157.215(a) specifies the calendar year dollar limit which may be expended on underground storage testing and development (Table II) authorized under the blanket certificate. Section 157.208(d) requires that the ''limits specified in Tables I and II shall be adjusted each calendar year to reflect the 'GDP implicit price deflator' published by the Department of Commerce for the previous calendar year.''

Pursuant to § 375.308(x)(1) of the Commission's Regulations, the authority for the publication of such cost limits, as adjusted for inflation, is delegated to the Director of the Office of Energy Projects. The cost limits for calendar year 2003, as published in Table I of § 157.208(d) and Table II of § 157.215(a), are hereby issued.

List of Subjects in 18 CFR Part 157

Administrative practice and procedure, Natural Gas, Reporting and recordkeeping requirements.

J. Mark Robinson,

Director, Office of Energy Projects.

Accordingly, 18 CFR part 157 is amended as follows:

PART 157—[AMENDED]

1. The authority citation for part 157 continues to read as follows:

Authority: 15 U.S.C. 717–717w, 3301–3432; 42 U.S.C. 7101–7352.

2. Table I in § 157.208(d) is revised to read as follows:

§ 157.208 Construction, acquisition, operation, replacement, and miscellaneous rearrangement of facilities.

* * * * *

(d) * * *

TABLE I

Year	Limit	
	Auto. proj. cost limit (Col. 1)	Prior notice proj. cost limit (Col. 2)
1982	$4,200,000	$12,000,000
1983	4,500,000	12,800,000
1984	4,700,000	13,300,000
1985	4,900,000	13,800,000
1986	5,100,000	14,300,000
1987	5,200,000	14,700,000
1988	5,400,000	15,100,000
1989	5,600,000	15,600,000
1990	5,800,000	16,000,000
1991	6,000,000	16,700,000
1992	6,200,000	17,300,000
1993	6,400,000	17,700,000
1994	6,600,000	18,100,000
1995	6,700,000	18,400,000
1996	6,900,000	18,800,000

TABLE I—Continued

Year	Limit	
	Auto. proj. cost limit (Col. 1)	Prior notice proj. cost limit (Col. 2)
1997	7,000,000	19,200,000
1998	7,100,000	19,600,000
1999	7,200,000	19,800,000
2000	7,300,000	20,200,000
2001	7,400,000	20,600,000
2002	7,500,000	21,000,000
2003	7,600,000	21,200,000

* * * * *

3. Table II in § 157.215(a) is revised to read as follows:

§ 157.215 Underground storage testing and development.

(a) * * *

(5) * * *

TABLE II

Year	Limit
1982	$2,700,000
1983	2,900,000
1984	3,000,000
1985	3,100,000
1986	3,200,000
1987	3,300,000
1988	3,400,000
1989	3,500,000
1990	3,600,000
1991	3,800,000
1992	3,900,000
1993	4,000,000
1994	4,100,000
1995	4,200,000
1996	4,300,000
1997	4,400,000
1998	4,500,000
1999	4,550,000
2000	4,650,000
2001	4,750,000
2002	4,850,000
2003	4,900,000

* * * * *

[FR Doc. 03–4336 Filed 2–24–03; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 102

[T.D. 03–08]

RIN 1515–AC80

Rules of Origin for Textile and Apparel Products

AGENCY: Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document adopts as a final rule, with a clarification, the interim rule amending the Customs Regulations to align the existing country of origin rules for certain textile and apparel products with the statutory amendments to section 334 of the Uruguay Round Agreements Act, as set forth in section 405 within title IV of the Trade and Development Act of 2000. The document also adopts as final the interim rule making technical corrections to the rules of origin for textile and apparel products.

EFFECTIVE DATE: February 25, 2003.

FURTHER INFORMATION CONTACT: Cynthia Reese, Textile Branch, Office of Regulations and Rulings, U.S. Customs Service, Tel. (202) 572–8790.

SUPPLEMENTARY INFORMATION:

Background

Section 334 of the Uruguay Round Agreements Act (URAA), Public Law 103–465, 108 Stat. 4809 (19 U.S.C. 3592), directs the Secretary of the Treasury to prescribe rules implementing certain principles for determining the origin of textiles and apparel products. Section 102.21 of the Customs Regulations (19 CFR 102.21) implements section 334 of the URAA.

