA and the Act. The likely respondents are business organizations including importers, exporters and manufacturers.

*Estimated total annual reporting burden:* 9,000 hours.

*Estimated average annual burden per respondent:* 0.2 hours.

*Estimated number of respondents:* 45,000.

*Estimated annual frequency of responses:* 1.

Comments concerning the collections of information and the accuracy of the estimated annual burden, and suggestions for reducing that burden, should be directed to the Office of Management and Budget, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503. A copy should also be sent to the Trade and Commercial Regulations Branch, Regulations and Rulings, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW. (Mint Annex), Washington, DC 20229.

#### VII. Signing Authority

This document is being issued in accordance with § 0.1(a)(1) of the CBP regulations (19 CFR 0.1(a)(1)) pertaining to the authority of the Secretary of the

Treasury (or his/her delegate) to approve regulations related to certain CBP revenue functions.

#### List of Subjects

##### 19 CFR Part 10

Alterations, Bonds, Customs duties and inspection, Exports, Imports, Preference programs, Repairs, Reporting and recordkeeping requirements, Trade agreements (United States-Singapore Free Trade Agreement).

##### 19 CFR Part 24

Accounting, Customs duties and inspection, Financial and accounting procedures, Reporting and recordkeeping requirements, Trade agreements, User fees.

##### 19 CFR Part 162

Administrative practice and procedure, Customs duties and inspection, Penalties, Trade agreements.

##### 19 CFR Part 163

Administrative practice and procedure, Customs duties and inspection, Exports, Imports, Reporting and recordkeeping requirements, Trade agreements.

##### 19 CFR Part 178

Administrative practice and procedure, Exports, Imports, Reporting and recordkeeping requirements.

#### Amendments to the Regulations

■ Accordingly, chapter I of title 19, Code of Federal Regulations (19 CFR chapter I), is amended as set forth below.

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

■ 1. The general authority citation for part 10 continues to read and the specific authority for new Subpart I is added to read as follows:

**Authority:** 19 U.S.C. 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314;

\* \* \* \* \*

Sections 10.501 through 10.570 also issued under 19 U.S.C. 1202 (General Note 25, HTSUS) and Pub. L. 108-78, 117 Stat. 948 (19 U.S.C. 3805 note).

■ 2. In § 10.31, paragraph (f), the last sentence is revised to read as follows:

#### § 10.31 Entry; bond.

\* \* \* \* \*

(f) \* \* \* In addition, notwithstanding any other provision of this paragraph, in the case of professional equipment necessary for carrying out the business

activity, trade or profession of a business person, equipment for the press or for sound or television broadcasting, cinematographic equipment, articles imported for sports purposes and articles intended for display or demonstration, if brought into the United States by a resident of Canada, Mexico, Chile, or Singapore and entered under Chapter 98, Subchapter XIII, HTSUS, no bond or other security will be required if the entered article is a good originating in Canada, Mexico, Chile, or Singapore within the meaning of General Notes 12, 25, and 26, HTSUS.

\* \* \* \* \*

### § 10.36a [Amended]

■ 3. In § 10.36a, the first sentence of paragraph (a) is amended by removing the words “(as defined in §§ 10.8, 10.490 and 181.64 of this chapter)” and adding, in their place, the words “(as defined in §§ 10.8, 10.490, 10.570, and 181.64 of this chapter)”.

■ 4. Part 10, CBP regulations, is amended by adding a new Subpart I to read as follows:

#### Subpart I—United States–Singapore Free Trade Agreement

##### General Provisions

- Sec.  
10.501 Scope.  
10.502 General definitions.

##### Import Requirements

- 10.510 Filing of claim for preferential tariff treatment upon importation.  
10.511 Supporting statement.  
10.512 Importer obligations.  
10.513 Supporting statement not required.  
10.514 Maintenance of records.  
10.515 Effect of noncompliance; failure to provide documentation regarding third country transportation.

##### Tariff Preference Level

- 10.520 Filing of claim for tariff preference level.  
10.521 Goods eligible for tariff preference level claims.  
10.522 Submission of certificate of eligibility.

##### Rules of Origin

- 10.530 Definitions.  
10.531 Originating goods.  
10.532 Integrated Sourcing Initiative.  
10.533 De minimis.  
10.534 Accumulation.  
10.535 Regional value content.  
10.536 Value of materials.  
10.537 Accessories, spare parts, or tools.  
10.538 Fungible goods and materials.  
10.539 Retail packaging materials and containers.  
10.540 Packing materials and containers for shipment.  
10.541 Indirect materials.  
10.542 Third country transportation.

10.543 Certain apparel goods made from fabric or yarn not available in commercial quantities.

##### Origin Verifications and Determinations

- 10.550 Verification and justification of claim for preferential treatment.  
10.551 Issuance of negative origin determinations.  
10.552 Information sharing by CBP regarding textile and apparel goods produced in the United States.  
10.553 Textile and apparel site visits.  
10.554 Exclusion of textile or apparel goods for intentional circumvention.

##### Penalties

- 10.560 General.  
10.561 Corrected claim or supporting statement.  
10.562 Framework for correcting claims or supporting statements.

##### Goods Returned After Repair or Alteration

- 10.570 Goods re-entered after repair or alteration in Singapore.

#### Subpart I—United States-Singapore Free Trade Agreement

##### General Provisions

###### § 10.501 Scope.

This subpart implements the duty preference and related customs provisions applicable to imported goods under the United States-Singapore Free Trade Agreement (the SFTA) signed on May 6, 2003, and under the United States-Singapore Free Trade Agreement Implementation Act (the Act; 117 Stat. 948). Except as otherwise specified in this subpart, the procedures and other requirements set forth in this subpart are in addition to the customs procedures and requirements of general application contained elsewhere in this chapter. Additional provisions implementing certain aspects of the SFTA and the Act are contained in Parts 24, 162, and 163 of this chapter.

###### § 10.502 General definitions.

As used in this subpart, the following terms will have the meanings indicated unless either the context in which they are used requires a different meaning or a different definition is prescribed for a particular section of this subpart:

(a) *Claim for preferential tariff treatment*. “Claim for preferential tariff treatment” means a claim that a good is entitled to the duty rate applicable under the SFTA to an originating good or other good specified in the SFTA, and to an exemption from the merchandise processing fee;

(b) *Customs duty*. “Customs duty” includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such

importation, but, for purposes of implementing the SFTA, does not include any:

(1) Charge equivalent to an internal tax imposed consistently with Article III:2 of GATT 1994 in respect of the like domestic good or in respect of goods from which the imported good has been manufactured or produced in whole or in part;

(2) Antidumping or countervailing duty that is applied pursuant to a Party’s domestic law;

(3) Fee or other charge in connection with importation commensurate with the cost of services rendered; or

(4) Duty imposed pursuant to Article 5 of the WTO Agreement on Agriculture.

