U.S. Customs Service

General Notices

TREASURY ADVISORY COMMITTEE ON COMMERCIAL OPERATIONS OF THE U.S. CUSTOMS SERVICE

AGENCY: Departmental Offices, Treasury.

ACTION: Notice of meeting.

SUMMARY: This notice announces the date, time, and location for the quarterly meeting of the Treasury Advisory Committee on Commercial Operations of the U.S. Customs Service (COAC), and the provisional meeting agenda.

DATES: The next meeting of the Treasury Advisory Committee on Commercial Operations of the U.S. Customs Service will be held on Friday, March 22, 2002, starting at 9:00 a.m., at the Port of New Orleans Office Building, Main Auditorium, 1350 Port of New Orleans Place, New Orleans, LA 70130. The duration of the meeting will be approximately four hours.

FOR FURTHER INFORMATION, CONTACT: Gordana S. Earp, Deputy Director, Tariff and Trade Affairs (Enforcement), Office of the Under Secretary (Enforcement), Telephone: (202) 622–0336.

At this meeting, the Advisory Committee is expected to pursue the following agenda. The agenda may be modified prior to the meeting.

Agenda:

1) Update on the COAC Report on Improving U.S. Border and Supply Chain Security, including report on the work of the Technology Technical Advisory Team;
2) Report of the Office of Rulings & Regulations
3) Compliance Assessment Programs (Focused Assessment, ICMP)
4) Issues Relating to Uniformity
5) Other COAC Priorities
6) Next Meetings

SUPPLEMENTARY INFORMATION: The meeting is open to the public; however, participation in the Committee's deliberations is limited to Committee members, Customs and Treasury Department staff, and persons invited to attend the meeting for special presentations. A per-

son other than an Advisory Committee member who wishes to attend the meeting should contact Theresa Manning at (202) 622–0220 or Helen Belt at (202) 622–0230.

Dated: March 7, 2002.

TIMOTHY E. SKUD,
Acting Deputy Assistant Secretary,
Regulatory, Tariff, and Trade.

[Published in the Federal Register, March 13, 2002 (67 FR 11370)]

DEPARTMENT OF THE TREASURY,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, DC, March 13, 2002.

The following documents of the United States Customs Service, Office of Regulations and Rulings, have been determined to be of sufficient interest to the public and U.S. Customs Service field offices to merit publication in the CUSTOMS BULLETIN.

DOUGLAS M. BROWNING,
Acting Assistant Commissioner,
Office of Regulations and Rulings.

MODIFICATION OF RULING LETTER RELATING TO ENTRY OF PILOT CARS

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

ACTION: Notice of modification of ruling letter.

SUMMARY: Pursuant to section 625(c)(1), Tariff Act of 1930 (19 U.S.C. 1625(c)(1), as amended by section 623 of Title VI (Customs Modernization) of the North American Free Trade Implementation Act (Pub.L. 103–182, 107 Stat. 2057) this notice advises interested parties that Customs is modifying one ruling pertaining to the entry of Canadian pilot cars in the United States. Notice of the proposed modification was published on January 30, 2002, in the CUSTOMS BULLETIN, vol. 36, no. 5.

EFFECTIVE DATE: May 27, 2002.

FOR FURTHER INFORMATION CONTACT: Glen E. Vereb, Entry Procedures and Carriers Branch, Office of Regulations and Rulings (202) 927–2320.

SUPPLEMENTAL INFORMATION:

BACKGROUND

On January 30, 2002, Customs published in the CUSTOMS BULLETIN, vol. 36, no. 5, a notice of proposal to modify Headquarters ruling letter (HRL) 114914, dated January 12, 2000, wherein Customs held that Canadian pilot cars escorting Canadian trucks carrying wide loads from Canada to points in the United States and subsequently returning to Canada after the load is delivered are not exempt from formal entry.

Upon further review of HRL 114914, we concluded that such pilot cars can be entered informally pursuant to sections 148.23(c) and

143.23(a), Customs Regulations (19 CFR 148.23(c) and 143.23(a)). Furthermore, Customs does retain the right to demand formal entry of these pilot cars pursuant to section 143.22, Customs Regulations (19 CFR 143.22) if, in the discretion of the port director, formal entry is warranted.

