

**UNITED STATES COURT OF INTERNATIONAL TRADE**

RKW KLERKS INC.,

Plaintiff,

v.

UNITED STATES,

Defendant.

Before: Mark A. Barnett, Chief Judge  
Court No. 20-00001

**OPINION**

[The court finds that U.S. Customs and Border Protection correctly classified the subject imports. Accordingly, the court denies Plaintiff's motion for summary judgment and grants Defendant's cross-motion for summary judgment.]

Dated: October 4, 2022

Philip Yale Simons and Jerry P. Wiskin, Simons & Wiskin, of Manalapan, NJ, for Plaintiff  
RKW Klerks Inc.

Aimee Lee, Assistant Director, and Elisa S. Solomon, Trial Attorney, Commercial Litigation Branch, Civil Division, U.S. Department of Justice, of New York, NY, for Defendant United States. With them on the briefs were Brian M. Boynton, Principal Deputy Assistant Attorney General, Patricia M. McCarthy, Director, and Justin R. Miller, Attorney-In-Charge, International Trade Field Office. Of counsel on the briefs was Fariha Kabir, Office of the Assistant Chief Counsel, International Trade Litigation, U.S. Customs and Border Protection.

Barnett, Chief Judge: This case involves the classification of two particular types of net wrap, both of which are synthetic fabrics used to wrap round bales of harvested crops (such as hay, straw, or silage), so that when the bales are released from the baling machine they maintain their compressed, round structure and are easier to transport. Specifically, this action addresses whether Plaintiff's net wraps, TopNet and Rondotex (together, the "Netwraps"), constitute synthetic "warp knit fabrics" and U.S.

Customs and Border Protection (“CBP” or “the agency”) properly classified the Netwraps under subheading 6005.39.00 of the Harmonized Tariff Schedule of the United States (“HTSUS”).<sup>1</sup> Before the court are cross-motions for summary judgment. Pl.’s Mot. for Summ. J., ECF No. 27; Pl.’s Br. in Supp. of its Mot. for Summ. J. (“Pl.’s Mem.”), ECF No. 27–2; Def.’s Cross-Mot. for Summ. J. and Resp. in Opp’n to Pl.’s Mot. for Summ. J. and Def.’s Mem. of Law in Opp’n to Pl.’s Mot. for Summ. J. and in Supp. of Def.’s Cross-Mot. for Summ. J. (“Def.’s Cross-Mem.”), ECF No. 32; Pl.’s Reply Br. to Def.’s Opp’n to Pl.’s Mot. for Summ. J. and in Opp’n to Def.’s Cross-Mot. for Summ. J. (“Pl.’s Resp. & Reply”), ECF No. 35-2; Def.’s Reply Br. in Further Supp. of its Cross-Mot. for Summ. J. (“Def.’s Reply”), ECF No. 38. RKW Klerks Inc. (“Plaintiff” or “RKW”) contends that the Netwraps are properly classified under HTSUS subheading 8433.90.50 because the Netwraps qualify as “parts” of harvesting machinery, see Pl.’s Mem. at 3–4, or, alternatively, under subheading 8436.99.00<sup>2</sup> as “parts” of agricultural machinery, see Pl.’s Mem. at 4. The United States (“Defendant” or “the Government”) maintains that the Netwraps are not “parts” of harvesting or agricultural machinery classifiable under HTSUS subheadings 8433.90.50 or 8436.99.00, respectively. See,

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<sup>1</sup> All citations to the HTSUS are to the 2018 version, as determined by the date of importation of the merchandise. See *LeMans Corp. v. United States*, 660 F.3d 1311, 1314 n.2 (Fed. Cir. 2011). The subject merchandise was entered on August 15, 2018. See Def.’s Rule 56.3 Statement of Undisputed Material Facts (“Def.’s SOF”) ¶ 1, ECF No. 32; Pl.’s Resp. to Def.’s SOF ¶ 1, ECF No. 35–1.

<sup>2</sup> In various places in its briefs, Plaintiff refers to two non-existent subheadings: 8436.90.00, see Pl.’s Mem. at 1, 4–5, 24–25, and 8536.99.00, see Pl.’s Resp. & Reply at 14. In each instance, the court understands Plaintiff to refer to subheading 8436.99.00 which covers parts of “other” agricultural machinery.