(c) *Customs Valuation Agreement*. “Customs Valuation Agreement” means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;

(d) *Days*. “Days” means calendar days;

(e) *Enterprise*. “Enterprise” means an entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture, or other association;

(f) *GATT 1994*. “GATT 1994” means the *General Agreement on Tariffs and Trade 1994*, which is part of the *WTO Agreement*;

(g) *Harmonized System*. “Harmonized System (HS)” means the *Harmonized Commodity Description and Coding System*, including its General Rules of Interpretation, Section Notes, and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

(h) *Heading*. “Heading” means the first four digits in the tariff classification number under the Harmonized System;

(i) *HTSUS*. “HTSUS” means the *Harmonized Tariff Schedule of the United States* as promulgated by the U.S. International Trade Commission;

(j) *Indirect material*. “Indirect material” means a good used in the production, testing, or inspection of a good in the territory of the United States or Singapore but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good in the territory of the United States or Singapore, including:

(1) Fuel and energy;

(2) Tools, dies, and molds;

(3) Spare parts and materials used in the maintenance of equipment and buildings;

(4) Lubricants, greases, compounding materials, and other materials used in production or used to operate equipment and buildings;

(5) Gloves, glasses, footwear, clothing, safety equipment, and supplies;

(6) Equipment, devices, and supplies used for testing or inspecting the good;

(7) Catalysts and solvents; and

(8) Any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;

(k) *Originating*. "Originating" means qualifying for preferential tariff treatment under the rules of origin set out in SFTA Chapter Three (Rules of Origin) and General Note 25, HTSUS;

(l) *Party*. "Party" means the United States or the Republic of Singapore;

(m) *Person*. "Person" means a natural person or an enterprise;

(n) *Preferential tariff treatment*. "Preferential tariff treatment" means the duty rate applicable under the SFTA to an originating good, and an exemption from the merchandise processing fee;

(o) *Subheading*. "Subheading" means the first six digits in the tariff classification number under the Harmonized System;

(p) *Tariff preference level*. "Tariff preference level" means a quantitative limit for certain non-originating textiles and textile apparel goods that may be entitled to preferential tariff treatment based on the goods meeting the production requirements set forth in § 10.521 of this subpart;

(q) *Textile or apparel good*. "Textile or apparel good" means a good listed in the Annex to the Agreement on Textiles and Clothing (commonly referred to as "the ATC"), which is part of the WTO Agreement;

(r) *Territory*. "Territory" means:

(1) With respect to Singapore, its land territory, internal waters and territorial sea as well as the maritime zones beyond the territorial sea, including the seabed and subsoil over which the Republic of Singapore exercises sovereign rights or jurisdiction under its national laws and international law for the purpose of exploration and exploitation of the natural resources of such areas; and

(2) With respect to the United States;

(i) The customs territory of the United States, which includes the 50 states, the District of Columbia, and Puerto Rico;

(ii) The foreign trade zones located in the United States and Puerto Rico; and

(iii) Any areas beyond the territorial seas of the United States within which,

in accordance with international law and its domestic law, the United States may exercise rights with respect to the seabed and subsoil and their natural resources; and

(s) *WTO Agreement*. "WTO Agreement" means the *Marrakesh Agreement Establishing the World Trade Organization* of April 15, 1994.

#### Import Requirements

##### § 10.510 Filing of claim for preferential tariff treatment upon importation.

(a) *Claim*. An importer may make a claim for SFTA preferential tariff treatment, including an exemption from the merchandise processing fee, based on the importer's knowledge or information in the importer's possession that the good qualifies as an originating good. For goods that qualify as originating goods under the Integrated Sourcing Initiative (see subdivisions (b)(ii) and (m) of General Note 25, HTSUS, and § 10.532 of this subpart), the claim is made by including on the entry summary, or equivalent documentation, the tariff item 9999.00.84, HTSUS, or by the method specified for equivalent reporting via an authorized electronic data interchange system. For all other qualifying goods, the claim is made by including on the entry summary, or equivalent documentation, the letters "SG" as a prefix to the subheading of the HTSUS under which each qualifying good is classified, or by the method specified for equivalent reporting via an authorized electronic data interchange system.

(b) *Corrected claim*. If, after making the claim required under paragraph (a) of this section, the importer becomes aware that the claim is invalid, the importer must promptly correct the claim and pay any duties that may be due. The importer must submit a statement either in writing or via an authorized electronic data interchange system to the CBP office where the original claim was filed specifying the correction (see §§ 10.561 and 10.562 of this subpart).

##### § 10.511 Supporting statement.

(a) *Contents*. An importer who makes a claim under § 10.510(a) of this subpart must submit, at the request of the port director, a statement setting forth the reasons that the good qualifies as an originating good, including pertinent cost and manufacturing data. A statement submitted to CBP under this paragraph:

(1) Need not be in a prescribed format but must be in writing or must be transmitted electronically pursuant to

any electronic means authorized by CBP for that purpose;

(2) Must include the following information:

(i) The legal name, address, telephone, and e-mail address (if any) of the importer of record of the good;

(ii) The legal name, address, telephone, and e-mail address (if any) of the responsible official or authorized agent of the importer signing the supporting statement (if different from the information required by paragraph (a)(2)(i) of this section);

(iii) The legal name, address, telephone, and e-mail address (if any) of the exporter of the good (if different from the producer);

(iv) The legal name, address, telephone, and e-mail address (if any) of the producer of the good (if known);

(v) A description of the good for which preferential tariff treatment is claimed, which must be sufficiently detailed to relate it to the invoice and the HS nomenclature;

(vi) The HTSUS tariff classification, to six or more digits, as necessary for the specific change in tariff classification rule for the good set forth in General Note 25(o), HTSUS;

(vii) The applicable rule of origin set forth in General Note 25, HTSUS, under which the good qualifies as an originating good; and

(3) Must include a statement, in substantially the following form:

I certify that:

The information on this document is true and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document;

I agree to maintain and present upon request, documentation necessary to support these representations;

The goods originated or are considered to have originated in the territory of one or more of the Parties, and comply with the origin requirements specified for those goods in the United States-Singapore Free Trade Agreement; there has been no further production or any other operation outside the territories of the parties, other than unloading, reloading, or any other operation necessary to preserve the goods in good condition or to transport the goods to the United States; and

This document consists of \_\_\_\_ pages, including all attachments."

(b) *Responsible official or agent*. The supporting statement required to be submitted under paragraph (a) of this section must be signed and dated by a responsible official of the importer or by the importer's authorized agent having knowledge of the relevant facts.

(c) *Language*. The supporting statement required to be submitted

under paragraph (a) of this section must be completed in the English language.

(d) *Applicability of supporting statement.* The supporting statement required to be submitted under paragraph (a) of this section may be applicable to:

(1) A single importation of a good into the United States, including a single shipment that results in the filing of one or more entries and a series of shipments that results in the filing of one entry; or

(2) Multiple importations of identical goods into the United States that occur within a specified blanket period, not exceeding 12 months, set out in the statement. For purposes of this paragraph, "identical goods" means goods that are the same in all respects relevant to the particular rule of origin that qualifies the goods as originating.

