

initiatives & PTP and Offshore Communications improvements.

(6) Discussion and working group sessions by subcommittees on current program strategies and future plans.

(7) Discussion on Fishing Vessel Casualty Analysis.

(8) Discussion of areas to be addressed and status of Fishing Vessel Notice of Proposed Rulemaking.

#### Procedural

The meeting is open to the public. Please note the meeting may close early if all necessary business has been completed. At the Chair's discretion, members of the public may make presentations during the meeting. If you would like to make an oral presentation at the meeting, please notify the Executive Secretary no later than August 11, 2006. Written material for distribution at the meeting should reach the Coast Guard no later than September 1, 2006. If you would like a copy of any material distributed to each member of the committee in advance of the meeting, please submit 25 copies to Lieutenant Roberto Trevino no later than August 25, 2006.

#### Information on Services for Individuals With Disabilities

For information on facilities or services for individuals with disabilities or to request special assistance at the meeting, contact Lieutenant Roberto Trevino, by telephone at 202-372-1248, fax 202-372-1917, or e-mail: [RTrevino@comdt.uscg.mil](mailto:RTrevino@comdt.uscg.mil) as soon as possible. The mailing address is Commandant (G-PCV-3), U.S. Coast Guard, 2100 Second Street, SW., Room 1116, Washington, DC 20593-0001.

Dated: July 28, 2006.

**J.G. Lantz,**

*Director of National and International Standards, Assistant Commandant for Prevention.*

[FR Doc. E6-12584 Filed 8-3-06; 8:45 am]

BILLING CODE 4910-15-P

## DEPARTMENT OF HOMELAND SECURITY

### Bureau of Customs and Border Protection

#### Notice of Issuance of Final Determination Concerning Chairs

**AGENCY:** Customs and Border Protection, Department of Homeland Security.

**ACTION:** Notice of final determination.

**SUMMARY:** This document provides notice that the Bureau of Customs and Border Protection (Customs) has issued

a final determination concerning the country of origin of certain office chairs to be offered to the United States Government under an undesignated government procurement contract. The final determination found that based upon the facts presented, the country of origin of the subject chair is the United States.

**DATES:** The final determination was issued on July 31, 2006. A copy of the final determination is attached. Any party-at-interest as defined in 19 CFR 177.22(d), may seek judicial review of this final determination within 30 days of August 4, 2006.

**FOR FURTHER INFORMATION CONTACT:** Fernando Peña, Esq., Valuation and Special Programs Branch, Office of Regulations and Rulings; telephone (202) 572-8740.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that on July 31, 2006, pursuant to subpart B of part 177, Customs Regulations (19 CFR part 177, subpart B), Customs issued a final determination concerning the country of origin of certain office chairs to be offered to the United States Government under an undesignated government procurement contract. The Customs ruling number is HQ 563456. This final determination was issued at the request of Herman Miller, Inc. under procedures set forth at 19 CFR part 177, subpart B, which implements Title III of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2511-18).

The final determination concluded that, based upon the facts presented, the assembly in the United States of over 70 U.S.-origin and foreign components to create the subject office chair substantially transformed the foreign components into a product of the U.S.

Section 177.29, Customs Regulations (19 CFR 177.29), provides that notice of final determinations shall be published in the **Federal Register** within 60 days of the date the final determination is issued. Section 177.30, Customs Regulations (19 CFR 177.30), states that any party-at-interest, as defined in 19 CFR 177.22(d), may seek judicial review of a final determination within 30 days of publication of such determination in the **Federal Register**.

Dated: July 31, 2006.

**Sandra L. Bell,**

*Acting Assistant Commissioner, Office of Regulations and Rulings.*

#### Attachment

MAR-2-05 RR:CTF:VS 563456 FRP

July 31, 2006

CATEGORY: Marking

Ms. Lisa A. Crosby  
Sidley Austin LLP

1501 K Street, NW., Washington, DC 20005

RE: U.S. Government Procurement; Final Determination; country of origin of office chairs; substantial transformation; 19 CFR Part 177

Dear Ms. Crosby:

This is in response to your letter dated February 22, 2006, on behalf of Herman Miller, Inc. (hereinafter "HM"), in which you seek a final determination pursuant to subpart B of Part 177, Customs Regulations, 19 CFR 177.21 *et seq.* Under these regulations, which implement Title III of the Trade Agreements Act of 1979, as amended, (19 U.S.C. 2411 *et seq.*), U.S. Customs and Border Protection ("Customs") issues country of origin advisory rulings and final determinations on whether an article is or would be a product of a designated foreign country or instrumentality for the purpose of granting waivers of certain "Buy American" restrictions in U.S. law or practice for products offered for sale to the U.S. Government.

