EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104–188 applicable to articles entered on or after Oct. 1, 1996, with provisions relating to retroactive application, see section 1953 of Pub. L. 104–188, set out as an Effective Date note under section 2461 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–465 effective on the date on which the WTO Agreement enters into force with respect to the United States (Jan. 1, 1995), see section 621(b) of Pub. L. 103–465, set out as a note under section 1677k of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by section 1214(q)(1) of Pub. L. 100–418 effective Jan. 1, 1989, and applicable with respect to articles entered on or after such date, see section 1217(b)(1) of Pub. L. 100–418, set out as an Effective Date note under section 3001 of this title.

CARIBBEAN BASIN INITIATIVE

Pub. L. 100–418, title I, §1909(a), (b), Aug. 23, 1988, 102 Stat. 1317, 1318, provided that:

''(a) FINDINGS.—The Congress finds that—

''(1) Caribbean and Central American countries historically have had close economic, political, and cultural ties to the United States;

''(2) promoting economic and political stability in the Caribbean and Central America is in the national security interests of the United States;

''(3) the economic and political stability of the nations of the Caribbean and Central America can be strengthened significantly by the attraction of foreign and domestic investment specifically devoted to employment generation; and

''(4) the diversification of the economies and expansion of exports, particularly those of a non-traditional nature, of the nations of the Caribbean and Central America is linked directly to fair access to the markets of the United States.

''(b) INTENT OF THE CONGRESS.—The Congress hereby expresses its intention to ensure that—

''(1) the trade elements of the Caribbean Basin Initiative be strengthened in a manner consistent with the promotion of economic and political stability in the Caribbean and Central America;

''(2) to the extent that Congress imposes changes that are intended to improve the competitive environment for United States industry and workers, such changes do not unduly affect the unilateral duty-free trade system available to the beneficiary countries designated under the Caribbean Basin Economic Recovery Act [19 U.S.C. 2701 et seq.]; and

''(3) generic changes in the trade laws of the United States do not discriminate against imports from designated beneficiary countries in relation to imports from other United States trading partners.''

Executive Documents

DELEGATION OF FUNCTIONS

Functions of President under subsec. (e)(2)(A) of this section, related to publishing notice of proposed actions, delegated to United States Trade Representative, see Proc. No. 7616, Oct. 31, 2002, 67 F.R. 67283, set out as a note under section 3203 of this title.

§ 2703. Eligible articles

(a) Growth, product, or manufacture of beneficiary countries

(1) Unless otherwise excluded from eligibility by this chapter, and subject to section 423 of the Tax Reform Act of 1986, and except as provided in subsection (b)(2) and (3), the duty-free treatment provided under this chapter shall apply to any article which is the growth, product, or manufacture of a beneficiary country if—

(A) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(B) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered.

For purposes of determining the percentage referred to in subparagraph (B), the term ''beneficiary country'' includes the Commonwealth of Puerto Rico, the United States Virgin Islands, and any former beneficiary country. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 per centum of the appraised value of the 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 subparagraph (B).

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this chapter, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(A) simple combining or packaging operations, or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(3) As used in this subsection, the phrase ''direct costs of processing operations'' includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

(4) Notwithstanding section 1311 of this title, the products of a beneficiary country which are

imported directly from any beneficiary country into Puerto Rico may be entered under bond for processing or use in manufacturing in Puerto Rico. No duty shall be imposed on the withdrawal from warehouse of the product of such processing or manufacturing if, at the time of such withdrawal, such product meets the requirements of paragraph (1)(B).

(5) The duty-free treatment provided under this chapter shall apply to an article (other than an article listed in subsection (b)) which is the growth, product, or manufacture of the Commonwealth of Puerto Rico if—

(A) the article is imported directly from the beneficiary country into the customs territory of the United States,

(B) the article was by any means advanced in value or improved in condition in a beneficiary country, and

(C) if any materials are added to the article in a beneficiary country, such materials are a product of a beneficiary country or the United States.

(6) Notwithstanding paragraph (1), the duty-free treatment provided under this chapter shall apply to liqueurs and spirituous beverages produced in the territory of Canada from rum if—

(A) such rum is the growth, product, or manufacture of a beneficiary country or of the Virgin Islands of the United States;

(B) such rum is imported directly from a beneficiary country or the Virgin Islands of the United States into the territory of Canada, and such liqueurs and spirituous beverages are imported directly from the territory of Canada into the customs territory of the United States;

(C) when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.90 or 2208.40 of the HTS; and

(D) such rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.

(b) Import-sensitive articles

(1) In general

Subject to paragraphs (2) through (5), the duty-free treatment provided under this chapter does not apply to—

(A) textile and apparel articles which were not eligible articles for purposes of this chapter on January 1, 1994, as this chapter was in effect on that date;

(B) footwear provided for in any of subheadings 6401.10.00, 6401.91.00, 6401.92.90, 6401.99.30, 6401.99.60, 6401.99.90, 6402.30.50, 6402.30.70, 6402.30.80, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.20, 6402.99.80, 6402.99.90, 6403.59.60, 6403.91.30, 6403.99.60, 6403.99.90, 6404.11.90, and 6404.19.20 of the HTS that was not designated at the time of the effective date of this chapter [Aug. 5, 1983] as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974 [19 U.S.C. 2461 et seq.];

(C) tuna, prepared or preserved in any manner, in airtight containers;

(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

(F) articles to which reduced rates of duty apply under subsection (h).

(2) Transition period treatment of certain textile and apparel articles

(A) Articles covered

During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles:

(i) Apparel articles assembled in one or more CBTPA beneficiary countries

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut, or from components knit-to-shape, in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are—

(I) entered under subheading 9802.00.80 of the HTS; or

(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes.

Apparel articles entered on or after September 1, 2002, shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles entered on or after September 1, 2002, shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.

(ii) Other apparel articles assembled in one or more CBTPA beneficiary countries

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from fabrics wholly formed in the United States and cut in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or from components knit-to-shape in the United States from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics

are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States). Apparel articles entered on or after September 1, 2002, shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles entered on or after September 1, 2002, shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.

(iii) Certain knit apparel articles

(I) Apparel articles knit to shape (other than socks provided for in heading 6115 of the HTS) in a CBTPA beneficiary country from yarns wholly formed in the United States, and knit apparel articles (other than t-shirts described in subclause (III)) cut and wholly assembled in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries or the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in one or more CBTPA beneficiary countries), in an amount not exceeding the amount set forth in subclause (II).

(II) The amount referred to in subclause (I) is as follows:

(aa) 500,000,000 square meter equivalents during the 1-year period beginning on October 1, 2002.

(bb) 850,000,000 square meter equivalents during the 1-year period beginning on October 1, 2003.

(cc) 970,000,000 square meter equivalents in each succeeding 1-year period through September 30, 2030.

(III) T-shirts, other than underwear, classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTS, made in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (IV).

(IV) The amount referred to in subclause (III) is as follows:

(aa) 4,872,000 dozen during the 1-year period beginning on October 1, 2001.

(bb) 9,000,000 dozen during the 1-year period beginning on October 1, 2002.

(cc) 10,000,000 dozen during the 1-year period beginning on October 1, 2003.

(dd) 12,000,000 dozen in each succeeding 1-year period through September 30, 2030.