#### **§ 10.512 Importer obligations.**

(a) *General.* An importer who makes a claim under § 10.510(a) of this subpart is responsible for the truthfulness of the claim and of all the information and data contained in the supporting statement provided for in § 10.511 of this subpart, for submitting any supporting documents requested by CBP, and for the truthfulness of the information contained in those documents. However, an importer will not be subject to civil or administrative penalties under 19 U.S.C. 1592 for making an invalid claim for preferential tariff treatment or submitting an incorrect supporting statement, provided that the importer promptly and voluntarily corrects the claim or supporting statement and pays any duty owing (see §§ 10.561 and 10.562 of this subpart). In instances in which CBP requests the submission of supporting documents, CBP will allow for the direct submission by the exporter or producer of business confidential or other sensitive information, including cost and sourcing information.

(b) *Compliance.* In order to make a claim for preferential tariff treatment under § 10.510(a) of this subpart, the importer:

(1) Must have records that explain how the importer came to the conclusion that the good qualifies for preferential tariff treatment. Those records must include documents that support a claim that the article in question qualifies for preferential tariff treatment because it meets the applicable rules of origin set forth in General Note 25, HTSUS, and in this subpart. Those records may include a properly completed importer's supporting statement as set forth in § 10.511 of this subpart; and

(2) May be required to present evidence that the conditions set forth in § 10.542 of this subpart were met if the imported article was shipped through an intermediate country.

(c) *Information provided by exporter or producer.* The fact that the importer has made a claim or supporting statement based on information provided by an exporter or producer will not relieve the importer of the responsibility referred to in the first sentence of paragraph (a) of this section.

#### **§ 10.513 Supporting statement not required.**

(a) *General.* Except as otherwise provided in paragraph (b) of this section, an importer will not be required to submit a supporting statement under § 10.511 of this subpart for:

(1) A non-commercial importation of a good; or

(2) A commercial importation for which the value of the goods does not exceed U.S. \$2,500.

(b) *Exception.* If the port director determines that an importation described in paragraph (a) of this section may reasonably be considered to have been carried out or planned for the purpose of evading compliance with the rules and procedures governing claims for preference under the SFTA, the port director will notify the importer that for that importation the importer must submit to CBP a supporting statement. The importer must submit such a statement within 30 days from the date of the notice. Failure to timely submit the supporting statement will result in denial of the claim for preferential treatment.

#### **§ 10.514 Maintenance of records.**

(a) *General.* An importer claiming preferential tariff treatment for a good imported into the United States under § 10.510(a) of this subpart must maintain, for five years after the date of importation of the good, any records and documents that the importer has relating to the origin of the good, including records and documents associated with:

(1) The purchase of, cost of, value of, and payment for, the good;

(2) Where appropriate, the purchase of, cost of, value of, and payment for, all materials, including recovered goods and indirect materials, used in the production of the good; and

(3) Where appropriate, the production of the good in the form in which the good was exported.

(b) *Applicability of other recordkeeping requirements.* The records and documents referred to in paragraph (a) of this section are in

addition to any other records that the importer is required to prepare, maintain, or make available to CBP under Part 163 of this chapter.

(c) *Method of maintenance.* The records and documents referred to in paragraph (a) of this section must be maintained by importers as provided in § 163.5 of this chapter.

#### **§ 10.515 Effect of noncompliance; failure to provide documentation regarding third country transportation.**

(a) *Effect of noncompliance.* If the importer fails to comply with any requirement under this subpart, including submission of a complete supporting statement under § 10.511 of this subpart, when requested, the port director may deny preferential treatment to the imported good.

(b) *Failure to provide documentation regarding third country transportation.* Where the requirements for preferential treatment set forth elsewhere in this subpart are met, the port director nevertheless may deny preferential treatment to an originating good if the good is shipped through or transshipped in a country other than Singapore or the United States, and the importer of the good does not provide, at the request of the port director, evidence demonstrating to the satisfaction of the port director that the conditions set forth in § 10.542 of this subpart were met.

#### **Tariff Preference Level**

##### **§ 10.520 Filing of claim for tariff preference level.**

A cotton or man-made fiber apparel good described in § 10.521 of this subpart that does not qualify as an originating good under § 10.531 of this subpart may nevertheless be entitled to preferential tariff treatment under the SFTA under an applicable tariff preference level (TPL). To make a TPL claim, the importer must include on the entry summary, or equivalent documentation, the applicable tariff item in Chapter 99 of the HTSUS (9910.61.01 through 9910.61.89) and the applicable subheading in Chapter 61 or 62 of the HTSUS under which each non-originating cotton or man-made fiber apparel good is classified. For TPL goods, the letters "SG" must be inserted as a prefix to the applicable HTSUS 9910 tariff item when the entry is filed. The importer must also submit a certificate of eligibility as set forth in § 10.522 of this subpart.

##### **§ 10.521 Goods eligible for tariff preference level claims.**

Goods eligible for a TPL claim consist of cotton or man-made fiber apparel

goods provided for in Chapters 61 and 62 of the HTSUS that are both cut (or knit-to-shape) and sewn or otherwise assembled in Singapore from fabric or yarn produced or obtained outside the territory of Singapore or the United States, and that meet the applicable conditions for preferential tariff treatment under the SFTA, other than the condition that they are originating goods. The preferential tariff treatment is limited to the quantities specified in U.S. Note 13, Subchapter X, Chapter 99, HTSUS.

**§ 10.522 Submission of certificate of eligibility.**

An importer who claims preferential tariff treatment on a non-originating cotton or man-made fiber apparel good must submit a certificate of eligibility issued by the Government of Singapore, demonstrating that the good is eligible for entry under the applicable TPL, as set forth in § 10.521 of this subpart.

**Rules of Origin**

**§ 10.530 Definitions.**

For purposes of §§ 10.530 through 10.542:

(a) *Adjusted value*. “Adjusted value” means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretative notes of the Customs Valuation Agreement, adjusted, if necessary, to exclude:

(1) Any costs, charges, or expenses incurred for transportation, insurance and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation; and

(2) The value of packing materials and containers for shipment as defined in paragraph (j) of this section;

(b) *Exporter*. “Exporter” means a person who exports goods from the territory of a Party;

(c) *Fungible goods or materials*. “Fungible goods or materials” means goods or materials, as the case may be, that are interchangeable for commercial purposes and the properties of which are essentially identical;

(d) *Generally Accepted Accounting Principles*. “Generally Accepted Accounting principles” means the recognized consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices, and procedures;

(e) *Good*. “Good” means any merchandise, product, article, or material;

(f) *Goods wholly obtained or produced entirely in the territory of one or both of the Parties*. “Goods wholly obtained or produced entirely in the territory of one or both of the Parties” means:

(1) Mineral goods extracted in the territory of one or both of the Parties;

(2) Vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of one or both of the Parties;

(3) Live animals born and raised in the territory of one or both of the Parties;

(4) Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of one or both of the Parties;

(5) Goods (fish, shellfish and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;