This final determination concerns the country of origin of certain office chairs, which HM is considering selling to the U.S. Government. We note that HM is a party-at-interest within the meaning of 19 CFR 177.22(d)(1) and is entitled to request this final determination.

#### FACTS:

HM is a manufacturer of office furniture. It imports components which the company assembles with domestic components into finished furniture goods.

We are told that HM assembles the subject chair in the U.S. from over 70 U.S.-origin and foreign components. HM provided a copy of a costed bill of materials for a typical chair that was recently sold to another Government agency. The features of the chair allow the height of the chair to be adjusted and to be tilted to allow the body to naturally pivot at the ankles, knees and hips. Two back support options are available to improve posture and lower back comfort. Three arm choices are available: Fixed, height-adjustable and fully adjustable, which allows the arms to pivot sideways.

According to that bill of materials, 87.6 percent of the cost of the materials is attributable to materials of U.S. origin. Some of the materials used are as follows: Base, tilt assembly, pneumatic activator assembly, seat frame assembly, arm adjustment kit, back assembly (all of U.S. origin); telescoping cylinder, casters, armpad and lumbar pad (all of which are of non-U.S. origin).

You state that all components, whether purchased locally or imported, are received at HM's production facility in Holland, Michigan. Assembly begins by attaching a telescoping cylinder to a chair base. This telescoping cylinder is what permits the height of the chair to be adjusted. The casters selected by the ultimate purchaser are then added to the chair legs. The swing arms, seat, arm rests, back, and lumbar support are then added in that order.

After final assembly, each chair is quality tested by a worker who adjusts the height of the seat, reclines the chair, and adjusts the armrests to determine that all are working correctly. The chair is then boxed or blanket-wrapped for delivery to the purchaser.

Additionally, you state that significant resources are expended on the chair's design and that development research continues in HM's U.S. design studios to ensure that it remains the benchmark when compared to other available work chairs.

#### ISSUE:

Whether the assembled HM chairs are considered to be products of the United States for purposes of U.S. Government procurement.

#### LAW AND ANALYSIS:

Under subpart B of part 177, 19 CFR 177.21 *et seq.*, which implements Title III of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2511 *et seq.*), CBP issues country of origin advisory rulings and final determinations on whether an article is or would be a product of a designated country or instrumentality for the purposes of granting waivers of certain "Buy American" restrictions in U.S. law or practice for products offered for sale to the U.S. Government.

Under the rule of origin set forth under 19 U.S.C. 2518(4)(B):

An article is a product of a country or instrumentality only if (i) it is wholly the growth, product, or manufacture of that country or instrumentality, or (ii) in the case of an article which consists in whole or in part of materials from another country instrumentality, it has been substantially transformed into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was so transformed.

*See also*, 19 CFR 177.22(a).

In determining whether the combining of parts or materials constitutes a substantial transformation, the determinative issue is the extent of operations performed and whether the parts lose their identity and become an integral part of the new article. *Belcrest Linens v. United States*, 573 F. Supp. 1149 (CIT 1983), *aff'd*, 741 F.2d 1368 (Fed. Cir. 1984). In *Carlson Furniture Industries et al. v. United States*, 65 Cust. Ct. 474 (1970), the court ruled that U.S. operations on imported chair parts constituted a substantial transformation and thus conferred U.S. origin on the finished chair. The court stated:

The imported articles are not chairs in unassembled or knocked-down condition. They are at best the wooden parts which go into the making of chairs. [I]t is not contemplated that these imported chair parts are to be sold [\* \* \*] in the condition in which they are imported.

[A]dditional work would have to be performed on them and materials added to them to create with them a functional article of commerce.

We regard these operations as being substantial in nature, and more than the mere assembly of parts together. And the end result of the activities performed on the imported articles by the plaintiff Carlson Furniture is the transformation of parts into a functional whole—giving rise to a new and different article\* \* \*

Customs has also previously considered, in a number of cases, whether components imported into a country for assembly have been substantially transformed as a result of such processing. Assembly operations that

are minimal or simple, as opposed to complex or meaningful, will generally not result in a substantial transformation. *See* C.S.D. 80–111, C.S.D. 85–25, C.S.D. 89–110, C.S.D. 85–118, C.S.D. 90–51, and C.S.D. 90–97. In C.S.D. 85–25, 19 Cust. Bull. 844 (1985), we held that for purposes of the Generalized System of Preferences, the assembly of a large number of fabricated components onto a printed circuit board in a process involving a considerable amount of time and skill resulted in a substantial transformation. In that case, in excess of 50 discrete fabricated components (such as resistors, capacitors, diodes, integrated circuits, sockets, and connectors) were assembled.