(V) It is the sense of the Congress that the Congress should determine, based on the record of expansion of exports from the United States as a result of the preferential treatment of articles under this clause, the percentage by which the amount provided in subclauses (II) and (IV) should be compounded for the 1-year periods occurring after the 1-year period ending on September 30, 2004.

(iv) Certain other apparel articles

(I) General rule

Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, except for articles entered under clause (i), (ii), (iii), (v), or (vi), if the article is both cut and sewn or otherwise assembled in the United States, or one or more CBTPA beneficiary countries, or both.

(II) Limitation

During the 1-year period beginning on October 1, 2001, and during each of the 28 succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabrics (exclusive of all findings and trimmings) formed in the United States that are used in the production of all such articles of that producer or entity that are entered and eligible under this clause during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric (exclusive of all findings and trimmings) contained in all such articles of that producer or entity that are entered and eligible under this clause during the preceding 1-year period.

(III) Development of procedure to ensure compliance

The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabrics (exclusive of all findings and trimmings) formed in the United States that are used in the production of such articles of that producer or entity entered during the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric (exclusive of all findings and trimmings) contained in all such articles of that producer or entity that are entered and eligible under this clause during the preceding 1-year period.

(v) Apparel articles assembled from fabrics or yarn not widely available in commercial quantities

(I) Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary

countries, to the extent that apparel articles of such fabrics or yarn would be eligible for preferential treatment, without regard to the source of the fabrics or yarn, under Annex 4–B of the USMCA.

(II) At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under subclause (I) if—

(aa) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

(bb) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

(cc) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under division (bb);

(dd) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of division (cc), has expired; and

(ee) the President has consulted with such committees regarding the proposed action during the period referred to in division (cc).

(III) If the President determines that any fabric or yarn was determined to be eligible for preferential treatment under subclause (I) on the basis of fraud, the President is authorized to remove that designation from that fabric or yarn with respect to articles entered after such removal.

(vi) Handloomed, handmade, and folklore articles

A handloomed, handmade, or folklore article of a CBTPA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

(vii) Special rules

(I) Exception for findings and trimmings

(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, ''bow buds'', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

(bb) In the case of an article described in clause (ii) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

(II) Certain interlining

(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, ''hymo'' piece, or ''sleeve header'', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

(III) De minimis rule

An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains fibers or yarns not wholly formed in the United States or in one or more CBTPA beneficiary countries shall not be ineligible for such treatment if the total weight of all such fibers or yarns is not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

(IV) Special origin rule

An article otherwise eligible for preferential treatment under clause (i), (ii), or (ix) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from—

(aa) a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995; or

(bb) a USMCA country (as defined in section 4502 of this title).

(V) Thread

An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the thread used to assemble the article is dyed, printed, or finished in one or more CBTPA beneficiary countries.

(viii) Textile luggage

Textile luggage—

(I) assembled in a CBTPA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

(II) assembled from fabric cut in a CBTPA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

(ix) Apparel articles assembled in one or more CBTPA beneficiary countries from United States and CBTPA beneficiary country components

Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States from components cut in the United States and in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States, or from components knit-to-shape in the United States and one or more CBTPA beneficiary countries from yarns wholly formed in the United States, or both (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS). Apparel articles shall qualify under this clause only if they meet the requirements of clause (i) or (ii) (as the case may be) with respect to dyeing, printing, and finishing of knit and woven fabrics from which the articles are assembled.

(B) Preferential treatment

Except as provided in subparagraph (E), during the transition period, the articles to which this subparagraph applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

(C) Handloomed, handmade, and folklore articles

For purposes of subparagraph (A)(vi), the President shall consult with representatives of the CBTPA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in article 6.2 of the USMCA.

(D) Penalties for transshipments

(i) Penalties for exporters

If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from a CBTPA beneficiary country, then the President shall deny all benefits under this chapter to such exporter, and any successor of such exporter, for a period of 2 years.

(ii) Penalties for countries

Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTPA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

(iii) Transshipment described

Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

(E) Bilateral emergency actions

(i) In general

The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTPA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

(ii) Rules relating to bilateral emergency action

For purposes of applying bilateral emergency action under this subparagraph—

(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

(II) the term ''transition period'' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the CBTPA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

(3) Transition period treatment of certain other articles originating in beneficiary countries

(A) Equivalent tariff treatment

(i) In general

Subject to clauses (ii) and (iii), the tariff treatment accorded at any time during the

transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that is a CBTPA originating good shall be identical to the tariff treatment that is accorded at such time under Annex 2–B of the USMCA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

(ii) Exception

Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

(iii) Certain footwear

Notwithstanding paragraph (1)(B) and clause (i) of this subparagraph, footwear provided for in any of subheadings 6403.59.60, 6403.91.30, 6403.99.60, and 6403.99.90 of the HTS shall be eligible for the duty-free treatment provided for under this chapter if—

(I) the article of footwear is the growth, product, or manufacture of a CBTPA beneficiary country; and

(II) the article otherwise meets the requirements of subsection (a), except that in applying such subsection, ''CBTPA beneficiary country'' shall be substituted for ''beneficiary country'' each place it appears.

(B) Relationship to subsection (h) duty reductions

If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

(4) Customs procedures

(A) In general

(i) Regulations

Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of article 5.4.1 of the USMCA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

(ii) Determination

(I) In general

In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

(aa) has implemented and follows; or

(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the USMCA.

(II) Country described

A country is described in this subclause if it is a CBTPA beneficiary country—

(aa) from which the article is exported; or

(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

(B) Certificate of origin

The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under article 5.5 of the USMCA (as implemented pursuant to United States law), if the article were imported from Mexico.

(C) Report by USTR on cooperation of other countries concerning circumvention

The United States Commissioner of Customs shall conduct a study analyzing the extent to which each CBTPA beneficiary country—

(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable, transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to Congress, not later than October 1, 2001, a report on the study conducted under this subparagraph.

(5) Definitions and special rules

For purposes of this subsection—

(A) Annex

The term ''the Annex'' means Annex 300–B of the North American Free Trade Agreement entered into between the United

States, Mexico, and Canada on December 17, 1992.

(B) CBTPA beneficiary country

The term ''CBTPA beneficiary country'' means any ''beneficiary country'', as defined in section 2702(a)(1)(A) of this title, which the President designates as a CBTPA beneficiary country, taking into account the criteria contained in subsections (b) and (c) of section 2702 of this title and other appropriate criteria, including the following:

(i) Whether the beneficiary country has demonstrated a commitment to—

(I) undertake its obligations under the WTO, including those agreements listed in section 3511(d) of this title, on or ahead of schedule; and

(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 3511(d)(15) of this title.

(iii) The extent to which the country provides internationally recognized worker rights, including—

(I) the right of association;

(II) the right to organize and bargain collectively;

(III) a prohibition on the use of any form of forced or compulsory labor;

(IV) a minimum age for the employment of children; and

(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974 [19 U.S.C. 2467(6)].

(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 2291j of title 22 for eligibility for United States assistance.

(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

(vii) The extent to which the country—

(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 3511(d)(17) of this title; and

(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

(C) CBTPA originating good

(i) In general

The term ''CBTPA originating good'' means a good that meets the rules of origin for a good set forth in chapter 4 of the USMCA as implemented pursuant to United States law.

