

October 10, 2007

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MEMORANDUM FOR: DIRECTORS, FIELD OPERATIONS
OFFICE OF FIELD OPERATIONS

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

SUBJECT: TBT-07-019 Documents Used to Verify Free Trade
Agreement and Legislated Trade Program Claims for
Textiles and Wearing Apparel

BACKGROUND:

Customs and Border Protection (CBP) is tasked with the enforcement of Free Trade Agreements (FTAs) and legislated trade programs that govern the importation of textiles and wearing apparel into the United States. Upon the request of CBP, importers who make trade preference claims for textiles and wearing apparel must provide sufficient records to substantiate their claims that goods meet the preference rule of origin for a country that has a FTA or legislated trade program.

Whether an agreement requires the use of yarn or fabric originating in the United States or in the region or country of the agreement, or U.S. cut or knit-to-shape components, determines the types of records importers must submit to substantiate a claim. When requested by CBP, the primary documents importers must submit to confirm each raw material source are indicated below.

The following requirements hold whether U.S. materials or regional materials are used:

1. An affidavit completed by a party having direct knowledge of the yarn or fabric formation is necessary to substantiate the origin claim.
 - a. Such an affidavit (or declaration) should identify the factory that produced the yarn or fabric, giving the full name and address.
 - The address of the actual production facility, not a corporate office or post office box number, is required.
 - Someone at that location must make the declaration.
 - The contact person's name, phone number, and fax number must be legibly printed on the affidavit.

- b. Affidavits claiming the yarn was produced in the United States will not be accepted if the party that produced the fabric in question did not also produce the yarn. The yarn producer must complete the affidavit.
 - c. Affidavits will not be accepted from converters or dyers who are not responsible for the actual production of the yarn or fabric.
2. The affidavit should have a description of the goods, such as fiber content, yarn count and fabric type, as well as some identifying characteristics, such as an invoice or order number.
 - a. If the importer purchased the yarn or fabric, he should provide a commercial invoice for the material.
 - b. If the fabric is a U.S. product, the importer should provide the bill of lading showing its movement from the United States to the beneficiary country.
3. A blanket certificate of origin should contain a description of the product, and the fabric description must not vary among the orders covered by the blanket certificate reference or contract number.

Documents to Support Claims Involving Agreements/Groupings Requiring U.S. Yarn or Fabric

1. Records demonstrating that the imported merchandise was produced using U.S. formed yarn or fabric, or U.S. cut or knit-to-shape components. Such records include certificates of origin, purchase orders, invoices, delivery notices, and, in some cases, records of yarn, fabric, or panel formation from the actual producer of a component.
2. Transportation and export records (e.g., bills of lading).
3. Entry documents showing movement of the inputs into the regional country of final production.

Documents to Support Claims Involving Agreements/Groupings Requiring Regional Yarn or Fabric

1. Records demonstrating that a party to the transaction sourced regionally formed yarn, fabric, or cut or knit-to-shape components clearly dedicated to the final imported merchandise. Such records include purchase orders, invoices, delivery notices, etc. These documents should demonstrate a direct correlation of the materials or components to the finished good by way of style numbers, fabric type and construction, or other means.
2. Transportation and export records (e.g., bills of lading) from the regional country of origin of the yarn or fabric to the regional country of final production.
3. Entry documents showing movement of the inputs into the regional country of final production.
4. Documents showing movement and delivery of inputs within the regional country of final production.

ACTION:

When making claims for preferential tariff treatment of textiles and wearing apparel under a FTA or legislated trade program, upon the request of CBP, importers must provide documents as indicated above. These documents must demonstrate that the goods qualify for the preferential treatment. If documents cannot be presented to substantiate the claim, the preference claim will be denied and all prior claims may be reviewed for sufficiency.

Please pass this memorandum to Port Directors, Assistant Port Directors, Import Specialists, CBP Officers, Entry Specialists, Brokers, Importers and other interested parties.

INFORMATION:

For additional information, please contact Ms. Nancy Mondich at 202-863-6524, Ms. Jacqueline Sprungle at 202-863-6517, Ms. Susan Thomas at 202-863-6516, or Mr. Robert Abels at 202-863-6503.

/s/

Brenda B. Smith