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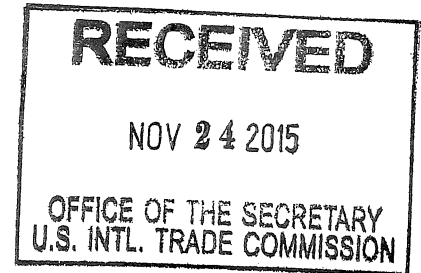
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Office of the
Secretary
The Honorable Meredith Broadbent
Int'l Trade Commission
Chairman

U.S. International Trade Commission
500 E St., SW
Washington, DC 20436

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

November 23, 2015



Dear Chairman Broadbent:

Section 203(o)(3)(A) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act of 2005 (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to rules of origin provisions included in Annex 4.1 of that Agreement in the Harmonized Tariff Schedule of the United States (HTS), other than with respect to goods of HTS chapters 50 through 63. One of the requirements set out in section 104 is that the President obtain advice regarding the proposed action from the U.S. International Trade Commission.

Our negotiators have recently reached agreement in principle with representatives of the other CAFTA-DR governments on certain modifications to the rules of origin in Annex 4.1 of the Agreement, which are reflected in the enclosed document. These modifications to the rules would be reflected in General Note 29 to the HTS.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable economic effects of the modifications in rules of origin for the products reflected in the enclosed proposal on U.S. trade under the Agreement, total U.S. trade, and on domestic producers of the affected articles. I request that the Commission provide this advice at the earliest possible date, but not later than six months after the date of receipt of this request. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Froman". The signature is fluid and cursive, with the first name "Michael" and last name "Froman" clearly distinguishable.

Ambassador Michael B. G. Froman

Enclosure

**Proposals to Modify the Rules of Origin
Under the CAFTA-DR Agreement**

Product: Fishing Lures under subheading 9507.90

Petitioners: Strike King Lure Company, Productos Deportivos K.F. SA

The proposed change to the rule of origin would add a regional value content (RVC) option to the rule of origin for subheading 9507.90.

Current Rule

95.03 – 95.08

A change to heading 95.03 through 95.08 from any other chapter; or

A change to subheading 9506.31 from subheading 9506.39, whether or not there is a change from another chapter, provided there is a regional value content of not less than:

- (a) 35 percent when the build-up method is used, or
- (b) 45 percent when the build-down method is used.

Proposed Rule

9503.00 – 9506.29

A change to subheading 9503.00 through 9506.29 from any other chapter.
(Formatting only, no change in intent.)

9506.31

A change to subheading 9506.31 from subheading 9506.39, whether or not there is a change from another chapter, provided there is a regional value content of not less than:

- (a) 35 percent when the build-up method is used, or
- (b) 45 percent when the build-down method is used.
(Formatting only, no change in intent.)

9506.32 – 9507.30

A change to subheading 9506.32 through 9507.30 from any other chapter.
(Formatting only, no change in intent.)

9507.90

A change to subheading 9507.90 from any other chapter; or

No change in tariff classification is required to subheading 9507.90 provided there is a regional value content of not less than:

- (a) 35 percent when the build-up method is used, or
- (b) 45 percent when the build-down method is used.

95.08

A change to heading 95.08 from any other chapter.
(Formatting only, no change in intent.)

Product: Gaming machines of subheading 9504.30

Petitioners: International Game Technology, National Association of Manufacturers

The proposed rule change would add an RVC option to the rule of origin for gaming machines in subheading 9504.30. Since gaming machines and their parts are both classified in the same subheading, the manufacturer is unable to satisfy the tariff shift requirement.

Current Rule

95.03 – 95.08

A change to heading 95.03 through 95.08 from any other chapter; or

A change to subheading 9506.31 from subheading 9506.39, whether or not there is a change from another chapter, provided there is a regional value content of not less than:

- (a) 35 percent when the build-up method is used, or
- (b) 45 percent when the build-down method is used.

Proposed Rule (Assuming the proposed rule above is not adopted)

9503.00 – 9504.20

A change to subheading 9503.00 through 9504.20 from any other chapter.
(Formatting only, no change in intent.)

