

United States International Trade Commission

**Certain Combed
Cotton Yarns:
Effect of
Modification of
U.S. Bahrain FTA
Rules of Origin**

Investigation No. FTA-103-025

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Executive Summary

This report provides advice on the probable effect of proposed modifications to the U.S.-Bahrain Free Trade Agreement (FTA) rules of origin for certain textile articles on U.S. trade under the U.S.-Bahrain FTA, on total U.S. trade, and on domestic producers of the affected articles.

According to the request letter from the Office of the U.S. Trade Representative to the U.S. International Trade Commission (Commission), the proposed changes are the result of determinations that U.S. and Bahraini producers are not able to produce certain combed, compacted, single, ring-spun cotton yarns used in the manufacture of certain home furnishings in commercial quantities in a timely manner. Table 1 provides a short description of the subject textile articles covered by this investigation and their uses; a summary of advice regarding the proposed modifications to the U.S.-Bahrain FTA rules of origin for the subject textile articles; and advice concerning any likely changes in U.S.-Bahrain FTA trade, total U.S. trade, and domestic production.

During this investigation, Commission staff obtained U.S. government production and trade data, and contacted domestic firms and U.S. importers to collect the necessary information to develop the probable effects advice. Commission staff relied on information from these sources in determining whether domestic or Bahraini production of certain combed, compacted, single, ring-spun cotton yarns exists. The Commission found no evidence of production of the subject compacted yarns in the United States or Bahrain. Although industry sources stated that there is U.S. production of substitutable yarns, ***.

TABLE E.1. Summary of advice concerning proposed modifications to the U.S.-Bahrain FTA rules of origin for certain home furnishings containing certain combed cotton yarns

Product	Nature of modification	Probable effect advice	
<p><u>Product name:</u> Cotton pillowcases, other than bolster cases; cotton sheets; cotton bed skirts; cotton shams and finished throw pillow covers; cotton pillow shells; and cotton shells for quilts, eiderdowns, comforters, and similar articles containing certain combed, compacted, single, ring-spun cotton yarns.</p> <p><u>Description:</u> The home furnishings products are primarily cotton sheets, pillowcases, and other bedding products containing certain combed, compacted, single, ring-spun cotton yarns.</p> <p>The subject yarns are single yarns, measuring greater than 102 metric (60 or finer by the English cotton count system). The yarns contain 85 percent or more by weight of cotton, and the cotton fibers are combed before spinning. The subject yarns are produced using a compact ring spinning process.</p> <p><u>HTS subheadings:</u> 6302.21.90, 6302.31.50, 6302.31.90, 6303.91.00, 6304.92.00, and 6307.90.89.</p>	<p>The current U.S.-Bahrain FTA rules of origin specify that the subject compacted yarns must be made in the United States or Bahrain in order for the home furnishing products to be considered originating and thus qualify for U.S.-Bahrain FTA preferences.</p> <p>The proposed rule changes are liberalizing because they would allow certain home furnishings containing the subject compacted yarns formed outside an FTA party to be considered originating goods for U.S.-Bahrain FTA purposes.</p>	<p>Change in total U.S. trade of certain home furnishings:</p> <p>Imports: Little or no effect Exports: Little or no effect</p> <p>Change in U.S. production of certain home furnishings: None</p> <p>The proposed changes to the rules of origin would likely result in a large increase in U.S. imports of the subject home furnishings under the U.S.-Bahrain FTA, but have little or no measurable effect on total U.S. imports, as current imports from Bahrain of the selected home furnishings are very small; thus, the increase in imports would occur from a very small base. In addition, any increase in U.S. imports from Bahrain would likely displace some U.S. imports from other countries. There are no known U.S. producers of the subject home furnishings; therefore, there would be no effect on U.S. producers.</p>	<p>Change in U.S. trade of certain home furnishings under U.S.-Bahrain FTA:</p> <p>Imports: Large increase Exports: Little or no effect</p>
		<p>Change in total U.S. trade of certain combed cotton yarns:</p> <p>Imports: Little or no effect Exports: Little or no effect</p> <p>Change in U.S. production of certain combed cotton yarns: None</p> <p>As there is no known U.S. production of the subject combed, compacted, single, ring-spun cotton yarns, the proposed changes to the rules of origin would likely have no effect on U.S. producers of combed cotton yarns and no effect on U.S. exports of such yarns under the U.S.-Bahrain FTA and on total U.S. trade. There is U.S. production of conventional ring-spun yarns of the same fineness as the subject compacted yarns. Although U.S. industry stated that these conventional yarns are substitutable with the subject compacted yarns for use in certain home furnishings, ***.</p>	<p>Change in U.S. trade of certain combed cotton yarns under U.S.-Bahrain FTA:</p> <p>Imports: Little or no effect Exports: Little or no effect</p>

Glossary

Bolster—A long, narrow throw pillow. Bolster pillows are usually placed at the head or foot of a bed and are used as a back support or decorative piece.

Carding—Carding involves opening, cleaning, and aligning the staple fibers, and then forming them into a continuous, untwisted strand, known as a sliver. When carded fibers are spun into yarns, they are known as carded yarns.

Combing—Combing is an extra step that takes place after carding in which existing short fibers are removed and the remaining fibers are further aligned. The combing process produces stronger, more compact, finer, and smoother yarns than carding. When carded fibers are further processed by combing and then spun into yarns, they are known as combed yarns.

Compacted yarns—Yarns produced on compact spinning frames, which use air suction and compaction to condense the fibers, causing them to lie closer together and parallel with each other, resulting in smooth, tight yarns that have less air between the fibers.

Decitex—One-tenth of a tex, which is a unit expressing a textile strand's linear density. A tex is equal to the weight in grams of 1 kilometer of yarn, filament, fiber, or any other textile strand.

Eiderdown—A soft quilt (two layers of cloth filled with stuffing and stitched together) traditionally filled with the down of the eider duck.

English cotton count—A yarn numbering system based on length and weight and equal to the number of 840-yard units of yarn needed to make up 1 pound in weight. The higher the number, the finer the yarn.

Hand—The tactile qualities of the fabric, such as softness, firmness, elasticity, and other qualities perceived by touch.

