

(3) Notification to the participant's contact person of the examination site is arranged.

#### *Prototype One Application*

This notice requests importers or brokers on behalf of importers to voluntarily apply for participation in Prototype One by submitting the following information to the Remote Filing Team, U.S. Customs Service, 1301 Constitution Avenue, N.W. Room 1322, Washington, D.C. 20229-0001 on or before the date set forth in the effective date paragraph at the beginning of this notice:

1. Importer name and, if applicable, broker name, address, and filer code.
2. Supplier name, address, and manufacturer's number.
3. Types of commodities to be imported.
4. Other agency requirements.
5. Port(s) of arrival.
6. Designated examination site(s) (location nearest the final destination).
7. Monthly volume anticipated.
8. Requested entry summary processing location(s), if different from the port of arrival.
9. Electronic Invoicing Program status and projected start date.
10. Electronic Payment (ACH) status and projected start date.
11. Main contact person and telephone number for participation questions.
12. Any comments on prototype participation.

#### *Basis for Participant Selection*

Eligible importers or importers with brokers will be considered for selection as participants in Prototype One. Customs is looking for a variety of circumstances and participants in this first prototype; however, only a small number of participants will be selected. We stress that those not selected for participation will be invited to comment on the design, conduct, and evaluation of this prototype. Selection will be based on EIP operational experience, volume anticipated, electronic abilities, and available electronic interfaces with other agencies import requirements. Participants selected will be notified by means of the Customs Electronic Bulletin Board and the Customs Administrative Message System.

#### **III. Test evaluation criteria**

Once participants are selected, Customs and the participants will meet to review all public comments received concerning any aspect of the test program or procedures, finalize procedures in light of those comments, form problem-solving teams, and

establish baseline measures and evaluation methods and criteria. At 90 days and 180 days after commencement, evaluations of the prototype will be conducted, with the final results published in the **Federal Register** as required by § 101.9(b). The following evaluation methods and criteria have been suggested:

1. Baseline measurements will be established through dataqueries and questionnaires.
  2. Reports will be run through use of dataquery throughout the prototype.
  3. Questionnaires will be conducted before, during, and after the prototype period.
- Preliminary ideas for evaluation criteria for Customs and other government agencies are workload impact (workload shifts, cycletime, etc.), policy and procedural accommodation, trade compliance impact, alternate exam site issues (workload shift, coordination/communication, etc.), problem solving, system efficiency, and the collection of statistics. Criteria ideas for the trade are service in cargo clearance and problem resolution, cost benefits, system efficiency, operational efficiency, and other items identified by the participant group.

In conclusion, it is emphasized that if a company is interested in filing remotely, they must first be operational with the Electronic Invoicing Program (EIP). For information on the Electronic Invoicing Program (EIP), please contact your ABI Client Representative.

Dated: March 30, 1995.

**Samuel H. Banks,**

*Assistant Commissioner, Office of Field Operations.*

[FR Doc. 95-8429 Filed 4-5-95; 8:45 am]

BILLING CODE 4820-02-P

[T.D. 95-25]

#### **Country of Origin Marking of Products From the West Bank and Gaza**

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

**ACTION:** Notice of Policy.

**SUMMARY:** This document notifies the public that, for country of origin marking purposes, goods which are produced in the West Bank and Gaza Strip shall be properly marked as "West Bank," "Gaza" or "Gaza Strip" and shall not contain the words "Israel," "Made in Israel," "Occupied Territories-Israel," or words of similar meaning.

**EFFECTIVE DATE:** For those persons whose ruling is revoked, the position set forth in this document is effective for merchandise entered or withdrawn from

warehouse for consumption on or after June 19, 1995; for all other persons, this document is effective on April 6, 1995.