Section 405 of title IV of the Trade and Development Act of 2000 (the Act), Public Law 106–200, 114 Stat. 251, amended section 334 of the URAA. Specifically, section 405(a) amended section 334(b)(2) of the URAA by redesignating paragraphs (b)(2)(A) and (B) as paragraphs (b)(2)(A)(i) and (ii), and by adding two special rules at new paragraphs (b)(2)(B) and (C) that change the rules of origin for certain fabrics and made-up textile products.

Under section 334, certain fabrics, silk handkerchiefs and scarves were considered to originate where the base fabric was knit or woven, notwithstanding any further processing. As a result of the statutory amendment to section 334 effected by section 405 of the Act, the processing operations which may confer origin on certain textile fabrics and made-up articles were changed to include dyeing, printing and two or more finishing operations. In particular, the amendment to section 334 affected the processing operations which may confer origin on fabrics classified under the Harmonized Tariff Schedule of the United States (HTSUS) as of silk, cotton, man-made fibers or vegetable fibers.

On May 1, 2001, Customs published in the **Federal Register** (66 FR 21660), as T.D. 01–36, an interim rule amending

§ 102.21 to implement the rules of origin for the textile products specified in section 405(a) of the Act. On May 10, 2001, a correction to T.D. 01–36 was published in the **Federal Register** (66 FR 23981). On August 9, 2002, Customs published in the **Federal Register** (67 FR 51751), as T.D. 02–47, another interim rule which made technical corrections to § 102.21 to reflect the terms of the 2002 Harmonized Tariff Schedule of the United States within the country of origin rules for certain textile and apparel products, as well as a correction regarding the scope of the definition of the term ''textile or apparel product''. Because T.D. 02–47 was a technical correction document, no comments were requested. Comments were requested in T.D. 01–36.

Discussion of Comments

Two commenters responded to the solicitation of public comment published in T.D. 01–36. A description of the comments received, together with Customs analyses, is set forth below.

Comment: One commenter suggested that the interim amendments to § 102.21 of the Customs Regulations be changed in regard to certain textile fabrics and made-up articles by removing the requirement that dyeing, printing and finishing of fabric need to occur in order to confer origin. The commenter proposed that, instead, the rule should require that either dyeing and finishing of fabric or printing and finishing of fabric should confer origin. The commenter noted that the recommended change reflects a more common industry practice.

The commenter also requested that Customs amend the interim § 102.21 to change how origin is determined for embroideries. The commenter deemed it unfair in the case of embroideries to adhere to the principle that only the fabric-making process confers origin when the principle has been abandoned for fabrics. The commenter asserts that as the origin rules for fabric that existed prior to the implementation of section 334 have been reintroduced, the same treatment should be accorded to embroideries.

Customs Response: Section 405(a)(3) of the Act states that dyeing and printing, when accompanied by two or more of specified finishing operations, will confer origin to fabric classified under the HTSUS as of silk, cotton, man-made fiber, or vegetable fiber. The same standard is used to determine origin for specified made-up textile articles. Section 405 contains no reference to embroideries, and Customs is following the language and requirements specified by Congress.

Comments: One commenter requested that Customs clarify the application of interim rule § 102.21(e) for purposes of determining the origin of down comforters and featherbeds, with outer shells of cotton, respectively classifiable under HTSUS subheadings 9404.90.8505 and 9404.90.9505. The commenter interpreted the interim rule as requiring that origin determinations for these goods be based on where the fabric comprising the outer shell is formed and seeks confirmation of that interpretation.

Customs response: Customs agrees with the commenter's interpretation. Section 102.21(e)(2)(i), Customs Regulations, provides, in pertinent part, that the country of origin of goods of HTSUS subheadings 9404.90.85 and 9404.90.95 is the country, territory or insular possession in which the fabric comprising the good was both dyed and printed when accompanied by two or more of specified finishing operations, except for goods classified under those subheadings as of cotton or of wool or consisting of fiber blends containing 16 percent or more by weight of cotton.

Down comforters with outer shells of cotton are classifiable in subheading 9404.90.85, HTSUS, based on a determination that the down component imparts the essential character to the comforter and is therefore the component that determines classification at the eight-digit subheading level. Similarly, down featherbeds with outer shells of cotton are classified in subheading 9404.90.95, HTSUS. *See PillowTex Corp.* v. *United States*, 983 F. Supp. 188 (CIT 1997), *aff'd*, 171 F.3d 1370 (CAFC 1999).