Metric count—A measure indicating the number of kilometers of yarn per kilogram. The higher the number, the finer the yarn.

Napping—A finishing process that raises the surface fibers of a fabric passing it over rapidly revolving cylinders covered with metal points or teasel burrs. Napping is used to create a raised or fuzzy surface.

Pillow sham—A pillow sham covers a pillow, but differs from a pillowcase in that most have a decorative flange around all four sides and an opening in the middle of the back side. Its purpose is decorative.

Piping—Piping is a type of trim or embellishment consisting of a tube of ornamental fabric around the edge of a garment or textile work, sometimes containing a cord.

Ring spinning—A method of spinning yarn that uses a ring-spinning frame in which a roving yarn is drafted and twisted using a traveler to form a single yarn.

Single yarn—Yarns consisting of a single strand of fibers twisted together (as opposed to a plied yarn, which is made up of two or more single yarns twisted together).

Sliver—A loose rope of untwisted fibers.

Spun yarn—Yarns made from staple fibers (as opposed to filament fibers).

Woven fabric—Fabric composed of two sets of yarns: warp yarns that run the length of the fabric, and filling yarns that run across the warp. The two sets of yarns are interlaced with each other at right angles to form woven fabric.

Sources: Celanese Corporation, *Man-Made Fiber and Textile Dictionary*, 1974; Hoechst Celanese, *Dictionary of Fiber & Textile Technology*, 1990; and industry sources.

CHAPTER 1

Introduction

Following receipt of a request on February 12, 2010, from the U.S. Trade Representative (USTR), the U.S. International Trade Commission (Commission) instituted investigation No. Bahrain FTA-103-025, *Certain Combed Cotton Yarns: Effect of Modification of U.S.-Bahrain FTA Rules of Origin*.¹ As noted in the USTR's request letter, U.S. negotiators have reached an agreement in principle with representatives of the Government of Bahrain concerning the proposed modifications to the U.S.-Bahrain FTA rules of origin for certain home furnishings containing certain combed, compacted, single, ring-spun cotton yarns.² As further noted in the letter, the proposed changes to the rules of origin are the result of determinations that U.S. and Bahraini producers are not able to produce certain combed, compacted, single, ring-spun cotton yarns in commercial quantities in a timely manner.

As requested by the USTR, the Commission is providing advice on the probable effect of proposed modifications to the U.S.-Bahrain FTA rules of origin for the subject textile articles on U.S. trade under the U.S.-Bahrain FTA, on total U.S. trade, and on domestic producers of the affected articles. The Commission did not hold a public hearing in connection with this investigation, but invited written submissions from interested parties. The data and analysis presented herein draw on these submissions, as well as information collected by the Commission from publicly available sources and telephone interviews with industry representatives.

The Commission's report is organized as follows: Chapter 2 contains the advice and related information for the subject compacted yarns (subheadings 5205.27 and 5205.28 of the Harmonized Tariff Schedule of the United States (HTS))³ and certain home furnishings (covering cotton pillowcases, other than bolster cases; cotton sheets; cotton bed skirts; cotton shams and finished throw pillow covers; cotton pillow shells; and cotton shells for quilts, eiderdowns, comforters, and similar articles, classified in HTS subheadings 6302.21.90, 6302.31.50, 6302.31.90, 6303.91.00, 6304.92.00, and 6307.90.89). Chapter 3 contains the views of interested parties concerning the investigation. Appendix A contains the request letter from the USTR and the attachment containing the specific product descriptions. Appendix B contains the Commission's notice of institution of investigation and request for public comments. Appendix C contains the current rules of origin for the selected home furnishings under the U.S.-Bahrain FTA.

¹ Section 202(j) of the United States-Bahrain Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement pursuant to Article 3.2.5 of the FTA. One of the requirements set out in section 104 of the Act is that the President obtain advice from the Commission.

² See the USTR request letter in appendix A.

³ The subject yarns are imported under HTS statistical reporting numbers 5205.27.0020 and 5205.28.0020, which cover single, ring-spun yarns of combed fibers, containing 85 percent or more by weight of cotton and measuring less than 106.38 decitex.

CHAPTER 2

Certain Combed, Compacted, Single, Ring-Spun Cotton Yarns Used in Certain Home Furnishings

Summary of Findings

The Commission's analysis indicates that the proposed modifications of the U.S.-Bahrain FTA rules of origin for certain home furnishings containing certain combed, compacted, single, ring-spun cotton yarns could have a large effect on U.S. trade in the affected articles under the U.S.-Bahrain FTA, little or no effect on total U.S. trade in the affected articles, and no effect on domestic producers of the affected articles. It is possible that there could be a substantial increase in U.S. imports of certain home furnishings under the U.S.-Bahrain FTA should the rules of origin be changed. However, the increase would be from a very modest base, as current imports from Bahrain of certain home furnishings containing the subject compacted yarns are small. Further, increased imports of such articles from Bahrain would likely displace some U.S. imports from other suppliers, such as China and India. There would therefore be little or no effect on total U.S. trade. The Commission found no domestic production of certain home furnishings made with the subject compacted yarns or substitutable yarns; therefore, there would be no effect on U.S. producers of such articles.

The Commission's analysis also indicates that the proposed modifications to the U.S.-Bahrain FTA rules of origin would likely have no effect on U.S. producers of cotton yarns. There is no known production of the subject combed, compacted, single, ring-spun cotton yarns in the United States. Further, even though the U.S. industry stated that domestically produced conventional combed, single, ring-spun cotton yarns are substitutable with the subject compacted yarns, ***. Therefore, regardless of whether the conventional ring-spun yarns are substitutable with the compacted yarns, the proposed modifications to the rules of origin would likely have no effect on U.S. producers of cotton yarns, exports of such yarns under the U.S.-Bahrain FTA, or total U.S. trade.

