AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

FEDERAL REGISTER

Vol. 76 Thursday,
No. 213 November 3, 2011

Part III

The President

Proclamation 8742—To Modify the Harmonized Tariff Schedule of the United States
Executive Order 13588—Reducing Prescription Drug Shortages

Federal Register
Vol. 76, No. 213
Thursday, November 3, 2011

Presidential Documents

Title 3—

The President

Proclamation 8742 of October 31, 2011

To Modify the Harmonized Tariff Schedule of the United States

By the President of the United States of America

A Proclamation

1. Section 1205(a) of the Omnibus Trade and Competitiveness Act of 1988 (the ''1988 Act'') (19 U.S.C. 3005(a)) directs the United States International Trade Commission (the ''Commission'') to keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and periodically to recommend to the President such modifications to the HTS as the Commission considers necessary or appropriate to accomplish the purposes set forth in that subsection. Among those purposes are to promote the uniform application of the International Convention on the Harmonized Commodity Description and Coding System (the ''Convention'') and to alleviate unnecessary administrative burdens.

2. The Commission conducted an investigation pursuant to section 1205 of the 1988 Act (Investigation No. 1205–8) in response to a request from the Department of the Treasury regarding certain footwear featuring outer soles of rubber or plastic to which a layer of textile material has been added. The request stated that changes to the HTS would promote the uniform application of the Convention as well as alleviate unnecessary administrative burdens.

3. On August 9, 2010, the Commission issued a report in Investigation No. 1205–8, recommending certain changes to the HTS. The report and layover requirements of section 1206(b) of the 1988 Act (19 U.S.C. 3006(b)) were satisfied as of March 30, 2011.

4. On November 8, 2010, the United States Trade Representative (the ''USTR'') requested that the Commission make further recommendations consistent with section 1205(d) of the 1988 Act concerning particular provisions of the HTS that the Commission had recommended in its August report be replaced by new tariff lines. The USTR also asked the Commission to consider whether, in response to requests made by interested parties in the course of the original investigation, additional tariff lines should be inserted in the HTS.

5. On February 18, 2011, the Commission issued an addendum to its report, recommending additional modifications to the HTS. The report and layover requirements of section 1206(b) were satisfied as of June 30, 2011.

6. Section 1206(a) of the 1988 Act (19 U.S.C. 3006(a)) authorizes the President to proclaim modifications to the HTS based on recommendations made by the Commission pursuant to section 1205 of the 1988 Act, if he determines that the modifications are in conformity with United States obligations under the Convention and do not run counter to the national economic interest of the United States. I have determined that the modifications to the HTS set forth in Annex I to this proclamation are in conformity with United States obligations under the Convention and do not run counter to the national economic interest of the United States.

7. On June 6, 2003, the United States and Chile entered into the United States-Chile Free Trade Agreement (USCFTA). The Congress approved the

USCFTA in section 101(a) of the United States-Chile Free Trade Agreement Implementation Act (the ''USCFTA Act'') (19 U.S.C. 3805 note). Presidential Proclamation 7746 of December 30, 2003, implemented the USCFTA with respect to the United States, and incorporated in the HTS the tariff modifications and rules of origin necessary or appropriate to carry out the USCFTA.

8. Section 202 of the USCFTA Act provides rules for determining whether goods imported into the United States originate in the territory of a USCFTA Party and thus are eligible for the tariff and other treatment contemplated under the USCFTA. Section 202(o)(2)(A) authorizes the President to proclaim, subject to the consultation and layover requirements of section 103(a) of the USCFTA Act, modifications to such previously proclaimed rules of origin.

9. The United States and Chile have agreed to modify certain rules of origin and to add certain other rules of origin in the USCFTA. I have determined that further modification of the USCFTA rules of origin set forth in Proclamation 7746, and subsequently modified, is therefore necessary.

10. The consultation and layover requirements of section 103(a) of the USCFTA Act were satisfied as of July 10, 2010.

11. On April 15, 1994, the United States entered into trade agreements resulting from the Uruguay Round of multilateral trade negotiations (the ''Uruguay Round Agreements''). In section 101(a) of the Uruguay Round Agreements Act (the ''URAA'') (19 U.S.C. 3511(a)), the Congress approved the Uruguay Round Agreements listed in section 101(d) of that Act, including the Agreement on Agriculture in section 101(d)(2). To implement section 4.2 of the Agreement on Agriculture, section 401(b)(2) of the URAA amended section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) by converting the special import quotas on cotton provided for under section 103B to tariff-rate quotas.

