

## *Electronics and Machinery Industry Update*

### **RECENT CUSTOMS RULINGS**

- Customs ruled that certain laser printer engines are substantially transformed in Japan so that they become products of Japan for U.S. Government procurement purposes. In HQ 562502 (November 8, 2002), 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 laser printers which will be offered to the United States Government. Customs ruled that, based upon the facts presented, the assembly of the laser scanner sub-assembly and final assembly in Japan results in a substantial transformation of the components and accordingly the country of origin is Japan. Customs applied 19 U.S.C. 2518(4)(B) which provides: an article is a product of a country only if...in the case of an article which consists in whole or in part of materials from another country, it has been substantially transformed into a new and different article...Based on the numerous parts involved in the assembly and the need for precision and trained workers to assemble the laser scanner unit, Customs found that the name, character and use of the subassemblies and parts imported into Japan change as a result of the processing and operations performed in Japan. Pursuant to the new ruling, HQ 562502, any party-at-interest may seek judicial review of this final determination within 30 days of November 21, 2002.

- In HQ 965130, Customs ruled that certain styles of battery packs that are designed for particular models of mobile phones are therefore classifiable as other parts suitable for use solely or principally with the apparatus of headings 8525 to 8528, under HTS Heading 8529. Customs determined that four models of battery packs, model #s F41000729 (Nokia), F41000712 (Nokia), F41000934 (Qualcomm), and F41000894 (Nokia) are classifiable under Heading 8529 instead of Heading 8507, storage batteries, others.

The subject battery packs, comprised of numerous cells that account for a significant portion of the body of the phone, are specially designed to be used with particular models of mobile cellular phones. All the battery packs have one or more similar components. Section XVI, Note 2(b), HTS requires all parts suitable for use solely or principally with a particular machine, or with a number of machines of the same heading, be classified with the machines of that kind.

Not all battery packs are "parts" of the articles for which they are designed and manufactured to power. Therefore, the classification of battery packs can only be made on a case-by-case basis. See for example HQ 9540161, where Customs determined that a general use battery pack not designed for any specific purpose and not similar in construction to the subject goods was

classifiable under Heading 8507.

Accordingly, Customs ruled that the battery packs at issue are to be classified under subheading 8529.90.99, which provides for parts suitable for use solely or principally with the apparatus of headings 8525 to 8528: other: other. Customs has issued a similar ruling on radio-controlled toy vehicles: HRL 958944

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