

Producers can only accumulate their suppliers' production costs if the supplier is willing to provide supporting documentation regarding their North American costs.

**Example**

An American yacht producer calculates RVC and finds that the yachts produced have only 53% RVC under the transaction value method, and 44% under the net cost method.

However, the yacht's engine, which is a \$25,000 non-originating material, was supplied by a producer in Canada. The engine producer gives the yacht producer a letter stating that, although the engine is not an originating material, \$8,000 of the engine's value was incurred in North America.

With this information, the yacht producer can accumulate the \$8,000 as part of the North American content of the yacht. With this additional \$8,000 North American content, the yachts might satisfy the minimum RVC requirement (the net cost method has to be used with accumulation).