In Headquarters Ruling Letter ("HRL") 563110, dated October 20, 2004, Customs addressed whether assembly of fishing fly reels in the U.S. of imported and U.S.-origin components resulted in a substantial transformation. The reels comprised over 20 separate parts and the U.S.-origin components accounted for over 50 percent of the total cost of each assembled reel. In addition, some of the imported components were further processed in the U.S. before final assembly into fishing fly reels. Based on the totality of the circumstances, Customs held that the imported reel components were substantially transformed as a result of the assembly operations in the U.S.

In HRL 561734, dated March 22, 2001, 66 FR 17222, Customs ruled that Sharp multifunctional machines (printer, copier and fax machines) assembled in Japan were a product of Japan for purposes of government procurement. The machines in that case were comprised of 227 parts (108 parts obtained from Japan, 92 from Thailand, 3 from China, and 24 from "other" countries) and eight subassemblies, each of which was assembled in Japan. It was further noted that the scanner unit (one of the eight subassemblies assembled in Japan) was characterized as "the heart of the machine." *See also*, HRL 561568 dated March 22, 2001, 66 FR 17222.

As the cases set forth above demonstrate, in order to determine whether a substantial transformation occurs when components of various origins are assembled to form completed articles, Customs considers the totality of the circumstances and makes such decisions on a case-by-case basis. The country of origin of the article's components, extent of the processing that occurs within a given country, and whether such processing renders a product with a new name, character, or use are primary considerations in such cases. Additionally, facts such as resources expended on product design and development, extent and nature of post-assembly inspection procedures, and worker skill required during the actual manufacturing process will be considered when analyzing whether a substantial transformation has occurred; however, no one such factor is determinative.

Like the importer in *Carlson Furniture*, you inform us that HM does not import chairs in knock-down condition. You claim that the imported components alone are insufficient to create a finished chair and that substantial additional work and materials are added to the imported components in the U.S. to

produce a finished chair. Additionally, we are advised that the assembly operation in the U.S. involves a large number of parts and the addition of high-value U.S. subassemblies. We find that the assembly processing that occurs in the U.S. is complex and meaningful, requires the assembly of a large number of components, and renders a new and distinct article of commerce that possesses a new name, character, and use. We further note that the U.S.-origin seat and back frame assemblies, which are made with your trademark fabric, together with the tilt assembly, are of U.S. origin and give the chair its unique design profile and essential character.

Therefore, we find that the imported components lose their individual identities and become an integral part of the chair as a result of the U.S. assembly operations and combination with U.S. components; and that the components acquire a different name, character, and use as a result of the assembly operations performed in the U.S. Accordingly, the assembled chair will be considered a product of the United States for purposes of U.S. Government procurement in making this determination.

#### HOLDING:

On the basis of the information provided, we find that the assembly in the U.S. substantially transforms the components of foreign origin. Therefore, the country of origin of the chair is the United States for purposes of U.S. Government procurement.

Notice of this final determination will be given in the **Federal Register** as required by 19 CFR 177.29. Any party-at-interest other than the party which requested this final determination may request, pursuant to 19 CFR 177.31, that Customs reexamine the matter anew and issue a new final determination. Any party-at-interest may, within 30 days after publication of the **Federal Register** notice referenced above, seek judicial review of this final determination before the Court of International Trade.

Sincerely,

Sandra L. Bell,

*Acting Assistant Commissioner, Office of Regulations and Rulings*

[FR Doc. E6–12575 Filed 8–3–06; 8:45 am]

BILLING CODE 9111–14–P

## DEPARTMENT OF HOMELAND SECURITY

### Federal Emergency Management Agency

[FEMA–1652–DR]

### Maryland; Amendment No. 2 to Notice of a Major Disaster Declaration

**AGENCY:** Federal Emergency Management Agency, Department of Homeland Security.

**ACTION:** Notice.

**SUMMARY:** This notice amends the notice of a major disaster declaration for the State of Maryland (FEMA–1652–DR),