*e.g.*, Def.'s Cross-Mem. at 8. The Government contends that CBP correctly classified the Netwraps under HTSUS subheading 6005.39.00. *Id.* at 12–14. For the reasons discussed below, the court denies Plaintiff's motion for summary judgment and grants Defendant's cross-motion for summary judgment.

## **BACKGROUND**

### **I. Material Facts Not in Dispute**

The party moving for summary judgment must show “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” United States Court of International Trade (“USCIT”) Rule 56(a). Parties filed cross-motions for summary judgment and submitted separate statements of undisputed material facts with their respective motions and responses to the opposing party's statements. See Pl.'s Statement of Material Facts Not in Dispute (“Pl.'s SOF”), ECF No. 27–1; Def.'s Resp. to Pl.'s SOF; Def.'s SOF; Pl.'s Resp. to Def.'s SOF. Upon review of the parties' statements of facts and supporting exhibits, the court finds the following undisputed and material facts.<sup>3</sup>

RKW is an importer of two types of net wrap, TopNet and Rondotex. See Def.'s SOF ¶ 11; Pl.'s Resp. to Def.'s SOF ¶ 11. RKW is a subsidiary of RKW SE, a film producer that manufactures nonwoven fabrics and nettings, including shrink bottle wrap, pallet stretch hoods, gardening and greenhouse films, trash bags, and other packaging solutions, as well as raw materials. Def.'s SOF ¶ 9; Pl.'s Resp. to Def.'s SOF ¶ 9. The

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<sup>3</sup> Citations are provided to the relevant paragraph number of the undisputed facts and response; internal citations have generally been omitted.

Netwraps are manufactured in Germany by several entities and plants owned by RKW SE. Def.'s SOF ¶ 10; Pl.'s Resp. to Def.'s SOF ¶ 10. Neither RKW SE nor any of its subsidiaries sell or produce machinery, including round balers or other harvesting machinery. Def.'s SOF ¶ 10; Pl.'s Resp. to Def.'s SOF ¶ 10.

Both TopNet and Rondotex are comprised of the same materials, are manufactured in the same manner, and serve the same function—to bind and secure crops in round bales. Def.'s SOF ¶¶ 5, 8; Pl.'s Resp. to Def.'s SOF ¶¶ 5, 8. Manufacture of the Netwraps involves a two-step process. Def.'s SOF ¶ 15; Pl.'s Resp. to Def.'s SOF ¶ 15. First, film layers are produced—one for chains and one for connecting threads. Def.'s SOF ¶ 15; Pl.'s Resp. to Def.'s SOF ¶ 15. The film layers are then cut into strips, stretched, heated, elongated, and knitted in Raschel machines, a type of knitting machine designed for making net wraps, but which could also be used to make pallet nets, another warp knit. Def.'s SOF ¶¶ 15, 17; Pl.'s Resp. to Def.'s SOF ¶¶ 15, 17. These layers of film are made up of high-density polyethylene (“HDPE”), a resin that is exclusively used for net wrap. Def.'s SOF ¶ 16; Pl.'s Resp. to Def.'s SOF ¶ 16. HDPE is a synthetic material. Def.'s SOF ¶ 16; Pl.'s Resp. to Def.'s SOF ¶ 16.

RKW developed the Netwraps as a substitute for baler twine for use in round baling machines. Def.'s SOF ¶ 23; Pl.'s Resp. to Def.'s SOF ¶ 23. Round baling machines collect harvested crops, such as grass, hay, or straw, then cut the crops into pieces, compact the pieces, and form the pieces into bale form. Def.'s SOF ¶ 21; Pl.'s Resp. to Def.'s SOF ¶ 21. After compressing the crops into bale form, round baling machines can wrap the bales with net wrap. See Def.'s SOF ¶ 22; Pl.'s Resp. to Def.'s

SOF ¶ 22. Some round baling machines can use either net wrap or twine to wrap round bales. See Def.'s SOF ¶ 24; Pl.'s Resp. to Def.'s SOF ¶ 24.

