

## **CLIENT ALERT**

### **Customs Proposes To Substantially Transform The Substantial Transformation Test**

**Aug.08.2008**

By Notice of Proposed Rulemaking, 73 Fed. Reg. 43385 (July 25, 2008), Customs & Border Enforcement has proposed substituting, for many purposes including rulings under the Trade Agreements Act (TAA), a "tariff shift" approach for determining country of origin in lieu of the longstanding and subjective "case-by-case" approach to determining the place where "substantial transformation" occurred. Under the proposed rule, contractors selling products under the contracts subject to the TAA would have to reevaluate their products under the rigid, pre-established formulaic tariff shift analysis to ensure products with significant non-designated country content qualify for sale to the federal government.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

**Alan W. H. Gourley**

Partner – Washington, D.C.

Phone: +1 202.624.2561

Email: [agourley@crowell.com](mailto:agourley@crowell.com)

**Alexander H. Schaefer**

Partner – Washington, D.C.

Phone: +1 202.624.2773

Email: [aschaefer@crowell.com](mailto:aschaefer@crowell.com)

**Jeffrey L. Snyder**

Partner – Washington, D.C., Brussels

Phone: +1 202.624.2790, +32.2.214.2834

Email: [jsnyder@crowell.com](mailto:jsnyder@crowell.com)