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Patrick D. Gill

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The Implementation of the Country of Origin Regulations: A Case Study

by *Patrick D. Gill**

I. INTRODUCTION

In 1984 the United States Customs Service of the Treasury Department, under the direction of both the Committee for the Implementation of Textile Agreements (CITA) and the Reagan Administration, tried to curtail an increase in imports of certain textile products. The products targeted were partially manufactured in the People's Republic of China, and then sent to Hong Kong for assembly and finishing, before being imported to the United States.[1] On August 3, 1984, the Customs Service accomplished this objective by publishing interim regulations containing new rules of origin governing the importation of textile products in the *Federal Register*.[2] In less than thirty working days, on

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* Partner, Rode & Qualey, New York, NY; B.A. 1965, Queens College of the City University of New York; J.D. 1968, New York University.

[1] The Customs Service acted on the authority of Executive Order No. 12,475, 49 Fed. Reg. 19,955 (1984). *See* Mast Industries, Inc. v. Regan, 596 F. Supp. 1567 (Ct. Int'l Trade 1984) for a discussion summarizing the history leading to the establishment of the interim regulations.

[2] 49 Fed. Reg. 31,248 (1984), 19 C.F.R. § 12.130 (1985). The authority to promulgate the rules of origin was claimed to be § 204 of the Agricultural Act of 1956, *amended by* 7 U.S.C. § 1854 (1956), in which Congress provided authority to the President to implement import policies with respect to textiles and textile products and to authorize regulations governing their importation. Pursuant to this Act, in 1973 at the meeting of the General Agreement on Tariff and Trade (GATT), the United States entered into the Multi-Fiber Arrangement Regarding International Trade in Textiles (MFA). Within and without the MFA, the President negotiated numerous bilateral restraint agreements. Country of origin was defined by the interim regulations in 19 C.F.R. § 12.130 (1985) as follows:

> § 12.130 Textiles and textile products country of origin.
>
> (a) *Country of origin.* For the purpose of this section, textiles or textile products, subject to section 204, Agricultural Act of 1956, as amended (7 U.S.C. 1854), imported into the customs territory of the United States, are a product of a particular foreign territory or country or insular possession of the United States only if —
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> (1) The textiles or textile products are wholly the growth, product, or manufacture of that foreign territory or country or insular possession, or
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> (2) In the case of an article which consists, in whole or in part, of materials which were the growth, product, or manufacture or were processed in another foreign territory or country, it has been substantially transformed by means of a substantial manufacturing or processing operation into a new and different article of commerce with a name, character, or use distinct from the article or material from which it was so transformed.
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> Although this rule of origin shall determine the country of origin of textiles and textile products subject to section 204, Agricultural Act of 1956, as amended (7 U.S.C. 1854), the

September 7, 1984, these regulations became effective, which left little time for importers or other interested parties to comment or protest.[3] The promulgation of the new rules effectively implemented the administration's (and domestic industry's) objective of slashing imports of sweaters which were assembled and finished in Hong Kong from components manufactured in the People's Republic of China. These changes in the rules concerning "country of origin" determinations which applied to all multiple country textile manufacturing programs had worldwide repercussions and sent shock waves through the apparel importing business community in the United States. In the case of garments made from components manufactured in country A and assembled in country B, country B was no longer considered the "country of origin" for purposes of customs duty, country of origin marking, and quota.[4] The Customs Service

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rule does not change the "foreign article" status of textiles and textile products under Headnote 2, Part 1, Schedule 8, TSUS (19 U.S.C. 1202).

(b) *Criteria for determining country of origin*—(1) *General.* The criteria in paragraphs (b)(2) and (3) of this section shall be considered in determining country of origin. These criteria are not exhaustive. Fewer than all, or additional, factors may be considered. However, no article or material shall be considered to have been substantially transformed in a particular foreign territory or country or insular possession of the United States by virtue of having merely undergone any of the following:

(i) Simple combining or packaging operations, or

(ii) The joining together by sewing, looping, linking or other means of attaching otherwise completed component parts, or

(iii) Cutting or otherwise separating of articles from material which has previously been marked with cutting lines or which contains lines of demarcation, of any type, commercially requiring that material to be cut in a certain manner, or

(iv) Processing, such as dyeing, printing, showerproofing, superwashing, or other finishing operations.