**FOR FURTHER INFORMATION CONTACT:** Wende Schuster, Special Classification and Marking Branch (202) 482-6980.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

Section 304 of the Tariff Act of 1930, as amended (19 U.S.C. 1304), provides that, unless excepted, every article of foreign origin (or its container) imported into the U.S. shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or its container) will permit, in such a manner as to indicate to the ultimate purchaser in the U.S. the English name of the country of origin of the article. Failure to mark an article in accordance with the requirements of 19 U.S.C. 1304 shall result in the levy of a duty of ten percent *ad valorem*. Part 134, Customs Regulations (19 CFR Part 134), implements the country of origin marking requirements and exceptions of 19 U.S.C. 1304.

##### **Past Policy**

In the past, Customs has taken the position that in order for the country of origin marking of a good which is produced in the West Bank or Gaza Strip to be considered acceptable, it must be marked with the words "Israel," "Product of Israel," or "Israeli-Occupied West Bank (or Gaza)," or words of similar meaning. In all such instances, Customs required that the word "Israel" must appear in the marking designation. For instance, in HRL 718329 dated December 21, 1981, Customs held that it is acceptable to mark goods which were produced on the West Bank of the Jordan River with the phrase "Israeli-Occupied West Bank," "Made in Israel," or "Israel" and to indicate such marking designation on the Certificate of Origin Form A for purposes of the Generalized System of Preferences (GSP). In another case concerning goods produced on the West Bank of the Jordan River (HRL 718125 dated November 12, 1981), Customs held that these goods must be marked with the designators "Israeli-Occupied West Bank", "Made in Israel", or "Israel" for purposes of indicating the country of origin of the merchandise pursuant to 19 U.S.C. 1304. In addition, in HRL 730094 dated January 30, 1987, Customs held that the proper country of origin marking designation for soap which is produced in the West Bank is "Israeli-occupied West Bank" or simply "Israel". Finally, in HRL 734609 dated May 26, 1992, which concerned the

proper country of origin marking of fruits and vegetables imported into the U.S. from the Gaza Strip, Customs held that the designation "West Bank" is not an acceptable country of origin marking because the United States does not recognize the West Bank territory as an independent political entity. Consequently, Customs stated in HRL 734609 that as the Gaza Strip has a similar status as the West Bank, the country of origin markings, "Israel-Occupied Gaza," "Made in Israel," or "Israel" but not simply the word "Gaza" can be used on goods which are produced in Gaza.

#### Recognition of West Bank and Gaza Strip

The Department of State has advised that in accordance with the Israeli-PLO Declaration of Principles on Interim Self-Government Arrangements ("the DOP"), which was signed in Washington, D.C. on September 13, 1993, Israel has agreed to transfer certain powers and responsibilities to the Palestinian Authority. Under this Agreement, Israel has also consented to make a similar transfer to a superseding, elected Palestinian Council, as part of interim self-governing arrangements in the West Bank and Gaza Strip. As part of this Agreement, the Palestinian Authority has agreed to administer its own tariff revenue collection and other customs matters. The Palestinian Authority also acceded to set its own tax policy under the terms of an implementing agreement which was concluded in Cairo on May 4, 1994. In view of these recent developments, the U.S. Department of the State has advised the U.S. Department of the Treasury by letter dated October 24, 1994, that, in their view, the primary purpose of 19 U.S.C. 1304 would be best served if goods which are produced in the West Bank and Gaza Strip are permitted to be marked "West Bank" or "Gaza Strip." The Department of State believes that labeling goods as coming from the "West Bank" or "Gaza" will provide American purchasers with important information indicating their origin, which is the primary purpose of 19 U.S.C. 1304.

#### Reliance Upon Advice From State Department

Customs has previously relied upon advice received from the U.S. Department of State in making determinations regarding the "country of origin" of a good for marking purposes. In T.D. 49743 dated November 10, 1938, the question was whether products imported from German-occupied territories were

regarded as products of Germany for the purposes of the marking provisions of the Tariff Act of 1930, and for determining applicable rates of duty. Based upon instructions given by the U.S. Department of State, Customs held that as a result of a change in jurisdiction from Czechoslovak to German in the Sudeten areas which were under German occupation, products which were manufactured in those areas and were exported on or after the date of German occupation were considered products of Germany for purposes of country of origin marking.