(ii) Application of chapter 4

In applying chapter 4 of the USMCA with respect to a CBTPA beneficiary country for purposes of this subsection—

(I) no country other than the United States and a CBTPA beneficiary country may be treated as being a party to the USMCA;

(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTPA beneficiary country;

(III) any reference to a party shall be deemed to refer to a CBTPA beneficiary country or the United States; and

(IV) any reference to parties shall be deemed to refer to any combination of CBTPA beneficiary countries or to the United States and one or more CBTPA beneficiary countries (or any combination thereof).

(D) Transition period

The term ''transition period'' means, with respect to a CBTPA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

(i) September 30, 2030; or

(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5))[1] enters into force with respect to the United States and the CBTPA beneficiary country.

(E) CBTPA

The term ''CBTPA'' means the United States-Caribbean Basin Trade Partnership Act.

(F) FTAA

The term ''FTAA'' means the Free Trade Area of the Americas.

(G) Former CBTPA beneficiary country

The term ''former CBTPA beneficiary country'' means a country that ceases to be designated as a CBTPA beneficiary country under this chapter because the country has become a party to a free trade agreement with the United States.

(H) Articles that undergo production in a CBTPA beneficiary country and a former CBTPA beneficiary country

(i) For purposes of determining the eligibility of an article for preferential treatment under paragraph (2) or (3), references in either such paragraph, and in subparagraph (C) of this paragraph to—

(I) a ''CBTPA beneficiary country'' shall be considered to include any former CBTPA beneficiary country, and

(II) ''CBTPA beneficiary countries'' shall be considered to include former CBTPA beneficiary countries,

[1] See References in Text note below.

if the article, or a good used in the production of the article, undergoes production in a CBTPA beneficiary country.

(ii) An article that is eligible for preferential treatment under clause (i) shall not be ineligible for such treatment because the article is imported directly from a former CBTPA beneficiary country.

(iii) Notwithstanding clauses (i) and (ii), an article that is a good of a former CBTPA beneficiary country for purposes of section 1304 of this title or section 3592 of this title, as the case may be, shall not be eligible for preferential treatment under paragraph (2) or (3), unless—

(I) it is an article that is a good of the Dominican Republic under either such section 1304 or 3592 of this title; and

(II) the article, or a good used in the production of the article, undergoes production in Haiti.

(c) Sugar and beef products; stable food production plan; suspension of duty-free treatment; monitoring

(1) As used in this subsection—

(A) The term ''sugar and beef products'' means—

(i) sugars, sirups, and molasses provided for in subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the Harmonized Tariff Schedule of the United States, and

(ii) articles of beef or veal, however provided for in chapters 2 and 16 of the Harmonized Tariff Schedule of the United States.

(B) The term ''Plan'' means a stable food production plan that consists of measures and proposals designed to ensure that the present level of food production in, and the nutritional level of the population of, a beneficiary country will not be adversely affected by changes in land use and land ownership that will result if increased production of sugar and beef products is undertaken in response to the duty-free treatment extended under this chapter to such products. A Plan must specify such facts regarding, and such proposed actions by, a beneficiary country as the President deems necessary for purposes of carrying out this subsection, including but not limited to—

(i) the current levels of food production and nutritional health of the population;

(ii) current level of production and export of sugar and beef products;

(iii) expected increases in production and export of sugar and beef products as a result of the duty-free access to the United States market provided under this chapter;

(iv) measures to be taken to ensure that the expanded production of those products because of such duty-free access will not occur at the expense of stable food production; and

(v) proposals for a system to monitor the impact of such duty-free access on stable food production and land use and land ownership patterns.

(2) Duty-free treatment extended under this chapter to sugar and beef products that are the product of a beneficiary country shall be suspended by the President under this subsection if—

(A) the beneficiary country, within the ninety-day period beginning on the date of its designation as such a country under section 2702 of this title, does not submit a Plan to the President for evaluation;

(B) on the basis of his evaluation, the President determines that the Plan of a beneficiary country does not meet the criteria set forth in paragraph (1)(B); or

(C) as a result of the monitoring of the operation of the Plan under paragraph (5), the President determines that a beneficiary country is not making a good faith effort to implement its Plan, or that the measures and proposals in the Plan, although being implemented, are not achieving their purposes.

(3) Before the President suspends duty-free treatment by reason of paragraph (2)(A), (B), or (C) to the sugar and beef products of a beneficiary country, he must offer to enter into consultation with the beneficiary country for purposes of formulating appropriate remedial action which may be taken by that country to avoid such suspension. If the beneficiary country thereafter enters into consultation within a reasonable time and undertakes to formulate remedial action in good faith, the President shall withhold the suspension of duty-free treatment on the condition that the remedial action agreed upon be appropriately implemented by that country.

(4) The President shall monitor on a biennial basis the operation of the Plans implemented by beneficiary countries, and shall submit a written report to Congress by March 15 following the close of each biennium, that—

(A) specifies the extent to which each Plan, and remedial actions, if any, agreed upon under paragraph (4), have been implemented; and

(B) evaluates the results of such implementation.

(5) The President shall terminate any suspension of duty-free treatment imposed under this subsection if he determines that the beneficiary country has taken appropriate action to remedy the factors on which the suspension was based.

(d) Tariff-rate quotas

No quantity of an agricultural product subject to a tariff-rate quota that exceeds the in-quota quantity shall be eligible for duty-free treatment under this chapter.

(e) Proclamations suspending duty-free treatment

(1) The President may by proclamation suspend the duty-free treatment provided by this chapter with respect to any eligible article and may proclaim a duty rate for such article if such action is provided under chapter 1 of title II of the Trade Act of 1974 [19 U.S.C. 2251 et seq.] or section 1862 of this title.

(2) In any report by the International Trade Commission to the President under section 202(f) of the Trade Act of 1974 [19 U.S.C. 2252(f)] regarding any article for which duty-free treatment has been proclaimed by the President pursuant

to this chapter, the Commission shall state whether and to what extent its findings and recommendations apply to such article when imported from beneficiary countries.

(3) For purposes of subsections[2] section 203 of the Trade Act of 1974 [19 U.S.C. 2253(a), (c)], the suspension of the duty-free treatment provided by this chapter shall be treated as an increase in duty.

(4) No proclamation which provides solely for a suspension referred to in paragraph (3) of this subsection with respect to any article shall be taken under section 203 of the Trade Act of 1974 [19 U.S.C. 2253] unless the United States International Trade Commission, in addition to making an affirmative determination with respect to such article under section 202(b) of the Trade Act of 1974 [19 U.S.C. 2252(b)], determines in the course of its investigation under such section that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the duty-free treatment provided by this chapter.

(5)(A) Any action taken under section 203 of the Trade Act of 1974 [19 U.S.C. 2253] that is in effect when duty-free treatment pursuant to section 2701[1] of this title is proclaimed shall remain in effect until modified or terminated.

(B) If any article is subject to any such action at the time duty-free treatment is proclaimed pursuant to section 2701[1] of this title, the President may reduce or terminate the application of such action to the importation of such article from beneficiary countries prior to the otherwise scheduled date on which such reduction or termination would occur pursuant to the criteria and procedures of section 203 of the Trade Act of 1974 [19 U.S.C. 2253].