Ten comments were received in response to the proposal. Five of the commenters were in agreement with the proposal as written stating that its adoption would bring about efficient and simplified operational practices at the border thereby facilitating trade and achieving parity between the treatment of Canadian and American pilot cars by the U.S. Customs Service and Canada Customs and Revenue Agency, respectively.

The five remaining commenters, while agreeing with the concept of informal entry in this matter, raised questions as to how this would be accomplished procedurally. Several suggested that informal entry with respect to these pilot cars be done orally. In this regard we note that the subject pilot cars would not meet the eligibility requirements for oral declarations set forth in section 148.12(b)(2)(ii), Customs Regulations (19 CFR 148.12(b)(2)(ii)). Others correctly noted that informal entry pursuant to section 148.23(c)(2)(i), Customs Regulations (19 CFR 148.23(c)(2)(i)) as proposed necessitates the submission of an invoice. In this regard we note that a port director has the discretion to waive the production of an invoice pursuant to section 141.92(a), Customs Regulations (19 CFR 141.92(a)). Such discretion can be exercised with respect to the importation of the subject pilot cars.

Pursuant to section 625(c)(1), Tariff Act of 1930 (19 U.S.C. 1625(c)(1), as amended by section 623 of Title VI (Customs Modernization) of the North American Free Trade Implementation Act (Pub.L. 103–182, 107 Stat. 2057) this notice advises interested parties that Customs is modifying HRL 114914 pertaining to the entry of Canadian pilot cars in the United States. Such pilot cars are not exempt from entry, however, this may be done informally pursuant to 19 CFR 148.23(c) and 143.23(a)). However, Customs does retain the right to demand formal entry pursuant to 19 CFR 143.22. HRL 115532, modifying HRL 114914, is set forth as an attachment to this document.

Publication of rulings or decisions pursuant to 19 U.S.C. 1625(c)(1) does not constitute a change of practice or position in accordance with section 177.10(c)(1), Customs Regulations (19 CFR 177.10(c)(1)).

Dated: March 8, 2002.

SANDRA L. BELL,
Director,
International Trade Compliance Division.

[Attachment]

[ATTACHMENT]

DEPARTMENT OF THE TREASURY,
U.S. CUSTOMS SERVICE,
Washington, DC, March 8, 2002.
BOR–4–04–RR:IT:EC 115532 GEV
Category: Carriers

PAUL R. LANDRY
PRESIDENT
BRITISH COLUMBIA TRUCKING ASSOCIATION
#1–1610 Krebet Way
Port Coquitlam, British Columbia, Canada V3C 5W9

Re: Pilot Cars; Entry; 19 U.S.C. 1498.

DEAR MR. LANDRY:

This is in response to your letter dated December 20, 1999, seeking clarification regarding the treatment by the U.S. Customs Service of Canadian pilot cars. Our ruling on this matter is set forth below.

Facts:

Canadian pilot cars are required by law to escort Canadian-based trucks carrying wide loads from Canada to points in the United States. The pilot cars subsequently return to Canada after the load is delivered.

Issue:

Whether Canadian pilot cars are exempt from entry.

Laws and Analysis:

Section 141.4, Customs Regulations (19 CFR 141.4), provides that entry as required by title 19, United States Code, 1484(a) (19 U.S.C. 1484(a)), shall be made of every importation whether free or dutiable and regardless of value, except for intangibles and articles specifically exempted by law or regulations from the requirements for entry. Since Canadian pilot cars are not so exempted, they are subject to entry and payment of any applicable duty.

Vehicles and other instruments of international traffic may be entered without entry and payment of duty under the provisions of 19 U.S.C. 1322. To qualify as instruments of international traffic, trucks having their principal base of operations in a foreign country must be arriving in the United States with merchandise destined for points in the United States, or arriving empty or loaded for the purpose of taking merchandise out of the United States (see 19 CFR 123.14(a)).