Description of the Affected Articles

Articles affected by the proposed modifications to the U.S.-Bahrain FTA rules of origin include certain combed cotton yarns classified in chapter 52 of the HTS and certain home furnishings classified in chapter 63 of the HTS. Specifically, the yarns are combed, compacted, single, ring-spun cotton yarns measuring greater than 102 metric, while the home furnishings affected by the proposed rules of origin changes are cotton pillowcases, other than bolster cases; cotton sheets; cotton bed skirts; cotton shams and finished throw pillow covers; cotton pillow shells; and cotton shells for quilts, eiderdowns, comforters, and similar articles containing the aforementioned yarns. These products are discussed in detail below.

Certain Combed, Compacted, Single, Ring-spun Cotton Yarns

The subject compacted yarns are classified under HTS subheadings 5205.27.00 and 5205.28.00 (statistical reporting numbers 5205.27.0020 and 5205.28.0020) and are subject to a normal trade relations (NTR) duty rate of 12 percent ad valorem in the United States and a most favored nation duty rate of 5 percent ad valorem in Bahrain.¹ The subject compacted yarns are single yarns, meaning that the yarns consist of a single strand of fibers twisted together (as opposed to plied yarns, which contain two or more single strands twisted together), and measure greater than 102 metric (60 by the English cotton count system). The yarns contain 85 percent or more by weight of cotton, and the cotton fibers are combed before spinning. The subject compacted yarns are ring-spun yarns produced using a compact ring-spinning process whereby air suction and compaction are used at the moment of twisting to make the fibers lie closer together and parallel with the yarn body. The process reportedly reduces yarn hairiness and increases strength and evenness. With respect to the proposed modifications to the rules of origin, the subject compacted yarns are to be used specifically in the production of certain home furnishings; however, combed, compacted, single, ring-spun yarns may also be used in other applications, including various knitted or woven textile and apparel products.

Certain Home Furnishings

The subject home furnishings are cotton and cotton blend bed linens containing the subject compacted yarns and are classified in HTS chapter 63 (which covers made-up textile articles; sets; worn clothing and worn textile articles; and rags). Home furnishings are commonly made from conventional ring-spun cotton yarns, as well as the subject compacted yarns, but the proposed changes to the rules of origin would apply only to certain home furnishings using the subject compacted yarns. The 2010 U.S. NTR rates of duty on these finished articles range from 6.3 percent to 20.9 percent ad valorem (table 2.1). The United States eliminated duties on originating textile and apparel articles from Bahrain upon the implementation of the FTA on August 1, 2006.

Explanation of Existing Rules of Origin and Proposed Modifications

Under the current rules of origin in the U.S.-Bahrain FTA contained in general note 30 of the HTS, the subject compacted yarns must be formed in the United States or Bahrain in order for home furnishings made from these yarns to be considered as originating goods and thus qualify for duty-free treatment under the FTA.² The proposed changes to the rules of origin would consist of the addition of a note to HTS chapter 63 to allow cotton pillowcases, other than bolster cases; cotton sheets; cotton bed skirts; cotton shams and finished throw pillow covers; cotton pillow shells; and cotton shells for quilts, eiderdowns, comforters, and similar articles to be made from certain combed, compacted, single, ring-spun cotton yarns that are formed outside of the United States or Bahrain (“non-originating” inputs) and still be considered originating goods and thus qualify for FTA preferences, including duty-free treatment.

¹ Kingdom of Bahrain, Ministry of Interior, Customs Affairs, Harmonised System, <http://www.bahraincustoms.gov.bh/Customs/EN/CustLibrary/HarmonizedCodes/>.

² The text of HTS general note 30 explaining the current rules of origin for the affected textile articles is contained in appendix C.

Table 2.1. Certain home furnishing articles subject to the proposed modifications ^a		
HTS statistical reporting number	Product description	Current NTR duty rate (percent ad valorem)
6302.21.9010	Cotton pillowcases, other than bolster cases, printed, not napped	6.7
6302.21.9020	Cotton sheets, printed, not napped	6.7
6302.31.5010	Cotton pillowcases, other than bolster cases, containing embroidery, lace, braid, edging, trimming, piping or appliqué work, not napped	20.9
6302.31.5020	Cotton sheets containing embroidery, lace, braid, edging, trimming, piping or appliqué work, not napped	20.9
6302.31.9010	Cotton pillowcases, other than bolster cases, not embellished, not napped	6.7
6302.31.9020	Cotton sheets, not embellished, not napped	6.7
6303.91.0020	Cotton bed skirts	10.3
6304.92.0000	Cotton pillow shams and finished throw pillow covers, not knitted or crocheted	6.3
6307.90.8945	Cotton pillow shells	7.0
6307.90.8985	Cotton shells for quilts, eiderdowns, comforters, and other similar articles (excluding sleeping bag shells), containing 85 percent or more by weight of cotton	7.0
6307.90.8995	Cotton shells for quilts, eiderdowns, comforters, and other similar articles (excluding sleeping bag shells), containing less than 85 percent by weight of cotton	7.0
^a Applies only to home furnishing articles containing combed, compacted, single, ring-spun cotton yarns measuring greater than 102 metric.		

The proposed modifications to the rules of origin regarding these products is in response to a petition filed by the Government of Bahrain on April 1, 2009, on behalf of its textile industry producing home furnishings.³

U.S. Trade, Industry, and Market Conditions for the Affected Articles

Certain Combed, Compacted, Single, Ring-spun Cotton Yarns

There are currently no known producers of the subject compacted yarns in the United States.⁴ However, representatives of the U.S. yarn industry stated that there are yarns produced in the United States that are substitutable for and interchangeable with the subject compacted yarns.⁵ According to industry sources, ***.⁶ Further, U.S. industry

³ Dr. Hassan A. Fakhro, Minister of Industry and Commerce, Kingdom of Bahrain, petition to Honorable Ron Kirk, United States Trade Representative, April 1, 2009.

⁴ Staff received information from ***, all of whom indicated that there is no production of the subject combed compacted cotton yarns in the United States. Industry representatives, telephone interviews by Commission staff, April 28, May 4, and May 10, 2010.

⁵ ***, telephone interview by USITC staff, April 28, 2010; NCTO, written submission to the USITC, April 29, 2010, 1.