In *United States v. Friedlaender & Co., Inc.*, C.C.P.A. (February 26, 1940), the issue involved the proper country of origin marking of imported merchandise which was wholly manufactured in Czechoslovakia, except at the time the goods were exported, the territory in which the goods were manufactured was under German occupation. Customs held that marking the goods as products of Czechoslovakia was not acceptable, based upon instructions set forth in T.D. 49743. The court agreed with Customs and held that as the goods were exported at a time when that part of Czechoslovakia in which the goods were manufactured was under German occupation, the marking "Czechoslovakia" was not in compliance with the requirements of the marking statute, and the goods should be marked to indicate "Germany" as the country of origin. However, in a later Treasury Decision (T.D. 51360 dated November 30, 1945), the position taken by Customs in T.D. 49743 was rescinded. In T.D. 51360, Customs stated that the U.S. Department of State advised that the boundaries of Czechoslovakia had been reestablished as they existed prior to the date of the occupation by Germany, and that the United States recognized Czechoslovakia as an independent state. Based upon this information, Customs reversed the position taken in T.D. 49743, and concluded that articles which were manufactured or produced in Czechoslovakia after May 8, 1945, should be regarded as products of Czechoslovakia for purposes of the marking provisions of the Tariff Act of 1930.

Accordingly, consistent with prior Customs decisions, Customs is relying upon advice from the Department of State for purposes of defining the term "Country" within the meaning of section 134.1(a), Customs Regulations (19 CFR 134.1(a)).

#### Revocation of Prior Rulings

On November 23, 1994, Customs issued telex 6327071, which stated that Customs was proposing to change its position regarding the country of origin marking requirements for goods made in the West Bank and Gaza Strip. In the telex, Customs stated that effective immediately merchandise which is produced in the West Bank or Gaza Strip may be properly marked with the words "West Bank," "Gaza," or "Gaza Strip," without the words "Israel," "Product of Israel," or "Israeli-Occupied West Bank," or words of similar meaning, also appearing in the marking designation. The telex further stated that Customs would publish a notice in the *Customs Bulletin* requesting public comment on the modification or revocation of prior rulings concerning this matter. However, it was further noted in the telex that until such modification or revocation is effected, the prior rulings concerning the proper marking of goods made in the West Bank or Gaza Strip would remain valid and goods may continue to be marked in accordance with them.

On February 8, 1995, Customs published a notice in the *Customs Bulletin* (Volume 29, Number 6), proposing to revoke Headquarters Ruling Letters (HRL—s) 718329, 718125, 730094, and 734609, to reflect the position that goods which are produced in the West Bank or Gaza Strip shall be regarded as a product of the West Bank or Gaza Strip in accordance with the requirements of 19 U.S.C. 1304 and 19 CFR Part 134, and shall be marked as "West Bank," "Gaza" or "Gaza Strip," and shall not contain the words "Israel," "Made in Israel," "Occupied Territories-Israel," or words of similar meaning.

Two comments received in response to the February 8, 1995, *Customs Bulletin* notice both of which were favorable to the Customs proposal. One commenter, however, suggested that Customs expand the proposed position by allowing goods which are produced in the West Bank or Gaza Strip to be marked as "West Bank," "Gaza," "Palestine," "West Bank, Palestine," or "Gaza, Palestine." The U.S. Department of State has not identified the area within the West Bank or Gaza Strip as one that should be recognized as "Palestine." Therefore, articles which are produced in the West Bank or Gaza Strip may not be marked as products of "Palestine."