(f) Petitions to International Trade Commission

(1) If a petition is filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974 [19 U.S.C. 2251] regarding a perishable product and alleging injury from imports from beneficiary countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted pursuant to paragraph (3) of this subsection with respect to such article.

(2) Within fourteen days after the filing of a petition under paragraph (1) of this subsection—

(A) if the Secretary of Agriculture has reason to believe that a perishable product from a beneficiary country is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, he shall advise the President and recommend that the President take emergency action; or

(B) the Secretary of Agriculture shall publish a notice of his determination not to recommend the imposition of emergency action and so advise the petitioner.

(3) Within seven days after the President receives a recommendation from the Secretary of Agriculture to take emergency action pursuant to paragraph (2) of this subsection, he shall issue a proclamation withdrawing the duty-free treatment provided by this chapter or publish a notice of his determination not to take emergency action.

(4) The emergency action provided by paragraph (3) of this subsection shall cease to apply—

(A) upon the taking of action under section 203 of the Trade Act of 1974 [19 U.S.C. 2253],

(B) on the day a determination by the President not to take action[2] under section 203 of such Act [19 U.S.C. 2253] not to take action[2] becomes final,

(C) in the event of a report of the United States International Trade Commission containing a negative finding, on the day the Commission's report is submitted to the President, or

(D) whenever the President determines that because of changed circumstances such relief is no longer warranted.

(5) For purposes of this subsection, the term ''perishable product'' means—

(A) live plants and fresh cut flowers provided for in chapter 6 of the HTS;

(B) fresh or chilled vegetables provided for in headings 0701 through 0709 (except subheading 0709.52.00) and heading 0714 of the HTS;

(C) fresh fruit provided for in subheadings 0804.20 through 0810.90 (except citrons of subheading 0805.90.00, tamarinds and kiwi fruit of subheading 0810.90.20, and cashew apples, mameyes colorados, sapodillas, soursops and sweetsops of subheading 0810.90.40) of the HTS; and

(D) concentrated citrus fruit juice provided for in subheadings 2009.11.00, 2009.19.40, 2009.20.40, 2009.30.20, and 2009.30.60 of the HTS.

(g) Fees not affected by proclamation

No proclamation issued pursuant to this chapter shall affect fees imposed pursuant to section 624 of title 7.

(h) Duty reduction for certain leather-related products

(1) Subject to paragraph (2), the President shall proclaim reductions in the rates of duty on handbags, luggage, flat goods, work gloves, and leather wearing apparel that—

(A) are the product of any beneficiary country; and

(B) were not designated on August 5, 1983, as eligible articles for purposes of the generalized system of preferences under title V of the Trade Act of 1974 [19 U.S.C. 2461 et seq.].

(2) The reduction required under paragraph (1) in the rate of duty on any article shall—

(A) result in a rate that is equal to 80 percent of the rate of duty that applies to the article on December 31, 1991, except that, subject to the limitations in paragraph (3), the reduction may not exceed 2.5 percent ad valorem; and

(B) be implemented in 5 equal annual stages with the first one-fifth of the aggregate reduction in the rate of duty being applied to entries, or withdrawals from warehouse for consumption, of the article on or after January 1, 1992.

[2] So in original.

(3) The reduction required under this subsection with respect to the rate of duty on any article is in addition to any reduction in the rate of duty on that article that may be proclaimed by the President as being required or appropriate to carry out any trade agreement entered into under the Uruguay Round of trade negotiations; except that if the reduction so proclaimed—

(A) is less than 1.5 percent ad valorem, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed 3.5 percent ad valorem, or

(B) is 1.5 percent ad valorem or greater, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed the proclaimed reduction plus 1 percent ad valorem.

(Pub. L. 98–67, title II, § 213, Aug. 5, 1983, 97 Stat. 387; Pub. L. 98–573, title II, § 235, Oct. 30, 1984, 98 Stat. 2992; Pub. L. 99–514, title IV, § 423(f)(2), title XVIII, § 1890, Oct. 22, 1986, 100 Stat. 2232, 2926; Pub. L. 100–418, title I, §§ 1214(q)(2), 1401(b)(2), Aug. 23, 1988, 102 Stat. 1159, 1239; Pub. L. 100–647, title IX, § 9001(a)(14), Nov. 10, 1988, 102 Stat. 3808; Pub. L. 101–382, title II, §§ 212, 215(a), Aug. 20, 1990, 104 Stat. 655, 657; Pub. L. 103–465, title IV, § 404(e)(1), Dec. 8, 1994, 108 Stat. 4961; Pub. L. 106–200, title II, §§ 211(a), (e)(1)(B), 212, May 18, 2000, 114 Stat. 276, 287, 288; Pub. L. 107–206, title III, § 3001[(a)], Aug. 2, 2002, 116 Stat. 909; Pub. L. 107–210, div. C, title XXXI, § 3107(a), Aug. 6, 2002, 116 Stat. 1035; Pub. L. 108–429, title I, § 1558, title II, § 2004(b), Dec. 3, 2004, 118 Stat. 2579, 2592; Pub. L. 109–53, title IV, § 402(c), (d), Aug. 2, 2005, 119 Stat. 496; Pub. L. 109–432, div. D, title V, § 5005(a), Dec. 20, 2006, 120 Stat. 3189; Pub. L. 110–234, title XV, § 15408, May 22, 2008, 122 Stat. 1546; Pub. L. 110–246, § 4(a), title XV, § 15408, June 18, 2008, 122 Stat. 1664, 2308; Pub. L. 111–171, § 3(1), May 24, 2010, 124 Stat. 1195; Pub. L. 116–164, § 2, Oct. 10, 2020, 134 Stat. 758; Pub. L. 116–260, div. O, title VI, § 602(b)(2), Dec. 27, 2020, 134 Stat. 2152.)

AMENDMENT OF SECTION

For termination of amendment by section 107(d) of Pub. L. 109–53, see Effective and Termination Dates of 2005 Amendment note below.

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in text, was in the original ''this title'', meaning title II of Pub. L. 98–67, Aug. 5, 1983, 97 Stat. 384, which is classified principally to this chapter. For complete classification of title II to the Code, see Short Title note set out under section 2701 of this title and Tables.

Section 423 of the Tax Reform Act of 1986, referred to in subsec. (a)(1), is section 423 of Pub. L. 99–514, title IV, Oct. 22, 1986, 100 Stat. 2230, which amended this section and General Headnote 3(a)(i) of the Tariff Schedules of the United States formerly set out under section 1202 of this title, and enacted provisions set out as a note below.

The Trade Act of 1974, referred to in subsecs. (b)(1)(B), (e)(1), and (h)(1)(B), is Pub. L. 93–618, Jan. 3, 1975, 88 Stat. 1978. Chapter 1 of title II of the Trade Act of 1974 is classified generally to part 1 (§ 2251 et seq.) of subchapter II of chapter 12 of this title. Title V of the Trade Act of 1974 is classified generally to subchapter V (§ 2461 et seq.) of chapter 12 of this title. For complete classification of this Act to the Code, see section 2101 of this title and Tables.

Section 108(b)(5) of Public Law 103–182, referred to in subsec. (b)(5)(D)(ii), was classified to section 3317(b)(5) of this title prior to repeal by Pub. L. 116–113, title VI, § 601, Jan. 29, 2020, 134 Stat. 78, effective on the date the USMCA entered into force (July 1, 2020).