⁶ ***, telephone interview by USITC staff, April 28, 2010; ***, telephone interview by USITC staff, May 4, 2010.

representatives stated that it is impossible to discern any difference in a fabric made from compacted yarns compared to a fabric made from conventional ring-spun yarns, particularly for consumers and for customs officials who would have to enforce the proposed rules of origin change.⁷

Currently, ***,⁸ ***, makes conventional combed, single, ring-spun cotton yarns measuring greater than 102 metric that *** could be substituted for the subject compacted yarns in the selected home furnishings.⁹ ***

Representatives of the U.S. yarn industry claim that in finished products, conventional ring-spun yarns and compacted yarns are “indistinguishable,” and that various tests have confirmed that compacted yarns and conventional ring-spun yarns are comparable with respect to strength, hairiness, and feel.¹⁰ In addition, they explained that a variety of finishing processes can be performed on conventional ring-spun yarns to control undesirable hairiness and improve strength, for example the application of additional sizing.

Combed, compacted, single, ring-spun cotton yarns measuring greater than 102 metric are not specifically provided for in the HTS; as a result, no separate import data are available. However, U.S. imports from all sources under statistical reporting numbers 5205.27.0020 and 5205.28.0020 of the HTS, which cover combed, single, ring-spun cotton yarns (compacted and conventional) measuring greater than 94 metric, totaled \$272,000 in 2009.¹¹ Such imports fluctuated widely during 2004–09, and the 2009 figure represented a sharp decline from 2004, when imports totaled \$10 million. The primary supplier of such yarns in 2009 was India, accounting for 51 percent of imports, followed by Korea, which accounted for 26 percent of imports.

Data on U.S. exports of the subject compacted yarns are likewise not available. However, data on the broader category—exports of combed, single, cotton yarns measuring greater than 94 metric¹²—show that such exports also fluctuated widely during 2004–09. U.S. exports totaled approximately \$629,000 in both 2005 and 2007, while exports in 2004, 2006, and 2008 totaled roughly \$290,000 each year. U.S. exports dropped to \$71,000 in 2009. Canada and Colombia accounted for 75 percent of total U.S. exports of combed, single, cotton yarns exceeding 94 metric.

Certain Home Furnishings

Commission staff contacted the National Council of Textile Organizations (NCTO), WestPoint Home, Springs Global, and Standard Textiles regarding possible domestic

⁷ ***, telephone interview by USITC staff, April 28, 2010; ***, telephone interview by USITC staff, May 4, 2010; ***, telephone interview by USITC staff, May 10, 2010; NCTO, written submission to the USITC, April 29, 2010, 1.

⁸ In its submission, WestPoint Home indicated that RL Stowe Mills produces or has the capacity to produce fine-gauge ring-spun cotton yarns. However, staff contacted RL Stowe Mills and learned that it ceased operations in early 2009 and is currently in the process of liquidation. RL Stowe Mills, telephone interview by USITC staff, May 5, 2010.

⁹ Information in this paragraph is from ***, telephone interview by USITC staff, April 28, 2010.

¹⁰ ***, telephone interview by USITC staff, April 28, 2010; ***, telephone interview by USITC staff, May 4, 2010; ***, telephone interview by USITC staff, May 10, 2010; NCTO, written submission to the USITC, April 29, 2010.

¹¹ Trade data are from USITC, DataWeb (accessed April 30, 2010).

¹² Such yarns are classified under Schedule B export numbers 5205.27.0000 and 5205.28.0000.

production of the subject home furnishings.¹³ Commission staff found no domestic production of home furnishings using the subject combed, compacted, ring-spun cotton yarns.¹⁴ Further, the Commission also did not find any domestic production of home furnishings using conventional ring-spun cotton yarns of the same fineness (greater than 102 metric) as the subject compacted yarns. WestPoint Home and Springs Global, the two largest U.S. producers of home furnishings, shut down spinning, weaving, and finishing operations for U.S.-produced bedding during 2006 and 2007, respectively.¹⁵ ***¹⁶ There is limited production of home furnishings remaining in the United States. The products made domestically do not incorporate the subject compacted yarns, nor do they serve the same end market as the home furnishings made with the subject compacted yarns.

With respect to production in Bahrain, there is a producer, ***, that makes bedding for the U.S. and other markets from the subject combed, compacted, single, ring-spun cotton yarns, as well as other yarns.¹⁷ ***¹⁸ ***¹⁹ ***²⁰ ***

WestPoint asserted that conventional ring-spun cotton yarns are not substitutable with compacted cotton yarns ***.²¹ ***²² In addition, in its written submission to the Commission, WestPoint indicated that there are differences in the quality of home furnishings made using compacted cotton yarns versus conventional ring-spun yarns that would be noticeable to consumers. WestPoint's submission pointed to a public article that described sheets made with compacted yarns as being stronger and having a softer hand and better colorfastness.²³ The company also indicated that the properties of compacted yarns (for example, uniformity in the thickness of the yarns) are particularly beneficial in the production of high-thread-count bedding, pillowcases, and curtains.²⁴

***²⁵

U.S. imports of the subject home furnishings products containing the subject compacted yarns are not specifically provided for in the HTS; however, total U.S. imports of the

¹³ ***, telephone interviews by Commission staff, April 13, 2010, April 28, 2010, and May 5, 2010; NCTO, written submission to the USITC, April 29, 2010.

¹⁴ U.S. production data for the selected home furnishings are unavailable. The most recent available data show that domestic production of all types of sheets and pillowcases declined by 56 percent during 2007-08. As the major U.S. producers of these goods have moved operations abroad, future domestic production of bedding products will likely continue to decline. USDOC, Census, "Current Industrial Reports: Textiles, Fourth Quarter 2008."

¹⁵ Hogsett, "WestPoint Home Cuts 1,000. Closes Most U.S. Bedding Plants," June 4, 2007; Shoulberg, "Springs to Stop U.S. Weaving by 2007," June 19, 2006.

¹⁶ ***, telephone interview by Commission staff, April 28, 2010.

¹⁷ Dr. Hassan A. Fakhro, Minister of Industry and Commerce, Kingdom of Bahrain, petition to Honorable Ron Kirk, United States Trade Representative, April 1, 2009; and Kingdom of Bahrain, Additional Petition Information, "U.S.-Bahrain Market for Fine Gauge Compact Ring Spun Cotton Yarns & Characteristics of Fine Gauge Compact Ring Spun Cotton Yarns," July 7, 2009.