12. Proclamation 6301 of June 7, 1991, and Proclamation 6948 of October 29, 1996, modified U.S. note 6 to subchapter III of chapter 99 of the HTS and created tariff lines in the HTS for reporting entries under a special import quota for upland cotton. Note 6 sets out the conditions under which a special import quota for upland cotton takes effect.

13. Section 1207(a)(2)(B) of the Food Conservation and Energy Act of 2008 (7 U.S.C. 8737(a)(2)(B)) changed the conditions under which a special import quota for upland cotton takes effect. U.S. note 6 to subchapter III of chapter 99 needs to be modified to reflect those changes.

14. Section 604 of the Trade Act of 1974, as amended (the ''Trade Act'') (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other Acts, affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 1206 of the 1988 Act, section 202 of the USCFTA Act, and section 604 of the Trade Act, do proclaim that:

(1) In order to modify the HTS to promote the uniform application of the Convention and to alleviate unnecessary administrative burdens, the HTS is modified as set forth in Annex I to this proclamation.

(2) The modifications to the HTS set forth in Annex I to this proclamation shall be effective with respect to goods that are entered, or withdrawn from warehouse for consumption, on or after the later of September 1, 2011, or the thirtieth day after publication of this proclamation in the Federal Register.

(3) In order to modify the rules of origin under the USCFTA, general note 26 to the HTS is modified as provided in Annex II to this proclamation.

(4) The modifications made by Annex II to this proclamation shall be effective with respect to goods of Chile under the terms of general note 26 to the HTS that are entered, or withdrawn from warehouse for consumption, on or after November 1, 2011.

(5) In order to reflect the modified requirements under which a special import quota for upland cotton takes effect, the HTS is modified as set forth in Annex III to this proclamation.

(6) The modifications made by Annex III to this proclamation, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after June 18, 2008.

(7) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of October, in the year of our Lord two thousand eleven, and of the Independence of the United States of America the two hundred and thirty-sixth.

Billing code 3295–F2–P

ANNEX I
TO MODIFY THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Section A: Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the later of September 1, 2011 or the thirtieth day after the date of publication of this proclamation in the Federal Register, the Harmonized Tariff Schedule of the United States is modified as set forth herein, with the material inserted into the columns labeled "Heading/Subheading", "Article Description", "Rates of Duty 1 General", "Rates of Duty 1 Special", and "Rates of Duty 2", respectively.

1. The following new additional U.S. note to chapter 64 is inserted in numerical sequence:

"5. For the purposes of determining the constituent material of the outer sole pursuant to note 4(b) of this chapter, no account shall be taken of textile materials which do not possess the characteristics usually required for normal use of an outer sole, including durability and strength."

2. Subheading 6402.99.40 is superseded by the following:

[6402	Other footwear with outer soles or rubber or plastics:]			
	[Other footwear:]			
[6402.99	Other:]			
	[Other:]			
	[Other:]			
	"Footwear with open toes or open heels; footwear of the slip-on type, that is held to the foot without the use of laces or buckles or other fasteners, the foregoing except footwear of subheading 6402.99.20 and except footwear having a foxing or a foxing-like band wholly or almost wholly of rubber or plastics applied or molded at the sole and overlapping the upper:			
6402.99.41	Having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R,SG)	35%
6402.99.49	Other	37.5%	Free (AU,BH,CA,CL, E,IL,J+,JO,MA,MX, OM,P,PE,R) 7.5% (SG)	66%"

3. Subheading 6402.99.60 is superseded by the following:

[6402	Other footwear with outer soles or rubber or plastics:]			
	[Other footwear:]			
[6402.99	Other:]			
	[Other:]			
	[Other:]			
	[Other:]			
	"Valued not over $3/pair:			
6402.99.61	Having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R,SG)	35%
6402.99.69	Other	48%	Free (AU,BH,CA,CL, E,IL,J+,JO,MA,MX, OM,P,PE,R) 9.6% (SG)	84%"

4. Subheading 6402.99.70 is superseded by the following:

[6402	Other footwear with outer soles of rubber or plastics:]			
	[Other footwear:]			
[6402.99	Other:]			
	[Other:]			
	[Other:]			
	[Other:]			
	"Valued over $3 but not over $6.50/pair:			
6402.99.71	Having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R,SG)	35%
6402.99.79	Other	90¢/pr. + 37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 18¢/pr. + 7.5% (SG)	84%"

Conforming change: Chapter rule 1 for chapter 64 in general note 29(n) is modified by deleting "6402.99.70" and by inserting in lieu thereof "6402.99.79".