9504.30

A change to subheading 9504.30 from any other subheading; or

No change in tariff classification is required, provided that there is a regional value content of not less than:

- (a) 35 percent under the build-up method; or
- (b) 45 percent under the build-down method.

9504.40 – 9506.29

A change to subheading 9503.00 through 9506.29 from any other chapter.
(Formatting only, no change in intent.)

9506.31

A change to subheading 9506.31 from subheading 9506.39, whether or not there is a change from another chapter, provided there is a regional value content of not less than:

- (a) 35 percent when the build-up method is used, or
 - (b) 45 percent when the build-down method is used.
- (Formatting only, no change in intent.)

9506.32 – 9508.90

A change to subheading 9506.32 through 9508.90 from any other chapter.
(Formatting only, no change in intent.)

Product: Polyvinyl Chloride under subheadings 3904.21 – 3904.22

Petitioner: Government of the Dominican Republic

The proposed rule would eliminate the requirement that for at least 50 percent originating polymer content for headings 39.01 through 39.15. It would also introduce a new chemical reaction rule for separation of isomers for Chapter 39. Finally, it would allow a subheading shift for goods in subheadings 3904.21 and 3904.22 (other polyvinyl chloride).

Current Rule

39.01 – 39.15

A change to heading 39.01 through 39.15 from any other heading, provided that the originating polymer content is no less than 50 percent by weight of the total polymer content.

Proposed Rule

Insert New Chapter Note

A good of Chapter 39 shall be treated as an originating good if the isolation or separation of isomers from mixtures of isomers occurs in the territory of one or more of the Parties.

39.01 – 39.03

A change to heading 39.01 through 39.03 from any other heading.

3904.10

A change to subheading from any other heading.

3904.21-3904.22

A change to subheading 3904.21 through 3904.22 from any other subheading.

3904.30-3904.90

A change to subheading 3904.30 through 3904.90 from any other heading.

39.05-39.15

A change to heading 39.05 through 39.15 from any other heading.

Product: Products of the Chemical or Allied Industries (Chapter 28-38)

Petitioner: United States

The proposed changes to the rules applicable to certain headings and chapters would broaden the scope of coverage of the rules to harmonize them with more recent U.S. FTAs.

Current Rule 2: Purification

For a good of chapters 28 through 35 or 38, a good that is subject to purification shall be treated as originating provided that one of the following occurs in the territory of one or more of the Parties:

Proposed Chapter Rule 2: Purification

For a good of chapters 28 through 38, a good that is subject to purification shall be treated as originating provided that one of the following occurs in the territory of one or more of the Parties:

Current Rule 3: Mixtures and Blends

A good of chapters 30 or 31, heading 33.02, subheading 3502.20, heading 35.06 through 35.07, or 37.07 shall be treated as originating if the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications, resulting in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials, occurs in the territory of one or more of the Parties.

Proposed Rule 3:

A good of chapters 30, 31, or 33 through 38, except for heading 38.08 shall be treated as originating if the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications, resulting in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials, occurs in the territory of one or more of the Parties.

Current Rule 4: Change in Particle Size

A good of chapter 30 or 31 shall be treated as originating if the following occurs in the territory of one or more of the Parties:

Proposed Rule 4:

A good of chapter 30, 31 or 33 shall be treated as originating if the following occurs in the territory of one or more of the Parties:

Current Rule 5: Standards Materials

A good of chapters 28 through 32, 35 or 38, shall be treated as originating if the production of these materials occurs in the territory of one or more of the Parties.

Proposed Rule 5:

A good of chapters 28 through 38, shall be treated as originating if the production of these materials occurs in the territory of one or more of the Parties.

Current Rule 6: Isomer Separation

A good of chapters 28 through 32 or 35 shall be treated as originating if the isolation or separation of isomers from mixtures of isomers occurs in the territory of one or more of the Parties.

Proposed Rule 6:

A good of chapters 28 through 38 shall be treated as originating if the isolation or separation of from mixtures of isomers occurs in the territory of one or more of the Parties.