¹⁸ Unless otherwise noted, information in this paragraph is from ***, telephone interview by Commission staff, April 28, 2010.

¹⁹ ***, e-mail message to Commission staff, May 12, 2010.

²⁰ ***, telephone interview by Commission staff, April 28, 2010; ***, e-mail message to Commission staff, April 30, 2010.

²¹ Sandler, Travis, & Rosenberg, written submission to the Commission, April 29, 2010, 4.

²² ***, telephone interview by Commission staff, April 28, 2010.

²³ Sandler, Travis, & Rosenberg, written submission to the Commission, April 29, 2010, 6-7.

²⁴ Sandler, Travis, & Rosenberg, written submission to the Commission, April 29, 2010, 5-6.

²⁵ ***, telephone interview by Commission staff, May 5, 2010.

subject home furnishing products made with all types of cotton yarns²⁶ from all sources totaled \$1.9 billion in 2009.²⁷ China was the largest supplier in 2009, accounting for 39 percent of total U.S. imports, followed by India (23 percent) and Pakistan (22 percent). Bahrain was the fourth largest supplier to the U.S. market in 2009, accounting for 4 percent (\$67.1 million) of total U.S. imports.²⁸ Virtually all (99.8 percent) of U.S. imports of the subject products from Bahrain entered free of duty under the U.S.-Bahrain FTA in 2009. During January–March 2010, the value of imports that entered under NTR duty rates increased to 2 percent of the total value of the subject products from Bahrain, likely reflecting increased use of non-originating compacted, ring-spun yarns.

Probable Effect of the Proposed Modifications on U.S. Trade under the U.S.-Bahrain FTA, on Total U.S. Trade, and on Domestic Producers of the Affected Articles²⁹

The Commission's analysis indicates that the proposed modifications of the U.S.-Bahrain FTA rules of origin for certain home furnishings of certain combed, compacted, single, ring-spun cotton yarns could lead to a large increase in U.S. trade in the affected articles under the U.S.-Bahrain FTA, but would have little or no effect on total U.S. trade in the affected articles, and no effect on U.S. producers of the affected articles.

With respect to U.S. imports from Bahrain, ***. Therefore, it is likely that the rules of origin changes would result in a significant increase in U.S. imports of certain home furnishings under the U.S.-Bahrain FTA, but no increase in U.S. exports to Bahrain.

The current level of U.S. imports from Bahrain of home furnishings containing the subject compacted yarns is small. Based on publicly available trade data, it is estimated that home furnishings containing the subject compacted yarns account for no more than 2 percent (\$0.3 million) of U.S. imports from Bahrain of all types of the selected home furnishings (i.e., containing all types of yarns). Further, Bahrain is a small supplier of all types of the selected home furnishings to the United States, accounting for just 4 percent (\$67.1 million) of total U.S. imports of such products. Therefore, even if there is a large increase in U.S. imports of such products from Bahrain, the increase in imports would occur from a small base and would likely displace, in part, U.S. imports from other suppliers. As such, it is likely that the rule of origin changes would result in little or no increase in total U.S. imports.

Currently there are no known U.S. producers of the subject combed, compacted, single, ring-spun cotton yarns. Although fine-gauge conventional ring-spun yarns made in the United States are reportedly substitutable with the combed compacted ring-spun yarns, ***. Therefore, regardless of whether the conventional ring-spun yarns are substitutable for the compacted yarns, the proposed modifications to the rules of origin would likely have no effect on U.S. producers of cotton yarns, exports of such yarns under the U.S.-Bahrain FTA, or total U.S. trade.

²⁶ Under statistical reporting numbers 6302.21.9010, 6302.21.9020, 6302.31.5010, 6302.31.5020, 6302.31.9010, 6302.31.9020, 6303.91.0020, 6304.92.0000, 6307.90.8945, 6307.90.8985, and 6307.90.8995.

²⁷ These products accounted for a significant percentage (about one quarter) of U.S.-Bahrain FTA trade, which totaled \$258 million in 2009. Trade data are from USITC, DataWeb (accessed May 10, 2010).

²⁸ During 2004–09, U.S. imports of home furnishings products from Bahrain increased by 44 percent.

²⁹ The Commission's advice is based on information currently available to the Commission.

CHAPTER 3

Summary of Positions of Interested Parties

The Commission received written submissions concerning the proposed rules of origin changes for the subject home furnishings made of certain combed, compacted, ring-spun cotton yarns from the National Council of Textile Organizations (NCTO) and WestPoint Home, Inc. NCTO expressed opposition to the proposed changes to the rules of origin, whereas WestPoint Home expressed support for the changes.

National Council of Textile Organizations¹

The National Council of Textile Organizations (NCTO) said that it is an association representing the U.S. textile industry, including fiber, fabric, and yarn manufacturers, as well as machinery manufacturers and suppliers. NCTO listed three ways in which the proposed changes would damage the U.S. yarn-spinning industry: first, compact ring-spun yarns and conventional ring-spun yarns are interchangeable, particularly in finished products, and conventional ring-spun yarns are readily available from domestic producers; second, products made with the yarns identified in the petition are indistinguishable to U.S. Customs from products made with conventional ring-spun yarns, rendering rules of origin unenforceable; third, approval of commercial availability petitions can set precedent for future trade agreements with other countries. In other words, if a product is determined to be commercially unavailable in the case of one country, that determination might be replicated in another agreement with another country. With regard to this third point, NCTO stated that “larger markets for U.S. yarns would be threatened” and “replication of this petition in the Western Hemisphere trade areas would destroy the market for competing U.S. yarns.”²

In its statement, NCTO indicated that final fabric quality is influenced to a much higher degree by the choice of fiber used than by the type of yarn. Further, it stated that strength and hand in finished products are not affected by the type of yarn used, whether it is conventional ring-spun yarns or compacted ring-spun yarns. In fact, NCTO contended, conventional ring-spun yarns can be even stronger than compacted ring-spun yarns.³ NCTO explained that the processes of fabric formation and finishing (which can remove hairiness) have blurred the lines between conventional ring-spun yarns and compact ring-spun yarns, making them indistinguishable in the final product.⁴ NCTO characterized the proposed modifications to the rules of origin under the U.S.-Bahrain FTA as posing a “great threat” to the domestic cotton-spinning industry, and concluded that such action would undermine the “yarn forward” rules of origin established under other comparable U.S. FTAs. As part of its submission, NCTO provided technical articles and the results of laboratory analysis supporting its position that conventional ring-spun yarns are substitutable with compacted ring-spun yarns.