The United States-Caribbean Basin Trade Partnership Act, referred to in subsec. (b)(5)(E), is title II of Pub. L. 106–200, May 18, 2000, 114 Stat. 275, which amended this section and sections 2701, 2702, 2704, 3202, and 3204 of this title and enacted provisions set out as notes under section 2701 of this title. For complete classification of this Act to the Code, see Short Title of 2000 Amendment note set out under section 2701 of this title and Tables.

The Harmonized Tariff Schedule of the United States, referred to in subsec. (c)(1)(A), is not set out in the Code. See Publication of Harmonized Tariff Schedule note set out under section 1202 of this title.

Section 2701 of this title, referred to in subsec. (e)(5)(A), was in the original ''section 101 of this title'' which has been translated as the probable intent of Congress as meaning section 211 of this title.

CODIFICATION

Pub. L. 110–234 and Pub. L. 110–246 made identical amendments to this section. The amendments by Pub. L. 110–234 were repealed by section 4(a) of Pub. L. 110–246.

Amendment of subsec. (b)(2)(A)(i) by Pub. L. 107–210, § 3107(a)(1)(B), as amended by Pub. L. 108–429, § 2004(b)(2), was executed after amendment by Pub. L. 107–206, § 3001[(a)](1), as if the amendment by Pub. L. 108–429, § 2004(b)(2), was included in the enactment of Pub. L. 107–210, § 3107(a)(1)(B), and notwithstanding section 3001(c) of Pub. L. 107–206, set out as an Effective Date of 2002 Amendments note below, to reflect the probable intent of Congress.

Amendment of subsec. (b)(2)(A)(ii) by Pub. L. 107–210, § 3107(a)(2), was executed after amendment by Pub. L. 107–206, § 3001[(a)](2), notwithstanding section 3001(c) of Pub. L. 107–206, set out as an Effective Date of 2002 Amendments note below, to reflect the probable intent of Congress.

AMENDMENTS

2020—Subsec. (b)(2)(A)(iii)(II)(cc), (IV)(dd). Pub. L. 116–164, § 2(1), substituted ''September 30, 2030'' for ''September 30, 2020''.

Subsec. (b)(2)(A)(iv)(II). Pub. L. 116–164, § 2(2), substituted ''28'' for ''18''.

Subsec. (b)(2)(A)(v)(I). Pub. L. 116–260, § 602(b)(2)(A)(i)(I), substituted ''Annex 4–B of the USMCA'' for ''Annex 401 of the NAFTA''.

Subsec. (b)(2)(A)(vii)(IV). Pub. L. 116–260, § 602(b)(2)(A)(i)(II), inserted dash after ''duty-free from'' and item (aa) designation before ''a country'', substituted ''1995; or'' for ''1995.'', and added item (bb).

Subsec. (b)(2)(C). Pub. L. 116–260, § 602(b)(2)(A)(ii), substituted ''article 6.2 of the USMCA'' for ''section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex''.

Subsec. (b)(3)(A)(i). Pub. L. 116–260, § 602(b)(2)(B), substituted ''Annex 2–B of the USMCA'' for ''Annex 302.2 of the NAFTA''.

Subsec. (b)(4)(A)(i). Pub. L. 116–260, § 602(b)(2)(C)(i)(I), substituted ''article 5.4.1 of the USMCA'' for ''Article 502(1) of the NAFTA''.

Subsec. (b)(4)(A)(ii)(I). Pub. L. 116–260, § 602(b)(2)(C)(i)(II), substituted ''chapter 5 of the USMCA'' for ''chapter 5 of the NAFTA'' in concluding provisions.

Subsec. (b)(4)(B). Pub. L. 116–260, § 602(b)(2)(C)(ii), substituted ''article 5.5 of the USMCA'' for ''Article 503 of the NAFTA''.

Subsec. (b)(5)(A). Pub. L. 116–260, § 602(b)(2)(D)(i), substituted ''North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992'' for ''NAFTA''.

Subsec. (b)(5)(C). Pub. L. 116–260, § 602(b)(2)(D)(ii), substituted ''USMCA'' for ''NAFTA'' wherever appearing.

Subsec. (b)(5)(D)(i). Pub. L. 116–164, §2(3), substituted ''September 30, 2030'' for ''September 30, 2020''.

2010—Subsec. (b)(2)(A)(iii)(II)(cc), (IV)(dd). Pub. L. 111–171, §3(1)(A)(i), substituted ''September 30, 2020'' for ''September 30, 2010''.

Subsec. (b)(2)(A)(iv)(II). Pub. L. 111–171, §3(1)(A)(ii), substituted ''18'' for ''8''.

Subsec. (b)(5)(D)(i). Pub. L. 111–171, §3(1)(B), substituted ''September 30, 2020'' for ''September 30, 2010''.

2008—Subsec. (b)(2)(A)(iii)(II)(cc), (IV)(dd). Pub. L. 110–246, §15408(1)(A), substituted ''2010'' for ''2008''.

Subsec. (b)(2)(A)(iv)(II). Pub. L. 110–246, §15408(1)(B), substituted ''8'' for ''6''.

Subsec. (b)(5)(D)(i). Pub. L. 110–246, §15408(2)(A), substituted ''2010'' for ''2008''.

Subsec. (b)(5)(D)(ii). Pub. L. 110–246, §15408(2)(B), substituted ''set forth in section 3317(b)(5)'' for ''set forth in 3317(b)(5)''.

2006—Subsec. (b)(2)(A)(v)(III). Pub. L. 109–432 added subcl. (III).

2005—Subsec. (a)(1). Pub. L. 109–53, §§107(d), 402(c), temporarily substituted ''the Commonwealth of Puerto Rico, the United States Virgin Islands, and any former beneficiary country'' for ''the Commonwealth of Puerto Rico and the United States Virgin Islands'' in concluding provisions. See Effective and Termination Dates of 2005 Amendment note below.

Subsec. (b)(5)(G), (H). Pub. L. 109–53, §§107(d), 402(d), temporarily added subpars. (G) and (H). See Effective and Termination Dates of 2005 Amendment note below.

2004—Subsec. (b)(1)(B). Pub. L. 108–429, §1558(1), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: ''footwear not designated at the time of the effective date of this chapter as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;''.

Subsec. (b)(2)(A)(i). Pub. L. 108–429, §2004(b)(2), amended directory language of Pub. L. 107–210, §3107(a)(1)(B). See Codification note above and 2002 Amendment note below.

Pub. L. 108–429, §2004(b)(1)(A), substituted ''or both (including'' for ''(including'' in introductory provisions.

Subsec. (b)(2)(A)(v)(I). Pub. L. 108–429, §2004(b)(1)(B), struck out '', from fabrics or yarn that is not formed in the United States or in one or more CBTPA beneficiary countries'' after ''countries''.

Subsec. (b)(2)(A)(vii)(IV). Pub. L. 108–429, §2004(b)(1)(C), substituted ''(i), (ii), or (ix)'' for ''(i) or (ii)''.

Subsec. (b)(3)(A)(i). Pub. L. 108–429, §1558(2)(A), substituted ''Subject to clauses (ii) and (iii)'' for ''Subject to clause (ii)''.

Subsec. (b)(3)(A)(iii). Pub. L. 108–429, §1558(2)(B), added cl. (iii).