## II. Procedural History

RKW entered the Netwraps in question as a single entry, Entry No. 322-1912652-5, at the Port of Charleston, South Carolina on August 15, 2018. Def.'s SOF ¶ 1; Pl.'s Resp. to Def.'s SOF ¶ 1. CBP classified the merchandise under HTSUS subheading 6005.39.00, dutiable at ten percent *ad valorem*, and liquidated the entry on July 12, 2019. Def.'s SOF ¶ 1–2; Pl.'s Resp. to Def.'s SOF ¶ 1–2.

RKW protested the liquidation on November 12, 2019, requesting accelerated disposition. Def.'s SOF ¶ 3; Pl.'s Resp. to Def.'s SOF ¶ 3; Pl.'s SOF ¶ 2; Def.'s Resp. to Pl.'s SOF ¶ 2. CBP did not respond to the protest and, on December 12, 2019, the protest was denied by operation of law. Def.'s SOF ¶ 3; Pl.'s Resp. to Def.'s SOF ¶ 3.

### JURISDICTION AND STANDARD OF REVIEW

The court has subject matter jurisdiction pursuant to 28 U.S.C. § 1581(a).

The court may grant summary judgment when “there is no genuine issue as to any material fact,” and “the moving party is entitled to judgment as a matter of law.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247 (1986). The court’s review of a classification decision involves two steps. First, it must determine the meaning of the relevant tariff provisions, which is a question of law. See *Bausch & Lomb, Inc. v. United States*, 148 F.3d 1363, 1365 (Fed. Cir. 1998) (citation omitted). Second, it must determine whether the merchandise at issue falls within a particular tariff provision, as construed, which is a question of fact. *Id.* (citation omitted). When no factual dispute

exists regarding the merchandise, resolution of the classification turns solely on the first step. See *id.* at 1365–66; see also *Sigma-Tau HealthScience, Inc. v. United States*, 838 F.3d 1272, 1276 (Fed. Cir. 2016) (citations omitted).

The court reviews classification cases *de novo*. See 28 U.S.C. § 2640(a). While the court affords deference to CBP’s classification rulings relative to their “power to persuade,” *United States v. Mead Corp.*, 533 U.S. 218, 235 (2001) (quoting *Skidmore v. Swift & Co.*, 323 U.S. 134, 140 (1944)), it has “an independent responsibility to decide the legal issue of the proper meaning and scope of HTSUS terms,” *Warner-Lambert Co. v. United States*, 407 F.3d 1207, 1209 (Fed. Cir. 2005). It is “the court’s duty to find the *correct* result, by whatever procedure is best suited to the case at hand.” *Jarvis Clark Co. v. United States*, 733 F.2d 873, 878 (Fed. Cir. 1984).

## DISCUSSION

### I. Legal Framework

The General Rules of Interpretation (“GRI(s)”) provide the analytical framework for the court’s classification of goods. See *N. Am. Processing Co. v. United States*, 236 F.3d 695, 698 (Fed. Cir. 2001). “The HTSUS is designed so that most classification questions can be answered by GRI 1.” *Telebrands Corp. v. United States*, 36 CIT 1231, 1235, 865 F. Supp. 2d 1277, 1280 (2012), *aff’d* 522 Fed. Appx. 915 (Fed. Cir. 2013). GRI 1 states that, “for legal purposes, classification shall be determined according to the terms of the headings and any [relevant] section or chapter notes.” GRI 1, HTSUS; *Degussa Corp. v. United States*, 508 F.3d 1044, 1047 (Fed. Cir. 2007) (“The section and chapter notes are integral parts of the HTSUS, and have the same legal force as

the text of the headings.”). “The first four digits of an HTSUS provision constitute the heading, whereas the remaining digits reflect subheadings.” *Schlumberger Tech. Corp. v. United States*, 845 F.3d 1158, 1163 n.4 (Fed. Cir. 2017). Relevant here, “the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, mutatis mutandis, to the above [GRIs] on the understanding that only subheadings at the same level are comparable.” GRI 6, HTSUS; see also *WWRD US, LLC v. United States*, 886 F.3d 1228, 1232 (2018).