Section 10.41(d), Customs Regulations (19 CFR 10.41(d)), provides, in part, that any foreign-owned vehicle brought into the United States as an element of a commercial transaction, except as provided at section 123.14(c) (pertaining to the use of foreign-based vehicles in local traffic in the United States), is subject to treatment as an importation of merchandise from a foreign country and a regular entry therefor shall be made.

Pursuant to a request for internal advice received from the former Regional Commissioner of Customs, Pacific Region, dated January 29, 1975, regarding this matter, Headquarters issued a response dated April 1, 1975 (file no. 101502), which provided that "* * * pilot cars do not qualify for admission under this provision [19 CFR 123.14] because they do not carry merchandise or passengers between the United States and Canada. Admission of foreign-owned pilot cars as instruments of international traffic is not warranted and should not [sic] longer be permitted."

With respect to the applicability of section 10.41(d) to the use of Canadian pilot cars as described above, the aforementioned internal advice further provided that whether an article is used as "an element of a commercial transaction" depends upon the circumstances of each case, and the term thus is not susceptible of authoritative definition. Generally the courts have defined a commercial activity, in its broadest sense, to include any type of business or activity which is carried on for a profit. *Caribbean Steamship Co. v. Le Societe Navale Caennaise*, 140 F.Supp. 16, 21 (4th Cir. 1956). The internal advice held that the use of Canadian pilot cars as described above is "an element of a commercial transaction" within the meaning of that regulatory provision.

Advice furnished by Headquarters in response to a request therefor represents the official position of the U.S. Customs Service with respect to the application of the Customs

laws to the facts of a specific transaction and, absent a request for reconsideration by the requesting field office, is to be applied by the field office in its disposition of the Customs transaction in question. (19 CFR 177.11(b)(6)) To date, Headquarters has received no such request for reconsideration.

In regard to entry of these vehicles, Customs ruling letter 114914, dated January 12, 2000, held that this must be done formally. However, upon further review of this matter, Customs has determined that in the interest of expediency and facilitation of cross-border traffic, these pilot cars may be entered informally pursuant to sections 148.23(c) and 143.23(a), Customs Regulations (19 CFR 148.23(c) and 143.23(a)). Customs does retain the right, however, to demand formal entry pursuant to section 143.22, Customs Regulations (19 CFR 143.22) if, in the discretion of the port director, formal entry is warranted.

Accordingly, Customs position regarding the treatment of Canadian pilot cars as set forth in the above-cited internal advice remains unchanged. Such vehicles are subject to entry which may be done informally pursuant to the above-cited regulatory authority. Customs ruling letter 114914, dated January 12, 2000, is therefore modified as to this issue.

Holding:

Canadian pilot cars are not exempt from entry, however, this may be done informally pursuant to 19 CFR 148.23(c) and 143.23(a). Customs does retain the right to demand formal entry pursuant to 19 CFR 143.22.

SANDRA L. BELL,
Director,
International Trade Compliance Division.

REVOCATION OF RULING LETTER AND TREATMENT RELATING TO TARIFF CLASSIFICATION OF BIMETALLIC WATCHES AND WATCH BRACELETS

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

ACTION: Notice of revocation of ruling letter and treatment relating to tariff classification of bimetallic watches and watch bracelets.

SUMMARY: Pursuant to section 625(c), Tariff Act of 1930, as amended, (19 U.S.C. 1625(c)), as amended by section 623 of Title VI (Customs Modernization) of the North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057), this notice advises interested parties that Customs is revoking one ruling letter pertaining to the tariff classification of bimetallic watches and watch bracelets under the Harmonized Tariff Schedule of the United States ("HTSUS"), and revoking any treatment previously accorded by Customs to substantially identical transactions. Notice of the proposed revocation was published on February 6, 2002, in the CUSTOMS BULLETIN. No comments were received in response to this notice.

DATE: This revocation is effective for merchandise entered or withdrawn from warehouse for consumption on or after May 27, 2002.

FOR FURTHER INFORMATION CONTACT: Deborah Stern, General Classification Branch (202) 927–1638.