2002—Subsec. (b)(2)(A)(i). Pub. L. 107–210, §3107(a)(1)(B), as amended by Pub. L. 108–429, §2004(b)(2), substituted ''Apparel articles entered on or after September 1, 2002, shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles entered on or after September 1, 2002, shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.'' for ''Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.'' See Codification note above.

Pub. L. 107–210, §3107(a)(1)(A), added introductory provisions and struck out former introductory provisions which read as follows: ''Apparel articles assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed and cut in the United States) that are—''.

Pub. L. 107–206, §3001[(a)](1), inserted at end ''Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.'' See Codification note above.

Subsec. (b)(2)(A)(ii). Pub. L. 107–210, §3107(a)(2), amended heading and text of cl. (ii) generally. Prior to amendment, text read as follows: ''Apparel articles cut in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are wholly formed in the United States), if such articles are assembled in one or more such countries with thread formed in the United States. Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.'' See Codification note above.

Pub. L. 107–206, §3001[(a)](2), inserted at end ''Apparel articles shall qualify under the preceding sentence only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are knit fabrics, is carried out in the United States. Apparel articles shall qualify under the first sentence of this clause only if all dyeing, printing, and finishing of the fabrics from which the articles are assembled, if the fabrics are woven fabrics, is carried out in the United States.'' See Codification note above.

Subsec. (b)(2)(A)(iii)(II). Pub. L. 107–210, §3107(a)(3), amended subcl. (II) generally. Prior to amendment, subcl. (II) read as follows: ''The amount referred to in subclause (I) is—

''(aa) 250,000,000 square meter equivalents during the 1-year period beginning on October 1, 2000, increased by 16 percent, compounded annually, in each succeeding 1-year period through September 30, 2004; and

''(bb) in each 1-year period thereafter through September 30, 2008, the amount in effect for the 1-year period ending on September 30, 2004, or such other amount as may be provided by law.''

Subsec. (b)(2)(A)(iii)(IV). Pub. L. 107–210, §3107(a)(4), amended subcl. (IV) generally. Prior to amendment, subcl. (IV) read as follows: ''the amount referred to in subclause (III) is—

''(aa) 4,200,000 dozen during the 1-year period beginning on October 1, 2000, increased by 16 percent, compounded annually, in each succeeding 1-year period through September 30, 2004; and

''(bb) in each 1-year period thereafter, the amount in effect for the 1-year period ending on September 30, 2004, or such other amount as may be provided by law.''

Subsec. (b)(2)(A)(iv). Pub. L. 107–210, §3107(a)(5), amended heading and text of cl. (iv) generally. Prior to amendment, text read as follows:

''(I) Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the CBTPA beneficiary countries, or both.

''(II) During the 1-year period beginning on October 1, 2001, and during each of the six succeeding 1-year periods, apparel articles described in subclause (I) of a pro-

ducer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

''(III) The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity in the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.''

Subsec. (b)(2)(A)(vii)(V). Pub. L. 107–210, § 3107(a)(6), added subcl. (V).

Subsec. (b)(2)(A)(ix). Pub. L. 107–210, § 3107(a)(7), added cl. (ix).

2000—Subsec. (a)(1). Pub. L. 106–200, § 211(e)(1)(B), inserted ''and except as provided in subsection (b)(2) and (3),'' after ''Tax Reform Act of 1986,'' in introductory provisions.

Subsec. (a)(5). Pub. L. 106–200, § 212(1), made technical amendment to reference in original act which appears in text as reference to this chapter.

Subsec. (a)(6). Pub. L. 106–200, § 212(2), added par. (6).

Subsec. (b). Pub. L. 106–200, § 211(a), inserted heading and amended text generally. Prior to amendment, text read as follows: ''The duty-free treatment provided under this chapter shall not apply to—

''(1) textile and apparel articles which are subject to textile agreements;

''(2) footwear not designated at the time of the effective date of this chapter as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(3) tuna, prepared or preserved in any manner, in airtight containers;

''(4) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the Harmonized Tariff Schedule of the United States;

''(5) watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

''(6) articles to which reduced rates of duty apply under subsection (h) of this section.''

1994—Subsec. (d). Pub. L. 103–465 amended subsec. (d) generally, substituting present provisions for provisions which established price support program protection for certain agricultural products from beneficiary countries.

1990—Subsec. (a)(5). Pub. L. 101–382, § 215(a), added par. (5).

Subsec. (b)(2). Pub. L. 101–382, § 212(b)(1), struck out '', handbags, luggage, flat goods, work gloves, and leather wearing apparel'' after ''footwear''.

Subsec. (b)(6). Pub. L. 101–382, § 212(b)(2)–(4), added par. (6).

Subsec. (h). Pub. L. 101–382, § 212(a), added subsec. (h).

1988—Subsec. (b)(4). Pub. L. 100–418, § 1214(q)(2)(A)(i), substituted ''headings 2709 and 2710 of the Harmonized Tariff Schedule of the United States'' for ''part 10 of schedule 4 of the TSUS''.

Subsec. (b)(5). Pub. L. 100–418, § 1214(q)(2)(A)(ii), substituted ''HTS'' for ''TSUS''.

Subsec. (c)(1)(A)(i). Pub. L. 100–418, § 1214(q)(2)(B)(i), substituted ''subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the Harmonized Tariff Schedule of the United States'' for ''items 155.20 and 155.30 of the TSUS''.

Subsec. (c)(1)(A)(ii). Pub. L. 100–418, § 1214(q)(2)(B)(ii), substituted ''chapters 2 and 16 of the Harmonized Tariff Schedule of the United States'' for ''subpart B of part 2 of schedule 1 of the TSUS''.

Subsec. (d). Pub. L. 100–418, § 1214(q)(2)(C), substituted ''subheadings 1701.11.00, 1701.12.00, 1701.91.20, 1701.99.00, 1702.90.30, 1806.10.40, and 2106.90.10 of the Harmonized Tariff Schedule of the United States'' for ''items 155.20 and 155.30 of the TSUS''.

Subsec. (e)(1). Pub. L. 100–418, § 1401(b)(2)(A), substituted ''provided under chapter 1 of title II'' for ''proclaimed pursuant to section 203''.

Subsec. (e)(2). Pub. L. 100–418, § 1401(b)(2)(B), substituted ''section 202(f)'' for ''section 201(d)(1)''.

Subsec. (e)(3). Pub. L. 100–418, § 1401(b)(2)(C), substituted ''section 203'' for ''(a) and (c) of section 203''.

Subsec. (e)(4). Pub. L. 100–418, § 1401(b)(2)(D), substituted ''taken under section 203'' for ''made under subsections (a) and (c) of section 203'', ''under section 202(b) of the Trade Act of 1974'' for ''under section 201(b) of the Trade Act of 1974'', and ''under such section'' for ''under section 201(b) of such Act''.

Subsec. (e)(5)(A). Pub. L. 100–418, § 1401(b)(2)(E)(i), substituted ''action taken under section 203'' for ''proclamation issued pursuant to section 203''.

Subsec. (e)(5)(B). Pub. L. 100–418, § 1401(b)(2)(E)(ii), substituted ''to any such action'' for ''to import relief'', ''such action'' for ''such import relief'', and ''section 203'' for ''subsections (h) and (i) of section 203''.