¹ NCTO, written submission to the USITC, April 29, 2010.

² NCTO, written submission to the USITC, April 29, 2010, 1, 3.

³ NCTO, written submission to the USITC, April 29, 2010, 2.

⁴ NCTO, written submission to the USITC, April 29, 2010, 3.

WestPoint Home, Inc.⁵

WestPoint Home, Inc. (WestPoint) requested that the Commission find that there will be no adverse effect on U.S. yarn spinners or their workers from the proposed changes to the rules of origin for certain home furnishing articles under the U.S.-Bahrain FTA. WestPoint asserted that there are no producers of fine-gauge compacted ring-spun yarns in the United States or Bahrain. It also noted that the Committee for the Implementation of Textile Agreements (CITA) has previously found that certain compacted, plied, ring-spun yarns were not available in the United States under the commercial availability provisions of the Caribbean Basin Trade Partnership Act (CBTPA) and the Andean Trade Promotion and Drug Eradication Act (ATPDEA) in 2005 and again in 2006. WestPoint indicated that there has been no new U.S. production or capacity added to produce the compacted ring-spun yarns since the CITA made the original determinations. WestPoint further explained that plied yarns are simply two single yarns twisted together. WestPoint said that the fact that plied compacted yarns were determined to be commercially unavailable would indicate that the single compacted yarns are similarly unavailable.

WestPoint cited commercial observations, laboratory testing, and academic research to show that the unique characteristics of compacted ring-spun yarns cannot be replicated or substituted by other products. As evidence of this claim, WestPoint quoted a prior USITC report⁶ that addressed the substitutability of the aforementioned plied compacted ring-spun cotton yarns with alternate yarns, and said that the USITC report found them unsubstitutable. In addition, WestPoint provided laboratory test data submitted by the Government of Bahrain in its petition for the proposed rules of origin changes to support the contention that conventional ring-spun yarns are not substitutable with compacted ring-spun yarns. According to WestPoint, the subject yarns are required for production of high-end bedding products “to reduce pilling, imperfections, and add strength.”⁷ WestPoint maintained that the durability and quality of bedding products made using compact yarns are both distinguishable and preferred by the individual consumer.

WestPoint concluded by describing the likely benefits of the proposed modifications to the rules of origin, which it said would allow U.S. firms weaving fabrics from subject yarns to “reclaim a portion of the textile business” while lowering prices on home furnishings products to consumers.⁸ WestPoint did not anticipate any adverse impact on U.S. producers of pillowcases and sheets because there is no domestic production of these goods using the subject yarns.⁹

⁵ Sandler, Travis & Rosenberg, P.A., filed on behalf of WestPoint Home, Inc., written submission to the USITC, April 29, 2010.

⁶ USITC, *Commercial Availability of Apparel Inputs (2005)*, 2006, 008-1-008-5.

⁷ WestPoint Home, written submission to the USITC, April 29, 2010, 6.

⁸ WestPoint Home, written submission to the USITC, April 29, 2010, 7.

⁹ WestPoint Home, written submission to the USITC, April 29, 2010, 7.

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- Sandler, Travis, & Rosenberg, on behalf of WestPoint Home. Written submission to the U.S. International Trade Commission in connection with inv. no. Bahrain-FTA-103-025, *Certain Combed Cotton Yarns: Effect of Modification of U.S.-Bahrain FTA Rules of Origin*, April 29, 2010.
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APPENDIX A

Request Letter from the United States Trade Representative

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

The Honorable Shara L. Aranoff
Chairman
U.S. International Trade Commission
500 E St., SW
Washington, DC 20436

FEB 12 2010

Dear Chairman Aranoff:

Chapter 3, Annex 3-A and Chapter Four of the United States - Bahrain Free Trade Agreement (FTA) set out rules of origin for textiles and apparel for applying the tariff provisions of the FTA. These rules are reflected in General Note 30 of the Harmonized Tariff Schedule of the United States (HTS).

Section 202(j) of the United States – Bahrain Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement pursuant to Article 3.2.5 of the FTA. 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 government of Bahrain on certain modifications to the United States - Bahrain FTA rules of origin, which are reflected in the enclosed document. These changes are the result of determinations that neither U.S. nor Bahraini producers are able to produce certain combed cotton yarns used in the production of certain home furnishings in commercial quantities in a timely manner.

Under authority delegated by the President, and pursuant to section 104 of the Act, I request that the Commission provide advice on the probable effect of the modifications for the products reflected in the enclosed proposal on U.S. trade under the United States – Bahrain FTA, 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 five 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,



Ambassador Ron Kirk

Enclosure

Enclosure

United States-Bahrain Free Trade Agreement

Proposed chapter note 2 of chapter 63:

The origin of compacted, single, ring spun cotton yarns of subheadings 5205.27aa and 5205.28bb shall be disregarded in determining the origin of cotton pillow cases, other than bolster cases, and sheets, of subheadings 6302.21.90cc, 6302.31.50dd, 6302.31.90ee, cotton bed skirts of subheading 6303.91ff, cotton shams and finished throw pillow covers of subheading 6304.92gg, cotton pillow shells of subheading 6307.90.89hh, and cotton shells for quilts, eiderdowns, comforters and similar articles of subheading 6307.90.89ii.