SUPPLEMENTARY INFORMATION:

BACKGROUND

On December 8, 1993, Title VI, (Customs Modernization), of the North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057), (hereinafter "Title VI"), became effective. Title VI amended many sections of the Tariff Act of 1930, as amended, and related laws. Two new concepts which emerge from the law are **informed compliance** and **shared responsibility.** These concepts are premised on the idea that in order to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the law imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's responsibilities and rights under the Customs and related laws. In addition, both the trade and Customs share responsibility in carrying out import requirements. For example, under section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), the importer of record is responsible for using reasonable care to enter, classify and value imported merchandise, and provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics and determine whether any other applicable legal requirement is met.

Pursuant to section 625(c)(1), Tariff Act of 1930, as amended (19 U.S.C. 1625(c)(1)), a noticed was published on February 6, 2002, in the CUSTOMS BULLETIN, Volume 36, Number 6, proposing to revoke NY H83472, dated August 8, 2001, which classified certain bimetallic watches in subheadings 9102.11.65 and 9102.21.30, HTSUS and certain bimetallic watch bracelets in subheading 9113.20.40, HTSUS. No comments were received in response to this notice.

As stated in the proposed notice, this revocation covers any rulings on this merchandise which may exist but have not been specifically identified. Customs has undertaken reasonable efforts to search existing databases for rulings in addition to the one identified. Any party who has received an interpretive ruling or decision (i.e., ruling letter, internal advice memorandum or decision or protest review decision) on the merchandise subject to this notice should have advised Customs during the comment period.

Similarly, pursuant to section 625(c)(2), Tariff Act of 1930, as amended (19 U.S.C. 1625(c)(2)), Customs is revoking any treatment previously accorded by Customs to substantially identical transactions. This treatment may, among other reasons, be the result of the importer's reliance on a ruling issued to a third party, Customs personnel applying a ruling of a third party to importations of the same or similar merchandise, or to the importer's or Customs' previous interpretation of the Harmonized Tariff Schedule of the United States. Any person involved in substantially identical transactions should have advised Customs during the comment period. An importer's reliance on treatment of substantially identical transactions or on a specific ruling concerning

merchandise covered by this notice which was not identified may raise issues of reasonable care on the part of the importer or its agents for importations of merchandise subsequent to the effective date of this final decision.

In NY H83472, dated August 8, 2001, various models of "Santos de Cartier" bimetallic (stainless steel and 18-carat gold) watches and watch bracelets were misclassified. Watch models W20030C4, W20037R3, W20011C4, W20031C4 and W20012C4 were classified in subheading 9102.11.65, HTSUS, which provides for wrist watches, electrically operated, with mechanical display only, having no jewels or only one jewel in the movement: with strap, band or bracelet of textile material or of base metal, whether or not gold- or silver-plated. Watch model W20036R3 was classified in subheading 9102.21.30, HTSUS, which provides for wrist watches, with automatic winding, having over one jewel but not over 17 jewels in the movement, with strap, band or bracelet of textile material or of base metal, whether or not gold- or silver-plated. All six models of watch bracelets imported separately were classified in subheading 9113.20.40, HTSUS, which provides for watch bracelets of base metal valued over $5 per dozen.

It is now Customs position that this merchandise consists of base metal inlaid with precious metal. The expression "metal clad with precious metal is defined throughout the tariff by Note 7 of Chapter 71 as including base metal inlaid with precious metal except where the context otherwise requires. Thus, this merchandise is treated as "metal clad with precious metal" for tariff purposes. Accordingly, the models W20030C4, W20037R3, W20011C4, W20031C4 and W20012C4 are classifiable in subheading 9102.11.95, HTSUS; model W20036R3 is classifiable in subheading 9102.21.50, HTSUS; and the watch bracelets imported separately are classifiable in subheading 9113.10.00, HTSUS.

Pursuant to 19 U.S.C. 1625(c)(1), Customs is revoking NY H83472 to reflect the proper classification of the subject merchandise pursuant to the analysis set forth in HQ 965207, which is set forth as an attachment to this document. Additionally, pursuant to 19 U.S.C. 1625(c)(2), Customs is revoking any treatment previously accorded by the Customs Service to substantially identical merchandise.

In accordance with 19 U.S.C. 1625(c), this ruling will become effective 60 days after publication in the CUSTOMS BULLETIN.

Dated: March 12, 2002.