Subsec. (f)(4)(A). Pub. L. 100–418, § 1401(b)(2)(F)(i), substituted ''taking of action under section 203'' for ''proclamation of import relief pursuant to section 202(a)(1)''.

Subsec. (f)(4)(B). Pub. L. 100–418, § 1401(b)(2)(F)(ii), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: ''on the day the President makes a determination pursuant to section 203(b)(2) of such Act [19 U.S.C. 2253(b)(2)] not to impose import relief,''.

Subsec. (f)(5)(A). Pub. L. 100–418, § 1214(q)(2)(D)(i), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: ''live plants provided for in subpart A of part 6 of schedule 1 of the TSUS;''.

Subsec. (f)(5)(B). Pub. L. 100–418, § 1214(q)(2)(D)(ii), substituted ''headings 0701 through 0709 (except subheading 0709.52.00) and heading 0714 of the HTS'' for ''items 135.10 through 138.46 of the TSUS''.

Subsec. (f)(5)(C). Pub. L. 100–418, § 1214(q)(2)(D)(iv), as amended by Pub. L. 100–647, § 9001(a)(14), redesignated subpar. (D) as (C) and substituted ''subheadings 0804.20 through 0810.90 (except citrons of subheading 0805.90.00, tamarinds and kiwi fruit of subheading 0810.90.20, and cashew apples, mameyes colorados, sapodillas, soursops and sweetsops of subheading 0810.90.40) of the HTS; and'' for ''items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21 and 149.50 of the TSUS;''.

Pub. L. 100–418, § 1214(q)(2)(D)(iii), struck out subpar. (C) ''fresh mushrooms provided for in item 144.10 of the TSUS;''.

Subsec. (f)(5)(D). Pub. L. 100–418, § 1214(q)(2)(D)(vi), as amended by Pub. L. 100–647, § 9001(a)(14)(C), redesignated subpar. (F) as (D) and substituted ''subheading 2009.11.00, 2009.19.40, 2009.30.20, and 2009.30.60 of the HTS'' for ''item 165.35 of the TSUS''. Former subpar. (D) redesignated (C).

Subsec. (f)(5)(E). Pub. L. 100–418, § 1214(q)(2)(D)(v), struck out subpar. (E) ''fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of the TSUS; and''.

Subsec. (f)(5)(F). Pub. L. 100–418, § 1214(q)(2)(D)(vi), as amended by Pub. L. 100–647, § 9001(a)(14)(C), redesignated subpar. (F) as (D).

1986—Subsec. (a)(1). Pub. L. 99–514, § 423(f)(2), inserted ''and subject to section 423 of the Tax Reform Act of 1986,'' after ''eligibility by this chapter,''.

Subsec. (a)(3), (4). Pub. L. 99–514, § 1890(1), redesignated par. (3) relating to products of a beneficiary country imported directly into Puerto Rico as (4), re-

aligned the margins, and substituted ''any beneficiary'' for ''such''.

Subsec. (f)(5)(B). Pub. L. 99–514, § 1890(2), substituted ''138.46'' for ''138.42''.

1984—Subsec. (a)(3). Pub. L. 98–573 added par. (3) relating to products of a beneficiary country imported directly from such country into Puerto Rico.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116–260 effective July 1, 2020, see section 602(g) of div. O of Pub. L. 116–260, set out as a note under section 2578b of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110–234 by Pub. L. 110–246 effective May 22, 2008, the date of enactment of Pub. L. 110–234, except as otherwise provided, see section 4 of Pub. L. 110–246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

Amendment by section 15408 of Pub. L. 110–246 effective June 18, 2008, see section 15412(a) of Pub. L. 110–246, set out as a note under section 2703a of this title.

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109–432, div. D, title V, § 5006, Dec. 20, 2006, 120 Stat. 3190, provided that: ''This title [enacting section 2703a of this title, amending this section and section 3203 of this title, and enacting provisions set out as a note under section 2701 of this title] and the amendments made by this title apply to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act [Dec. 20, 2006].''

EFFECTIVE AND TERMINATION DATES OF 2005 AMENDMENT

Amendment by Pub. L. 109–53 effective on the date the Dominican Republic-Central America-United States Free Trade Agreement enters into force (Mar. 1, 2006) and to cease to have effect on date Agreement ceases to be in force with respect to the United States, and, during any period in which a country ceases to be a CAFTA–DR country, to cease to have effect with respect to such country, see section 107 of Pub. L. 109–53, set out as an Effective and Termination Dates note under section 4001 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Except as otherwise provided, amendment by section 1558 of Pub. L. 108–429 applicable with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after Dec. 3, 2004, see section 1571 of Pub. L. 108–429, set out as a note under section 1313 of this title.

EFFECTIVE DATE OF 2002 AMENDMENTS

Pub. L. 107–210, div. C, title XXXI, § 3107(b), Aug. 6, 2002, 116 Stat. 1038, provided that: ''The amendment made by subsection (a)(3) [amending this section] shall take effect on October 1, 2002.''

Pub. L. 107–206, title III, § 3001(c), Aug. 2, 2002, 116 Stat. 910, provided that: ''Subsection (b) [enacting provisions set out as a note under section 3203 of this title] and the amendments made by subsection (a) [amending this section] shall take effect—

''(1) 90 days after the date of the enactment of this Act [Aug. 2, 2002], or

''(2) September 1, 2002,

whichever occurs first.''

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–465 effective on the date of entry into force of the WTO Agreement with respect to the United States (Jan. 1, 1995), except as otherwise provided, see section 451 of Pub. L. 103–465, set out as an Effective Date note under section 3601 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101–382, title II, § 215(b), Aug. 20, 1990, 104 Stat. 657, provided that:

''(1) The amendment made by subsection (a) [amending this section] shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after October 1, 1990.

''(2) Notwithstanding section 514 of the Tariff Act of 1930 [19 U.S.C. 1514] or any other provision of law, upon proper request filed with the appropriate customs officer after September 30, 1990, and before April 1, 1991, any entry, or withdrawal from warehouse—

''(A) which was made after August 5, 1983, and before October 1, 1990, and with respect to which liquidation has not occurred before October 1, 1990, and

''(B) with respect to which there would have been no duty, or a lesser duty, if the amendment made by subsection (a) applied,

shall be liquidated as though such amendment applied to such entry or withdrawal.''

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by Pub. L. 100–647 applicable as if such amendment took effect on Aug. 23, 1988, see section 9001(b) of Pub. L. 100–647, set out as an Effective and Termination Dates of 1988 Amendments note under section 58c of this title.

Amendment by section 1214(q)(2) of Pub. L. 100–418 effective Jan. 1, 1989, and applicable with respect to articles entered on or after such date, see section 1217(b)(1) of Pub. L. 100–418, set out as an Effective Date note under section 3001 of this title.

Amendment by section 1401(b)(2) of Pub. L. 100–418 effective Aug. 23, 1988, and applicable with respect to investigations initiated under part 1 (§ 2251 et seq.) of subchapter II of chapter 12 of this title on or after that date, see section 1401(c) of Pub. L. 100–418, set out as a note under section 2251 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Pub. L. 99–514, title IV, § 423(g), Oct. 22, 1986, 100 Stat. 2233, provided that:

''(1) The provisions of, and the amendments made by, this section (other than subsection (e)) [amending this section and General Headnote 3(a)(i) of the Tariff Schedules of the United States formerly set out under section 1202 of this title and enacting provisions set out as a note below] shall apply to articles entered—

''(A) after December 31, 1986, and

''(B) before the expiration of the effective period of item 901.50 of the Appendix to the Tariff Schedules of the United States [now heading 9901.00.50 of the Harmonized Tariff Schedule of the United States; effective period expired Jan. 1, 2012].