(2) *Substantial manufacturing or processing operation.* To determine whether there has been a substantial manufacturing or processing operation, a comparison will be made between the article or material before the manufacturing or processing operation and the article in its condition after the manufacturing or processing operation with particular regard to the following criteria:

(i) Material costs,

(ii) Direct labor costs,

(iii) Other direct processing or manufacturing costs,

(iv) Time involved in the manufacturing or processing operation,

(v) Complexity of the manufacturing or processing operation,

(vi) Level or degree of skill or technology required in the manufacturing or processing operation,

(vii) Physical change of the material or article at each stage in the manufacturing or processing operation.

(3) *New and different article.* The following criteria will be used to determine whether, as a result of the manufacturing or processing operation, a new and different article has been produced:

(i) Change in commercial designation or identity,

(ii) Change in essential character,

(iii) Change in commercial use.

[3] With publication on August 3, 1984, and an effective date of September 7, 1984, interested parties had less than thirty working days to comment.

[4] For a detailed explanation of the textile manufacturing process and the effect of assembly on prior country of origin rules *see* Mast Industries, Inc. v. United States, 652 F. Supp. 1531, 1534-35 (Ct. Int'l Trade 1984), *aff'd*, Ap. No. 87-1182 (Fed. Cir. June 25, 1987).

turned importing rules upside down by declaring that country A is the country of origin for customs purposes.[5] Thus, the Customs Service did not attempt to resolve this specific problem with China through diplomatic channels by amending the Bilateral Textile Agreement, or by passing legislation, but instead by submitting to pressure from the CITA and the administration to promulgate non-neutral rules of origin that threatened the fifteen-billion-dollar textile importation industry.[6]

Neutral rules of origin to cover all imports are a necessity.[7] In the long term, neutral rules of origin allow future administrations to achieve political and policy objectives. When the administration changes the rules of origin to accomplish short term objectives, inconsistencies result. Thus, the rules of origin should never be altered to further short term policy goals. An example of the detrimental effects caused by altering the rules of origin is the administration's implementation of changes to these rules in 1984.

II. BACKGROUND

Historically, the country of origin rules which applied to manufactured garments were based on longstanding judicial and administrative precedents. Where the manufacturing of the garment takes place in more than one country, a determination is necessary to establish the country of origin of the finished garment. The manufacturing of garments is usually divided into the three subprocesses of cut, make, and trim (CMT). The cut or cutting subprocess consists of cutting component elements of a garment such as sleeves, collars, and front and back panels, from knit or woven cloth. The make subprocess is the process of assembling and/or sewing together the cut components. The trim subprocess constitutes the final finishing of the garment, which includes such operations as cutting thread and excess material from the garment and adding embellishments to the garment. Until 1984, longstanding administrative and judicial precedent established the country of assembly or "make" as the country of origin based on the doctrine of "substantial transformation."[8] Thus, the

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[5] *See supra* note 2.

[6] Imports, by the United States government's own account of cotton, wool, and man-made fiber textiles, amounted to just short of $15 billion in 1985. *See U.S. Textile and Apparel Trade for January–November 1986 by Quantity and Value, printed by* International Agreements and Monitoring Division, Office of Textiles and Apparel, International Trade Administration, United States Department of Commerce.

[7] *See* Tariff Act of 1890, ch. 1244, § b, 26 Stat. 567, 613 (1891) and § 304 of the Tariff Act of 1930 for the original statutory intent of the country of origin requirement. *See also* Ferrostaal Metals Corp. v. United States, Vol. 21, No. 31 Cust. B. & Dec. 28 (slip op. 87-76 (Ct. Int'l Trade, June 26, 1987)).

[8] The doctrine of substantial transformation was developed by the courts over time. The doctrine was first defined in Anheuser-Busch Ass'n v. United States, 207 U.S. 556, 562 (1908): "Manufacture implies a change, but every change is not a manufacture . . . . There must be transformation; a new

country where the last substantial transformation occurred was the country of origin.

The domestic sweater industry and the administration believed that the application of these established rules of origin to sweaters partially manufactured in China and finished in Hong Kong created an unintended loophole under the bilateral agreements with Hong Kong and China. China had a very modest quota in the critical sweater categories, particularly the wool sweater category,[9] while Hong Kong had a large quota in the sweater categories.[10] In response to the lack of parity between quotas, the following system developed. The large labor-intensive industry of southern China hand knit the components of the sweaters. Then the Chinese industry sent the components to Hong Kong. The textile industry in Hong Kong then assembled and finished the sweaters and packed them for exportation to the United States. Under the traditional rules of origin, this manufacturing process made Hong Kong the country of origin and the imported sweaters were charged against the restraint levels negotiated with Hong Kong. Thus, the Chinese textile industry, which was severely limited as to the number of sweaters it could wholly produce and export to the United States, was able to benefit from its ability to produce components for the Hong Kong textile industry.