MARVIN AMERNICK,
(for John Durant, Director,
Commercial Rulings Division.)

[Attachment]

[ATTACHMENT]

DEPARTMENT OF THE TREASURY,
U.S. CUSTOMS SERVICE,
Washington, DC, March 12, 2002.
CLA–2 RR: CR: GC 965207 DBS
Category: Classification
Tariff Nos. 9102.11.95, 9102.21.50, and 9113.10.00

MR. PAUL HEGLAND
WHITE & CASE, LLP
601 Thirteenth Street, NW
Suite 600 South
Washington, DC 20005–3807

Re: NY H83472 revoked; bimetallic watches and watch bracelets.

DEAR MR. HEGLAND:

This is in response to your letter dated August 20, 2001 requesting reconsideration of NY Ruling Letter H83472, issued to you on August 8, 2001, on behalf of Cartier, Inc., which classified various bimetallic watches under the Harmonized Tariff Schedule of the United States (HTSUS) as having watch bracelets of base metal in subheadings 9102.21.30, HTSUS and 9102.11.65, HTSUS, and classified watch bracelets imported separately in subheading 9113.20.40, HTSUS, which provides for watch bracelets of base metal. We have reconsidered the classification of these articles and now believe NY H83472 is incorrect.

Pursuant to section 625(c), Tariff Act of 1930 (19 U.S.C. 1625(c)), as amended by section 623 of Title VI (Customs Modernization) of the North American Free Trade Agreement Implementation Act, Pub. L. 103–182, 107 Stat. 2057, 2186 (1993), notice of the proposed revocation of the above identified ruling was published on February 6, 2002, in the CUSTOMS BULLETIN, Volume 36, Number 6. No comments were received in response to the notice.

Facts:

The watchbands for the Santos de Cartier watch models W20030C4, W20031C4, W20036R3, W20037R3, W20011C4 and W20012C4 are composed of stainless steel and inlaid with 18-carat gold. They are referred to as bimetallic bracelets and contain 26 links composed of stainless steel with 52 gold "screws" or 24 links composed of stainless steel with 48 gold "screws." Written explanations and schematic drawings submitted by Cartier, Inc. show that the screws are actually screw-shaped inserts with unthreaded shanks that are press-fitted into predrilled holes. There is a round protrusion referred to as a shoulder (the opposite of a groove) in the middle of the shank of the screw-shaped insert. The shoulder cannot be seen without 10 power or greater magnification. The shoulder rubs against the stainless steel wall and gives slightly as it is pressed downward into position in the shank hole. The gold insert is friction fit by machine press into the stainless steel link and cannot be removed without destroying the link.

The watches have base metal cases with 18-carat gold (circular or square) bezels, each featuring eight stainless steel screws. In general, the watches and watch bracelets will be imported together with the bracelet affixed to the watch. Occasionally, the bracelets will be imported separately as replacements for damaged bracelets. The Santos de Cartier watch is designed to evoke an aircraft fuselage by the use of the screw on the bezel and on the bracelet. The Santos de Cartier line includes various types of watches of stainless steel and watch bracelets of stainless steel and gold as described.

Model W20036R3 has an automatic winding mechanical movement with 17 jewels. Models W20030C4, W2003R73, W20011C4 watches have battery operated quartz movements with seven jewels. Models W20031C3 and W20012C4 have battery operated quartz movements with four jewels.

In NY H83472, the Director, National Commodity Specialist Division, classified watch models W20030C4, W20037R3, W20011C4, W20031C4 and W20012C4 in subheading 9102.11.65, HTSUS, which provides for wrist watches, electrically operated, with mechanical display only, other, with strap, band or bracelet of textile material or of base metal, whether or not gold- or silver-plated. Watch model W20036R3 was classified in subheading 9102.21.30, HTSUS, which provides, in pertinent part, for wrist watches, with automatic winding, having over one jewel but not over 17 jewels in the movement,

with strap, band or bracelet of base metal, whether or not gold- or silver-plated. All six models of watch bracelets imported separately were classified in subheading 9113.20.40, HTSUS, which provides, in pertinent part, for watch bracelets of base metal, whether or not gold- or silver-plated, valued over $5 per dozen.