Goods classified under HTSUS subheadings 9404.90.85 (quilts, eiderdowns, comforters and similar articles) and 9404.90.95 (other) are classified at the ultimate statistical level based on the fiber composition of the outer shell fabric. It is for this reason that down comforters and featherbeds with outer shells of cotton are subject to the exclusion set forth in § 102.21(e)(2). Accordingly, origin for these goods is determined pursuant to the rule set forth in § 102.21(e)(1); *i.e.*, origin is conferred in the country in which the fabric comprising the good is formed by a fabric-making process.

It is noted that prior to enactment of section 405, the origin of all goods of HTSUS subheading 9404.90 was the country in which the fabric comprising the good was formed by a fabric-making process. As a result of the statutory amendment to section 334 effected by section 405, the processing operations that confer origin on certain textile fabrics and made-up articles were changed to include dyeing, printing and two or more finishing operations. Customs is of the view that the exclusion of certain goods classified under HTSUS subheadings 9404.90.85 and 9404.90.95, which include down comforters and featherbeds with outer shells of cotton, of wool, or consisting of fiber blends containing 16 percent or more by weight of cotton, from the dyeing, printing and finishing origin rule, is indicative of Congress' focus on the fiber content of the fabric comprising these goods. In this regard, the Conference Report to the Act states:

> In particular, this dyeing and printing rule would apply to fabrics classified under the Harmonized Tariff Schedule (HTS) as silk, cotton, man-made and vegetable fibers. The rule would also apply to the various products classified in 18 specific subheadings of the HTS listed in the bill, except for goods made from cotton, wool, or fiber blends containing 16 percent or more of cotton.

As the fabric comprising the good in a down comforter with an outer shell of cotton is the cotton fabric of the outer shell, Customs agrees with the commenter that down comforters and down featherbeds with outer shells of cotton are precluded from application of § 102.21(e)(2) and are to have their origin determined based upon the tariff shift rule set forth in § 102.21(e)(1). The fact that the ultimate classification of down comforters and featherbeds with outer shells of cotton is dependent on the fiber content of the fabric of the outer shell offers support for this conclusion.

Further Customs Analysis

Customs has determined that no changes are necessary to the interim rules, published as T.D. 01–36 and T.D. 02–47, based on these comments. However, it has come to Customs attention, upon further review of T.D. 01–36, that clarification is needed regarding the application of § 102.21(e)(2)(i), (ii) and (iii) in determining the origin of goods of HTSUS subheading 6117.10. The rules set forth in § 102.21(e)(2) are to be applied hierarchically. The rule set forth in § 102.21(e)(2)(i) clearly applies to goods of HTSUS subheading 6117.10, and it is only if the origin of the good cannot be ascertained by application of the rule that the subsequent rules set forth in § 102.21(e)(2)(ii) and (iii) become relevant. The rule set forth in § 102.21(e)(ii) contains an exception for goods of HTSUS subheading 6117.10 that are knit to shape or consist of two or more component parts, so that the rule does not apply to such goods of that subheading. Accordingly, the origin of these goods, if not determinable under

§ 102.21(e)(i), must be determined by application of § 102.21(e)(2)(iii).

For example, if a man-made fiber scarf of HTSUS subheading 6117.10 consisted of two or more component parts and all of the fabric from which the component parts were formed was dyed and printed and finished as specified in § 102.21(e)(2)(i), the origin of the scarf would be ascertained under § 102.21(e)(2)(i); that is, it would be the country in which the fabric was dyed and printed and finished. However, if the fabric of the scarf was only dyed and finished, then § 102.21(e)(2)(i) would not apply and origin would be determined pursuant to § 102.21(e)(2)(iii).

In order to clarify the application of the rules set forth in § 102.21(e)(2), Customs is amending § 102.21(e)(2)(iii) as set forth in T.D. 01–36 to provide that § 102.21(e)(2)(iii) should be applied if the country of origin cannot be determined under § 102.21(e)(2)(i).

Non-substantive editorial changes are also made to paragraph (e)(2)(ii), and the introductory text to paragraph (e)(2)(iii) of the interim rule, whereby the references to ''(i) above'' in both paragraphs are replaced by the more specific cite to ''paragraph (e)(2)(i) of this section.''