The court considers chapter and section notes of the HTSUS in resolving classification disputes because they are statutory law, not interpretive rules. See *Arko Foods Int'l, Inc. v. United States*, 654 F.3d 1361, 1364 (Fed. Cir. 2011) (citations omitted); see also *Park B. Smith, Ltd. v. United States*, 347 F.3d 922, 929 n.3 (Fed. Cir. 2003) (chapter and section notes are binding on the court). “Absent contrary legislative intent, HTSUS terms are to be ‘construed [according] to their common and popular meaning.’” *Baxter Healthcare Corp. of Puerto Rico v. United States*, 182 F.3d 1333, 1337 (Fed. Cir. 1999) (quoting *Marubeni Am. Corp. v. United States*, 35 F.3d 530, 533 (Fed. Cir. 1994)). Courts may rely upon their own understanding of terms or consult dictionaries, encyclopedias, scientific authorities, and other reliable information. *Brookside Veneers, Ltd. v. United States*, 847 F.2d 786, 789 (Fed. Cir. 1988); *BASF Corp. v. United States*, 35 CIT 1478, 1481, 798 F. Supp. 2d 1353, 1357 (2011). The court also may consider the Explanatory Notes to the Harmonized Commodity Description and Coding System (the “Explanatory Notes”), developed by the World

Customs Organization. See *Deckers Outdoor Corp. v. United States*, 714 F.3d 1363, 1367 n.1 (Fed. Cir. 2013). Although the Explanatory Notes do not bind the court's analysis, they are “indicative of proper interpretation” of the tariff schedule. *Lynteq, Inc. v. United States*, 976 F.2d 693, 699 (Fed. Cir. 1992) (quoting H.R. Rep. No. 100–576, at (1988) (Conf. Rep.), reprinted in 1988 U.S.C.C.A.N. 1547, 1582).

## II. Competing Tariff Provisions

Plaintiff contends that the Netwraps are properly classified under HTSUS subheading 8433.90.50 or, alternatively, 8436.99.00.<sup>4</sup> Pl.’s Mem. at 5. Chapter 84 covers “Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.” The relevant portions of Chapter 84 of the HTSUS read:

**8433:** Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading 8437; parts thereof:

**8433.90**      Parts

**8433.90.50**    Other

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<sup>4</sup> Plaintiff also identified HTSUS subheading 5911.90.00 as a potential subheading under which the Netwraps could be classified, see Compl. ¶¶ 18–22, ECF No. 6, but did not make any arguments in support of this claim in either its opening or reply brief. HTSUS subheading 5911.90.00 covers “[t]extile products and articles, for technical uses, specified in note 7 to this chapter . . . Other.” The court reviewed this subheading and finds that it does not describe the Netwraps. See *Jarvis Clark*, 733 F.2d at 874 (holding that the court has an independent obligation to determine the proper tariff classification).

**8436:** Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders; parts thereof:

**8436.99** Parts:

**8436.99.00** Other

Defendant contends that the Netwraps are properly classified under HTSUS subheading 6005.39.00. Def.'s Resp. at 8–9. Chapter 60 covers “knitted or crocheted fabrics.” The relevant portion of Chapter 60 of the HTSUS reads:

**6005:** Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004:

**6005.39** Of synthetic fibers:

**6005.39.00** Other, printed

### III. Classification of the Netwraps

The GRIs govern the proper classification of merchandise and are applied in numerical order. *N. Am. Processing Co.*, 236 F.3d at 698. Pursuant to GRI 1, the court first “must determine the appropriate classification ‘according to the terms of the headings and any relative section or chapter notes’ . . . [with] terms of the HTSUS . . . construed according to their common commercial meaning.” *Millennium Lumber Dist. Ltd. v. United States*, 558 F.3d 1326, 1328–29 (Fed. Cir. 2009) (citations omitted).

The issue in this case is whether the Netwraps are properly classified under HTSUS heading 6005 as a “warp knit fabric” or under HTSUS heading 8433 as “parts”

of “harvesting or threshing machinery, including straw or fodder balers,” or, alternatively, under HTSUS heading 8436 as “parts” of “other agricultural . . . machinery.”<sup>5</sup>

**A. Whether the Netwraps are Classifiable as “Warp Knit Fabrics” Under HTSUS Subheading 6005.39.00**

As an initial matter, the parties do not dispute that the Netwraps are covered by the plain language of HTSUS subheading 6005.39.00, see Def.’s Cross-Mem. at 8; Pl.’s Resp. & Reply at 2.<sup>6</sup> However, because the court reviews classification decisions *de novo*, the court will ascertain the scope of this subheading and whether the Netwraps are covered by this subheading. See *Bausch*, 148 F.3d at 1365.

HTSUS subheading 6005.39.00 covers, by its express terms, “warp knit fabrics (including those made on galloon knitting machines) . . . of synthetic fibers . . . other, printed.” A “warp knit” is a “knit fabric produced by machine with the yarns running in a lengthwise direction.”<sup>7</sup> *Warp Knit*, MERRIAM-WEBSTER.COM, <https://www.merriam-webster.com/dictionary/warp%20knit> (last visited October 4, 2022). While not controlling, the Explanatory Notes to HTSUS heading 6005 provide that the heading

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<sup>5</sup> The court’s own review found no other possible candidate headings. See *Jarvis Clark*, 733 F.2d at 874 (holding that the court has an independent obligation to determine the proper tariff classification).

<sup>6</sup> Although Plaintiff does not explicitly concede that the Netwraps are covered by the plain language of subheading 6005.39.00, it has raised no arguments challenging this contention and, instead, focuses its arguments on why HTSUS heading 8433 should be selected over HTSUS heading 6005.

<sup>7</sup> Warp knit fabrics are created through a type of knitting in which the yarns generally run lengthwise in the fabric and include “Raschel knitting.” *Warp Knitting*, ILLUSTRATED DICTIONARY OF FIBER AND TEXTILE TECHNOLOGY (1<sup>st</sup> ed. 2001).

covers fabrics “made on warp knitting machines (especially Raschel machines).”

Explanatory Note 60.05 at XI-6005-1.

Plaintiff’s USCIT Rule 30(b)(6) witness’s statements confirm that the Netwraps possess the characteristics needed to be properly classified as “warp knit fabrics.” This witness confirmed that the Netwraps were knitted on Raschel machines, *see* Confid. Dep. of Stefan Kwiatkista (“Kwiatkista Dep.”) 28:9–25, 29:2–4, ECF No. 32–1, and are made of chains of knit fabric running in a lengthwise direction, *see id.* 46:3–20. It is also uncontested that the Netwraps are made of synthetic fibers. Def.’s SOF ¶ 16 (stating that the Netwraps are comprised of HDPE, a synthetic material); Pl.’s Resp. to Def.’s SOF ¶ 16. Thus, the court finds that the Netwraps may be classified under HTSUS subheading 6005.39.00.<sup>8</sup>

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<sup>8</sup> While HTSUS subheading 6005.39.00 also includes the term “[o]ther, printed,” no discovery was conducted with respect to this issue and neither party identifies evidence that calls into question CBP’s selection of the “[o]ther, printed” subheading. The marketing materials supplied with Plaintiff’s motion contain various references to both roll-end markings and edge markings on the merchandise in question. *See* Ex. A to [Pl.’s Mem.] at 4, 8, 12, 14, 16, ECF No. 27-3. In the absence of any argument specific to this issue, the court considers these references sufficient to support CBP’s selection of the “[o]ther, printed” subheading over the four other subheadings covering warp knit fabrics made of synthetic fibers: HTSUS 6005.35.00 (covering certain fabrics of polyethylene monofilament or of polyester multifilament); 6005.36.00 (Other, unbleached or bleached); 6005.37 (Other, dyed); and 6005.38 (Other, of yarns of different colors).

**B. Whether the Netwraps are Classifiable as “Parts” of “Harvesting or Threshing Machinery” Under HTSUS Subheading 8433.90.50**

**1. Legal Test for Parts**

The U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) has adopted two tests for determining whether merchandise may be classified as “part” of another article. The first test is used when the merchandise in question is claimed to be a part of another article that “could not function as such article” without the claimed part.

*United States v. Willoughby Camera Stores, Inc.*, 21 C.C.P.A. 322, 324 (1933); *see also Bauerhin Techs. Ltd. v. United States*, 110 F.3d 774, 778 (Fed. Cir. 1997) (explaining that an “integral, constituent, or component part, without which the article to which it is to be joined, could not function as such article is surely a part for classification purposes”).

The second test by which merchandise may qualify as a part of another article is used when the claimed part, at the time of importation, is “dedicated solely for use” in such article. *United States v. Pompeo*, 43 C.C.P.A. 9, 14 (1955). In such cases, the court must determine whether the claimed part, when applied to its intended use with that article, meets the definition of a “part” established in *Willoughby*.<sup>9</sup> *Id.* at 14; *see also Pomeroy Collection, Ltd. v. United States*, 35 CIT 761, 764, 783 F. Supp. 2d 1257,

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<sup>9</sup> *See also Bauerhin*, 110 F.3d at 779 (“[*Willoughby* and *Pompeo*] must be read together. . . . *Willoughby* . . . does not address the situation where an imported item is dedicated solely for use with an article. *Pompeo* addresses that scenario and states that such an item can also be classified as a part.”).

1260–61 (2011) (explaining the legal framework for determining whether merchandise may be classified as a part of an article).

## 2. Parties' Contentions

Plaintiff contends that the Netwraps meet the Federal Circuit's definition of parts and are thus properly classified as "parts" of harvesting machines. See Pl.'s Mem. at 11–17; Pl.'s Resp. & Reply at 3–9. First, Plaintiff argues that the Netwraps are dedicated to a single commercial use—baling hay. Pl.'s Mem. at 17; Pl.'s Resp. & Reply at 3. Plaintiff also argues that the Netwraps are integral to the function of a hay baler because, without the Netwraps, a hay baler could not make usable round bales, Pl.'s Mem. at 17. Furthermore, Plaintiff avers that if hay balers were "designed to make bales without the need for wrapping," it would be nonsensical that hay balers include equipment providing for the use of the Netwraps. Pl.'s Resp. & Reply at 5.

Defendant contends that the Netwraps are not integral to round baling machines because round baling machines can interchangeably use net wrap *or* twine to wrap the bales. Def.'s Cross-Mem. at 16–17. Defendant also contends that the Netwraps "cannot be an integral part of round baler machines because the mechanical function of [the balers] is to compress and roll the hay and/or silage together, and the [Netwraps] do not contribute to that function." *Id.* at 17. Instead, Defendant contends, the Netwraps "are a consumable input" akin to a spool of thread used in a sewing machine. *Id.* at 18. Defendant contends that the Netwraps are only in the round baling machines temporarily, and that the Netwraps have a primary function distinct from the round

balers—to bind crop bales *after* the bales have been removed from the round baling machine. *Id.* at 17, 21.

### 3. Analysis

Although the parties do not contest the issue, see Pl.’s SOF ¶ 10; Def.’s Resp. to Pl.’s SOF ¶ 10, the court must first determine whether the Netwraps are “dedicated solely for use” with the round baling machines, see *Pompeo*, 43 C.C.P.A. at 14. The record before the court indicates that the Netwraps are designed specifically for use in the balers. See *Kwiatkista Dep.* 77:4–11 (confirming that RKW does not market the Netwraps for any use other than wrapping round bales); *Schmeckpeper Aff.* ¶ 21, ECF No. 27-4 (“Net wrap has only one commercial use and that is to wrap hay or silage bales.”).

Next, the court must determine whether the Netwraps are an “integral, constituent, or component part, without which” round hay balers “could not function.” See *Pompeo*, 43 C.C.P.A. at 14; see also *Bauerhin*, 110 F.3d at 778. Prior court decisions have previously addressed whether merchandise used to bind bales of hay was considered “part” of a hay baler for the purposes of tariff classification, albeit pursuant to distinct versions of the tariff schedule.

