

September 5, 2007



**U.S. Customs and
Border Protection**

07-99
MAN-1-CL:PD:CO SC

CLEVELAND AREA PORT PIPELINE

TO : All Importers, Brokers, Customs & Border Protection Officers, and
Other Interested Parties

SUBJECT: Agricultural Safeguard Reminders

As a result of a recent review, HQ Quota has become aware of several issues related to the agricultural safeguards under Heading 9904 of the Harmonized Tariff Schedule (HTS). Agricultural safeguards are associated with the over-quota (high) rare tariff-rate quota (TRQ) provisions. HQ Quota is issuing this notice as a reminder to field personnel and the importing community that several basic concepts should be kept in and when classifying merchandise subject to an over-quota TRQ duty rate.

Over-quota provisions are considered part of a TRQ for administration purposes, and improper HTS combinations (valid Heading 9904 and Chapter 1-97 HTS numbers that are mismatched) result in merchandise not being properly charged to the quota. Proper combinations of Heading 9904 and Chapter 1-97 provisions are specified in the HTS and the instructions or TRQ openings issued by HQ Quota. QBTs are posted on the Internet at:

<http://www.cbp.gov/xp/cgov/import/textilesandquotas/qbts/>

2. The value-based and quantity –based agricultural safeguards are mutually exclusive. CBP must be directed by the Secretary of agriculture to change from the value-based to the quantity–based safeguards (see HTS Chapter 99, Section IV, U.S. Note 2). If the Secretary of Agriculture implements quantity-based safeguards (via a Federal Register Notice), HQ Quota will issue a notice to the field and trade (see link above).

3. If the merchandise originates from a country with which the U.S. has a free trade agreement that exempts the goods from agricultural safeguard duties, a Heading 9904 provision is not required. Depending on the Heading 9904 provisions used, filers may be paying additional duty unnecessarily. Refer to HTS Chapter 99, Section IV, U.S. note 1 for a list of exempt countries. Specifics regarding a particular trade agreement may be found at the links below:
[http://www.cpb.gov/xp/cgov/import/international_agreements/free trade/](http://www.cpb.gov/xp/cgov/import/international_agreements/free_trade/)
[http://www.ustr.gov/Trade Agreements/Section Index.html](http://www.ustr.gov/Trade_Agreements/Section_Index.html)

If you have any questions please contact team 314 at (440) 891 3824.

A handwritten signature in black ink, appearing to read "Marc A. Hurteau". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Marc A. Hurteau
Area Port Director