The domestic knit outerwear industry perceived this multicountry operation between China and Hong Kong as circumventing the quantitative limits on sweaters from China. The outraged domestic industry exerted intense political pressure on the administration, the Department of Commerce, and the Customs Service to change the rules of origin. These complaints received a favorable response from the Committee for the Implementation of Textile Agreements, an interdepartmental agency that interprets and administers the bilateral textile agreements. The CITA attempted to pressure Customs to administer a more policy-oriented rule of origin, because of its frustration over the Customs Service's neutral application of the old administrative-judicial rules of origin. The administration placed intense pressure on the Customs Service to enact the interim regulations.

III. THE INTERIM REGULATIONS GOVERNING THE RULES OF ORIGIN FOR THE IMPORTATION OF TEXTILE PRODUCTS

The Customs Service wrote the interim regulations to apply to all foreign products, and not with the intent that Chinese sweaters were the sole target of

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and different article must emerge, having a distinctive name, character, or use." *See also* National Juice Products Ass'n v. United States, 628 F. Supp. 978 (Ct. Int'l Trade 1986).

[9] The Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement of August 19, 1983, as amended, United States–People's Republic of China. *See also U.S. Imports of Textile and Apparel Products Under the Multifiber Arrangement, 1981–84*, U.S.I.T.C. Publication 1767 (October 1985).

[10] The Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement of June 23, 1982, as amended, United States–Hong Kong.

change. The interim regulations proved to be grossly overreaching. Not only did they make country A the new country of origin for hand-knit sweaters; they also covered all other textile and apparel products covered by the Multi-Fiber Agreement Regarding International Trade in Textiles (MFA). If country A created a panel or component and country B assembled the panel or component, country A was now the country of origin. The manufacturing process usually involved the weaving of cloth or the cutting of components in country A and then the assembly of the garment in country B. Although B might contain the most labor-intensive part of the manufacturing process, country A under the interim regulations was now the country of origin.

The interim regulations also applied to knit goods cut from cloth (as opposed to knit-to-shape components) that were then assembled in a second country. Knit components cut from cloth involve a manufacturing process different from knitting to shape by hand either on a hand loom or with knitting needles. Under the interim regulations, country A is considered the country of origin for these types of knit products, although under the traditional rules, country B was the country of origin. Thus, the interim regulations made country A the country of origin in all cases.

As of October 1, 1984, importers of garments manufactured in more than one country faced massive and unprecedented problems resulting from the change in the rules of origin. The regulations themselves were far from clear in the case involving several countries in a multicountry operation. More importantly, where the result was clear but the country of origin changed for marking and duty purposes, importers often found themselves in an impossible situation. In some cases, a quota was simply not available in the country now determined to be the country of origin in contrast to the result under the prior rules. In other cases, a quota was available only at prohibitive costs resulting in severe economic loss. The importing industry fled to court seeking relief, but to no avail.[11] In *Mast Industries Inc. v. Regan* the Court of International Trade found the interim regulations to be within Customs regulatory boundaries, describing the regulations as replacing a "virtual regulatory vacuum for country of origin determinations for textile quota purposes [that existed] prior to the enactment of these regulations."[12] Importers adjusted to the new rules by obtaining a country A quota whenever possible. However, Customs, CITA, and the importing industry began to realize the far-reaching effects of the interim regulations. In fact, many suppliers and importers favored the interim regulations because for them it was often beneficial to have country A rather than country B considered the country of origin. The government finally realized the futility of totally revamping the country of origin rules to deal with the limited China sweater situation.

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[11] *See supra* note 1.

[12] *Mast Industries*, 596 F. Supp. at 1567.

IV. THE FINAL REGULATIONS GOVERNING THE RULES OF ORIGIN FOR THE IMPORTATION OF TEXTILE PRODUCTS

On March 1, 1985, the Customs Service published the final regulations, T.D. 85-38, in the *Federal Register*, which went into effect on April 4, 1985.[13] The new regulations more or less reverted to the results which obtained under the

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[13] 50 Fed. Reg. 8,710 (1985), 19 C.F.R. § 12.130 (1986):

§ 12.130 Textiles and textile products country of origin.