(6) Goods produced exclusively from products referred to in subparagraph (f)(5) of this section on board factory ships registered or recorded with a Party and flying its flag;

(7) Goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that a Party has rights to exploit such seabed;

(8) Goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;

(9) Waste and scrap derived from:

(i) Production in the territory of one or both of the Parties; or

(ii) Used goods collected in the territory of one or both of the Parties, provided such goods are fit only for the recovery of raw materials;

(10) Recovered goods derived in the territory of one or both of the Parties from used goods; or

(11) Goods produced in one or both of the Parties exclusively from goods referred to in paragraphs (f)(1) through (f)(9) of this section or from the derivatives of such goods;

(g) *Material*. “Material” means a good that is used in the production of another good;

(h) *Non-originating good*. “Non-originating good” means a good that does not qualify as originating under General Note 25, HTSUS;

(i) *Non-originating material*. “Non-originating material” means a material that does not qualify as originating under General Note 25, HTSUS;

(j) *Packing materials and containers for shipment*. “Packing materials and containers for shipment” means the

goods used to protect a good during its transportation to the United States, and does not include the packaging materials and containers in which a good is packaged for retail sale;

(k) *Producer*. “Producer” means a person who grows, raises, mines, harvests, fishes, traps, hunts, manufactures, processes, assembles or disassembles a good;

(l) *Production*. “Production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good;

(m) *Recovered goods*. “Recovered goods” means materials in the form of individual parts that are the result of:

(1) The complete disassembly of used goods into individual parts; and

(2) The cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition by one or more of the following processes: Welding, flame spraying, surface machining, knurling, plating, sleeving, and rewinding, in order for such parts to be assembled with other parts, including other recovered parts, in the production of a remanufactured good as defined in paragraph (o) of this section;

(n) *Relationship*. “Relationship” means whether the buyer and seller are related parties in accordance with Article 15.4 of the Customs Valuation Agreement;

(o) *Remanufactured good*. “Remanufactured good” means an industrial good assembled in the territory of Singapore or the United States that is enumerated in Annex 3C, SFTA, and:

(1) Is entirely or partially comprised of recovered goods;

(2) Has the same life expectancy and meets the same performance standards as a new good; and

(3) Enjoys the same factory warranty as such a new good;

(p) *Self-produced material*. “Self-produced material” means a good, such as a part or ingredient, produced by the producer and used by the producer in the production of another good; and

(q) *Value*. “Value” means the value of a good or material for purposes of calculating customs duties or for purposes of applying this subpart.

**§ 10.531 Originating goods.**

Except as provided in § 10.543 of this subpart, a good imported into the customs territory of the United States will be considered an originating good under the SFTA only if:

(a) The good is wholly obtained or produced entirely in the territory of one or both of the Parties;

(b) The good is transformed in one or both of the Parties so that:

(1) Each non-originating material undergoes an applicable change in tariff classification specified in General Note 25(o), HTSUS, as a result of production occurring entirely in the territory of one or both of the Parties; and

(2) The good otherwise satisfies any applicable regional value content or other requirements specified in General Note 25(o), HTSUS; or

(c) The good, in its condition as imported into the United States, is enumerated as an Integrated Sourcing Initiative good in General Note 25(m), HTSUS, and is imported from the territory of Singapore.

#### § 10.532 Integrated Sourcing Initiative.

(a) For purposes of General Note 25(b)(ii), HTSUS, a good is eligible for treatment as an originating good under the Integrated Sourcing Initiative if:

(1) The good, in its condition as imported, is both classified in a tariff provision enumerated in the first column of General Note 25(m), HTSUS, and described opposite that tariff provision in the list of information technology articles set forth in the second column of General Note 25(m), HTSUS;

(2) The good, regardless of its origin, is imported into the territory of the United States from the territory of Singapore. If a product of a non-Party, the good must have been imported into Singapore prior to its importation into the territory of the United States; and

(3) The good satisfies the conditions and requirements of § 10.542 relating to third country transportation.

(b) A good enumerated in General Note 25(m), HTSUS, that is used in the production of another good in Singapore will not be considered an originating material for purposes of determining the eligibility for preferential tariff treatment of such other good unless:

(1) The good enumerated in General Note 25(m), HTSUS, satisfies an applicable rule of origin set out in General Note 25(o), HTSUS; or

(2) The good enumerated in General Note 25(m), HTSUS, is imported into the territory of Singapore from the territory of the United States prior to being used in the production of a good in Singapore.

#### § 10.533 De minimis.

(a) Except as provided in paragraphs (b) and (c) of this section, a good that does not undergo a change in tariff classification pursuant to General Note 25(o), HTSUS, will nonetheless be considered to be an originating good if:

(1) The value of all non-originating materials used in the production of the

good that do not undergo the applicable change in tariff classification does not exceed 10 percent of the adjusted value of the good;

(2) The value of the non-originating materials described in paragraph (a)(1) of this section is included in calculating the value of non-originating materials for any applicable regional value content requirement for the good under General Note 25(o), HTSUS; and

(3) The good meets all other applicable requirements of General Note 25, HTSUS.

(b) Paragraph (a) does not apply to:

(1) A non-originating material provided for in Chapter 4, HTSUS, or in subheading 1901.90, HTSUS, that is used in the production of a good provided for in Chapter 4, HTSUS;

(2) A non-originating material provided for in Chapter 4, HTSUS, or in subheading 1901.90, HTSUS, that is used in the production of a good provided for in one of the following HTSUS provisions: Subheading 1901.10, 1901.20 or 1901.90; heading 2105; or subheading 2106.90, 2202.90 or 2309.90;

(3) A non-originating material provided for in heading 0805, HTSUS, or subheadings 2009.11 through 2009.39, HTSUS, that is used in the production of a good provided for in subheadings 2009.11 through 2009.39, HTSUS, or in subheading 2106.90 or 2202.90, HTSUS;

(4) A non-originating material provided for in Chapter 15, HTSUS, that is used in the production of a good provided for in headings 1501 through 1508, 1512, 1514 or 1515, HTSUS;

(5) A non-originating material provided for in heading 1701, HTSUS, that is used in the production of a good provided for in headings 1701 through 1703, HTSUS;

(6) A non-originating material provided for in Chapter 17, HTSUS, or heading 1805, HTSUS, that is used in the production of a good provided for in subheading 1806.10, HTSUS;

(7) A non-originating material provided for in headings 2203 through 2208, HTSUS, that is used in the production of a good provided for in heading 2207 or 2208, HTSUS; and

(8) A non-originating material used in the production of a good provided for in Chapters 1 through 21, HTSUS, unless the non-originating material is provided for in a different subheading than the good for which origin is being determined.

(c) A textile or apparel good provided for in Chapters 50 through 63, HTSUS, that is not an originating good because certain fibers or yarns used in the production of the component of the

good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in General Note 25(o), HTSUS, will nevertheless be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component. Notwithstanding the preceding sentence, a textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good will be considered an originating good only if such yarns are wholly formed in the territory of a Party.