Issue:

Whether the bimetallic watches and watch bracelets are classifiable as of base metal or of precious metal or metal clad with precious metal for tariff classification purposes.

Law and Analysis:

Classification under the HTSUS is made in accordance with the General Rules of Interpretation ("GRIs"). GRI 1 provides that the classification of goods shall be determined according to the terms of the headings of the tariff schedule and any relative Section or Chapter Notes. In the event that the goods cannot be classified solely on the basis of GRI 1, and if the headings and legal notes do not otherwise require, the remaining GRIs may then be applied.

In understanding the language of the HTSUS, the Harmonized Commodity Description and Coding System Explanatory Notes (ENs) may be utilized. ENs, though not dispositive or legally binding, provide commentary on the scope of each heading of the HTSUS, and are the official interpretation of the Harmonized System at the international level. Customs believes the ENs should always be consulted. *See* T.D. 89–80, 54 Fed. Reg. 35127, 35128 (August 23, 1989).

The HTSUS provisions under consideration are as follows:

9102	Wrist watches, pocket watches and other watches, including stop watches, other than those of heading 9101:
	Wrist watches, electrically operated, whether or not incorporating a stop watch facility:
9102.11	With mechanical display only:
	Other:
	With strap, band or bracelet of textile material or of base metal, whether or not gold- or silver-plated:
9102.11.65	Other
*	* * * * * *
	Other:
9102.11.95	Other
*	* * * * * *
	Other wrist watches whether or not incorporating a stop-watch facility:
9102.21	With automatic winding:
	Having over one jewel but not over 17 jewels in the movement:
9102.21.30	With strap, band or bracelet of textile material or of base metal, whether or not gold- or silver-plated
*	* * * * * *
9102.21.50	Other
*	* * * * * *
9113	Watch straps, watch bands and watch bracelets, and parts thereof:
9113.10.00	Of precious metal or of metal clad with precious metal
*	* * * * * *
9113.20	Of base metal, whether or not gold- or silver-plated:
	Straps, bands and bracelets:
9113.20.40	Valued over $5 per dozen

Note 2 of Chapter 91 instructs that watches with cases not wholly of precious metal or metal clad with precious metal are to be classified in heading 9102, HTSUS. Note 7 of Chapter 71 defines the expression "metal clad with precious metal" for the entire tariff schedule. According to Note 7, "metal clad with precious metal" means material made with a base of metal upon one or more surfaces of which there is affixed by soldering, brazing * * * or similar mechanical means a covering of precious metal. Except where the context otherwise requires, the expression also covers base metal inlaid with precious metal."

However, Note 2 of Chapter 91 specifically excepts cases that are “metal clad with precious metal” by means of being a base metal inlaid with precious metal. They are to be classified in heading 9102, HTSUS. The cases of the watches at issue are metal with gold bevels. They are not wholly of precious metal, nor are the cases metal clad with precious metal within the meaning of Note 2. Accordingly, they are watches of heading 9102, HTSUS.

Note 2 of the Additional U.S. Notes to Chapter 91 states that watch bracelets entered with wrist watches and of a kind normally sold therewith are classified with the watch in 9102, and other watch bracelets shall be classified in 9113. Thus, the watch bracelets imported separately are classified under heading 9113, HTSUS.

When the subheadings, rather than the headings are at issue, GRI 6 is applied. GRI 6 provides that, “for legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, *mutatis mutandis*, to [rules 1 though 5] on the understanding that only subheadings at the same level are comparable for the purposes of this rule and the relative section and chapter notes also apply, unless the context otherwise requires.”

The importer claims that watch bracelets are composite goods that are to be classified according to GRI 3(b). The importer argues that the essential character of the bracelet is precious metal. In NY H83472, Customs agreed that the composite good analysis applied, but classified the merchandise as having bracelets of base metal. However, upon review of the headings and relevant section and chapter notes, it is clear that GRI 6 and GRI 3(b) are unnecessary, as the merchandise may be classified on the basis of GRI 1.

