[FR Doc. 02–29658 Filed 11–20–02; 8:45 am]
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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34273]

Indiana Northeastern Railroad Company—Change in Operators Exemption—Branch and St. Joseph Counties Rail Users Association, Inc.

Indiana Northeastern Railroad Company (INR), a Class III rail carrier, and the Branch and St. Joseph Counties Rail Users Association, Inc. (RUA) have jointly filed a notice of exemption under 49 CFR 1150.41 for INR to operate over approximately 24.34 miles of rail line owned by the RUA, from milepost 382.5 near Coldwater, MI, to milepost 406.84 near Sturgis, MI, in Branch and St. Joseph Counties, MI.[1]

The transaction was expected to be consummated on or shortly after November 1, 2002, the effective date of the exemption (7 days after the notice was filed).[2]

If the notice contains false or misleading information, the exemption is void *ab initio.* Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34273, must be filed with the Surface Transportation Board, 1925 K Street NW., Washington, DC 20423–0001. In addition, one copy of each pleading must be served on Carl M. Miller, 618 Professional Park Drive, PO Box 332, New Haven, IN 46774 [Attorney for INR], and Charles R. Bappert, Biringer, Hutchinson, Lillis & Bappert, P.C., 100 West Chicago Street, Coldwater, MI 49036–1897 [Attorney for RUA].

Board decisions and notices are available on our Web site at *http://www.stb.dot.gov.*

Decided: November 12, 2002.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams,

Secretary.

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[1] INR currently operates over that portion of RUA's rail line that runs from milepost 376.56, east of Quincy, MI, to milepost 386.96, west of Coldwater, in Branch County, MI. Michigan Southern Railroad Company, Inc., Michigan Southern Railroad Company f/k/a The Wabash & Western Railroad Company (collectively, Michigan Southern), currently operates over RUA's line from Coldwater to Sturgis, which is the portion of the line involved in the instant transaction. Michigan Southern and INR currently jointly operate that portion of RUA's line between milepost 382.5 (Coldwater) and milepost 386.96. *See The Indiana Northeastern Railroad Company—Operation Exemption—Branch and St. Joseph Counties Rail Users Association, Inc., in Branch County, MI,* STB Finance Docket No. 33760 (STB served June 30, 1999).

[2] The notice indicates that an agreement has been reached between INR, RUA and Michigan Southern, for Michigan Southern's operating rights to be transferred to INR upon the effective date of this notice. Thus, after this transaction, INR will be the sole operator over RUA's line from milepost 376.56 (Quincy) to milepost 406.84 (Sturgis). INR and RUA state that all shippers on the line have been notified of the change in operators, and that a copy of this verified notice of exemption was sent to Michigan Southern.

DEPARTMENT OF THE TREASURY

Customs Service

Notice of Issuance of Final Determination Concerning Laser Printer Engines

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of final determination.

SUMMARY: This document provides notice that Customs has issued a final determination concerning the country of origin of certain laser printer engines which are sold to OEM's to be incorporated into laser printers which will be offered to the United States Government. The final determination found that, based upon the facts presented, the country of origin of laser printer engines is Japan.

DATES: The final determination was issued on November 8, 2002. 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 November 21, 2002.

FOR FURTHER INFORMATION CONTACT: Karen S. Greene, Special Classification and Marking Branch, Office of Regulations and Rulings (202–572–8838).

SUPPLEMENTARY INFORMATION: Notice is hereby given that on November 8, 2002, 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 laser printer engines which are sold to OEM's to be incorporated into printers offered to the United States Government . The U.S. Customs ruling number is HQ 562502. This final determination was issued at the request of Canon, 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 of the laser scanner unit subasssembly in Japan and the final assembly in Japan of the laser scanner unit with other components to create certain laser printer engines results in a substantial transformation of the components imported into Japan. Accordingly, the country of origin of the printer engines is Japan.

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**.

Any party-at-interest, as defined in 19 CFR 177.22(d), may seek judicial review of this final determination within 30 days of November 21, 2002.

Dated: November 8, 2002.

Glen E. Vereb,

Acting Assistant Commissioner, Office of Regulations and Rulings.

Attachment

HQ 562502
MAR–05 RR:CR:SM 562502 KSG
CATEGORY: Marking
Harvey M. Applebaum, Esq.,
Covington & Burling, 1201 Pennsylvania Avenue NW., Washington, DC 20004–2401.

Re: Country of origin of computer laser printer engines; substantial transformation;19 CFR 177.22; procurement

Dear Mr. Applebaum: This is in response to your letter dated June 4, 2002, on behalf of Canon, Inc., requesting a final determination of origin pursuant to 19 CFR 177.22(c) regarding U.S. Government procurement of certain laser printer engines assembled in Japan.

Facts

Canon, Inc., is the foreign manufacturer and exporter of the printer engine and therefore, a party-in-interest as defined in 19 CFR 177.22(d).

This case involves the Canon P1070 printer engine that is the principal part of laser beam printers. Canon will sell the printer engines exclusively to OEM's. The printer engine carries out most of the electrophotographic process, including the exposure function.

The printer engine is composed of three subassemblies; the laser scanner unit, the transfer feeder unit and outer covers. The laser scanner unit is assembled in Japan using components manufactured in Japan and other countries. The laser scanner unit performs the exposure function. The transfer

feeder unit is assembled in China using components from Japan, China and Thailand. The transfer feeder unit carries out the transfer and fixing functions. The outer covers are manufactured in China.

The first set of assembly steps for the laser scanner unit in Japan completes the laser unit subcomponent. Using setting equipment, a laser chip and collimator lens unit are attached to the laser unit printed circuit board (''PCB''). An operator solders the terminal of the laser chip to the laser unit PCB. An operator then adjusts the power of the laser beam radiated from the laser unit and checks the laser unit exterior.