#### § 10.534 Accumulation.

(a) Originating materials of Singapore or the United States that are used in the production of a good in the territory of the other party will be considered to originate in the territory of the other party.

(b) A good that is produced in the territory of one or both of the Parties by one or more producers, will be considered an originating good if the good satisfies:

(1) The applicable requirements of § 10.531 of this subpart and General Note 25, HTSUS; or

(2) The provisions of § 10.532 of this subpart.

#### § 10.535 Regional value content.

(a) *General.* Where General Note 25(o), HTSUS, sets forth a rule that specifies a regional value content test for a good, the regional value content of such good must be calculated, at the choice of the person claiming the preferential tariff treatment for such good, on the basis of the build-down method or the build-up method described in paragraphs (b) and (c) of this section, unless otherwise specified in General Note 25(o), HTSUS.

(b) *Build-down method.* Under the build-down method, the regional value content must be calculated on the basis of the formula  $RVC = ((AV - VNM)/AV) \times 100$ , where RVC is the regional value content, expressed as a percentage; AV is the adjusted value; and VNM is the value of non-originating materials that are acquired and used by the producer in the production of the good.

(c) *Build-up method.* Under the build-up method, the regional value content must be calculated on the basis of the formula  $RVC = (VOM / AV) \times 100$ , where RVC is the regional value content, expressed as a percentage; AV is the adjusted value; and VOM is the value of originating materials that are acquired or self-produced and used by the producer in the production of the good.

**§ 10.536 Value of materials.**

(a) *Calculating the value of materials.* Except as provided in § 10.541, for purposes of calculating the regional value content of a good under General Note 25(o), HTSUS, and for purposes of applying the *de minimis* (see § 10.533 of this subpart) provisions of General Note 25(o), HTSUS, the value of a material is:

(1) In the case of a material imported by the producer of the good, the adjusted value of the material;

(2) In the case of a material acquired by the producer in the territory where the good is produced, except for a material to which paragraph (a)(3) of this section applies, the adjusted value of the material with reasonable modifications to the provisions of the Customs Valuation Agreement so as to permit their application to the domestic acquisition by the producer. Such reasonable modifications include, but are not limited to, treating a domestic purchase by the producer as if it were a sale for export to the country of importation; or

*Example 1.* The producer in Singapore purchases material x from an unrelated seller in Singapore for \$100. Under the provisions of Article 1 of the Customs Valuation Agreement, transaction value is the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 8. In order to apply Article 1 to this domestic purchase by the producer, such purchase is treated as if it were a sale for export to the country of importation. Therefore, for purposes of determining the adjusted value of material x, Article 1 transaction value is the price actually paid or payable for the goods when sold to the producer in Singapore (\$100), adjusted in accordance with the provisions of Article 8. In this example, it is irrelevant whether material x was initially imported into Singapore by the seller (or by anyone else). So long as the producer acquired material x in Singapore, it is intended that the value of material x will be determined on the basis of the price actually paid or payable by the producer adjusted in accordance with the provisions of Article 8.

*Example 2.* Same facts as in Example 1, except the sale between the seller and the producer is subject to certain restrictions that preclude the application of Article 1. Under Article 2 of the Customs Valuation Agreement, the value is the transaction value of identical goods sold for export to the same country of importation and exported at or about the same time as the goods being valued. In order to permit the application of Article 2 to the domestic acquisition by the producer, it should be modified so that the value is the transaction value of identical goods sold within Singapore at or about the same time the goods were sold to the producer in Singapore. Thus, if the seller of material x also sold an identical material to another buyer in Singapore without

restrictions, that other sale would be used to determine the adjusted value of material x.

(3) In the case of a self-produced material, or in a case in which the relationship between the producer of the good and the seller of the material influenced the price actually paid or payable for the material, including a material obtained without charge, the sum of:

(i) All expenses incurred in the production of the material, including general expenses; and

(ii) A reasonable amount for profit.

(b) *Permissible additions to, and deductions from, the value of materials.*

(1) *Additions to originating materials.* For originating materials, the following expenses, if not included under paragraph (a) of this section, may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer;

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of one or both of the Parties, other than duties and taxes that are waived, refunded, refundable or otherwise recoverable, including credit against duty or tax paid or payable; and

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product; and

(2) *Deductions from non-originating materials.* For non-originating materials, if included under paragraph (a) of this section, the following expenses may be deducted from the value of the non-originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer;

(ii) Duties, taxes, and customs brokerage fees on the material paid in one or both of the Parties, other than duties and taxes that are waived, refunded, refundable or otherwise recoverable, including credit against duty or tax paid or payable;

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-products;

(iv) The cost of processing incurred in the territory of Singapore or the United States in the production of the non-originating material; and

(v) The cost of originating materials used in the production of the non-originating material in the territory of Singapore or the United States.

(c) *Accounting method.* Any cost or value referenced in General Note 25,

HTSUS and this subpart, must be recorded and maintained in accordance with the Generally Accepted Accounting Principles applicable in the territory of the country in which the good is produced (whether Singapore or the United States).

**§ 10.537 Accessories, spare parts, or tools.**

Accessories, spare parts, or tools that are delivered with a good and that form part of the good's standard accessories, spare parts, or tools will be treated as originating goods if the good is an originating good, and will be disregarded in determining whether all the non-originating materials used in the production of the good undergo an applicable change in tariff classification specified in General Note 25(o), HTSUS, provided that:

(a) The accessories, spare parts, or tools are not invoiced separately from the good;

(b) The quantities and value of the accessories, spare parts, or tools are customary for the good; and

(c) If the good is subject to a regional value content requirement, the value of the accessories, spare parts, or tools will be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good under § 10.535 of this subpart.

**§ 10.538 Fungible goods and materials.**

(a) A person claiming preferential treatment under the SFTA for a good may claim that a fungible good or material is originating either based on the physical segregation of each fungible good or material or by using an inventory management method. For purposes of this subpart, the term "inventory management method" means:

(1) Averaging;

(2) "Last-in, first-out;"

(3) "First-in, first-out;" or

(4) Any other method that is recognized in the Generally Accepted Accounting Principles of the Party in which the production is performed or otherwise accepted by that country.

(b) A person selecting an inventory management method under paragraph (a) of this section for particular fungible goods or materials must continue to use that method for those fungible goods or materials throughout the fiscal year of that person.

**§ 10.539 Retail packaging materials and containers.**

Packaging materials and containers in which a good is packaged for retail sale, if classified with the good for which

preferential treatment under the SFTA is claimed, will be disregarded in determining whether all non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in General Note 25(o), HTSUS. If the good is subject to a regional value content requirement, the value of such packaging materials and containers will be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

*Example 1.* Singaporean Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in § 10.536(a)(1) of this subpart, the value of the blister packages is their adjusted value, which in this case is \$10. Good C has a regional value content requirement. The United States importer of good C decides to use the build-down method,  $RVC = ((AV - VNM) / AV) \times 100$  (see § 10.535(b) of this subpart), in determining whether good C satisfies the regional value content requirement. In applying this method, the non-originating blister packages are taken into account as non-originating. As such, their \$10 adjusted value is included in the VNM, value of non-originating materials, of good C.