Note 7 of Chapter 71 specifically defines “metal clad with precious metal” for the entire tariff schedule and unless the context otherwise requires. Note 2 of Chapter 91 required the exclusion of base metal inlaid with precious metal from that definition with respect to watch cases. The tariff is silent as to watch bracelets in this context. Therefore, watch bracelets of base metal inlaid with precious metal would fall into the classification of metal clad with precious metal. Accordingly, we must determine if the gold “screws” in the watch bracelets are inlaid.

The HTSUS does not provide a definition of “inlaid.” However, the General ENs to Chapter 71 state, in pertinent part, the “[e]xcept where the context otherwise requires base metal articles inlaid with precious metal are also classified as articles of metal clad with precious metal (e.g. copper plates inlaid with silver strips for use in the electrical industry, and the so-called damaskeen work of steel inlaid with strips or threads of hammered gold). These two exemplars demonstrate the broad scope of “base metal inlaid with precious metal”, but does not define “inlaid” for each chapter of the HTSUS in which it appears.

Inlaid is defined as “any decorative technique used to create an ornamental design, pattern, or scene by inserting or setting into a shallow or depressed ground or surface a material of different color or type.” Encyclopædia Britannica (CD-ROM, Standard ed. 1999). Oxford English Dictionary (2d. ed. 1989) defines inlay as “to furnish or fit (a thing) with a substance of a different kind embedded in its surface; to diversify or ornament by such insertion of another material disposed in a decorative pattern or design.”

In addition, although watches are not jewelry, the Jewelers' Dictionary 3rd edition, has a definition consistent with those above. It states that to inlay is, in pertinent part, “In jewelry, to embed a material in another substance so that the surfaces of each are level.” Moreover, in the past the courts have defined and analyzed the term “inlaid” in other contexts, but the discussion is also relevant here. One decision cited six lexicographers, all of whom similarly state that to inlay is to lay or insert one material into another. *See Keveney v. United States*, 1 Ct. Cust. 101; T.D. 31111 (1910). In *Hunter v. United States*, it was held that inlaid means “laid into a definite space, as a separate part of the material of the structure.” *See* 121 Fed. 207 (1903), *cited by United States v. Pacific Overseas Co.,* 42 C.C.P.A. 1 (1954).

Here, the unthreaded screws are press-fitted into holes drilled into the stainless steel link so that the screws are flush with the surface of the link. They are purely ornamental gold inserts which are embedded into the stainless steel links. We believe that the “screws” are inlaid. Accordingly, the watches and watch bracelets are classified as being of base metal inlaid with precious metal. The watches with watch bracelets attached will be classified in subheading 9102.11.95, HTSUS. The watch bracelets imported separately will be classified in subheading 9113.10.00, HTSUS.

For the reasons above we conclude that NY H83472 was in error. Accordingly, the models W20030C4, W20037R3, W20011C4, W20031C4 and W20012C4 are classifiable in sub-

heading 9102.11.95, HTSUS; model W20036R3 is classifiable in subheading 9102.21.50, HTSUS; and the watch bracelets imported separately are classifiable in subheading 9113.10.00, HTSUS.

Holding:

Bimetallic watch and watch bracelet models W20030C4, W20037R3, W20011C4, W20031C4 and W20012C4 are classifiable in subheading 9102.11.95, HTSUS, which provides for, "wrist watches * * * other than those of heading 9101: wrist watches, electrically operated, whether or not incorporating a stop watch facility: with mechanical display only: other: other: other." Model W20036R3 is classifiable in subheading 9102.21.50, HTSUS, which provides for, "wrist watches * * * other than those of heading 9101: wrist watches, electrically operated, whether or not incorporating a stop watch facility: with automatic winding: having over one jewel but not over 17 jewels in the movement: other." The watch bracelets imported separately are classifiable in subheading 9113.10.00, HTSUS, which provides for, "watch straps, watch bands and watch bracelets and parts thereof: of precious metal or of metal clad with precious metal."

Effect on Other Rulings:

NY H83472, dated August 8, 2001, is hereby revoked. In accordance with 19 U.S.C 1625(c), this ruling will become effective 60 days after its publication in the CUSTOMS BULLETIN.

MARVIN AMERNICK,
(for John Durant, Director,
Commercial Rulings Division.)