(d) *Criteria for determining country of origin.* The criteria in paragraphs (d)(1) and (2) of this section shall be considered in determining the country of origin of imported merchandise. These criteria are not exhaustive. One or any combination of criteria may be determinative, and additional factors may be considered.

(1) A new and different article of commerce will usually result from a manufacturing or processing operation if there is a change in:

(i) Commercial designation or identity,

(ii) Fundamental character or

(iii) Commercial use.

(2) In determining whether merchandise has been subjected to substantial manufacturing or processing operations, the following will be considered:

(i) The physical change in the material or article as a result of the manufacturing or processing operations in each foreign territory or country, or insular possession of the U.S.

(ii) The time involved in the manufacturing or processing operations in each foreign territory or country, or insular possession of the U.S.

(iii) The complexity of the manufacturing or processing operations in each foreign territory or country, or insular possession of the U.S.

(iv) The level or degree of skill and/or technology required in the manufacturing or processing operations in each foreign territory or country, or insular possession of the U.S.

(v) The value added to the article or material in each foreign territory or country, or insular possession of the U.S., compared to its value when imported into the U.S.

(e) *Manufacturing or processing operations.*

(1) An article or material usually will be a product of a particular foreign territory or country, or insular possession of the U.S., when it has undergone prior to importation into the U.S. in that foreign territory or country, or insular possession any of the following:

(i) Dyeing of fabric and printing when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing;

(ii) Spinning fibers into yarn;

(iii) Weaving, knitting or otherwise forming fabric;

(iv) Cutting of fabric into parts and the assembly of those parts into the completed article; or

(v) Substantial assembly by sewing and/or tailoring of all cut pieces of apparel articles which have been cut from fabric in another foreign territory or country, or insular possession, into a completed garment (*e.g.* the complete assembly and tailoring of all cut pieces of suit-type jackets, suits, and shirts).

(2) An article or material usually will not be considered to be a product of a particular foreign territory or country, or insular possession of the U.S. by virtue of merely having undergone any of the following:

(i) Simple combining operations, labeling, pressing, cleaning or dry cleaning, or packaging operations, or any combination thereof;

(ii) Cutting to length or width and hemming or overlocking fabrics which are readily identifiable as being intended for a particular commercial use;

(iii) Trimming and/or joining together by sewing, looping, linking, or other means of attaching otherwise completed knit-to-shape component parts produced in a single country, even when accompanied by other processes (*e.g.* washing, drying, mending, etc.) normally incident to the assembly process;

(iv) One or more finishing operations on yarns, fabrics, or other textile articles, such as showerproofing, superwashing, bleaching, decating, fulling, shrinking, mercerizing, or similar operations; or

(v) Dyeing and/or printing of fabrics or yarns.

traditional doctrine of substantial transformation, prior to the interim regulations.[14] The final regulations considered country B the country of origin except for garments manufactured from panels knit to shape in country A. The final regulations placed importers in almost the exact same position they occupied prior to the enactment of the interim regulations. Merely a few months after promulgation of the interim regulations, importers had to contend with an unanticipated need to obtain a quota in a different country, in order to comply with the interim regulations. For a second time, importers were locked into contracts with foreign producers but found themselves unable to import the goods to the United States.

These changes in the interim and final regulations on such short notice made prudent business decisions by importers impossible and interjected great uncertainty and risk into international trade. Such a situation can be blamed on the politicization of the rules of origin. The rule of origin is basically a neutral concept.[15] It should not be subject to domestic pressure concerning foreign trade policy. If a change is necessary to preserve administrative policy objectives, then the legitimate change should come from the policy's substantive source and not from the manipulation of the rules of origin. The source, in this case, was the Bilateral Textile Agreements with China and Hong Kong, which contained a loophole. It would have been a relatively simple matter to close the loophole by negotiating amendments to the agreements. In fact, the bilateral agreements with both countries now contain amendments compensating for the results of the rule of origin changes.[16]

V. THE COURTS' TREATMENT OF THE RULES OF ORIGIN

The courts did not remedy the lack of procedural due process in the implementation of the interim and final regulations.[17] In *Mast Industries Inc. v. Regan*, the Court of International Trade upheld the interim regulations and the procedures used to implement those regulations by the Customs Service.[18] The court recognized that the adverse retail cost of the interim regulations could be $1.6 billion or higher. The court also noted the judicial recognition of the old

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[14] *Id.*

[15] *See The Impact of Rules of Origin on U.S. Imports and Exports: Report to the President on Investigation No. 332-192 under Section 332 of the Tariff Act of 1930*, U.S.I.T.C. Publication 1695 (May 1985).