5205.27aa – ring spun, compact yarn exceeding 102nm

5205.28bb – ring spun, compact yarn exceeding 102 nm

6302.21.90cc – pillow cases, other than bolster cases, and sheets

6302.31.50dd - pillow cases, other than bolster cases, and sheets

6302.31.90ee - pillow cases, other than bolster cases, and sheets

6303.91.00ff – bed skirts

6304.92.00gg – shams and finished throw pillow covers

6307.90.89hh – pillow shells, of cotton

6307.90.89ii – shells for quilts, eiderdowns, comforters and similar articles, of cotton

APPENDIX B
***Federal Register* Notice**

Issued: March 8, 2010.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010-5234 Filed 3-10-10; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. Bahrain-FTA-103-025]

Certain Combed Cotton Yarns: Effect of Modification of U.S.-Bahrain FTA Rules of Origin

AGENCY: United States International
Trade Commission.

ACTION: Institution of investigation.

SUMMARY: Following receipt of a request on February 12, 2010, from the U.S. Trade Representative (USTR) under authority delegated by the President and pursuant to section 104 of the United States-Bahrain Free Trade Agreement (FTA) Implementation Act (19 U.S.C. 3805 note), the Commission instituted investigation No. Bahrain FTA-103-025, *Certain Combed Cotton Yarns: Effect of Modification of U.S.-Bahrain FTA Rules Of Origin*.

DATES: *April 29, 2010:* Deadline for filing all written submissions.

On or before July 12, 2010:

Transmittal of report to the USTR.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street, SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov/edis3-internal/app>.

FOR FURTHER INFORMATION CONTACT: Co-project Leaders Heidi Colby-Oizumi (202-205-3391 or heidi.colby@usitc.gov) or Kimberlie Freund (202-708-5402 or kimberlie.freund@usitc.gov) for information specific to this investigation. For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD

terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

Background: Chapter 3, Annex 3-A and Chapter 4 of the FTA contain the rules of origin for textiles and apparel for application of the tariff provisions of the FTA. These rules are reflected in General Note 30 of the Harmonized Tariff Schedule of the United States (HTS). According to the USTR's request letter, U.S. negotiators have recently reached agreement in principle with representatives of the government of Bahrain on certain modifications to the rules of origin to the FTA for certain combed cotton yarns used in the production of certain home furnishings, as described in the attachment to the letter (for the text of the letter and attachment, see the Commission's Web site for this investigation at http://www.usitc.gov/research_and_analysis/What_We_Are_Working_On.htm). Section 202(j) of the United States-Bahrain Free Trade Agreement Implementation Act (the Act) authorizes the President, subject to the consultation and layover requirements of section 104 of the Act, to proclaim such modifications to the rules of origin as are necessary to implement an agreement pursuant to Article 3.2.5 of the FTA. One of the requirements set out in section 104 of the Act is that the President obtain advice from the United States International Trade Commission. The request letter asks that the Commission provide advice on the probable effect of the proposed modifications on U.S. trade under the U.S.-Bahrain FTA, total U.S. trade, and on domestic producers of the affected articles. The USTR asked that the Commission provide its report containing its advice by July 12, 2010, and that the Commission shortly thereafter issue a public version of the report with any confidential business information deleted. Additional information concerning the articles and the proposed modifications, including a copy of the USTR's request letter, can be obtained by accessing the Commission's Web site at <http://www.usitc.gov>. The current U.S.-Bahrain FTA rules of origin applicable to U.S. imports can be found in general note 30 of the HTS (see "General Notes" link at <http://www.usitc.gov/tata/hts/bychapter/index.htm>).

Written Submissions: No public hearing is planned. However, interested parties are invited to file written

submissions and other information concerning the matters to be addressed in this investigation. All written submissions should be addressed to the Secretary. To be assured of consideration by the Commission, written submissions relating to the Commission's advice should be submitted at the earliest possible date, and should be received not later than 5:15 p.m., April 29, 2010. All written submissions must conform to the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize the filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook on Electronic Filing Procedures, http://www.usitc.gov/docket_services/documents/handbook_on_electronic_filing.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the Aconfidential@ or Anon-confidential@ version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

The Commission may include some or all of the confidential business information submitted in the course of this investigation in the report it sends to the USTR and the President. As requested by the USTR, the Commission will publish a public version of the report. However, in the public version, the Commission will not publish confidential business information in a manner that would reveal the operations of the firm supplying the information.

Issued: March 4, 2010.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010-5218 Filed 3-10-10; 8:45 am]

BILLING CODE 7020-02-P

JUDICIAL CONFERENCE OF THE UNITED STATES

Meeting of the Judicial Conference Advisory Committee on Rules of Appellate Procedure

AGENCY: Judicial Conference of the United States Advisory Committee on Rules of Appellate Procedure.

ACTION: Notice of open meeting.

SUMMARY: The Advisory Committee on Rules of Appellate Procedure will hold a two-day meeting. The meeting will be open to public observation but not participation.

DATES: April 8-9, 2010.

TIME: 8:30 a.m. to 5 p.m.

ADDRESSES: Inn on Biltmore Estate, I Approach Road, Asheville, NC 28803.

FOR FURTHER INFORMATION CONTACT: John K. Rabiej, Chief, Rules Committee Support Office, Administrative Office of the United States Courts, Washington, DC 20544, telephone (202) 502-1820.

Dated: March 4, 2010.

John K. Rabiej,

Chief, Rules Committee Support Office.

[FR Doc. 2010-5072 Filed 3-10-10; 8:45 am]

BILLING CODE 2210-55-M

JUDICIAL CONFERENCE OF THE UNITED STATES

Meeting of the Judicial Conference Advisory Committee on Rules of Evidence

AGENCY: Judicial Conference of the United States Advisory Committee on Rules of Evidence.

ACTION: Notice of open meeting.

SUMMARY: The Advisory Committee on Rules of Evidence will hold a two-day meeting. The meeting will be open to public observation but not participation.

DATES: April 22-23, 2010.

TIME: 8:30 a.m. to 5 p.m.

ADDRESSES: Empire Hotel, 44 W 63rd Street, New York, NY 10023.

FOR FURTHER INFORMATION CONTACT: John K. Rabiej, Chief, Rules Committee Support Office, Administrative Office of the United States Courts, Washington, DC 20544, telephone (202) 502-1820.

Dated: March 4, 2010.