5. Subheading 6404.11.40 is superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles of rubber or plastics:]			
[6404.11	Sports footwear...:]			
	[Other:]			
	[Valued not over $3/pair:]			
	" Having soles (or mid-soles, if any) of rubber or plastics which are affixed to the upper exclusively with an adhesive (any mid-soles also being affixed exclusively to one another and to the sole with an adhesive); the foregoing except footwear having a foxing or a foxing-like band applied or molded at the sole and overlapping the upper and except footwear with soles which overlap the upper other than at the toe or heel:			
6404.11.41	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 2.4% (MA)	35%
6404.11.49	Other	37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 7.5% (SG)	66%"

6. Subheading 6404.11.50 is superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles of rubber or plastics:]			
[6404.11	Sports footwear...:]			
	[Other:]			
	[Valued not over $3/pair:]			
	"Other:			
6404.11.51	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the			

	terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA, CL,D,E,IL,J+,JO, MX,OM,P,PE, R,SG) 2.4% (MA)	35%
6404.11.59	Other	48%	Free (AU,BH,CA, CL,D,E,IL,J+,JO, MA,MX,OM,P, PE,R) 9.6% (SG)	84%"

7. Subheading 6404.11.60 is superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles ...:]			
[6404.11	Sports footwear...:]			
	[Other:]			
	[Valued over $3 but...:]			
	"Having soles (or mid-soles, if any) of rubber or plastics which are affixed to the upper exclusively with an adhesive (any mid-soles also being affixed exclusively to one another and to the sole with an adhesive); the foregoing except footwear having a foxing or a foxing-like band applied or molded at the sole and overlapping the upper and except footwear with soles which overlap the upper other than at the toe or heel:			
6404.11.61	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA, CL,D,E,IL,J+,JO, MX,OM,P,PE, R,SG) 2.4% (MA)	35%
6404.11.69	Other	37.5%	Free (AU,BH,CA, CL,D,E,IL,J+,JO, MA,MX,OM,P, PE,R) 7.5% (SG)	66%"

8. Subheading 6404.11.70 is superseded by the following:

[6404	Footwear with outer soles...:]
	[Footwear with outer soles...:]
[6404.11	Sports footwear...:]

	[Other:]			
	[Valued over $3 but...:]			
	"Other:			
6404.11.71	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 2.4% (MA)	35%
6404.11.75	With uppers of textile materials other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA ,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 4.1% (MA)	35%
6404.11.79	Other	90¢/pr. + 37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX OM,P,PE,R) 18¢/pr. + 7.5% (SG)	$1.56/pr. + 66%"

9. Subheading 6404.11.80 is superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles of rubber or plastics:]			
[6404.11	Sports footwear...:]			
	[Other:]			
	"Valued over $6.50 but not over $12/pair:			
6404.11.81	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG)	35%

			2.4% (MA)	
6404.11.85	With uppers of textile material other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 4.1% (MA)	35%
6404.11.89	Other	90¢/pr. + 20%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 18¢/pr. + 4% (SG)	$1.56/pr. + 35%"

10. Subheading 6404.19.35 is superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles of rubber or plastics:]			
[6404.19	Other:]			
	[Footwear with open toes or heels...:]			
	"Other:			
6404.19.36	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 2.4% (MA)	35%
6404.19.37	With uppers of textile materials other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 4.1% (MA)	35%