Following completion of the laser unit, an operator attaches additional component parts to an optical case: using screws, an operator attaches the beam detect (''BD'') sensor unit, scanner motor unit, laser unit and BD mirror; using a fixing spring, an operator attaches a reflection mirror; and using ultraviolet adhesives, an operator attaches a toric lens, fo lenses and a cylindrical lens. An operator measures and adjusts the power of the laser beam and jitter (distortion of rotating shaft of scanner motor).

Then, an operator determines the starting point of the laser scanning. Finally, an operator attaches to the laser scanner unit a BD sensor unit moltplane and motor wire harness moltplane (by seal), a connector (by hand) and an outer cover (with screws). An operator then checks the exterior of the laser scanner unit. You advised that the assembly of the laser scanner unit requires precision.

The transfer feeder unit transfers the toner on the photosensitive drum onto print paper. Assembly of the transfer feeder unit in China involves many steps and is a time-consuming process. This assembly includes attachment of the following components to a mold frame unit: paper pick-up unit, paper feed roller, registration roller unit, transfer charging roller unit, DC controller unit, pick-up drive unit, main drive unit, fixing unit and delivery roller unit. An operator then performs an electrical check of the transfer feeder unit. Using screws, an operator next attaches an outer cover and front cover to the transfer feeder unit. Finally, an operator checks the paper feed function of the transfer feeder unit.

The final assembly of the laser beam printer engine occurs in Japan. Using screws, an operator fixes the laser scanner unit to the transfer feeder unit. An operator attaches the following components by hand to the laser scanner unit and transfer feeder unit: a laser wire harness, scanner motor wire harness, and BD wire harness. An operator then checks the electrical function of the engine to meet internal electrical safety requirements. An operator next attaches an auxiliary cover and display wire harness along with an upper cover and panel unit. Following the engine assembly, an operator evaluates the image of test pattern printouts to confirm that the printer engine meets printing precision requirements. You indicate that precise assembly is required for the printer engine.

Issue

Whether the printer engines are substantially transformed in Japan so that they become products of Japan for U.S. Government procurement purposes.

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.*), the Customs Service 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 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 or 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.

Also see 19 CFR 177.22(a).

If the manufacturing or combining process is a minor one which leaves the identity of the imported article intact, a substantial transformation has not occurred. *See Uniroyal Inc.* v. *United States,* 3 CIT 220, 542 F. Supp. 1026 (CIT 1982). Assembly operations which 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, and C.S.D. 90–97.

In *Texas Instruments Inc.* v. *United States,* 681 Fed 2d 778 (CCPA 1982), the court held that the assembly of encapsulated integrated circuits in Taiwan from materials imported from the U.S. constituted a double substantial transformation for the purposes of the Generalized System of Preferences (''GSP''). The imported goods involved in the case were electronic camera parts called ''cue modules'' that consist of a flexible circuit board with three integrated circuits attached. The court determined that silicon slices were imported into Taiwan and then further manufactured in Taiwan into IC chips. The IC chips were then manufactured into finished IC's. The court noted that the question presented was ''a mixed question of technology and customs law. * * *'' The court concluded that the finished IC's were ''the result of extensive manufacturing operations in Taiwan which converted materials into articles, as distinguished from mere assembly * * *'' and determined that a double substantial transformation had occurred.

Customs ruled in Headquarters Ruling Letter (''HRL'') 561734, dated March 23, 2001, 66 Fed. Reg. 17222, that Sharp multifunctional machines (printer, copier and fax machine) assembled in Japan were a product of Japan for procurement purposes. The machines were comprised of 227 parts (108 parts sourced from Japan, 92 parts from Thailand, 3 parts from China, and 24 parts from other countries) and eight subassemblies, each of which was also assembled in Japan. Further, the scanner unit (one of the eight subassemblies) which was assembled in Japan was characterized as ''the heart of the machine.'' *Also see* HRL 561568, dated March 22, 2001, 66 Fed. Reg. 17222.

In HRL 560433, dated September 19, 1997, Customs held that the assembly in the United Kingdom of audio/video stereo receivers from 16 subassemblies and other components originating from various countries resulted in a substantial transformation. Customs noted in that ruling that numerous skilled workers assembled the stereo receivers from numerous components and hundreds of raw materials. In HRL 734045, dated October 8, 1991, Customs held that foreign subassemblies and other components imported into Hong Kong which were processed and assembled with other domestic components to make laptop and notebook personal computers were substantially transformed as a result of the Hong Kong operations.

Based on the facts in this case and consistent with HRL 561734 and HRL 560433, we find that the printer engines are substantially transformed in Japan. When taken together, the manufacture of the laser scanner unit and final assembly of the printer engine in Japan is complex and meaningful. There are numerous parts involved in the assembly of the laser scanner unit and the final assembly of the printer engine. The assembly requires precision and trained workers. Further, as noted in HRL 561734, the scanner unit is an integral part of the printer engine. The name, character and use of the subassemblies and parts imported into Japan change as a result of the processing and other assembly operations performed in Japan. Therefore, pursuant to 19 U.S.C. 2518(4)(B), we find that the country of origin of the printer engines is Japan.

Holding

Based on the facts presented, the components imported into Japan that are used in the manufacture of the computer printer engines involved in this case are substantially transformed in Japan. Accordingly, pursuant to 19 U.S.C. 2518(4)(B), the country of origin of the printer engines is Japan.

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,

Glen E. Vereb,

Acting Assistant Commissioner, Office of Regulations and Rulings.

[FR Doc. 02–29567 Filed 11–20–02; 8:45 am]

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