In *Wilbur-Ellis Co. v. United States*, 26 C.C.P.A. 403 (1939), the Federal Circuit’s predecessor court, the United States Court of Customs and Patents Appeals, held that bale ties were not “part” of a hay baler, finding that “the function of a hay baler is to compress hay into the form of bales and to retain it in its compressed form until the bales have been securely tied . . . and that the only function of bale ties [was] to hold

the hay in its compressed form for storage and transportation purposes.”<sup>10</sup> *Id.* at 406. Thus, the bale ties were not “integral, constituent, or component parts of hay balers.” *Id.* Similarly, in *Geo. Wm. Rueff, Inc. v. United States* (“*GWR*”), 28 Cust. Ct. 84 (1952), *aff’d United States v. Geo. Wm. Rueff, Inc.*, 41 C.C.P.A. 95 (1953), the U.S. Customs Court, the USCIT’s predecessor, held that baler twine was not part of an agricultural implement because the function of the hay baler was to compress the bales, not to bind them. *Id.* at 89–90. The baler twine in question in *GWR* was inserted into the hay baler, mechanically wound lengthwise around the bale, and mechanically bound. *Id.* at 87. While both cases involved different products and earlier versions of the tariff classification system, the court finds the reasoning behind the decisions instructive.

The court finds that the Netwraps are not integral to the functioning of round hay balers. Plaintiff’s designated agent confirmed that the Netwraps have their own distinct function—to maintain the shape of the bale after it has been compressed and released from the baler. Kwiatkista Dep. 98:25– 99:3. Furthermore, the Netwraps are not integral to the function of the round hay balers because these machines generally are designed to use both twine and net wrap. See Def.’s SOF ¶ 24; Pl.’s Resp. to Def.’s SOF ¶ 24. Thus, even without the Netwraps, round hay balers could compress crops into bale form *and* secure the bales with alternative materials. The fact that a net wrap may be the preferred method of wrapping bales is of no consequence; they are simply one of the potential inputs that round balers can use to wrap round bales.

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<sup>10</sup> However, the *Wilbur-Ellis* court ultimately ruled that the bale ties were an agricultural implement themselves. *Wilbur-Ellis*, 26 C.C.P.A. at 409–10.

Plaintiff also seeks to rely on *Ludvig Svensson (U.S.) Inc. v. United States*, 25 CIT 573, 62 F. Supp. 2d 1171 (1999), to argue that the Netwraps are properly classified as “parts.” See Pl.’s Mem. at 14–17; Pl.’s Reply at 4. In *Ludvig Svensson*, the court determined that screens used in the construction of greenhouses were “parts” of a greenhouse because they “were in an advanced state of manufacture, and ha[d] no other commercial uses” and the screens were an integral part of the greenhouses. 25 CIT at 581, 62 F. Supp. 2d at 1178.

The facts of *Ludvig Svensson* are readily distinguished because the Netwraps are not integral to the function of hay balers. As the *Ludvig Svensson* court noted, without the screens, the greenhouse to which they were affixed would not function for what it was designed to do—better grow crops. See *id.* at 584, 62 F. Supp. 2d at 1181 (concluding that “screens are an integral part of shade and heat retention systems because” they “permit greenhouse operators to better regulate the environment of a greenhouse, to regulate the application of chemicals and pesticides as well as irrigation, and to permit plants . . . to benefit from favorable outside weather conditions”). Round hay balers, on the other hand, are able to compact hay into round bales without the use of the Netwraps. See Kwiatkista Dep. 98:19–24.

Furthermore, while the screens in *Ludvig Svensson* remained affixed to the greenhouse, the Netwraps are disposable and do not remain with the hay balers after they are wrapped around the bales of hay. See Kwiatkista Dep. 95:21–25, 96:14–25, 97:2–14. Plaintiff’s argument that the true function of a hay baler is “to produce commercially useable and saleable round hay bales,” Pl.’s Resp. & Reply at 3–8; see

also *Schmeckpeper Aff.* ¶¶ 22–23, does not alter the court’s analysis. Even accepting, *arguendo*, Plaintiff’s contention that the function of a round hay baler is to “produce commercially useable and saleable round hay bales” by both compacting and wrapping the bales, the Netwraps would still not be integral to this function. Plaintiff’s argument ignores the fact that, even without the Netwraps, round hay balers can produce commercially usable and saleable round bales by binding the compacted bales with twine.

