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December 31, 2008

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-08-015-01 Mexico Inputs Allowed Under the
Dominican Republic-Central America-United States Free Trade
Agreement (CAFTA-DR) for Certain Woven Apparel

REFERENCE: TBT-08-006, dated March 20, 2008, Preferential Rule
Modifications for the Dominican Republic-Central America-
United States Free Trade Agreement (CAFTA-DR)

SUPERCEDES: TBT-08-015

This TBT corrects and replaces TBT-08-015, dated August 8, 2008, which contains an error in the third paragraph of the action section. The incorrect wording was used to describe certain woven wool apparel articles that are classified under subheading 9822.05.13 of the Harmonized Tariff Schedule and not subject to the quantitative limit.

BACKGROUND:

On August 7, 2008, the United States Trade Representative published a *Federal Register* notice (73 FR 46057) establishing an effective date of August 15, 2008 for certain amendments to the CAFTA-DR. The amendments were announced in Presidential Proclamation 8213 and its Annex, dated December 20, 2007, published in the *Federal Register* on December 27, 2007 (72 FR 73555). These amendments were partially modified by Annex VI of Presidential Proclamation 8272, dated June 30, 2008, and published in the *Federal Register* on July 3, 2008 (73 FR 38297).

Section D of the Annex to Proclamation 8213, as amended by Annex VI of Proclamation 8272, allows for cumulation from Mexico and Canada for woven apparel provided that each country has met the necessary requirements of Appendix 4.1-B of the CAFTA-DR. Pursuant to the August 7, 2008 Federal Register notice, USTR has determined that Mexico has met the requirements.

Therefore, certain apparel items of Chapter 62 of the Harmonized Tariff Schedule (HTS) produced with Mexican materials may be treated as though they originated in a CAFTA-DR country. Pursuant to new General Note (GN) 29(d)(vii), Mexican materials may be used for the purposes of meeting the tariff shift rules for certain garments of Chapter 62 and qualify the finished garment for preferential duty treatment under CAFTA-DR.

Sections A, B, and C of the Annex to Proclamation 8213, as modified by Proclamation 8272, provide for other changes to the CAFTA-DR with regard to pocket bag fabric, items subject to the single transformation rule, the Nicaragua Tariff Preference Level, and an allowance for reduced duty treatment for certain apparel items and are addressed in TBT-08-014.

ACTION:

Effective August 15, 2008, certain apparel of Chapter 62 of the HTS produced using material from Mexico, that are entered, or withdrawn, for consumption may claim preferential tariff treatment under CAFTA-DR, pursuant to the GN29(d)(vii).

Qualifying apparel are subject to an annual quantitative limit with sub-limits for cotton and man-made fiber trousers and skirts, certain blue denim trousers and skirts, and certain wool tailored apparel, and are to be entered under subheading 9822.05.11 of the HTS, pursuant to new U.S. Note 21, Subchapter XXII of Chapter 98.

Certain woven wool suits, trousers, suit-type jackets, blazers, vests, and skirts are not subject to the quantitative limit, provided that they are not made from carded wool fabric or made from wool yarn having an average fiber diameter of 18.5 microns or less. Any of the specified apparel not made from such fabric or yarns are to be entered under subheading 9822.05.13 of the HTS, pursuant to new U.S. Note 21(c) of Subchapter XXII of Chapter 98.

The quantitative limit and sub-limits are set forth in QBT 08-104.

Apparel using materials from Canada are not eligible to qualify for preferential tariff treatment under GN29.

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

INFORMATION:

Questions concerning this administrative notice should be directed to Import Specialist Jacqueline Sprungle at (202) 863-6517, Import Specialist Nancy Mondich at (202) 863-6524, or Textile Operations Branch Chief Mr. Robert Abels at (202) 863-6503.

/s/

Brenda B. Smith

cc: National Import Specialists