



## DEPARTMENT OF HOMELAND SECURITY

### U.S. Customs and Border Protection

#### Notice of Issuance of Final Determination Concerning a DisplayPort Male to Female Video Adapter

**AGENCY:** U.S. Customs and Border Protection, Department of Homeland Security.

**ACTION:** Notice of final determination.

**SUMMARY:** This document provides notice that U.S. Customs and Border Protection (“CBP”) has issued a final determination concerning the country of origin of a “DisplayPort male to female adapter”. Based upon the facts presented, CBP has concluded that the country of origin of the adapter is Taiwan, where the printed circuit board assembly (“PCBA”) is manufactured.

**DATES:** The final determination was issued on June 27, 2024. A copy of the final determination is attached. Any party-at-interest, as defined in 19 CFR 177.22(d), may seek judicial review of this final determination no later than [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:** Austen Walsh, Valuation and Special Programs Branch, Regulations and Rulings, Office of Trade, at (202) 325-0114.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that on June 27, 2024, CBP issued a final determination concerning the country of origin of a DisplayPort adapter for purposes of title III of the Trade Agreements Act of 1979. This final determination, Headquarters Ruling Letter (“HQ”) H331939, was issued at the request of Aegis Multimedia Inc., under procedures set forth at 19 CFR part 177, subpart B, which implements title III of the Trade Agreements Act of 1979, as amended (19 U.S.C. 2511-18). In the final determination, CBP has concluded that the country of origin of the DisplayPort adapter is Taiwan, where the PCBA is manufactured. The final determination also finds that the country of origin for marking purposes of the subject DisplayPort male to female adapter is Taiwan.

Section 177.29, CBP Regulations (19 CFR 177.29), provides that a notice of final determinations shall be published in the **Federal Register** within 60 days of the date the final determination is issued.

Section 177.30, CBP Regulations (19 CFR 177.30), provides that any party-at-interest, as defined in 19

CFR 177.22(d), may seek judicial review of a final determination within 30 days of publication of such determination in the **Federal Register**.

**Alice A. Kipel,**  
*Executive Director,*  
*Regulations and Rulings,*  
*Office of Trade.*

**HQ H331939**

**June 27, 2024**

OT:RR:CTF:VS H331939 AMW

**CATEGORY:** Origin

Sammy Hsieh  
Aegis Multimedia Inc.

2F, No. 21, LN 48 Guangming St., Tucheng Dist.  
New Taipei, 236, Taiwan

**RE:** U.S. Government Procurement; Title III, Trade Agreements Act of 1979 (19 U.S.C. § 2511); Subpart B, Part 177, CBP Regulations; Country of Origin of DisplayPort Male to Female Adapter

Dear Mr. Hsieh:

This is in response to your request, dated May 1, 2023, for a final determination concerning the country of origin of a video graphics array adapter pursuant to Title III of the Trade Agreements Act of 1979 (“TAA”), as amended (19 U.S.C. 2511 *et seq.*), and subpart B of Part 177, U.S. Customs and Border Protection (“CBP”) Regulations (19 C.F.R. § 177.21, *et seq.*). Your request, submitted as an electronic ruling request, was forwarded to this office from the National Commodity Specialist Division for response. Aegis Multimedia Inc. (“Aegis”) is a party-at-interest within the meaning of 19 C.F.R. § 177.22(d)(1) and 177.23(a) and is therefore entitled to request this final determination.

**FACTS:**

Aegis imports a “DisplayPort male to female adapter”, which is an eight-inch-long video converter. The adapter is used to connect a desktop or laptop computer with a video graphics array (“VGA”) compliant monitor or television, converting signals transmitted between the computer and the monitor. You state that the adapter has one DisplayPort male connector (source signal input), one printed circuit board assembly attached to a VGA female connector (PCBA/signal output), and one eight-inch-long cable.

The adapter manufacturing process consists of two phases: (1) printed circuit board assembly (“PCBA”) production in Taiwan, and (2) final assembly in China.