*Example 2.* Same facts as in Example 1, but the blister packages are originating. In this case, the adjusted value of the originating blister packages would not be included as part of the VNM of good C under the build-down method. However, if the U.S. importer had used the build-up method,  $RVC = (VOM / AV) \times 100$  (see § 10.535(c) of this subpart), the adjusted value of the blister packaging would be included as part of the VOM, value of originating material.

#### § 10.540 Packing materials and containers for shipment.

(a) Packing materials and containers for shipment, as defined in § 10.530(j) of this subpart, are to be disregarded in determining whether the non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in General Note 25(o), HTSUS. Accordingly, such materials and containers are not required to undergo the applicable change in tariff classification even if they are non-originating.

(b) Packing materials and containers for shipment, as defined in § 10.530(j) of this subpart, are to be disregarded in determining the regional value content of a good imported into the United States. Accordingly, in applying either the build-down or build-up method for determining the regional value content of the good imported into the United States, the value of such packing materials and containers for shipment (whether originating or non-originating)

is disregarded and not included in AV, adjusted value, VNM, value of non-originating materials, or VOM, value of originating materials.

*Example.* Singaporean Producer A produces good C. Producer A ships good C to the U.S. in a shipping container which it purchased from Company B in Singapore. The shipping container is originating. The value of the shipping container determined under section § 10.536(a)(2) of this subpart is \$3. Good C is subject to a regional value content requirement. The transaction value of good C is \$100, which includes the \$3 shipping container. The United States importer decides to use the build-up method,  $RVC = (VOM / AV) \times 100$  (see § 10.535(c) of this subpart), in determining whether good C satisfies the regional value content requirement. In determining the AV, adjusted value, of good C imported into the U.S., paragraph (b) of this section requires a \$3 deduction for the value of the shipping container. Therefore, the AV is \$97 (\$100 - \$3). In addition, the value of the shipping container is disregarded and not included in the VOM, value of originating materials.

#### § 10.541 Indirect materials.

An indirect material, as defined in § 10.502(j) of this subpart, will be considered to be an originating material without regard to where it is produced, and its value will be the cost registered in the accounting records of the producer of the good.

*Example.* Singaporean Producer C produces good C using non-originating material A. Producer C imports non-originating rubber gloves for use by workers in the production of good C. Good C is subject to a tariff shift requirement. As provided in § 10.531(b)(1) of this subpart and General Note 25(o), each of the non-originating materials in good C must undergo the specified change in tariff classification in order for good C to be considered originating. Although non-originating material A must undergo the applicable tariff shift in order for good C to be considered originating, the rubber gloves do not because they are indirect materials and are considered originating without regard to where they are produced.

#### § 10.542 Third country transportation.

(a) *General.* A good will not be considered an originating good by reason of having undergone production that would enable the good to qualify as an originating good if subsequent to that production the good undergoes further production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other process necessary to preserve the good in good condition or to transport the good to the territory of a Party.

(b) *Documentary evidence.* An importer making a claim that a good is originating may be required to

demonstrate, to CBP's satisfaction, that no further production or subsequent operation, other than permitted under paragraph (a) of this section, occurred outside the territories of the Parties. An importer may demonstrate compliance with this section by submitting documentary evidence. Such evidence may include, but is not limited to, bills of lading, airway bills, packing lists, commercial invoices, receiving and inventory records, and customs entry and exit documents.

#### § 10.543 Certain apparel goods made from fabric or yarn not available in commercial quantities.

Notwithstanding the provisions of § 10.531 of this subpart, a textile apparel article of Chapter 61 or 62, HTSUS, will be considered an originating good under the SFTA if it is both cut (or knit to shape) and sewn or otherwise assembled in one or both of the Parties from fabric or yarn, regardless of origin, designated by the Committee for the Implementation of Textile Agreements ("CITA") as not available in commercial quantities in a timely manner in the United States. Such designations by CITA, identifying apparel goods made from such fabric or yarn as eligible for entry under subheading 9819.11.24 or 9820.11.27, HTSUS, must have been made by notices published in the **Federal Register** no later than November 15, 2002.<sup>1</sup> For purposes of this section, any reference in these notices to fabric or yarn formed in the United States will be interpreted as also including fabric or yarn formed in Singapore.

#### Origin Verifications and Determinations

#### § 10.550 Verification and justification of claim for preferential treatment.

(a) *Verification.* A claim for preferential treatment made under § 10.510(a) of this subpart, including any statements or other information submitted to CBP in support of the claim, will be subject to such verification as the port director deems necessary. In the event that the port director is provided with insufficient information to verify or substantiate the claim, the port director may deny the claim for preferential treatment. A verification of a claim for preferential tariff treatment may be conducted by means of one or more of the following:

<sup>1</sup> These designations are set forth in notices published in the **Federal Register** on September 25, 2001 (66 FR 49005), November 19, 2001 (66 FR 57942), April 10, 2002 (67 FR 17412), May 28, 2002 (67 FR 36858), and September 5, 2002 (67 FR 56806).

- (1) Requests for information from the importer;
- (2) Written requests for information to the exporter or producer;
- (3) Requests for the importer to arrange for the exporter or producer to provide information directly to CBP;
- (4) Visits to the premises of the exporter or producer in Singapore, in accordance with procedures that the Parties adopt pertaining to verification; and
- (5) Such other procedures as the Parties may agree.

(b) *Applicable accounting principles.* When conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, CBP will apply and accept the Generally Accepted Accounting Principles applicable in the country of production.

**§ 10.551 Issuance of negative origin determinations.**

If, as a result of an origin verification initiated under § 10.550 of this subpart, CBP denies a claim for preferential treatment made under § 10.510(a) of this subpart, it will issue a determination in writing or via an authorized electronic data interchange system to the importer that sets forth the following:

- (a) A description of the good that was the subject of the verification together with the identifying numbers and dates of the import documents pertaining to the good;
- (b) A statement setting forth the findings of fact made in connection with the verification and upon which the determination is based; and
- (c) With specific reference to the rules applicable to originating goods as set forth in General Note 25, HTSUS, and in §§ 10.530 through 10.543 of this subpart, the legal basis for the determination.

**§ 10.552 Information sharing by CBP regarding textile and apparel goods produced in the United States.**

(a) *Documents or information in the possession of U.S. enterprises.* Upon written request from the Government of Singapore containing a brief statement of the matter at issue and the cooperation requested, CBP will promptly request from a U.S. enterprise and provide to the Government of Singapore, to the extent available, all correspondence, reports, bills of lading, invoices, order confirmations, and other documents or information relevant to circumvention that the Government of Singapore considers may have taken place.

