

connectors produced in a designated beneficiary developing country under the Generalized System of Preferences (GSP) qualified as substantially transformed constituent materials of the electrical cable to which they were attached for purposes of the 35% value-content requirement under the GSP. The production of the connectors involved machining brass rod into contact pins and then joining the contact pins with plastic connector housings. Customs held that, while the initial fabrication of the contact pins from brass rod resulted in a substantial transformation, neither the subsequent assembly of the contact pins with connector housings to create the electrical connectors nor the later assembly of the electrical connectors with the cable resulted in a second substantial transformation. We stated that these are considered simple assembly operations which will not result in a substantial transformation, as they involve a small number of components and do not appear to require a considerable amount of time, skill, attention-to-detail, or quality control.

Similarly, in the instant case, we find that neither the U.S.-origin fiber optic cable nor the Japanese-origin ferrule undergoes a substantial transformation in China as a result of the assembly operations performed there to create the FIP cable assemblies. These are considered simple assembly operations involving only a small number of components. In considering the last country in which the FIP cable assembly underwent a substantial transformation, it is our opinion that the cable assembly's characteristics are primarily imparted at the time that the fiber optic cable is manufactured in the U.S. The fibers making up the cable serve as the transmission medium through which light signals travel. Therefore, the country of origin of the imported FIP cable assemblies is the U.S.

ST MM Epoxy Connector

In your submission, you state that the assembly operation for the ST MM Epoxy Connector is substantially similar to that described above for the FIP cable assembly connector. Based on the reasoning cited above and as found in HRL 556020, it is our opinion that the assembly is relatively simple and only involves a small number of components. Therefore, in considering the last country in which the connectors underwent a substantial transformation, we believe that the connector's characteristics are primarily imparted by the ferrule which provides the structure and enclosure for the fiber optical cable at the point of connectivity. Therefore, the country of origin of the MM Epoxy Connector is Japan.

HOLDING

Based on the facts presented, joining the Chinese-origin connectors to the U.S.-origin fiber optic cable in China to create the GGP patch cords does not constitute a substantial transformation. As a result, the imported GGP patch cord is a product of the United States for government procurement purposes under 19 CFR Part 177, Subpart B.

Based on the facts presented, the assembly of the connectors and the subsequent assembly of the connectors to the fiber optic

cable in China to produce the FIP cable assembly does not result in a substantial transformation. Therefore, as the very essence of the cable is imparted by the fiber optical cable, the FIP cable assembly is a product of the United States for government procurement purposes.

Based on the facts presented, the assembly of the ST MM epoxy connector in China does not result in a substantial transformation. Therefore, as the very essence of the connector is imparted by the ferrule, the connector is a product of Japan for government procurement purposes.

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 CBP 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,

Michael T. Schmitz,
*Assistant Commissioner, Office of
Regulations and Rulings*

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INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-457]

Economywide Simulation Modeling: Technical Analysis of the Free Trade Area of the Americas

AGENCY: International Trade
Commission.

ACTION: Institution of investigation.

SUMMARY: Following receipt on July 21, 2003, of a request from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332 (g)), the Commission instituted investigation No. 332-457, *Economywide Simulation Modeling: Technical Analysis of the Free Trade Area of the Americas*.

Background: The USTR stated that the purpose of the investigation and report is to assist the Administration in examining the economic impacts that might result from the Free Trade Area of the Americas (FTAA) by attempting to link large-scale models. As requested by the USTR, the Commission will provide a report to the USTR containing the following:

(1) Changes in production, trade, and prices that may be associated with implementation of the Free Trade Area of the Americas (FTAA) with specified regional and sectoral aggregations, as estimated using the Commission's U.S.

CGE (computable general equilibrium) Model, and

(2) trade policy changes to be used with specified regional and sectoral aggregations, as employed in the Global Trade Analysis Project (GTAP) CGE Model.

As requested by the USTR, the Commission will provide its report no later than 6 months from the date of receipt of the letter. The USTR stated that the Commission's analytical products and working papers in this investigation are to be classified as confidential and that the USTR considers the Commission's analytical products to be inter-agency memoranda that will contain pre-decisional advice subject to the deliberative process privilege. Accordingly, the Commission does not plan to issue a public report.

By way of background, the USTR noted the ongoing FTAA negotiations and that the Administration is conducting an environmental review of the proposed trade agreement. The USTR also referenced efforts connected to this review involving the Commission, the Environmental Protection Agency, and the U.S. Department of Agriculture, Economic Research Service, to link large-scale models, on an experimental basis, in order to estimate and examine aspects of the environmental effects of the trade agreement. Additional information on this review process can be found on USTR's Web site (<http://www.ustr.gov/environment/analysis.pdf>).

EFFECTIVE DATE: August 11, 2003.

FOR FURTHER INFORMATION CONTACT:

(1) Project Manager, William Donnelly (202-205-3225 or wdonnelly@usitc.gov)
(2) Deputy Project Manager, David Ingersoll (202-205-2218 or ingersoll@usitc.gov)

Mr. Donnelly is in the Commission's Office of Economics and Mr. Ingersoll is in the Commission's Office of Industries. For information on legal aspects of the investigation, contact William Gearhart of the Commission's Office of the General Counsel at 202-205-3091 or wgearhart@usitc.gov.

Written Submissions: The Commission does not plan to hold a public hearing in this investigation. However, interested persons are invited to submit written statements concerning the investigation. Written statements should be received by the close of business on October 1, 2003. Commercial or financial information which a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at