

Harmonized Tariff Schedule of the United States Revision 5 (2025)

Annotated for Statistical Reporting Purposes

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10. Products of the Freely Associated States.

- (a) Pursuant to sections 101 and 401 of the Compact of Free Association Act of 1985 (99 Stat. 1773 and 1838), the following countries shall be eligible for treatment as freely associated states:

Marshall Islands
Micronesia, Federated States of
Republic of Palau

- (b) Except as provided in subdivisions (d) and (e) of this note, any article the growth, product or manufacture of a freely associated state shall enter the customs territory of the United States free of duty if--
- (i) such article is imported directly from the freely associated state, and
- (ii) the sum of (A) the cost or value of the materials produced in the freely associated state, plus (B) the direct costs of processing operations performed in the freely associated state is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States.

If the cost or value of materials produced in the customs territory of the United States is included with respect to an article the product of a freely associated state and not described in subdivision (d) of this note, an amount not to exceed 15 percent of the appraised value of such article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subdivision (b)(ii)(B) of this note.

- (c) Tunas and skipjack, prepared or preserved, not in oil, in airtight containers weighing with their contents not over 7 kilograms each, in an aggregate quantity entered in any calendar year from the freely associated states not to exceed 10 percent of United States consumption of canned tuna during the immediately preceding calendar year, as reported by the National Marine Fisheries Service, may enter the customs territory free of duty; such imports shall be counted against, but not be limited by, the aggregate quantity of tuna, if any, that is dutiable under subheading 1604.14.22 for that calendar year.
- (d) The duty-free treatment provided under subdivision (b) of this note shall not apply to--
- (i) tunas and skipjack, prepared or preserved, not in oil, in airtight containers weighing with their contents not over 7 kilograms each, in excess of the quantity afforded duty-free entry under subdivision (c) of this note;
- (ii) textile and apparel articles which were not eligible articles for purposes of this note on January 1, 1994;
- (iii) footwear, handbags, luggage, flat goods, work gloves and leather wearing apparel, the foregoing which were not eligible articles for purposes of the Generalized System of Preferences on April 1, 1984;
- (iv) watches, clocks and timing apparatus of chapter 91 (except such articles incorporating an optoelectronic display and no other type of display);
- (v) buttons of subheading 9606.21.40 or 9606.29.20; and
- (vi) any agricultural product of chapters 2 through 52, inclusive, that is subject to a tariff-rate quota, if entered in a quantity in excess of the in-quota quantity for such product.
- (e) (i) Whenever a freely associated state--
- (A) has exported (directly or indirectly) to the United States during a calendar year a quantity of such article having an appraised value in excess of an amount which bears the same ratio to \$25,000,000 as the gross national product of the United States for the preceding calendar year (as determined by the Department of Commerce) bears to the gross national product of the United States for calendar year 1974 (as determined for purposes of sections 503(c)(2)(A)(i)(I) and 503(c)(2)(A)(ii) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(A)(i)(I) and 2463(c)(2)(A)(ii)); or
- (B) has exported (either directly or indirectly) to the United States during a calendar year a quantity of such article equal to or exceeding 50 percent of the appraised value of the total imports of such article into the United States during that calendar year;

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then on or after July 1 of the next calendar year the duty-free treatment provided under subdivision (b) of this note shall not apply to such article imported from such freely associated state.

- (ii) Whenever during a subsequent calendar year imports of such article from such freely associated state no longer exceed the limits specified in this subdivision, then on and after July 1 of the next calendar year such article imported from such freely associated state shall again enter the customs territory of the United States free of duty under subdivision (b) of this note.
- (f) The provisions of subdivision (e) of this note shall not apply with respect to an article--
 - (i) imported from a freely associated state, and
 - (ii) not excluded from duty-free treatment under subdivision (d) of this note,

if such freely associated state has entered a quantity of such article during the preceding calendar year with an aggregate value that does not exceed the limitation on de minimis waivers applicable under section 503(c)(2)(F) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(F)) to such preceding calendar year.

- (g) Any article the growth, product or manufacture of a freely associated state and excluded from duty-free treatment pursuant to subdivisions (d) or (e) of this note shall be dutiable at the rate provided in the general subcolumn of rate of duty column 1 for the appropriate heading or subheading.