(b) *Circumvention defined.* For purposes of this section and § 10.554 of this subpart, "circumvention" means

providing a false claim or false information for the purpose of, or with the effect of, violating or evading existing customs, country of origin labeling, or trade laws of the Party into which the textile or apparel goods are imported, if such action results in the avoidance of tariffs, quotas, embargoes, prohibitions, restrictions, trade remedies, including antidumping or countervailing duties, or safeguard measures, or in obtaining preferential tariff treatment. Examples of circumvention include: Illegal transshipment; rerouting; fraud; false claims concerning country of origin, fiber content, quantities, description, or classification; falsification of documents; and smuggling.

**§ 10.553 Textile and apparel site visits.**

(a) *Visits to enterprises of Singapore.* U.S. officials may undertake to conduct site visits to enterprises in the territory of Singapore. U.S. officials will conduct such visits together with responsible officials of the Government of Singapore and in accordance with the laws of Singapore.

(b) *Denial of permission to visit.* If the responsible officials of an enterprise of Singapore that is proposed to be visited do not consent to the site visit, CBP will, if directed by The Committee for the Implementation of Textile Agreements (CITA), exclude from the territory of the United States textile or apparel goods produced or exported by the enterprise until CITA determines that the enterprise's production of, and capability to produce, such goods is consistent with statements by the enterprise that textile or apparel goods it produces or has produced are originating goods or products of Singapore.

**§ 10.554 Exclusion of textile or apparel goods for intentional circumvention.**

(a) *General.* If CITA finds that an enterprise of Singapore has knowingly or willfully engaged in circumvention, CBP will, if directed by CITA, exclude from the customs territory of the United States textile or apparel goods produced or exported by that enterprise for a period no longer than the applicable period described in paragraph (b) of this section.

(b) *Time periods.* An exclusion from entry imposed under paragraph (a) of this section will begin on the date a finding of knowing or willful circumvention is made by CITA and will remain in effect for the following applicable time period:

- (1) With respect to a first finding, the applicable period is six months;

- (2) With respect to a second finding, the applicable period is two years; or
- (3) With respect to a third or subsequent finding, the applicable period is two years. If, at the time of a third or subsequent finding, an exclusion of goods with respect to an enterprise is in effect as a result of a previous finding, the two-year period applicable to the third or subsequent finding will begin on the day after the day on which the previous exclusion period terminates.

**Penalties**

**§ 10.560 General.**

Except as otherwise provided in this subpart, all criminal, civil or administrative penalties which may be imposed on U.S. importers for violations of the customs and related laws and regulations will also apply to U.S. importers for violations of the laws and regulations relating to the SFTA.

**§ 10.561 Corrected claim or supporting statement.**

An importer who makes a corrected claim under § 10.510(b) will not be subject to civil or administrative penalties under 19 U.S.C. 1592 for having made an incorrect claim or supporting statement, provided that the corrected claim is promptly and voluntarily made.

**§ 10.562 Framework for correcting claims or supporting statements.**

(a) *"Promptly and voluntarily" defined.* Except as provided for in paragraph (b) of this section, for purposes of this subpart, the making of a corrected claim or supporting statement will be deemed to have been done promptly and voluntarily if:

- (1) (i) Done within one year following the date on which the importer made the incorrect claim; or
- (ii) Done later than one year following the date on which the importer made the incorrect claim, provided that the corrected claim is made:

(A) Before the commencement of a formal investigation, within the meaning of § 162.74(g) of this chapter; or

(B) Before any of the events specified in § 162.74(i) of this chapter has occurred; or

(C) Within 30 days after the importer initially becomes aware that the incorrect claim is not valid; and

(2) Accompanied by a statement setting forth the information specified in paragraph (c) of this section; and

(3) Accompanied or followed by a tender of any actual loss of duties and merchandise processing fees, if

applicable, in accordance with paragraph (e) of this section.

(b) *Exception in cases involving fraud or subsequent incorrect claims.*

(1) *Fraud.* An importer who acted fraudulently in making an incorrect claim may not make a voluntary correction of that claim. For purposes of this paragraph, the term "fraud" will have the meaning set forth in paragraph (C)(3) of appendix B to Part 171 of this chapter.

(2) *Subsequent incorrect claims.* An importer who makes one or more incorrect claims after becoming aware that a claim involving the same merchandise and circumstances is invalid may not make a voluntary correction of the subsequent claims pursuant to paragraph (a)(1)(ii)(C) of this section.

(c) *Statement.* For purposes of this subpart, each corrected claim must be accompanied by a statement, submitted in writing or via an authorized electronic data interchange system, which:

(1) Identifies the class or kind of good to which the incorrect claim relates;

(2) Identifies each affected import transaction, including each port of importation and the approximate date of each importation.

(3) Specifies the nature of the incorrect statements or omissions regarding the claim; and

(4) Sets forth, to the best of the person's knowledge, the true and accurate information or data which should have been covered by or provided in the claim, and states that the person will provide any additional information or data which is unknown at the time of making the corrected claim within 30 days or within any extension of that 30-day period as CBP may permit in order for the person to obtain the information or data.

(d) *Substantial compliance.* For purposes of this section, a person will be deemed to have submitted the statement described in paragraph (c) of this section even though that person provided corrected information in a manner which does not conform to the requirements of the statement specified in paragraph (c) of this section, provided that the information submitted includes, orally or otherwise, substantially the same information as that specified in paragraph (c) of this section.

(e) *Tender of actual loss of duties.* A U.S. importer who makes a corrected claim must tender any actual loss of duties at the time of making the corrected claim, or within 30 days thereafter, or within any extension of that 30-day period as CBP may allow in

order for the importer to obtain the information or data necessary to calculate the duties owed.

(f) *Applicability of prior disclosure provisions.* Where a person fails to meet the requirements of this section, that person may nevertheless qualify for prior disclosure treatment under 19 U.S.C. 1592(c)(4) and 162.74 of this chapter.

#### Goods Returned After Repair or Alteration

##### § 10.570 Goods re-entered after repair or alteration in Singapore.

(a) *General.* This section sets forth the rules which apply for purposes of obtaining duty-free treatment on goods returned after repair or alteration in Singapore as provided for in subheadings 9802.00.40 and 9802.00.50, HTSUS. Goods returned after having been repaired or altered in Singapore, whether or not pursuant to a warranty, are eligible for duty-free treatment, provided that the requirements of this section are met. For purposes of this section, "repairs or alterations" means restoration, addition, renovation, re-dyeing, cleaning, re-sterilizing, or other treatment which does not destroy the essential characteristics of, or create a new or commercially different good from, the good exported from the United States.

(b) *Goods not eligible for duty-free treatment after repair or alteration.* The duty-free treatment referred to in paragraph (a) of this section will not apply to goods which, in their condition as exported from the United States to Singapore, are incomplete for their intended use and for which the processing operation performed in Singapore constitutes an operation that is performed as a matter of course in the preparation or manufacture of finished goods.

(c) *Documentation.* The provisions of paragraphs (a), (b), and (c) of § 10.8 of this part, relating to the documentary requirements for goods entered under subheading 9802.00.40 or 9802.00.50, HTSUS, will apply in connection with the entry of goods which are returned from Singapore after having been exported for repairs or alterations and which are claimed to be duty free.

#### PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

■ 5. The general authority citation for Part 24 and specific authority for § 24.23 continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 3(i), Harmonized Tariff Schedule of the United States), 1505, 1520, 1624; 26 U.S.C. 4461, 4462; 31 U.S.C.

9701; Public Law 107–296, 116 Stat. 2135 (6 U.S.C. 1 *et seq.*).

\* \* \* \* \*

Section 24.23 also issued under 19 U.S.C. 3332.

\* \* \* \* \*

■ 6. Section 24.23 is amended by adding paragraph (c)(6) to read as follows:

##### § 24.23 Fees for processing merchandise.

\* \* \* \* \*

(c) \* \* \*

(6) The ad valorem fee, surcharge, and specific fees provided under paragraphs (b)(1) and (b)(2)(i) of this section will not apply to goods that qualify as originating goods under § 202 of the United States-Singapore Free Trade Agreement Implementation Act (*see also* General Note 25, HTSUS) that are entered, or withdrawn from warehouse for consumption, on or after January 1, 2004.

\* \* \* \* \*

#### PART 162—INSPECTION, SEARCH, AND SEIZURE

■ 7. The authority citation for part 162 continues to read in part as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1592, 1593a, 1624.

\* \* \* \* \*

■ 8. Section 162.0 is amended by revising the last sentence to read as follows:

##### § 162.0 Scope.

\* \* \* Additional provisions concerning records maintenance and examination applicable to U.S. importers, exporters and producers under the U.S.-Chile Free Trade Agreement and the U.S.-Singapore Free Trade Agreement are contained in Part 10, Subparts H and I of this chapter, respectively.

#### PART 163—RECORDKEEPING

■ 9. The authority citation for part 163 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1484, 1508, 1509, 1510, 1624.

\* \* \* \* \*

■ 10. Section 163.1(a)(2) is amended by redesignating paragraph (a)(2)(vii) as (a)(2)(viii) and adding a new paragraph (vii) to read as follows:

##### § 163.1 Definitions.

\* \* \* \* \*

(a) \* \* \*

(2) \* \* \*

(vii) The maintenance of any documentation that the importer may have in support of a claim for preferential tariff treatment under the

United States-Singapore Free Trade Agreement (SFTA), including a SFTA importer's supporting statement if previously required by the port director.

■ 11. The Appendix to Part 163 is amended by adding two new listings under section IV in numerical order to read as follows:

**Appendix to Part 163—Interim (a)(1)(A) List.**

\* \* \* \* \*  
IV. \* \* \*

§ 10.512 SFTA records that the importer may have in support of a SFTA claim for preferential tariff treatment, including an importer's supporting statement if previously required by the port director.  
10.522 SFTA TPL Certificate of eligibility.  
\* \* \* \* \*

**PART 178—APPROVAL OF INFORMATION COLLECTION REQUIREMENTS**

■ 12. The authority citation for part 178 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 1624; 44 U.S.C. 3501 *et seq.*

■ 13. Section 178.2 is amended by adding new listings for §§ 10.510 and 10.511 to the table in numerical order to read as follows:

**§ 178.2 Listing of OMB control numbers.**

19 CFR section	Description	OMB control No.
§§ 10.510 and 10.511	Claim for preferential tariff treatment under the US-Singapore Free Trade Agreement.	1651-0117

\* \* \* \* \*  
**Deborah J. Spero,**  
*Acting Commissioner, U.S. Customs and Border Protection.*

Approved: June 1, 2007.  
**Timothy E. Skud,**  
*Deputy Assistant Secretary of the Treasury.*  
[FR Doc. E7-11078 Filed 6-8-07; 8:45 am]  
BILLING CODE 9111-14-P

**DEPARTMENT OF HOMELAND SECURITY**

**Coast Guard**

**33 CFR Part 117**

[CGD01-07-044]

**Drawbridge Operation Regulations; Long Island, New York Waterway From East Rockaway Inlet to Shinnecock Canal, Hempstead, NY**

**AGENCY:** Coast Guard, DHS.  
**ACTION:** Notice of temporary deviation from regulations; request for comments.

**SUMMARY:** The Commander, First Coast Guard District, has issued a temporary deviation from the regulation governing the operation of the Meadowbrook State Parkway Bridge across Sloop Channel at mile 12.8, at Hempstead, New York. This deviation will test a change to the drawbridge operation schedule to determine whether a permanent change to the schedule is needed. This deviation will allow the bridge to open on signal if at least a half-hour notice is given to the New York State Department of Transportation, except that, from 7

a.m. to 8 p.m. on Saturdays, Sundays, and Federal holidays, the draw shall open every hour, on the hour, if at least a half-hour notice is given. In addition, the bridge need not open from 9:30 p.m. to midnight on June 30, 2007 and the rain date July 1, 2007, if needed, and from 9 p.m. to 11 p.m. on July 4, 2007, for the annual fireworks displays.

**DATES:** This deviation is effective from June 25, 2007 through November 30, 2007. Comments must reach the Coast Guard on or before December 15, 2007.  
**ADDRESSES:** You may mail comments and related material to Commander (dpb), First Coast Guard District Bridge Branch, One South Street, Battery Park Building, New York, New York, 10004, or deliver them to the same address between 7 a.m. and 3 p.m., Monday through Friday, except Federal holidays. The First Coast Guard District, Bridge Branch, maintains the public docket for this deviation. Comments and material received from the public, as well as documents indicated in this notice as being available in the docket, will become part of this docket and will be available for inspection or copying at the First Coast Guard District, Bridge Branch, 7 a.m. to 3 p.m., Monday through Friday, except Federal holidays.  
**FOR FURTHER INFORMATION CONTACT:** Judy Leung-Yee, Project Officer, First Coast Guard District, at (212) 668-7195.

**SUPPLEMENTARY INFORMATION:**

**Request for Comments**

We encourage you to participate in evaluating this test schedule by submitting comments or related material. If you do so, please include your name and address, identify the

docket number for this deviation (CGD01-07-044), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8½ by 11 inches, suitable for copying. If you would like to know if they reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. Comments must be received by December 15, 2007.

**Background and Purpose**

The Meadowbrook State Parkway Bridge has a vertical clearance in the closed position of 22 feet at mean high water and 25 feet at mean low water. The existing drawbridge operation regulations are listed at 33 CFR 117.799(h).

New York State Department of Transportation requested a temporary deviation from the drawbridge operation regulations to test an alternate drawbridge operation schedule to help better balance the needs between vehicular land traffic and marine vessel traffic.

Under this temporary deviation, in effect from June 25, 2007 through November 30, 2007, the Meadowbrook State Parkway Bridge across Sloop Channel at mile 12.8, shall operate as follows:

The bridge shall open on signal if at least a half-hour notice is given to the New York State Department of Transportation at (631) 578-5903, except that, from 7 a.m. to 8 p.m. on Saturdays, Sundays, and Federal