6404.19.39	Other	37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 7.5% (SG)	66%"

11. Subheadings 6404.19.40 through 6404.19.80 are superseded by the following:

[6404	Footwear with outer soles...:]			
	[Footwear with outer soles of rubber or plastics:]			
[6404.19	Other:]			
	[Other:]			
	[Valued not over $3/pair:]			
	"Having soles (or midsoles, if any) of rubber or plastics which are affixed to the upper exclusively with an adhesive (any midsoles also being affixed exclusively to one another and to the sole with an adhesive); the foregoing except footwear having a foxing or a foxing-like band applied or molded at the sole and overlapping the upper and except footwear with soles which overlap the upper upper other than at the toe or heel:			
6404.19.42	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 2.4% (MA)	35%

[6404	Footwear with outer soles...:]			
	[Footwear ...:]			
[6404.19	Other:]			
	[Other:]			
	[Valued not over $3/pair:]			
	[Having soles ...:]			
6404.19.47	With uppers of textile material other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter . . .	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 4.1% (MA)	35%
6404.19.49	Other	37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 7.5% (SG)	66%
	Other:			
6404.19.52	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 2.4% (MA)	35%
6404.19.57	With uppers of textile material other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter . . .	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 4.1% (MA)	35%
6404.19.59	Other	48%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 9.6% (SG)	84%

[6404	Footwear with outer soles...:]			
	[Footwear with...:]			
[6404.19	Other:]			
	[Other:]			
	[Valued over $3 but not over $6.50/pair:]			
	Having soles (or mid-soles, if any) of rubber or plastics which are affixed to the upper exclusively with an adhesive (any mid-soles also being affixed exclusively to one another and to the sole with an adhesive); the foregoing except footwear having a foxing or a foxing-like band applied or molded at the sole and overlapping the upper and except footwear with soles which overlap the upper other than at the toe or heel:			
6404.19.61	With uppers of textile material other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 4.1% (MA)	35%
6404.19.69	Other	37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 7.5% (SG)	66%
	Other:			
6404.19.72	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter . . .	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 2.4% (MA)	35%
[6404	Footwear with outer soles...:]			
	[Footwear with...:]			
[6404.19	Other:]			
	[Other:]			
	[Valued over $3 but not over $6.50/pair:]			
	[Other:]			
6404.19.77	With uppers of textile			

	material other than vegetable fibers and and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX,OM, P,PE,R,SG) 4.1% (MA)	35%
6404.19.79	Other	90¢/pr. + 37.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 18¢/pr. + 7.5% (SG)	$1.56/pr. + 66%
	Valued over $6.50 but not over $12/pair:			
6404.19.82	With uppers of vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	7.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 2.4% (MA)	35%
6404.19.87	With uppers of textile material other than vegetable fibers and having outer soles with textile materials having the greatest surface area in contact with the ground, but not taken into account under the terms of additional U.S. note 5 to this chapter	12.5%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MX, OM,P,PE,R,SG) 4.1% (MA)	35%
6404.19.89	Other	90¢/pr. + 20%	Free (AU,BH,CA,CL, D,E,IL,J+,JO,MA,MX, OM,P,PE,R) 18¢/pr. + 4% (SG)	$1.58/pr. + 35%"

Section B. Effective with respect to goods of Singapore, under the terms of general note 25 to the tariff schedule, entered, or withdrawn from warehouse for consumption, on or after the later of September 1, 2011 or the thirtieth day after the date of publication of this proclamation in the Federal Register, and on January 1 of each of the successive years, for each of the enumerated subheadings in the following table, the Rates of Duty 1 Special subcolumn in the HTS is modified (i) by inserting in such

subcolumn for each subheading the rate of duty specified for such subheading in the column for 2011 followed by the symbol "SG" in parentheses, and (ii) for each of the subsequent dated columns the rates of duty that are followed by the symbol "SG" in parentheses are deleted and the rates of duty for such dated column are inserted in such subheadings in lieu thereof.