Phase One - PCBA Production (Taiwan)

The PCBA is manufactured using surface mount technology (“SMT”) in which various components are affixed to a Taiwanese-origin circuit board:

1. Solder paste is applied to a bare circuit board. The stainless-steel foil of the bare circuit board is laser cut to form openings in the board for the size and location of each surface mount component at which point solder paste is applied.
2. A high-speed chip moulder is used to place smaller and lighter components (*e.g.*, small resistors, capacitors, and inductors) onto the circuit board.
3. A slow-speed chip moulder is used to place larger and heavier components (*e.g.*, ball grid array (“BGA”) chip, flash, and connectors) onto the circuit board.
4. The unfinished circuit board is placed in a reflow oven, which melts the previously applied solder paste to form a non-metallic compound between the above-mentioned parts and the bare circuit board.
5. The PCBA is placed in an automated optical inspection (“AOI”) device to be scanned to catastrophic failure and quality defects.
6. The PCBA is combined with the VGA female connector and soldered together by hand. After the PCBA and VGA connector are completed, the devices are placed in a plastic tray for packaging and shipment to Aegis’s China facility.

Phase Two - Final Assembly (China)

The Chinese-origin components are assembled with the Taiwanese-origin PCBA/VGA female connector assembly at the manufacturer's plant. The final assembly occurs over the following 13 stages:

1. Flash programming software is downloaded onto the PCBA;
2. Eight-inch cable is prepared and checked for quantity of cables;
3. Visual inspection of eight-inch cable is conducted;
4. Wire insulation is stripped using a stripping machine; the wire is cut to proper length for use as a connector cable; and, the wire's copper conductor is placed in tin stove to cover surface with tin;
5. Top and bottom sides of the PCBA are soldered to the wiring;
6. Initial PCBA function testing and visual inspection of video quality is conducted;
7. A metal shell for the VGA female adapter is assembled and the PCBA is fitted into this shell;
8. The VGA female adapter's metal shell is placed into a molding machine and a polyvinyl chloride ("PVC") "strain relief" component is applied to the base of the metal casing;
9. Acrylonitrile butadiene styrene ("ABS") bottom and top shells are assembled for the DisplayPort male connector, placed over the metal shell, and punched to stamp the complete shell together;
10. Final PCBA function testing is conducted;
11. Visual inspection of video quality is conducted;
12. An ABS shell for the VGA female connector is placed over the metal shell assembled in step 7 and stamped together; and
13. The completed adapters are packaged in a zip bag and carton for shipment.

You state that the PCBA is used to convert the DisplayPort++ signal into a VGA signal, which allows a VGA monitor to use the DisplayPort signal transmitted from a desktop or laptop via the adapter. The PCBA also contains a "flash" software program, which you state will detect whether the DisplayPort++ signal is acceptable. If the signal is acceptable, the software will notify the chipset that it can convert the DisplayPort++ signal to a VGA signal.

## **ISSUES:**

What is the country of origin of the DisplayPort male to female adapter for purposes of U.S. Government procurement?

What is the proper country of origin marking of the imported DisplayPort male to female adapter?

## **LAW AND ANALYSIS:**

### Government Procurement

CBP issues country of origin advisory rulings and final determinations as to whether an article is or would be a product of a designated country or instrumentality for the purposes of granting waivers of certain "Buy American" restrictions in U.S. law or practice for products offered for sale to the U.S. Government, pursuant to subpart B of Part 177, 19 C.F.R. §§ 177.21-177.31, which implements Title III of the TAA, as amended (19 U.S.C. §§ 2511-2518).

CBP's authority to issue advisory rulings and final determinations is set forth in 19 U.S.C. § 2515(b)(1), which states:

For the purposes of this subchapter, the Secretary of the Treasury shall provide for the prompt issuance of advisory rulings and final determinations on whether, under section 2518(4)(B) of this title, **an article is or would be a product of a foreign country or instrumentality designated pursuant to section 2511(b) of this title.**

Emphasis added.

The Secretary of the Treasury's authority mentioned above, along with other customs revenue functions, are delegated to CBP in the Appendix to 19 C.F.R. Part 0 - Treasury Department Order No. 100-16, 68 Fed. Reg. 28, 322 (May 23, 2003).

The rule of origin set forth under 19 U.S.C. § 2518(4)(B) states:

An article is a product of a country or instrumentality only if (i) it is wholly the growth, product, or manufacture of that country or instrumentality, or (ii) in the case of an article which consists in whole or in part of materials from another country or instrumentality, it has been substantially transformed into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was so transformed.

