The COAC will receive an update on the following Customs and Border Protection Initiatives and Subcommittee issues:

- Update on Automated Commercial Environment (ACE): What’s new? What’s planned?
- Update on the Work of the Enhancing Air Cargo Security Subcommittee.
- Update on the Work of the Enhancing Intellectual Property Rights Enforcement Efforts Subcommittee.

Dated: July 28, 2011.

Maria Luisa O’Connell, Senior Advisor for Trade and Public Engagement, Office of Trade Relations.

[FR Doc. 2011–19560 Filed 8–1–11; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Notice of Issuance of Final Determination Concerning Iridium Satellite Telephones


ACTION: Notice of final determination.

SUMMARY: This document provides notice that U.S. Customs and Border Protection (“CBP”) has issued a final determination concerning the country of origin of satellite telephones. We were asked to consider six scenarios. Based upon the facts presented, CBP has concluded in the final determination that the application board and transceiver board together convey the essential character of the phones and it is at their assembly and programming where the last substantial transformation occurs. Therefore, when the boards are assembled and programmed in Malaysia, the country of origin of the phones for purposes of U.S. government procurement is Malaysia. When the boards are assembled and programmed in Singapore, the country of origin of the phones for purposes of U.S. government procurement is Singapore.

DATES: The final determination was issued on July 28, 2011. A copy of the final determination is attached. Any party-at-interest, as defined in 19 CFR 177.22(d), may seek judicial review of this final determination on or before September 1, 2011.

FOR FURTHER INFORMATION CONTACT: Heather K. Pinnock, Valuation and Special Programs Branch: (202) 325–0034.

SUPPLEMENTARY INFORMATION: Notice is hereby given that on July 28, 2011, pursuant to subpart B of part 177, Customs Regulations (19 CFR part 177, subpart B), CBP issued a final determination concerning the country of origin of satellite telephones which may be offered to the U.S. Government under an undesignated government procurement contract. This final determination, HQ H130306, was issued under procedures set forth at 19 CFR part 177, subpart B, which implements Title III of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2511–18). In the final determination, CBP concluded that, based upon the facts presented, the application board and transceiver board together convey the essential character of the phones and it is at their assembly and programming where the last substantial transformation occurs. Therefore, when the boards are assembled and programmed in Malaysia, the country of origin of the phones for purposes of U.S. government procurement is Malaysia. When the boards are assembled and programmed in Singapore, the country of origin of the phones for purposes of U.S. government procurement is Singapore.

Section 177.29, Customs Regulations (19 CFR 177.29), provides that a notice of final determination shall be published in the Federal Register within 60 days of the date the final determination is issued. Section 177.30, CBP Regulations (19 CFR 177.30), provides that any party-at-interest, as defined in 19 CFR 177.22(d), may seek judicial review of a final determination within 30 days of publication of such determination in the Federal Register.
Dated: July 28, 2011.

Sandra L. Bell,
Executive Director, Regulations and Rulings,
Office of International Trade.

Attachment
HQ H170315
July 28, 2011
MAR–2 OT:RR-CTF:VS H170315 HKP
CATEGORY: Origin Marking
Kevin P. Connelly, Esq.
Seyfarth Shaw, LLP
975 F Street, N.W.
Washington, D.C. 20004–1454
RE: U.S. Government Procurement;
Country of Origin of Iridium 9555
Satellite Telephones; Substantial
Transformation; Marking

Dear Mr. Connelly,

This is in response to your letter, dated October 21, 2010, requesting a
final determination on behalf of Iridium Satellite, LLC (“Iridium”), pursuant to
subpart B of part 177 of the U.S. Customs and Border Protection (CBP)
Regulations (19 CFR Part 177). Under these regulations, which implement
Title III of the Trade Agreements Act of 1979 (TAA), as amended (19 U.S.C.
§ 2511 et seq.), CBP issues country of origin advisory rulings and final
determinations as to whether an article is or would be a product of a designated
country or instrumentality for the purposes of granting waivers of certain
“Buy American” restrictions in U.S. law or practice for products offered for sale
to the U.S. Government.