It has also come to Customs attention that there may be some confusion as to whether certain finishing operations qualify under § 102.21(e)(2)(i) for purposes of determining the country of origin of certain goods. The finishing operations listed in § 102.21(e)(2)(i) are listed in section 405(a)(3) of the Act and Customs has no authority to deviate from this list to allow other processes to effect an origin determination. However, Customs does recognize that different terms may be used in the textile industry to refer to the same process. Accordingly, Customs will entertain arguments through the rulings procedure as to whether finishing processes referred to by different terms are identical to the named processes.

Conclusion

In accordance with the discussion set forth above, Customs has determined to adopt as a final rule the interim rule published in the **Federal Register** (66 FR 21660) on May 1, 2001, as T.D. 01–36, with the correction published in the **Federal Register** (66 FR 23981) on May 10, 2001, and the interim rule published in the **Federal Register** (67 FR 51751) on August 9, 2002, as T.D. 02–47.

Inapplicability of Delayed Effective Date

These regulations serve to align the Customs Regulations with the statutory amendments to section 334 of the URAA, as set forth in section 405 within title IV of the Act, which went into effect May 18, 2000, and with the 2002 Harmonized Tariff Schedule of the United States. The regulatory amendments inform the public of changes to the processing operations deemed necessary to confer country of origin status to certain textile fabrics or made-up articles by way of amendment to the tariff shift rules applicable to select textile goods. For these reasons, Customs has determined, pursuant to the provisions of 5 U.S.C. 553(d)(3), that there is good cause for dispensing with a delayed effective date.

The Regulatory Flexibility Act and Executive Order 12866

Because these amendments serve to conform the Customs Regulations to reflect statutory amendments, pursuant to the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, it is certified that these amendments will not have a significant impact on a substantial number of small entities. Further, these amendments do not meet the criteria for a ''significant regulatory action'' as specified in Executive Order 12866.

Drafting Information

The principal author of this document was Ms. Suzanne Kingsbury, Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects in 19 CFR Part 102

Customs duties and inspection, Imports, Rules of Origin, Trade agreements.

Amendment to the Regulations

For the reasons stated above, the interim rule amending § 102.21 of the Customs Regulations (19 CFR 102.21) which was published at 66 FR 21660—21664 on May 1, 2001, and corrected at 66 FR 23981 on May 10, 2001, and the interim rule which was published at 67 FR 51751—51752 on August 9, 2002, are adopted as a final rule with the changes set forth below.

PART 102—RULES OF ORIGIN

1. The authority citation for part 102 continues to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 23, Harmonized Tariff Schedule of the United States), 1624, 3314, 3592.

2. In § 102.21, paragraph (e)(2)(ii) and the introductory text to paragraph (e)(2)(iii) are revised to read as follows:

§ 102.21 Textile and apparel products.

* * * * *

(e) *Specific rules by tariff classification.* * * *

(2) * * *

(ii) If the country of origin cannot be determined under paragraph (e)(2)(i) of this section, except for goods of HTSUS subheading 6117.10 that are knit to shape or consist of two or more component parts, the country of origin is the country, territory, or insular possession in which the fabric comprising the good was formed by a fabric-making process; or

(iii) For goods of HTSUS subheading 6117.10 that are knit to shape or consist of two or more component parts, if the country of origin cannot be determined under paragraph (e)(2)(i) of this section:

* * * * *

Robert C. Bonner,

Commissioner of Customs.

Approved: February 19, 2003.

Timothy E. Skud,

Deputy Assistant Secretary of the Treasury.

[FR Doc. 03–4317 Filed 2–24–03; 8:45 am]

BILLING CODE 4820–02–P

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 141 and 142

[T.D. 03–09]

RIN 1515–AC91

Single Entry for Split Shipments

AGENCY: Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: This document amends the Customs Regulations to allow an importer of record, under certain conditions, to submit a single entry to cover a single shipment which was split by the carrier into multiple portions which arrive in the United States separately. These amendments implement statutory changes made to the merchandise entry laws by the Tariff Suspension and Trade Act of 2000.

EFFECTIVE DATE: March 27, 2003.

FOR FURTHER INFORMATION CONTACT: *For operational or policy matters:* Robert Watt, Office of Field Operations, (202) 927–0279.

For legal matters: Gina Grier, Office of Regulations and Rulings, (202) 572–8730.

SUPPLEMENTARY INFORMATION: