

110TH CONGRESS
2^D SESSION

H. R. 6560

AN ACT

To establish an earned import allowance program under
Public Law 109–53, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EARNED IMPORT ALLOWANCE PROGRAM.**

2 (a) IN GENERAL.—Title IV of the Dominican Republic-Central America-United States Free Trade Agreement
3 Implementation Act (Public Law 109–53; 119 Stat. 495)
4 is amended by adding at the end the following:
5

6 **“SEC. 404. EARNED IMPORT ALLOWANCE PROGRAM.**

7 “(a) PREFERENTIAL TREATMENT.—

8 “(1) IN GENERAL.—Eligible apparel articles
9 wholly assembled in an eligible country and imported
10 directly from an eligible country shall enter the
11 United States free of duty, without regard to the
12 source of the fabric or yarns from which the articles
13 are made, if such apparel articles are accompanied
14 by an earned import allowance certificate that re-
15 flects the amount of credits equal to the total square
16 meter equivalents of fabric in such apparel articles,
17 in accordance with the program established under
18 subsection (b).

19 “(2) DETERMINATION OF QUANTITY OF SME.—
20 For purposes of determining the quantity of square
21 meter equivalents under paragraph (1), the conver-
22 sion factors listed in ‘Correlation: U.S. Textile and
23 Apparel Industry Category System with the Har-
24 monized Tariff Schedule of the United States of
25 America, 2008’, or its successor publications, of the
26 United States Department of Commerce, shall apply.

1 “(b) EARNED IMPORT ALLOWANCE PROGRAM.—

2 “(1) ESTABLISHMENT.—The Secretary of Com-
3 merce shall establish a program to provide earned
4 import allowance certificates to any producer or enti-
5 ty controlling production of eligible apparel articles
6 in an eligible country for purposes of subsection (a),
7 based on the elements described in paragraph (2).

8 “(2) ELEMENTS.—The elements referred to in
9 paragraph (1) are the following:

10 “(A) One credit shall be issued to a pro-
11 ducer or an entity controlling production for
12 every two square meter equivalents of qualifying
13 fabric that the producer or entity controlling
14 production can demonstrate that it has pur-
15 chased for the manufacture in an eligible coun-
16 try of articles like or similar to any article eligi-
17 ble for preferential treatment under subsection
18 (a). The Secretary of Commerce shall, if re-
19 quested by a producer or entity controlling pro-
20 duction, create and maintain an account for
21 such producer or entity controlling production,
22 into which such credits may be deposited.

23 “(B) Such producer or entity controlling
24 production may redeem credits issued under
25 subparagraph (A) for earned import allowance

1 certificates reflecting such number of earned
2 credits as the producer or entity may request
3 and has available.

4 “(C) Any textile mill or other entity lo-
5 cated in the United States that exports quali-
6 fying fabric to an eligible country may submit,
7 upon such export or upon request, the Shipper’s
8 Export Declaration, or successor documenta-
9 tion, to the Secretary of Commerce—

10 “(i) verifying that the qualifying fab-
11 ric was exported to a producer or entity
12 controlling production in an eligible coun-
13 try; and

14 “(ii) identifying such producer or enti-
15 ty controlling production, and the quantity
16 and description of qualifying fabric ex-
17 ported to such producer or entity control-
18 ling production.

19 “(D) The Secretary of Commerce may re-
20 quire that a producer or entity controlling pro-
21 duction submit documentation to verify pur-
22 chases of qualifying fabric.

23 “(E) The Secretary of Commerce may
24 make available to each person or entity identi-
25 fied in the documentation submitted under sub-

1 paragraph (C) or (D) information contained in
2 such documentation that relates to the purchase
3 of qualifying fabric involving such person or en-
4 tity.

5 “(F) The program shall be established so
6 as to allow, to the extent feasible, the submis-
7 sion, storage, retrieval, and disclosure of infor-
8 mation in electronic format, including informa-
9 tion with respect to the earned import allow-
10 ance certificates required under subsection
11 (a)(1).

12 “(G) The Secretary of Commerce may rec-
13 oncile discrepancies in the information provided
14 under subparagraph (C) or (D) and verify the
15 accuracy of such information.

16 “(H) The Secretary of Commerce shall es-
17 tablish procedures to carry out the program
18 under this section by September 30, 2008, and
19 may establish additional requirements to carry
20 out the program.