This final determination concerns the country of origin of the Iridium 9555
satellite telephone. We note that as a U.S. importer, Iridium is a party-at-
interest within the meaning of 19 CFR 177.22(d)(1) and is entitled to request
this final determination. In reaching our decision we have taken into account
additional information submitted to this office on January 30, February 4, May
11, and May 31, 2011.

FACTS:

Iridium imports Iridium 9555 satellite telephones from Singapore. The
telephones are composed of the following components: (1) Transceiver
Board, (2) Application Board, (3) Conductive Spacer, (4) Receiver, (5)
Clik Dome Array (provides feedback on switch closure), (6) Vibrator, (7) Display,
(8) Radio frequency (RF) emission shields (can lids), (9) Hands Free (HF)
Speaker/Cable, (10) Antenna Bearing Housing 1, (11) Antenna Bearing Housing 2,
(12) Keypad, (13) HF Speaker Housing, (14) Rear Housing Assembly, (15) Front Assembly,
RF Cap (external antenna connector cover), (21) Antenna Plunger, (22)
Antenna Plunger Spring, (23) Bezel Film, and assorted screws.

The transceiver board (no. 1 above) is the radio transceiver that communicates
with the Iridium satellite. It demodulates data from the satellite link and sends it to the application board
(no. 2 above). In addition, the transceiver board receives commands and voice and data streams from the
application board (described infra) and formats and modulates them into radio streams that communicate with the
Iridium gateway network infrastructure using a GSM-like communication protocol. Among the components on the
transceiver board are two digital base band (DBB) chips, which contain the microcontroller for the board, and two
digital signal processor (DSP) cores, made in China, and two radio frequency (RF) backend chips, made in Taiwan.
The bill of materials for the transceiver board was submitted for our review. The board is assembled in Malaysia.
The application board is a circuit board that contains all of the user interfaces for the handsets, i.e., the
display, user connector, key pad and other buttons, microphone, speaker, and ear piece. The board also contains
software for SMS messaging, predictive text, multilingual support, handset configuration, and phone menu items
such as contacts. The bill of materials for the application board was submitted for our review. The board is assembled in Malaysia.
The other listed components are manufactured in Singapore, Malaysia, Hong Kong, China, Korea, the United
Kingdom, and the United States. With the exception of the components made
in Singapore, all of the components are shipped to Singapore, where they are placed in stock until used to
manufacture the satellite telephone.

Handset software programming consists of programming the transceiver board
using JTAG, a programming process, and separately downloading software to the application board. The software programs for the application board and for the transceiver board are developed in the United Kingdom. Unless otherwise described, as in scenario six below, handset
programming occurs in Malaysia and/or Singapore at the board level after the pertinent chips and circuits have been
installed onto the relevant board, prior to assembly of the boards with the other components into phones in Singapore. In
scenario six, the integrated circuit (IC) for the transceiver board is programmed before it is incorporated into
the board.

Six alternative manufacturing scenarios for the Iridium 9555 satellite
telephones have been described to CBP.

Scenario I:

(1) The Malaysian-origin transceiver and application boards, both
programmed in Malaysia, are shipped to Singapore.
(2) The antenna plunger housing 1 is placed into the antenna plunger spring
insertion jig, and both are inserted into the antenna bearing housing 1. The
antenna cable is fitted and secured with clips onto bearing housing 2, and the
bearing housings are fitted together. The antenna assembly is then inserted into
the antenna bearing housing with the antenna cable.
(3) The antenna assembly, antenna cable, and vibrator are inserted into the
rear housing and fitted with clips.
(4) The rear speaker is placed onto the rear housing and the speaker cable is
positioned. The LCD flex cable that is connected to the display is inserted into
the connector on the application board and fastened with clips. The application
board, assembled with the LCD and the rear housing, is moved to the next
station.
(5) The application board with LCD is removed from the rear housing. The
receiver is placed on the back of the LCD display, oriented, and pinned with a
guide pin to the application board. The transceiver board is stacked on top of
the conductive space gasket, which is stacked on top of the application board. The
boards are screwed together.
(6) The various can lids are placed on the assembly. The antenna cable and
rear speaker cable are plugged into the connectors on the boards.
(7) The HSJ cover and USB cover are inserted into the front housing. The
keypad is placed onto the front housing. The rear housing with the stack of
boards is assembled with the bezel onto the front housing. The front and rear
housings are screwed together.
(8) The phones are scanned, given serial numbers, and shipped to Malaysia
for testing, labeling, and packaging for export.

Scenario II:

The application board and transceiver board are programmed and tested in
Malaysia and shipped to Singapore. However, the application board is shipped without an audio jack or a
power jack. The jacks are soldered onto the board in Singapore. The telephones are then manufactured in Singapore, as
in Scenario I.

Scenario III:

The application board and the transceiver board undergo programming
and functional testing in Singapore, not in Malaysia. The telephones are then manufactured in Singapore, as in Scenario I.

**Scenario IV:**

The transceiver board undergoes programming and functional testing in Singapore, not in Malaysia. The application board is programmed and tested in Malaysia and shipped to Singapore. The telephones are then manufactured in Singapore, as in Scenario I.

**Scenario V:**

The application board is programmed and tested in Singapore, not in Malaysia. The transceiver board is programmed and tested in Malaysia and shipped to Singapore. The telephones are then manufactured in Singapore, as in Scenario I.

**Scenario VI:**

The IC that stores the firmware which controls the functionality of the phone is programmed in Singapore and then shipped to Malaysia, where it is incorporated into the transceiver board. The programmed transceiver board is then shipped to Singapore. The application board is programmed and tested in Malaysia and shipped to Singapore. The telephones are then manufactured in Singapore, as in Scenario I.

**ISSUE:**

For each scenario, what is the country of origin of the Iridium 9555 satellite telephone for purposes of U.S. government procurement and country of origin marking?

**LAW AND ANALYSIS:**

**Country of Origin**

Pursuant to Subpart B of Part 177, 19 C.F.R. § 177.21 et seq., which implements Title III of the Trade Agreements Act of 1979, as amended (19 U.S.C. § 2511 et seq.), CBP issues country of origin advisory rulings and final determinations as to whether an article is or would be a product of a designated country or instrumentality for the purposes of granting waivers of certain “Buy American” restrictions in U.S. law or practice for products offered for sale to the U.S. Government.


An article is a product of a country or instrumentality only if (i) it is wholly the growth, product, or manufacture of that country or instrumentality, or (ii) in the case of an article which consists in whole or in part of materials from another country or instrumentality, it has been substantially transformed into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was so transformed. See also 19 C.F.R. § 177.22(a).

In determining whether the combining of parts or materials constitutes a substantial transformation, the determinative issue is the extent of operations performed and whether the parts lose their identity and become an integral part of the new article.

**Belcrest Linens v. United States, 573 F. Supp. 1149 (Ct. Int’l Trade 1983), aff’d, 741 F.2d 1368 (Fed. Cir. 1984).** Assembly operations that are minimal or simple, as opposed to complex or meaningful, will generally not result in a substantial transformation. In Customs Service Decisions (C.S.D.) 85–25, 19 Cust. Bull. 844 (1985), CBP held that for purposes of the Generalized System of Preferences (“GSP”), the assembly of a large number of fabricated components onto a printed circuit board in a process involving a considerable amount of time and skill resulted in a substantial transformation. In that case, in excess of 50 discrete fabricated components (such as resistors, capacitors, diodes, integrated circuits, sockets, and connectors) were assembled.