[16] *See supra* note 2. For the alternate approach to improving the rules of origin see *Standardization of Rules of Origin: Report to the Committee on Ways and Means, U.S. House of Representatives on Investigation No. 332-239 under Section 332 of the Tariff Act of 1930*, U.S.I.T.C. Publication 1976 (May 1987).

[17] *Mast Industries*, 596 F. Supp. at 1595 (Ct. Int'l Trade 1984) held that interim regulation 19 C.F.R. § 12.130 (1985) was an act which "clearly and directly" fell within the foreign affairs function of the President. Since Customs had issued the interim regulations pursuant to presidential direction they were exempt from prior notice and comment requirements as they are within the foreign affairs function of the U.S. and the foreign affairs exemption of the Administrative Procedure Act of 1947, *amended by* 5 U.S.C. § 553 (1966). *See also* Regulatory Flexibility Act, 5 U.S.C. § 601 (1980).

[18] *See supra* note 1.

country of origin rules in *Cardinal Glove v. United States* but would not provide relief to the importing industry.[19] The court found that there is nothing in the *Cardinal Glove* case that prevents the President from exercising his authority to implement agreements with foreign countries by having Customs issue regulations.[20] The courts citing *United States Cane Sugar Refiners Association v. Block* and *Florsheim Shoe Co. v. United States*, found that since the promulgation of the interim regulations was in accordance with the law, the delegated authority of Customs from the President cannot be challenged by the judicial branch of government: "After it is decided that the President has congressional authority for this action, his motives, his reasoning, his finding of facts requiring the action, and his judgment are immune from judicial scrutiny."[21] This sweeping conclusion confirmed the Customs Service's right to deny importers reasonable notice and opportunity for comment as otherwise required by the Regulatory Flexibility Act and Executive Order No. 12291.[22] The end result of the doctrine of judicial noninterference enunciated in the *Mast Industries* decisions was to permit an unprecedented administrative assault on due process, denying sufficient notice and opportunity for comment to importers of apparel who must adapt their business affairs on impossibly short notice or no notice at all. It now appears that any administrative action intended to implement textile agreements is insulated from judicial review no matter how arbitrary or capricious.

Where the *Mast Industries Inc. v. Regan* court left off in 1984, *Mast Industries v. United States* picked up in 1987.[23] The United States Court of Appeals for the Federal Circuit upheld the Court of International Trade decision that Customs must be given deference in interpreting its own regulations unless the interpretation is clearly erroneous.[24] The Court of Appeals for the Federal Circuit agreed with the Court of International Trade opinion in *Mast Industries Inc. v. Regan* that the case law that had developed the doctrine of substantial transformation prior to the promulgation of the interim and final regulations did not control, and concluded that this case law is "the source of evil that the regulation was meant to correct."[25]

The *Mast Industries Inc. v. United States* decision has locked importers in an untenable position. With the courts unwilling to strike down regulations, im-

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[19] *Mast Industries*, 596 F. Supp. at 1570; Cardinal Glove Co. v. United States, 4 C.I.T. 41, 45 n.4 (Ct. Int'l Trade 1982).

[20] *Mast Industries*, 596 F. Supp. at 1570; *Cardinal Glove*, 4 C.I.T. at 45 n.4.

[21] United States Cane Sugar Refiners' Ass'n v. Block, 683 F.2d 399, 404 (Fed. Cir. 1982). *See also* Ambassador Division of Florsheim Shoe v. United States, 748 F.2d 1560 (Fed. Cir. 1984).

[22] Although the Christmas season was saved, no compromise was offered to diminish the effect on the winter and spring seasons. *See also* Executive Order No. 12,291, 46 Fed. Reg. 13,193 (1981).

[23] *See supra* note 4.