HTS Subheading	Effective date of this proclamation-Dec. 31, 2011	2012	2013
6402.99.49	7.50%	3.70%	Free
6402.99.69	9.6%	4.8%	Free
6402.99.79	18 cents/pr. + 7.5%	9 cents/pr. + 3.7%	Free
6404.11.49	7.5%	3.7%	Free
6404.11.59	9.6%	4.8%	Free
6404.11.69	7.5%	3.7%	Free
6404.11.79	18 cents/pr. + 7.5%	9 cents/pr. + 3.7%	Free
6404.11.89	18 cents/pr. + 4%	9 cents/pr. + 2%	Free
6404.19.39	7.5%	3.7%	Free
6404.19.49	7.5%	3.7%	Free
6404.19.59	9.6%	4.8%	Free
6404.19.69	7.5%	3.7%	Free
6404.19.79	18 cents/pr. + 7.5%	9 cents/pr. + 3.7%	Free
6404.19.89	18 cents/pr. + 4%	9 cents/pr. + 2%	Free

Section C. Effective with respect to goods of Morocco, under the terms of general note 27 to the tariff schedule, entered, or withdrawn from warehouse for consumption, on or after the later of September 1, 2011 or the thirtieth day after the date of publication of this proclamation in the Federal Register, and on January 1 of each of the successive years, for each of the enumerated subheadings in the following table, the Rates of Duty 1 Special subcolumn in the HTS is modified (i) by inserting in such subcolumn for each subheading the rate of duty specified for such subheading in the column for 2011 followed by the symbol "MA" in parentheses, and (ii) for each of the subsequent dated columns the rates of duty that are followed by the symbol "MA" in parentheses are deleted and the rates of duty for such dated column are inserted in such subheadings in lieu thereof.

HTS Subheading	Effective date of this proclamation-Dec . 31, 2011	R2012	R2013	R2014
6404.11.41	2.4%	1.6%	0.8%	Free
6404.11.51	2.4%	1.6%	0.8%	Free
6404.11.61	2.4%	1.6%	0.8%	Free
6404.11.71	2.4%	1.6%	0.8%	Free
6404.11.75	4.1%	2.7%	1.3%	Free
6404.11.81	2.4%	1.6%	0.8%	Free
6404.11.85	4.1%	2.7%	1.3%	Free
6404.19.36	2.4%	1.6%	0.8%	Free
6404.19.37	4.1%	2.7%	1.3%	Free
6404.19.42	2.4%	1.6%	0.8%	Free
6404.19.47	4.1%	2.7%	1.3%	Free
6404.19.52	2.4%	1.6%	0.8%	Free
6404.19.57	4.1%	2.7%	1.3%	Free
6404.19.61	4.1%	2.7%	1.3%	Free
6404.19.72	2.4%	1.6%	0.8%	Free
6404.19.77	4.1%	2.7%	1.3%	Free
6404.19.82	2.4%	1.6%	0.8%	Free
6404.19.87	4.1%	2.7%	1.3%	Free

ANNEX II
TO MODIFY THE RULES OF ORIGIN
FOR THE UNITED STATES-CHILE FREE TRADE AGREEMENT

Effective with respect to goods of Chile, under the terms of general note 26 to the Harmonized Tariff Schedule (HTS), that are entered, or withdrawn from warehouse for consumption, on or after November 1, 2011, general note 26 to the HTS is hereby modified as follows:

A. Subdivision (m)(vi) is deleted, and the following new provisions are inserted in lieu thereof:

"(vi) (A) For purposes of applying this note to goods of chapters 28 through 38, inclusive, the following provisions confer origin to a good of any heading or subheading in such chapters, except as otherwise specified in this subdivision.

(B) Notwithstanding subdivision (vi)(A), a good of chapters 28 through 38 is an originating good if it meets the applicable change in tariff classification or satisfies the applicable value content requirement specified in subdivision (n) of this note.

(C) A good of chapters 28 through 38, except goods of heading 3823, that results from a chemical reaction in the territory of Chile or of the United States, or both, shall be treated as an originating good. For purposes of such chapters, a "chemical reaction" is a process (including a biochemical process) that results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of determining whether a good is originating:

(1) dissolution in water or in another solvent;

(2) the elimination of solvents, including solvent water; or

(3) the addition or elimination of water of crystallization.

(D) A good of chapters 28 through 38 that is subject to purification shall be treated as an originating good provided that the purification occurs in the territory of Chile or of the United States, or both, and results in the following:

(1) the elimination of 80 percent of the impurities; or

(2) the reduction or elimination of impurities resulting in a good suitable:

(I) as a pharmaceutical, medicinal, cosmetic, veterinary, or food grade substance;

(II) as a chemical product or reagent for analytical, diagnostic, or laboratory uses;

(III) as an element or component for use in micro-elements;

(IV) for specialized optical uses;

(V) for non-toxic uses for health and safety;

(VI) for biotechnical use;

(VII) as a carrier used in a separation process; or

(VIII) for nuclear grade uses.