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) the term ‘appropriate congressional com-
23 mittees’ means the Committee on Ways and Means
24 of the House of Representatives and the Committee
25 on Finance of the Senate;

1 “(2) the term ‘eligible apparel articles’ means
2 the following articles classified in chapter 62 of the
3 HTS (and meeting the requirements of the rules re-
4 lating to chapter 62 of the HTS contained in gen-
5 eral note 29(n) of the HTS) of cotton (but not of
6 denim): trousers, bib and brace overalls, breeches
7 and shorts, skirts and divided skirts, and pants;

8 “(3) the term ‘eligible country’ means the Do-
9 minican Republic; and

10 “(4) the term ‘qualifying fabric’ means woven
11 fabric of cotton wholly formed in the United States
12 from yarns wholly formed in the United States and
13 certified by the producer or entity controlling pro-
14 duction as being suitable for use in the manufacture
15 of apparel items such as trousers, bib and brace
16 overalls, breeches and shorts, skirts and divided
17 skirts or pants, all the foregoing of cotton, except
18 that—

19 “(A) fabric otherwise eligible as qualifying
20 fabric shall not be ineligible as qualifying fabric
21 because the fabric contains nylon filament yarn
22 with respect to which section
23 213(b)(2)(A)(vii)(IV) of the Caribbean Basin
24 Economic Recovery Act applies;

1 “(B) fabric that would otherwise be ineli-
2 gible as qualifying fabric because the fabric
3 contains yarns not wholly formed in the United
4 States shall not be ineligible as qualifying fabric
5 if the total weight of all such yarns is not more
6 than 10 percent of the total weight of the fab-
7 ric, except that any elastomeric yarn contained
8 in an eligible apparel article must be wholly
9 formed in the United States; and

10 “(C) fabric otherwise eligible as qualifying
11 fabric shall not be ineligible as qualifying fabric
12 because the fabric contains yarns or fibers that
13 have been designated as not commercially avail-
14 able pursuant to—

15 “(i) article 3.25(4) or Annex 3.25 of
16 the Agreement;

17 “(ii) Annex 401 of the North Amer-
18 ican Free Trade Agreement;

19 “(iii) section 112(b)(5) of the African
20 Growth and Opportunity Act;

21 “(iv) section 204(b)(3)(B)(i)(III) or
22 (ii) of the Andean Trade Preference Act;

23 “(v) section 213(b)(2)(A)(v) or
24 213A(b)(5)(A) of the Caribbean Basin
25 Economic Recovery Act; or

1 “(vi) any other provision, relating to
2 determining whether a textile or apparel
3 article is an originating good eligible for
4 preferential treatment, of a law that imple-
5 ments a free trade agreement entered into
6 by the United States that is in effect at
7 the time the claim for preferential treat-
8 ment is made.

9 “(d) REVIEW AND REPORT.—

10 “(1) REVIEW.—The United States Inter-
11 national Trade Commission shall carry out a review
12 of the program under this section annually for the
13 purpose of evaluating the effectiveness of, and mak-
14 ing recommendations for improvements in, the pro-
15 gram.

16 “(2) REPORT.—The United States Inter-
17 national Trade Commission shall submit to the ap-
18 propriate congressional committees annually a report
19 on the results of the review carried out under para-
20 graph (1).

21 “(e) EFFECTIVE DATE AND APPLICABILITY.—

22 “(1) EFFECTIVE DATE.—The program under
23 this section shall be in effect for the 10-year period
24 beginning on the date on which the President cer-
25 tifies to the appropriate congressional committees

1 that sections A, B, C, and D of the Annex to Presi-
2 dential Proclamation 8213 (December 20, 2007)
3 have taken effect.

4 “(2) APPLICABILITY.—The program under this
5 section shall apply with respect to qualifying fabric
6 exported to an eligible country on or after August 1,
7 2007.”.

8 (b) CLERICAL AMENDMENT.—The table of contents
9 for the Dominican Republic-Central America-United
10 States Free Trade Agreement Implementation Act is
11 amended by inserting after the item relating to section
12 403 the following:

“Sec. 404. Earned import allowance program.”.