In **Data General v. United States,** 4 Ct. Int’l Trade 182 (1982), the court determined that for purposes of determining eligibility under item 807.00, Tariff Schedules of the United States (predecessor to subheading 9802.00.80, Harmonized Tariff Schedule of the United States), the programming of a foreign PROM (Programmable Read-Only Memory chip) in the United States substantially transformed the PROM into a U.S. article. In programming the imported PROMs, the U.S. engineers systematically caused various distinct electronic interconnections to be formed within each integrated circuit. The programming bestowed upon each circuit its electronic function, that is, its “memory” which could be retrieved. A distinct physical change was effected in the PROM by the opening or closing of the fuses, depending on the method of programming. This physical alteration, not visible to the naked eye, could be discerned by electronic testing of the PROM. The court noted that the programs were designed by a U.S. project engineer with many years of experience in “designing and building hardware.” While replicating the program pattern from a “master” PROM may be a quick one-step process, the development of the pattern and the production of the “master” PROM required much time and expertise. The court noted that it was undisputed that programming altered the character of a PROM. The essence of the article, its interconnections or stored memory, was established by programming. The court concluded that altering the non-functioning circuitry comprising a PROM through technological expertise in order to produce a functioning read only memory device, possessing a desired distinctive circuit pattern, was no less a “substantial transformation” than the manual interconnection of transistors, resistors and diodes upon a circuit board creating a similar pattern.

In order to determine whether a substantial transformation occurs when components of various origins are assembled into completed products, CBP considers the totality of the circumstances and makes such determinations on a case-by-case basis. The country of origin of the item’s components, extent of the processing that occurs within a country, and whether such processing renders a product with a new name, character, and use are primary considerations in such cases. Additionally, factors such as the resources expended on product design and development, the extent and nature of post-assembly inspection and testing procedures, and worker skill required during the manufacturing process will be considered when determining whether a substantial transformation has occurred. No one factor is determinative.

**Scenario I:**

In this scenario, the application and transceiver boards are assembled and programmed in Malaysia with U.K.-origin software and shipped to Singapore. After importation into Singapore, the boards are assembled with other originating and non-originating components into satellite phones. The completed phones are then shipped to Malaysia for testing, labeling and packaging.

You claim that as a result of the assembly operations performed in Singapore, the application board and the transceiver board from Malaysia as well as the other non-originating components undergo a substantial transformation, such that the finished telephones become products of Singapore for purposes of U.S. Government procurement. You cite Headquarters Ruling Letter (HQ) 557208 (July 24, 1993), and New York Ruling Letter (NY) R02686 (Oct. 28, 2005), in support of your position.

HQ 557208 concerned the eligibility of cordless phones imported from Mexico to benefit from the Generalized System of Preferences (GSP). The phones were manufactured in Mexico by assembling three PCB subassemblies.
In Scenario I, a large number of parts are assembled in Malaysia and programmed to form the Malaysian boards, which are the essence of the phones, into a new article with a new name, use and identity. Moreover, these boards are combined with components of various origins in a third country, namely Singapore, which is a distinguishable fact from HQ 557208 and NY R02686. See Belcrest Linens supra. As a result, in Scenario I we find that the country in which the last substantial transformation takes place is Malaysia, which is the country of origin of the phones.

Scenario II:

For Scenarios II through VI, you argue that because U.K.-origin software is loaded onto certain components in Singapore, additional value is added by the Singaporean operations, and that the components and subassemblies are, therefore, substantially transformed in Singapore. In support of your view you cite Data General, discussed supra, Customs Service Decisions (C.S.D.) 84–85 (April 2, 1984), and HQ 733085 (July 13, 1990). At issue in C.S.D. 84–85 was whether the programming of an EPROM (erasable programmable read only memory) was a manufacturing process that resulted in a new article for purposes of determining country of origin. CBP found that the rationale of the court in Data General, that is, programming a PROM is no less a substantial transformation than the manual interconnection of the components on a circuit board, could be applied to support the principle that the essence of an integrated circuit memory storage device is established by programming. Consequently, in C.S.D. 84–85 the programming or reprogramming of an EPROM was found to result in a new and different article of commerce. In HQ 733085, applying Data General, CBP found that programming in the United States of a foreign identification card to make it secure changed the name, character and use of the card. The card could not function with the computer security system for which it was designed until it had been properly programmed. Programming done in the United States using a binary code of U.S. origin substantially transformed the ID cards.