(E) A good of chapters 30, 31 or 33 through 38, except for heading 3808, shall be treated as an originating good 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 that are relevant to the purposes or uses of the good and are different from the input materials, occurs in the territory of Chile or of the United States, or both.

(F) A good of chapters 30, 31 or 33 shall be treated as an originating good if the deliberate and controlled modification in particle size of the good, including micronizing by dissolving a polymer and subsequent precipitation, other than by merely crushing or pressing, resulting in a good having a defined particle size, defined particle size distribution, or defined surface area, which is relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials, occurs in the territory of Chile or of the United States, or both.

(G) A good of chapters 28 through 38 shall be treated as an originating good if the production of standards materials occurs in the territory of Chile or of the United States, or both. For the purposes of this note, "standards materials" (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses, having precise degrees of purity or proportions that are certified by the manufacturer.

(H) A good of chapters 28 through 38 shall be treated as an originating good if the isolation or separation of isomers from mixtures of isomers occurs in the territory of Chile or of the United States, or both.

(I) A good that undergoes a change from one classification to another in the territory of Chile or of the United States, or both, as a result of the separation of one or more materials from a man-made mixture shall not be treated as an originating good unless the isolated material underwent a chemical reaction in the territory of Chile or of the United States, or both."

B. Subdivision (n) is modified as set forth below:

(1). Tariff classification rule (TCR) 1 for chapter 7 is deleted and the following new TCRs are inserted in lieu thereof:

"1. A change to subheadings 0701.10 through 0712.39 from any other chapter.

2. (A) A change to marjoram, savory or cilantro, crushed or ground, of subheading 0712.90 from marjoram, savory or cilantro, neither crushed nor ground, of subheading 0712.90 or any other chapter; or

(B) A change to any other good of subheading 0712.90 from any other chapter.

3. A change to headings 0713 through 0714 from any other chapter."

(2). TCR 1 for chapter 9 is deleted and the following new TCRs are inserted in lieu thereof:

"1. A change to subheadings 0901.11 through 0901.12 from any other chapter.

1A. A change to subheading 0901.21 from any other subheading.

1B. A change to subheading 0901.22 from any other subheading, except from subheading 0901.21.

1C. A change to subheading 0901.90 from any other chapter."

(3). TCR 3 for chapter 9 is deleted and the following new TCRs are inserted in lieu thereof:

"3. A change to heading 0903 from any other chapter.

4. (A) A change to crushed, ground, or powdered spices put up for retail sale of subheadings 0904.11 through 0910.99 from spices that are not crushed, ground, or powdered of subheadings 0904.11 through 0910.99, or from any other subheading; or

(B) A change to mixtures of spices or any good of subheadings 0904.11 through 0910.99 other than crushed, ground, or powdered spices put up for retail sale from any other subheading."

(4). TCR 1 for chapter 12 is deleted and the following new TCRs are inserted in lieu thereof:

"1. A change to headings 1201 through 1207 from any other chapter.

2. A change to subheadings 1208.10 through 1209.30 from any other chapter.

3. (A) A change to celery seeds, crushed or ground, of subheading 1209.91 from celery seeds, neither crushed nor ground, of subheading 1209.91 or any other chapter; or

(B) A change to any other good of subheading 1209.91 from any other chapter.

4. A change to subheadings 1209.99 through 1211.40 from any other chapter.

5. (A) A change to basil, rosemary or sage, crushed or ground, of subheading 1211.90 from basil, rosemary or sage, neither crushed nor ground, of subheading 1211.90 or any other chapter; or

(B) A change to any other good of subheading 1211.90 from any other chapter.

6. A change to headings 1212 through 1214 from any other chapter."

(5). TCR 1 for chapter 18 is deleted and the following new TCRs are inserted in lieu thereof:

"1. A change to headings 1801 through 1802 from any other chapter.

1A. A change to headings 1803 through 1805 from any other heading."