Plaintiff further argues that even if round hay balers do not require Netwraps to make round bales, the Netwraps contribute to the performance of the function for which the hay baler was designed. Pl.’s Resp. & Reply at 8. In addition to *Ludvig Svensson*, Plaintiff relies on *Trans Atlantic Co. v. United States*, 48 C.C.P.A. 30 (1960), *Gallagher & Ascher Co. v. United States*, 52 C.C.P.A. 11 (1964), and *Pompeo*, 43 C.C.P.A. 14, all of which are distinguishable. Unlike the hydraulic door closers in *Trans Atlantic*, the heaters in *Gallagher*, the superchargers in *Pompeo*, or the screens in *Ludvig Svensson*, all of which were permanently affixed to the machines of which they were a part, the Netwraps do not remain affixed to round hay balers after the baling process. The Netwraps are inserted into a chamber in the baler, fed through the baler, and wrapped around the compressed crops, and then remain with the bale once it has been released from the baler—they do not remain affixed to the balers. See *Kwiatkista* Dep. 90:1–

91:14, 96:14–97:11. The Netwraps are thus a disposable input and not a part of round baling machines.<sup>11</sup>

The court also rejects Plaintiff’s argument that the Netwraps are similar to the toner cartridges for photocopiers in *Mita Copystar Am. v. United States*, or the printing cartridges used in MFC machines in *Brother Int’l Corp. v. United States*, both of which were determined to be “parts” of the respective machines in which they were used. In *Mita Copystar*, the court reasoned that “the cartridges are sold with toner inside; they remain with the toner throughout its use by the photocopier; they are the standard device for providing toner to the photocopier.” 160 F.3d at 712–13. Similarly, in *Brother*, the court reasoned that although the cartridges contained rolls of PET film, the cartridge was the standard device for providing the MFC machines with the PET film required to be able to print images on paper. 26 CIT at 872–73, 248 F. Supp. 2d at 1229–30.

The products in *Mita Copystar* and *Brother* were classified in accordance with the functionality of the containers—delivery systems for the toner and PET film, respectively—and not by the substances contained within. Here, however, the Netwraps are simply on rolls, placed inside a compartment located within the baler and

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<sup>11</sup> Although, as discussed below, the toner cartridges in *Mita Copystar Am. v. United States*, 160 F.3d 710 (Fed. Cir. 1998), and printing cartridges in *Brother Int’l Corp. v. United States*, 26 CIT 867, 248 F. Supp. 2d 1224 (2002), were also disposable, they stayed with the photocopiers and multifunction center (“MFC”) machines for the entirety of their usable life—the cartridges were only disposed of once they became useless. The Netwraps, on the other hand, perform their intended function—to hold the form of the bales—*after* the bales have left the baling machines.

held in place by claws or a metal bar which is otherwise attached to the machine. Def.'s SOF ¶ 14; Pl.'s Resp. to Def.'s SOF ¶ 14. Furthermore, while the toner and printing cartridges were necessary to the operation of the machines they were used in—without them the machines could not print—as discussed above, without the Netwraps, a hay baler can compress the crops and wrap the compressed bales with twine.

For these reasons, the court concludes that the Netwraps are not classifiable under HTSUS subheading 8433.90.50 as parts of harvesting machinery.

**C. Whether the Netwraps are Classifiable as “Parts” of Agricultural Machinery Under HTSUS Subheading 8436.99.00**

For the same reasons the court finds that the Netwraps are not classifiable as “parts” of harvesting machinery, the court also finds that Netwraps are not classifiable under HTSUS subheading 8436.99.00, as parts of other agricultural machinery. The Netwraps are not integral to the primary function of agricultural machinery, they do not remain affixed to such machinery, and they have their own distinct function separate from that of the machinery in which they are used.

**CONCLUSION**

For the foregoing reasons, the court holds that CBP properly classified the Netwraps under HTSUS subheading 6005.39.00. The court denies Plaintiff's motion for

summary judgment and grants Defendant's cross-motion for summary judgment.

Judgment will be entered accordingly.

/s/ Mark A. Barnett  
Mark A. Barnett, Chief Judge

Dated: October 4, 2022  
New York, New York