As in Scenario I, as a result of the assembly and programming operations in Malaysia, we find that the boards are products of Malaysia and convey the essential character of the phones. Applying the principle in Belcrest Linens and C.S.D. 85–25, we find that soldering the jacks onto the application board in Singapore is not a sufficiently complex and meaningful process that transforms the Malaysian application board into a new article with a new name, use and identity. As in Scenario I, we find that the assembly in Singapore of the transceiver and application boards with components such as covers and housing by means of inserting, screwing, clipping together and the like, does not substantially transform the boards, which convey the essential character of the phones, into a new and different article. Further, unlike HQ 733085 where U.S. code was programmed onto cards in the U.S., here U.K. software is programmed in Malaysia. Consequently, we find that the country of origin of the phones in this scenario is Malaysia.

Scenario III:

In the rest of the scenarios, handset programming may take place wholly, or in part, in Singapore.

In this scenario, the application and transceiver boards are assembled in Malaysia, but programmed with U.K.-origin software in Singapore. The phones are then assembled in Singapore, as described in Scenario I. Accordingly, in this scenario, there are three countries under consideration where programming and/or assembly operations take place, the last of which is Singapore. In this scenario, no one country’s operations dominate the manufacturing operations of the telephone. The boards assembled in Malaysia are important to the function of the phone, as is the U.K. software. But the assembly in Singapore completed the phone. Therefore, we find that the last substantial transformation occurred in Singapore. Consequently, we find that the country of origin of the phones in this scenario is Singapore.

Scenario IV:

In this scenario, the transceiver board is assembled in Malaysia and programmed in Singapore. However, the application board is assembled and programmed in Malaysia. The phones are assembled in Singapore, as described in Scenario I.

Relying on previous discussion, we find that the programming and assembly operations performed in Singapore...
substantially transform the boards into products of Singapore. Consequently, we find that the country of origin of the phones in this scenario is Singapore.

Scenario V:
This scenario is the inverse of Scenario IV. Here, the application board is assembled in Malaysia and programmed in Singapore. The transceiver board is assembled and programmed in Malaysia. The phones are assembled in Singapore, as described in Scenario I.

Similar to Scenario IV, we find that the programming and assembly operations in Singapore substantially transform the boards into products of Singapore. Consequently, we find that the country of origin of the phones in this scenario is Singapore.

Scenario VI:
In this scenario, the ICs for the transceiver boards that store the phones’ U.K.-origin firmware are programmed in Singapore, prior to being incorporated into the transceiver boards assembled in Malaysia. The application board is assembled and programmed in Malaysia. The phones are then assembled in Singapore, as described in Scenario I.

As in Scenario I, we find that the country where the last substantial transformation takes place is Malaysia, which is the country of origin of the phones.

Marking
Section 304 of the Tariff Act of 1930, as amended (19 U.S.C. § 1304), provides that unless excepted, every article of foreign origin imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or its container) will permit, in such a manner as to indicate to the ultimate purchaser in the United States, the English name of the country of origin of the article. Congressional intent in enacting 19 U.S.C. § 1304 was “that the ultimate purchaser should be able to know by an inspection of the marking on the imported goods the country of which the goods is the product. The evident purpose is to mark the goods so that at the time of purchase the ultimate purchaser may, by knowing where the goods were produced, be able to buy or refuse to buy them, if such marking should influence his will.” United States v. Friedlander & Co., 27 C.C.P.A. 297 at 302; C.A.D. 104 (1940).