13 **SEC. 2. AFRICAN GROWTH AND OPPORTUNITY ACT.**

14 (a) IN GENERAL.—Section 112 of the African
15 Growth and Opportunity Act (19 U.S.C. 3721) is amend-
16 ed—

17 (1) in subsection (b)(6)(A), by striking “ethic”
18 in the second sentence and inserting “ethnic”; and

19 (2) in subsection (c)—

20 (A) in paragraph (1), by striking “, and
21 subject to paragraph (2),”;

22 (B) by striking paragraphs (2) and (3);

23 (C) in paragraph (4)—

24 (i) by striking “Subsection (b)(3)(C)”
25 and inserting “Subsection (b)(3)(B)”; and

1 (ii) by redesignating such paragraph
2 (4) as paragraph (2); and
3 (D) by striking paragraph (5) and insert-
4 ing the following:

5 “(3) DEFINITION.—In this subsection, the term
6 ‘lesser developed beneficiary sub-Saharan African
7 country’ means—

8 “(A) a beneficiary sub-Saharan African
9 country that had a per capita gross national
10 product of less than \$1,500 in 1998, as meas-
11 ured by the International Bank for Reconstruc-
12 tion and Development;

13 “(B) Botswana;

14 “(C) Namibia; and

15 “(D) Mauritius.”.

16 (b) APPLICABILITY.—The amendments made by sub-
17 section (a) apply to goods entered, or withdrawn from
18 warehouse for consumption, on or after the 15th day after
19 the date of the enactment of this Act.

20 (c) REVIEW AND REPORTS.—

21 (1) ITC REVIEW AND REPORT.—

22 (A) REVIEW.—The United States Inter-
23 national Trade Commission shall conduct a re-
24 view to identify yarns, fabrics, and other textile
25 and apparel inputs that through new or in-

1 creased investment or other measures can be
2 produced competitively in beneficiary sub-Saha-
3 ran African countries.

4 (B) REPORT.—Not later than 7 months
5 after the date of the enactment of this Act, the
6 United States International Trade Commission
7 shall submit to the appropriate congressional
8 committees and the Comptroller General a re-
9 port on the results of the review carried out
10 under subparagraph (A).

11 (2) GAO REPORT.—Not later than 90 days
12 after the submission of the report under paragraph
13 (1)(B), the Comptroller General shall submit to the
14 appropriate congressional committees a report that,
15 based on the results of the report submitted under
16 paragraph (1)(B) and other available information,
17 contains recommendations for changes to United
18 States trade preference programs, including the Af-
19 rican Growth and Opportunity Act (19 U.S.C. 3701
20 et seq.) and the amendments made by that Act, to
21 provide incentives to increase investment and other
22 measures necessary to improve the competitiveness
23 of beneficiary sub-Saharan African countries in the
24 production of yarns, fabrics, and other textile and
25 apparel inputs identified in the report submitted

1 under paragraph (1)(B), including changes to re-
2 quirements relating to rules of origin under such
3 programs.

4 (3) DEFINITIONS.—In this subsection—

5 (A) the term “appropriate congressional
6 committees” means the Committee on Ways
7 and Means of the House of Representatives and
8 the Committee on Finance of the Senate; and

9 (B) the term “beneficiary sub-Saharan Af-
10 rican countries” has the meaning given the
11 term in section 506A(c) of the Trade Act of
12 1974 (19 U.S.C. 2466a(c)).

13 (d) CLERICAL AMENDMENT.—Section 6002(a)(2)(B)
14 of Public Law 109–432 is amended by striking “(B) by
15 striking” and inserting “(B) in paragraph (3), by strik-
16 ing”.

17 **SEC. 3. GENERALIZED SYSTEM OF PREFERENCES.**

18 Section 505 of the Trade Act of 1974 (19 U.S.C.
19 2465) is amended by striking “December 31, 2008” and
20 inserting “December 31, 2009”.

21 **SEC. 4. CUSTOMS USER FEES.**

22 (a) IN GENERAL.—Section 13031(j)(3) of the Con-
23 solidated Omnibus Budget Reconciliation Act of 1985 (19
24 U.S.C. 58c(j)(3)) is amended—

- 1 (2) in subsection (d), by striking “231A(b)”
- 2 and inserting “213A(b)”.

Passed the House of Representatives July 29, 2008.

Attest:

Clerk.

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