



U.S. Customs and
Border Protection

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MEMORANDUM FOR: DIRECTORS, FIELD OPERATIONS
ASSISTANT DIRECTORS, TRADE, FIELD OPERATIONS
OFFICE OF FIELD OPERATIONS

FROM: Executive Director, Trade Policy and Programs
Office of International Trade

SUBJECT: INFO: TBT-08-006 Preferential Rule Modifications for the
Dominican Republic-Central America-United States Free Trade
Agreement (CAFTA-DR)

BACKGROUND:

This informational memorandum is issued to ensure the trade community is aware the CAFTA-DR preferential rules may soon be modified. The changes, not yet implemented, were attached as an Annex to Presidential Proclamation 8213 dated December 20, 2007 and published in the *Federal Register* on December 27, 2007 (73 FR 73555).

The Presidential Proclamation and its Annex may modify CAFTA-DR preferential rules for two distinct reasons. Sections A, B and C of the proposed rule modifications are the result of an exchange of letters between the United States and each of the CAFTA-DR countries. These substantial modifications will require that most apparel use pocket bag fabric that has been formed and finished in a CAFTA country from yarn wholly formed in a CAFTA country to receive duty free treatment as an originating good. Copies of each of the five letters of understanding can be found at the Department of Commerce's Office of Textiles and Apparel (OTEXA) website at http://otexa.ita.doc.gov/Pocketing_Agreements.htm. Additionally, a summary of some of the key modifications of Sections A, B and C of the Annex are described on the OTEXA website at <http://otexa.ita.doc.gov/PocketingFabricSummary.pdf>. Separately, Section D of the Annex, once implemented, discusses the use of materials of Canada or Mexico in the production of CAFTA-DR apparel goods of Chapter 62.

U.S. Customs and Border Protection (CBP) has been advised by the United States Trade Representative (USTR) and the Committee for the Implementation of Textile Agreements (CITA) that a *Federal Register* notice implementing the modifications to the CAFTA-DR

preferential rules may be issued shortly. The changes to the HTS will be effective, not on the date of publication, but on the specific date announced in the *Federal Register* notice. While it is our understanding that the trade will be given some time to adjust sourcing requirements of raw materials pursuant to the rule modifications, CBP is publishing this memorandum to ensure maximum notification to the trade community. CBP will issue implementing instructions on the modifications to the CAFTA-DR preferential rules once USTR publishes the effective date in the *Federal Register*.

This memorandum is issued for informational purposes only. Please pass this memorandum to Port Directors, Assistant Port Directors, Import Specialists, CBP Officers, Entry Officers, Brokers, Importers and other interested parties.

INFORMATION:

If you have any questions concerning this administrative notice, please contact Import Specialist Ms. Nancy Mondich at (202) 863-6524, Import Specialist Ms. Jacqueline Sprungle at (202) 863-6517, or Textile Operations Branch Chief Mr. Robert Abels at (202) 863-6503.



Brenda B. Smith

cc: National Import Specialists