#### New Position

This document notifies the public that unless excepted from marking, goods

which are produced in the territorial areas known as the West Bank or Gaza Strip shall be marked as "West Bank," "Gaza," or "Gaza Strip" in accordance with the requirements of 19 U.S.C. 1304 and 19 CFR Part 134, and shall not contain the words "Israel," "Made in Israel," "Occupied Territories-Israel," or words of similar meaning. This document also revokes prior ruling letters (HRL's 718329, 718125, 730094, and 734609) regarding the country of origin marking requirements for goods which are produced in the West Bank and Gaza Strip. For those persons whose ruling is revoked, the position stated in this document is effective for merchandise which is entered or withdrawn from warehouse for consumption on or after 60 days from the date this document is published in the *Customs Bulletin*; for all other persons, this document is effective on the date of publication in the *Federal Register*.

Dated: April 3, 1995.

Stuart P. Seidel,

*Assistant Commissioner, Office of Regulations and Rulings.*

[FR Doc. 95-8454 Filed 4-5-95; 8:45 am]

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#### Fiscal Service

[Dept. Circ. 570, 1994 Rev., Supp. No. 17]

#### Surety Companies Acceptable on Federal Bonds, American Reliable Insurance Company

A Certificate of Authority as an acceptable surety on Federal Bonds is hereby issued to the following company

under Sections 9304 to 9308, Title 31, of the United States Code. Federal bond-approving officers should annotate their reference copies of the Treasury Circular 570, 1994 Revision, on page 34144 to reflect this addition:

*American Reliable Insurance Company.*  
Business Address: 8655 East Via De Ventura, Scottsdale, Arizona, 85258. Phone: (602) 483-8666. Underwriting Limitation b/: \$1,899,000. Surety Licenses c/: AL, AK, AZ, AR, CA, CO, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, MD, MA, MI, MN, MS, MO, MT, NE, NV, HH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WY. Incorporated in: Arizona.

Certificates of authority expire on June 30 each year, unless revoked prior to that date. The Certificates are subject to subsequent annual renewal as long as the companies remain qualified (31 CF part 223). A list of qualified companies is published annually as of July 1 in Treasury Department Circular 570, with details as to underwriting limitations, areas in which licensed to transact surety business and other information.

Copies of the Circular may be obtained from the Surety Bond Branch, Funds Management Division, Financial Management Service, Department of the Treasury, Hyattsville, MD 20782, telephone (202) 874-7116.

Dated: March 29, 1995.

Charles F. Schwan,

*Director, Funds Management Division, Financial Management Service.*

[FR Doc. 95-8496 Filed 4-5-95; 8:45 am]

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[Dept. Circ. 570, 1994 Rev., Supp. No. 18]

#### Surety Companies Acceptable on Federal Bonds; Reliance Insurance Company of Illinois

A Certificate of Authority as an acceptable surety on Federal Bonds is hereby issued to the following company under Sections 9304 to 9308, Title 31, of the United States Code. Federal bond-approving officers should annotate their reference copies of the Treasury Circular 570, 1994 Revision, on page 34174 to reflect this addition:

*Reliance Insurance Company of Illinois.*  
Business Address: 4 Penn Center Plaza, Philadelphia, PA 19103. Phone: (215) 864-4000. Underwriting limitation b: \$1,464,000. Surety License c/: IL Incorporated in: Illinois.

Certificates of Authority expire on June 30 each year, unless revoked prior to that date. The Certificates are subject to subsequent annual renewal as long as the companies remain qualified (31 CFR part 223). A list of qualified companies is published annually as of July 1 in Treasury Department Circular 570, with details as to underwriting limitations, areas in which licensed to transact surety business and other information.

Copies of the Circular may be obtained from the Surety Bond Branch, Funds Management Division, Financial Management Service, Department of the Treasury, Hyattsville, MD 20782, telephone (202) 874-6507.

Dated: March 29, 1995.

Charles F. Schwan,

*Director, Funds Management Division, Financial Management Service.*

[FR Doc. 95-8495 Filed 4-5-95; 8:45 am]

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