Part 134, CBP Regulations (19 C.F.R. § 134) implements the country of origin marking laws and regulations. 19 U.S.C. § 1304. Section 134.1(b), CBP Regulations (19 C.F.R. § 134.1(b)), defines “country of origin” as “the country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the ‘country of origin’ within the meaning of [the marking laws and regulations].” For country of origin marking purposes, a substantial transformation of an article occurs when it is used in manufacture, which results in an article having a name, character, or use differing from that of the article before the processing. However, if the manufacturing or combining process is merely a minor one that leaves the identity of the article intact, a substantial transformation has not occurred. See Uniroyal, Inc. v. United States, 3 Ct. Int’l Trade 220, 543 F. Supp. 1026, 1029 (1982), aff’d, 702 F.2d 1022 (Fed. Cir. 1983).

In Scenarios I, II, and VI, the country where the last substantial transformation occurs is Malaysia. Accordingly, in these scenarios the country of origin for marking purposes is Malaysia, and the phones may be marked “Made in Malaysia”. In Scenarios III through V, the country where the last substantial transformation takes place is Singapore. Therefore, in these scenarios the country of origin for marking purposes is Singapore, and the phones may be marked “Made in Singapore”. Your suggested marking, “Substantially Transformed in [country]”, would be confusing to the ultimate purchaser.

HOLDING:
Based on the facts of this case, we find that in Scenarios I, II and VI, the country where the last substantial transformation takes place is Malaysia. The country of origin of the Iridium 9555 satellite phones is Malaysia for purposes of U.S. Government procurement and country of origin marking.

In Scenarios III through V, the country where the last substantial transformation takes place is Singapore. The country of origin of the Iridium 9555 satellite phones is Singapore for purposes of U.S. Government procurement and country of origin marking.

Notice of this final determination will be given in the Federal Register, as required by 19 C.F.R. § 177.29. Any party-at-interest other than the party which requested this final determination may request, pursuant to 19 C.F.R. § 177.31, that CBP reexamine the matter anew and issue a new final determination. Pursuant to 19 C.F.R. § 177.30, any party-at-interest may, within 30 days of publication of the Federal Register Notice referenced above, seek judicial review of this final determination before the Court of International Trade.

Sincerely,
Sandra L. Bell,
Executive Director, Regulations and Rulings Office of International Trade.

[FR Doc. 2011–19559 Filed 8–1–11; 8:45 am]
BILLING CODE P

DEPARTMENT OF THE INTERIOR
Fish and Wildlife Service

Nantucket National Wildlife Refuge, Nantucket, MA; Draft Comprehensive Conservation Plan, Land Protection Plan, and Environmental Assessment

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), announce the availability of a draft comprehensive conservation plan (CCP), including a land protection plan (LPP), and environmental assessment (EA) for Nantucket National Wildlife Refuge (NWR) for public review and comment. The draft CCP/EA describes our proposal for managing the refuge for the next 15 years.

DATES: To ensure consideration, please send your written comments by September 1, 2011. We will hold at least one public meeting in Nantucket, MA, during the public comment period to receive comments and provide information on the draft plan. We will also announce opportunities for public input in local news media, our project mailing list, and on our regional planning Web site: http://www.fws.gov/northeast/planning/nantucket/ccphome.html.

ADDRESSES: You may submit comments or requests for copies or more information by any one of the following methods. You may request hard copies or a CD-ROM of the documents.

E-mail: northeastplanning@fws.gov.
Include “Nantucket NWR draft CCP/E” in the subject line of the message.
U.S. Mail: Eastern Massachusetts NWR Complex, 73 Weir Hill Road, Sudbury, MA 01776.
In-Person Drop-off, Viewing, or Pickup: Call 978–443–4661 to make an