*See also* 19 C.F.R. § 177.22(a).

In rendering advisory rulings and final determinations for purposes of U.S. Government procurement, CBP applies the provisions of subpart B of Part 177 consistent with the Federal Procurement Regulation ("FAR"). *See* 19 C.F.R. § 177.21. In this regard, CBP recognizes that the FAR restricts the U.S. Government's purchase of products to U.S.-made or designated country end products for acquisitions subject to the TAA. *See* 48 C.F.R. § 25.403(c)(1).

The FAR, 48 C.F.R. § 25.003, defines "designated country end product" as:

a WTO GPA [World Trade Organization Government Procurement Agreement] country end product, an FTA [Free Trade Agreement] country end product, a least developed country end product, or a Caribbean Basin country end product.

Section 25.003 defines "WTO GPA country end product" as an article that:

- (1) Is wholly the growth, product, or manufacture of a WTO GPA country; or
- (2) In the case of an article that consists in whole or in part of materials from another country, has been substantially transformed in a WTO GPA country into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was transformed. The term refers to a product offered for purchase under a supply contract, but for purposes of calculating the value of the end product includes services (except transportation services) incidental to the article, provided that the value of those incidental services does not exceed that of the article itself.

As previously noted, the adapter is assembled in China with a Taiwanese-origin PCBA. Taiwan is a TAA-designated country, and China is not.

In order to determine whether a substantial transformation occurs, CBP considers the totality of the circumstances and makes such determinations on a case-by-case basis. The country of origin of the item's components, extent of the processing that occurs within a country, and whether such processing renders a product with a new name, character, and use are primary considerations in such cases. Additionally, CBP considers factors such as the resources expended on product design and development, the extent and nature of post-assembly inspection and testing procedures, and worker skill required during the actual manufacturing process when determining whether a substantial transformation has occurred. No one factor is determinative.

Assembly operations that are minimal or simple, as opposed to complex or meaningful, will generally not result in a substantial transformation. Factors which may be relevant in this evaluation include the nature of the operation (including the number of components assembled), the number of different operations involved, and whether a significant period of time, skill, detail, and quality control are necessary for the assembly operation. *See* C.S.D. 80-111, C.S.D. 85-25, C.S.D. 89-110, C.S.D. 89-118, C.S.D. 90-51, and C.S.D. 90-97. If the manufacturing or combining process is a minor one, which leaves the identity of the article intact, a substantial transformation has not occurred. *See Uniroyal, Inc. v. United States*, 3 CIT 220, 542 F. Supp. 1026 (1982), *aff'd*, 702 F.2d 1022 (Fed. Cir. 1983) (imported shoe uppers added to an outer sole in the United States were the "very essence of the finished shoe" and the character of the product remained unchanged and did not undergo substantial transformation in the United States).

In C.S.D. 85-25, 19 Cust. Bull. 544 (1985), CBP held that for purposes of the Generalized System of Preferences ("GSP"), the assembly of a large number of fabricated components onto a printed circuit board in a process involving a considerable amount of time and skill resulted in a substantial transformation. In that case, in excess of 50 discrete fabricated components (such as resistors, capacitors, diodes, integrated circuits, sockets, and connectors) were assembled onto a Printed Circuit Board ("PCB"). CBP determined that the assembly of the PCBA involved a very large number of components and a significant number of different operations, required a relatively significant period of time, skill, attention to detail, and quality control.

As CBP considers the totality of circumstances in its substantial transformation analysis, considerations such as the origin of a PCBA may be taken into account together with the nature of the overall assembly operations. Indeed, in several matters, CBP has determined that the PCBA provides the character of the subject devices and, accordingly, the country of origin is that in which the PCBA is manufactured. For example, in Headquarters Ruling Letter ("HQ") H331515, dated December 6, 2023, CBP determined that the use of SMT to create a PCBA in Mexico with the assembly of a Chinese light-emitting diode ("LED") strip resulted in a substantial transformation. And in HQ H304124, dated November 19, 2019, CBP determined the country of origin of a cardiac monitoring strip to be Finland, the country of origin of the device's PCBA, because the PCBA again provided the functionality and essence of the monitoring strips. *See also*, HQ H322417, dated February 23, 2022 (finding the PCBA imparts the character of a smart watch).