(6). TCR 4 for chapter 21 is deleted and the following new TCRs are inserted in lieu thereof:

"4. A change to subheading 2103.30 from any other chapter.

4A. A change to subheading 2103.90 from any other subheading."

(7). Chapter rule 1 for each of chapters 27 through 38 is deleted.

(8). TCRs 7 and 8 for chapter 40 are deleted and the following new TCR 7 is inserted in lieu thereof:

"7. A change to headings 4005 through 4017 from any other heading, including another heading within that group."

(9). TCR 1 for chapter 71 is modified by deleting the phrase ", except from heading 0307".

(10). TCRs 34 through 37 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"34. A change to subheadings 8415.10 through 8415.83 from any other subheading, including another subheading within that group."

(11). TCR 45 for chapter 84 is deleted and the following new TCRs are inserted in lieu thereof:

"45. A change to subheading 8419.11 from any other subheading.

45A. (A) A change to subheading 8419.19 from any other heading; or

(B) A change to subheading 8419.19 from any other subheading, provided that there is a regional value content of not less than:

(1) 35 percent when the build-up method is used, or

(2) 45 percent when the build-down method is used.

45B. A change to subheadings 8419.20 through 8419.89 from any other subheading, including another subheading within that group."

(12.) TCR 47 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"47. A change to subheading 8420.10 from any other subheading."

(13). TCR 49 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"49. A change to subheadings 8421.11 through 8421.39 from any other subheading."

(14). TCRs 56 through 60 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"56. A change to subheadings 8424.10 through 8430.69 from any other subheading, including another subheading within that group."

(15). TCRs 67 through 71 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"67. A change to subheadings 8434.10 through 8435.90 from any other subheading, including another subheading within that group."

(16). TCRs 80 through 84 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"80. A change to subheadings 8439.10 through 8440.90 from any other subheading, including another subheading within that group."

(17). TCR 99 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"99. A change to subheadings 8450.11 through 8450.20 from any other subheading, including another subheading within that group."

(18). TCR 101 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"101. A change to subheadings 8451.10 through 8451.80 from any other subheading, including another subheading within that group."

(19). TCRs 111 and 112 for chapter 84 are deleted and the following new TCR is inserted in lieu thereof:

"111. A change to subheadings 8455.10 through 8455.90 from any other subheading, including another subheading within that group."

(20). TCR 121 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"121. A change to heading 8469 from any other heading."

(21). TCR 127 for chapter 84 is deleted and the following new TCR is inserted in lieu thereof:

"127. (A) A change to subheadings 8473.10 through 8473.50 from any other subheading, including another subheading within that group; or

(B) No change in tariff classification to a good of such subheadings is required, provided that there is a regional value content of not less than:

(1) 35 percent when the build-up method is used, or

(2) 45 percent when the build-down method is used."

(22). TCRs 78 through 86 for chapter 85 are deleted and the following new TCR is inserted in lieu thereof:

"78. A change to subheadings 8539.10 through 8539.49 from any other subheading, including another subheading within that group."

(23). TCRs 61 through 61H for chapter 90 are deleted and the following new TCR is inserted in lieu thereof:

"61. A change to subheadings 9030.10 through 9030.89 from any other subheading, including another subheading within that group."

ANNEX III
TO MODIFY THE UPLAND COTTON SPECIAL IMPORT QUOTA

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after June 18, 2008, U.S. note 6 to subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified as provided herein:

1. Subdivision (a)(i) of such note 6 is modified to read as follows:

"(i) Whenever the Secretary of Agriculture determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one-and-three-thirty-seconds cotton, delivered to a definable and significant international market, as determined by the Secretary, exceeds the prevailing world market price, there shall immediately be in effect a special import quota. The quota shall be equal to 1 week's consumption of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available. The aggregate quantity of cotton entered into the United States during any marketing year under the special import quota established under this subdivision may not exceed the equivalent of 10 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year."

2. Subdivision (b)(i) of such note 6 is modified by inserting the following final sentence:

"For purposes of this subdivision, a Limited Global Cotton Import Quota means a quantity of imports that is not subject to the over-quota tarift rate of a tariff-rate quota contained in chapter 52 of the tariff schedule."

[FR Doc. 2011–28727
Filed 11–2–11; 11:15 am]
Billing code 7020–02–C