John K. Rabiej,

Chief, Rules Committee Support Office.

[FR Doc. 2010-5073 Filed 3-10-10; 8:45 am]

BILLING CODE 2210-55-M

JUDICIAL CONFERENCE OF THE UNITED STATES

Meeting of the Judicial Conference Committee on Rules of Practice and Procedure

AGENCY: Judicial Conference of the United States Committee on Rules of Practice and Procedure.

ACTION: Notice of open meeting.

SUMMARY: The Committee on Rules of Practice and Procedure will hold a two-day meeting. The meeting will be open to public observation but not participation.

DATES: June 14-15, 2010.

TIME: 8:30 a.m. to 5 p.m.

ADDRESSES: Thurgood Marshall Federal Judiciary Building, Meacham Conference Center, One Columbus Circle, NE., Washington, DC 20544.

FOR FURTHER INFORMATION CONTACT: John K. Rabiej, Chief, Rules Committee Support Office, Administrative Office of the United States Courts, Washington, DC 20544, telephone (202) 502-1820.

Dated: March 4, 2010.

John K. Rabiej,

Chief, Rules Committee Support Office.

[FR Doc. 2010-5074 Filed 3-10-10; 8:45 am]

BILLING CODE 2210-55-M

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Under the Clean Water Act and Clean Air Act

Notice is hereby given that on March 5, 2010, a proposed Consent Decree in *United States v. ESSROC San Juan, Inc.*, Civil Action No. 3:09-cv-01578, was filed with the United States District Court for the District of Puerto Rico.

In this action, the United States sought penalties and injunctive relief for the Defendant's violations of the Clean Water Act, 33 U.S.C. 1251 *et seq.*, and the Clean Air Act, 42 U.S.C. 7401 *et seq.* at its portland cement manufacturing plant in Dorado, Puerto Rico.

To resolve the United States' claims, the Defendant will pay a penalty of \$275,000 and perform injunctive relief including the installation of water effluent controls, the rerouting of air emissions through control devices, and enhanced monitoring provisions. In

addition the Defendant will perform a supplemental environmental project requiring it to grant a conservation easement over 5.3 acres of land to the Puerto Rico Department of Natural Resources.

The Department of Justice will receive for a period of thirty (30) days from the date of this publication comments relating to the Consent Decree. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and either emailed to pubcomment-ees.enrd@usdoj.gov or mailed to P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611, and should refer to either: *United States v. ESSROC San Juan, Inc.*, Civil Action No. 3:09-cv-01578, D.J. Ref. 90-5-2-1-08412. The Consent Decree may be examined at the Office of the United States Attorney for the District of Puerto Rico at Torre Chardon, Suite 1201, 350 Carlos Chardon Avenue, San Juan, Puerto Rico 00918, and at U.S. EPA Region 2 Caribbean Environmental Protection Division, Centro Europa Building, 1492 Ponce Deleon Avenue, Suite 417, San Juan, Puerto Rico 00907. During the public comment period, the Consent Decrees may also be examined on the following Department of Justice Web site, http://www.usdoj.gov/enrd/Consent_Decrees.html. A copy of the Consent Decrees may also be obtained by mail from the Consent Decree Library, P.O. Box 7611, U.S. Department of Justice, Washington, DC 20044-7611 or by faxing or e-mailing a request to Tonia Fleetwood (tonia.fleetwood@usdoj.gov), fax no. (202) 514-0097, phone confirmation number (202) 514-1547. In requesting a copy from the Consent Decree Library, please enclose a check, payable to the U.S. Treasury, in the amount of \$13.25 (25 cents per page reproduction cost), or, if by e-mail or fax, forward a check in the applicable amount to the Consent Decree Library at the stated address.

Maureen Katz,

Assistant Chief, Environmental Enforcement Section, Environment and Natural Resources Division.

[FR Doc. 2010-5223 Filed 3-10-10; 8:45 am]

BILLING CODE 4410-15-P

APPENDIX C

Chapter 63 of General Note 30 of the U.S. Harmonized Tariff Schedule

Harmonized Tariff Schedule of the United States (2010)

Annotated for Statistical Reporting Purposes

GN. p. 560

Bahrain

- (l) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.
- 30. A change to subheadings 6205.20 through 6205.30 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 31. A change to subheading 6205.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 32. A change to headings 6206 through 6210 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 33. A change to subheadings 6211.11 through 6211.12 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 34. A change to subheading 6211.20 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that:
 - (A) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both; and
 - (B) with respect to a garment described in heading 6101, 6102, 6201 or 6202, of wool, fine animal hair, cotton or man-made fibers, imported as part of a ski-suit of this subheading, any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 to chapter 62.
- 35. A change to subheadings 6211.31 through 6211.49 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 36. A change to subheading 6212.10 from any other chapter, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this note only if the aggregate cost of fabric(s) (exclusive of findings and trimmings) formed in the territory of Bahrain or of the United States, or both, that is used in the production of all such articles of that producer or entity during the preceding annual period is at least 75 percent of the aggregate declared customs value of the fabric (exclusive of findings and trimmings) contained in all such goods of that producer or entity that are entered during the preceding one-year period.
- 37. A change to subheadings 6212.20 through 6212.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- 38. A change to headings 6213 through 6217 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.

Chapter 63.

Chapter Rule 1: For purposes of determining the origin of a good of this chapter, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good.

- 1. A change to headings 6301 through 6302 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.

Harmonized Tariff Schedule of the United States (2010)

Annotated for Statistical Reporting Purposes

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Bahrain

2. A change to tariff item 6303.92.10 from tariff items 5402.43.10 or 5402.52.10 or any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802, or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
3. A change to heading 6303 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311 chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
4. A change to headings 6304 through 6308 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
5. A change to heading 6309 from any other heading.
6. A change to heading 6310 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308, or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.

Chapter 70.

1. A change to heading 7019 from any other heading, except from headings 7007 through 7020.

Chapter 94.

1. A change to subheading 9404.90 from any other chapter, except from headings 5007, 5111 through 5113, 5208 through 5212, 5309 through 5311, 5407 through 5408 or 5512 through 5516 or subheading 6307.90.