Based on the information submitted, we find that the various components are substantially transformed when assembled into the PCBA in Taiwan. Similar to the decisions above, a variety of electronic components are added to the raw PCB via SMT in Taiwan to create the subject PCBAs. This includes the main chipset, which enables the subject device to convert the DisplayPort++ signal into a VGA signal. Of particular importance, we also note that it is the PCBA that enables the device to function as a connector, and, therefore, it imparts the character of the subject device. Furthermore, we note that the processing in China, which consists of wire cutting, stamping, fitting, and visual inspection, is not sufficiently complex and meaningful to

result in a substantial transformation. Instead, as described above, the components added in China consist of casing and wires used to facilitate the functions performed by the PCBA. Based on the information provided, we conclude that the country of origin of the adapter is Taiwan, where the PCBA is manufactured. Accordingly, we find that the subject DisplayPort male to female adapter would be the product of a foreign country or instrumentality designated pursuant to 19 U.S.C. § 2511(b)(1).

### Country of Origin Marking

Section 304 of the Tariff Act of 1930, as amended (19 U.S.C. § 1304), provides that unless excepted, every article of foreign origin imported into the United States 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 United States, the English name of the country of origin of the article. The Congressional intent in enacting 19 U.S.C. § 1304 was “that the *ultimate purchaser* should be able to know by an inspection of the marking on the imported goods the country of which the goods is the product. The evident purpose is to mark the goods so that at the time of purchase the *ultimate purchaser* may, by knowing where the goods were produced, be able to buy or refuse to buy them, if such marking should influence his will.” *United States v. Friedlander & Co.*, 27 C.C.P.A. 297 at 302; C.A.D. 104 (1940) (emphases added).

Part 134 of CBP’s Regulations (19 C.F.R. Part 134), implements the country of origin marking requirements and exceptions of 19 U.S.C. § 1304. Section 134.1(b), CBP Regulations (19 C.F.R. § 134.1(b)), defines “country of origin” as:

[T]he country of manufacture, production, or growth of any article of foreign origin entering the United States. Further work or material added to an article in another country must effect a substantial transformation in order to render such other country the “country of origin” within the meaning of this part....

As outlined above, courts have held that a substantial transformation occurs when an article emerges from a process with a new name, character or use different from that possessed by the article prior to processing. *E.g.*, *Energizer Battery, Inc. v. United States*, 190 F. Supp. 3d 1308 (Court Int’l Trade 2016); *United States v. Gibson-Thomsen Co., Inc.*, 27 CCPA 267, C.A.D. 98 (1940); *National Hand Tool Corp. v. United States*, 16 CIT 308 (1992), *aff’d*, 989 F.2d 1201 (Fed. Cir. 1993); *Anheuser Busch Brewing Association v. United States*, 207 U.S. 556 (1908) and *Uniroyal Inc. v. United States*, 542 F. Supp. 1026 (Court Int’l Trade 1982).

Based on the information and analysis provided above, the imported PCBA components undergo a substantial transformation when manufactured into the subject PCBA in Taiwan. In contrast, the PCBA does not undergo a change in name, character, and use during the final assembly process occurring in China, which is comparatively simple in nature. As a result, the country of origin for marking purposes of the subject DisplayPort male to female adapter is Taiwan, where the PCBA is manufactured.

### **HOLDING:**

Based on the facts and analysis set forth above, the DisplayPort male to female adapter, comprised of a Taiwan-origin PCBA, would be the product of a foreign country or instrumentality designated pursuant to 19 U.S.C. § 2511(b). In addition, the country of origin for marking purposes of the adapter is Taiwan.

Notice of this final determination will be given in the *Federal Register*, as required by 19 C.F.R. § 177.29. Any party-at-interest other than the party which requested this final determination may request, pursuant to 19 C.F.R. § 177.31, that CBP reexamine the matter anew and issue a new final determination. Pursuant to 19 C.F.R. § 177.30, any party-at-interest may, within 30 days of publication of the Federal Register Notice referenced above, seek judicial review of this final determination before the U.S. Court of International Trade.

Sincerely,

Alice A. Kipel  
Executive Director  
Regulations and Rulings  
Office of Trade

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