[24] *Id.*

[25] Mast Industries v. United States, No. 87-1182 slip op. at 10 (Fed. Cir. June 25, 1987).

porters are now at the mercy of subjective, unpredictable regulatory decisions by the Customs Service. Regulations should be promulgated with more far-sighted objectives and implemented with an intent to protect all interested parties fairly. The Customs Service should develop a less haphazard approach to investigating the effect of regulations before implementing these regulations. Executive Order No. 12291 should be followed by requiring a regulatory impact analysis.[26] Although the government, pursuant to the Regulatory Flexibility Act, invited public comment upon publication of the interim rules and prior to the final rule, this was insufficient to protect the small business entities that the Regulatory Flexibility Act intended to protect through public comments.[27] Comments should have been invited much sooner than a month prior to enactment of the regulations. The government should not force importers to bear the burden of convincing it to correct the mistakes in the interim rules while at the same time conforming to the interim rules. It is even more ironic that those who did adapt to the new rules often found themselves at a disadvantage after the government issued the final rules, since the final regulations in many cases resulted in the same country of origin determinations as would have obtained under the traditional rules, but different from the determinations dictated by the interim regulations.

Recent decisions of the Court of International Trade bear some evidence that the court recognizes the necessity to protect the neutrality of rules of origin and to prevent the government from manipulating those rules to accomplish specific trade objectives on an ad hoc basis. The decisions in *Ferrostaal Metals Corp. v. United States*[28] and *Superior Wire, Div. of Superior Products Co. v. United States*[29] may be some indication that the Court of International Trade is retreating from the extreme hands-off policy represented in the *Mast Industries* decisions, concerning the relationship of country of origin rules and the substantial transformation doctrine on the one hand, and the implementation of international trade agreements on the other. Both cases involved the need to make country of origin determinations with respect to the two countries' steel manufacturing operations. If the court determined that the first country, country A, was the country of origin, then the steel products would be subject to quotas under the voluntary restraint agreements (VRA) between the United States and the exporting country. If the court deemed country B to be the country of origin, then the products would not be subject to quotas because there was no voluntary restraint agreement with the second exporting nation. In the *Ferrostaal* case, the court rejected an attempt by the government to ignore the doctrine

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[26] Executive Order No. 12,291, 46 Fed. Reg. 13,193 (1981).

[27] *Id.*

[28] Vol. 21, No. 31 Cust. B. & Dec. 28 (slip op. 87-76 (Ct. Int'l Trade, June 26, 1987)).

[29] No. 87-98, slip op. at 12 (Ct. Int.'l Trade, August 21, 1987).

of substantial transformation or otherwise interpret the rules of origin to bring the products under the scope of the VRA. The court rejected the arguments made by the government, holding that there was no support to suggest "that the court depart from policy neutral rules governing substantial transformation in order to achieve wider import restrictions in particular cases."[30] Hence, the court applied "the substantial transformation test . . . in accordance with long standing precedents and rules" and held that country B was the country of origin.[31] In the *Superior Wire* case, the court likewise rejected the government's argument that different standards in determining the country of origin should be employed by holding that the court "must seek a neutral standard, unaffected by specialized statutory purpose, to determine the country of origin."[32] The court in reaching this holding relied on the *Ferrostaal* decision and *Cardinal Glove*.[33] Thus it would seem that absent some specific regulation for implementing a bilateral or multilateral agreement, issued with valid statutory authority, the courts may resist government attempts to modify the basic rules for determining country of origin in order to further specific policy objectives. In fact, in *Ferrostaal* the court found that the government entered into the VRA with an understanding that the basic doctrine of substantial transformation would still determine the country of origin of a product manufactured or further processed in a second country.[34] Thus, as a result of the *Ferrostaal* and *Superior Wire* decisions, there is some hope that arbitrary and capricious determinations by the Customs Service in furtherance of perceived policy objectives and international trade agreements will be restrained by the court when those decisions deviate from long-standing judicial and administrative precedent involving country of origin rules and where there is no clear indication that different standards should apply in determining country of origin. As stated by the court in the *Ferrostaal* case, "multiple standards in these cases could confuse importers and provide grounds for distinguishing useful precedents."[35] If the court continues in this direction, it certainly will provide some relief from the type of confusion which resulted from the inconsistent short term changes which accompanied the promulgation of the interim and final regulations governing country of origin on textile and apparel products.

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[30] *Ferrostaal, supra* note 7, at 32.
[31] *Id.*
[32] No. 87-98, slip op. at 12.
[33] *See* 4 C.I.T. at 45 n.4.
[34] No. 87-98, slip op. at 37.
[35] *Id.* at 32.