''(2) The provisions of subsection (e) [set out as a note below] shall take effect on the date of the enactment of this Act [Oct. 22, 1986].''

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98–573 effective on 15th day after Oct. 30, 1984, see section 214(a), (b) of Pub. L. 98–573, set out as a note under section 1304 of this title.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (c)(4) relating to submitting a written report to Congress by March 15 following the close of each biennium, see section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 25 of House Document No. 103–7.

TRANSFER OF FUNCTIONS

For transfer of functions, personnel, assets, and liabilities of the United States Customs Service of the Department of the Treasury, including functions of the Secretary of the Treasury relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see sections 203(1), 551(d), 552(d), and

557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6. For establishment of U.S. Customs and Border Protection in the Department of Homeland Security, treated as if included in Pub. L. 107–296 as of Nov. 25, 2002, see section 211 of Title 6, as amended generally by Pub. L. 114–125, and section 802(b) of Pub. L. 114–125, set out as a note under section 211 of Title 6.

ENTRIES OF CERTAIN APPAREL ARTICLES PURSUANT TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT

Pub. L. 108–429, title II, § 2004(g), Dec. 3, 2004, 118 Stat. 2593, provided that:

''(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the Customs Service [Bureau of Customs and Border Protection] shall liquidate or reliquidate as free of duty and free of any quantitative restrictions, limitations, or consultation levels entries of articles described in paragraph (4) made on or after October 1, 2000.

''(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry described in paragraph (4) only if a request therefor is filed with the Customs Service within 90 days after the date of the enactment of this Act [Dec. 3, 2004] and the request contains sufficient information to enable the Customs Service to locate the entry or reconstruct the entry if it cannot be located.

''(3) PAYMENT OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to the liquidation or reliquidation of any entry under paragraph (1) shall be paid not later than 180 days after the date of such liquidation or reliquidation.

''(4) ENTRIES.—The entries referred to in paragraph (1) are entries of apparel articles (other than socks provided for in heading 6115 of the Harmonized Tariff Schedule of the United States [see Publication of Harmonized Tariff Schedule note set out under section 1202 of this title]) that meet the requirements of section 213(b)(2)(A) of the Caribbean Basin Economic Recovery Act [19 U.S.C. 2703(b)(2)(A)] (as amended by section 3107(a) of the Trade Act of 2002 [Pub. L. 107–210] and subsection (b) of this section).''

REFERENCE TO CUSTOMS SERVICE CONSIDERED REFERENCE TO BUREAU OF CUSTOMS AND BORDER PROTECTION IN PUB. L. 108–429

Pub. L. 108–429, title V, § 5001, Dec. 3, 2004, 118 Stat. 2604, provided that: ''Except as otherwise expressly provided, any reference in this Act [see Short Title of 2004 Amendment note set out under section 1654 of this title] to the 'United States Customs Service' or the 'Customs Service' shall be considered to be a reference to the 'Bureau of Customs and Border Protection' of the Department of Homeland Security.''

ETHYL ALCOHOL AND MIXTURES THEREOF FOR FUEL USE

Pub. L. 99–514, title IV, § 423(a)–(c), (e), Oct. 22, 1986, 100 Stat. 2230–2232, as amended by Pub. L. 100–418, title I, § 1910(a), Aug. 23, 1988, 102 Stat. 1319; Pub. L. 101–221, § 7(a), Dec. 12, 1989, 103 Stat. 1890, provided that:

''(a) IN GENERAL.—Except as provided in subsection (b), no ethyl alcohol or a mixture thereof may be considered—

''(1) for purposes of general headnote 3(a) of the Tariff Schedules of the United States [formerly set out under section 1202 of this title], to be—

''(A) the growth or product of an insular possession of the United States,

''(B) manufactured or produced in an insular possession from materials which are the growth, product, or manufacture of any such possession, or

''(C) otherwise eligible for exemption from duty under such headnote as the growth or product of an insular possession; or

''(2) for purposes of section 213 of the Caribbean Basin Economic Recovery Act [19 U.S.C. 2703], to be—

''(A) an article that is wholly the growth, product, or manufacture of a beneficiary country,

''(B) a new or different article of commerce which has been grown, produced, or manufactured in a beneficiary country,

''(C) a material produced in a beneficiary country, or

''(D) otherwise eligible for duty-free treatment under such Act [19 U.S.C. 2701 et seq.] as the growth, product, or manufacture of a beneficiary country;

unless the ethyl alcohol or mixture thereof is an indigenous product of that insular possession or beneficiary country.

''(b) EXCEPTION.—

''(1) Subject to the limitation in paragraph (2), subsection (a) shall not apply to ethyl alcohol that is imported into the United States during calendar years 1987, 1988, and 1989 and produced in—

''(A) an azeotropic distillation facility located in a beneficiary country, if that facility was established before, and in operation on, July 1, 1987,

''(B) an azeotropic distillation facility—

''(i) at least 50 percent of the total value of the equipment and components of which were—

''(I) produced in the United States, and

''(II) owned by a corporation at least 50 percent of the total value of the outstanding shares of stock of which were owned by a United States person (or persons) on or before January 1, 1986, and

''(ii) substantially all of the equipment and components of which were, on or before January 1, 1986—

''(I) located in the United States under the possession or control of such corporation,

''(II) ready for shipment to, and installation in, a beneficiary country or an insular possession of the United States, and

''(iii) which—

''(I) has on the date of enactment of this Act [Oct. 22, 1986], or

''(II) will have at the time such facility is placed in service (based on estimates made before the date of enactment of this Act),

a stated capacity to produce not more than 42,000,000 gallons of such product per year, or

''(C) a distillation facility operated by a corporation which, before the date of enactment of the Omnibus Trade Act of 1987 [probably means the Omnibus Trade and Competitiveness Act of 1988, Pub. L. 100–418, which was approved Aug. 23, 1988]—

''(i) has completed engineering and design of a full-scale fermentation facility in the United States Virgin Islands, and

''(ii) has obtained authorization from authorities of the United States Virgin Islands to operate a full-scale fermentation facility.

''(2) The exception provided under paragraph (1) shall cease to apply during each of calendar years 1987, 1988, and 1989 to ethyl alcohol produced in a facility described in subparagraph (A), (B), or (C) of paragraph (1) after 20,000,000 gallons of ethyl alcohol produced in that facility are entered into the United States during that year.

''(c) DEFINITIONS.—For purposes of this section [amending this section and General Headnote 3(a)(i) of the Tariff Schedules of the United States formerly set out under section 1202 of this title and enacting provisions set out as notes under this section]—

''(1) The term 'ethyl alcohol or a mixture thereof' means (except for purposes of subsection (e)) ethyl alcohol or any mixture thereof described in item 901.50 of the Appendix to the Tariff Schedules of the United States [now heading 9901.00.50 of the Harmonized Tariff Schedule of the United States, which is not classified to the Code].

''(2) Ethyl alcohol or a mixture thereof that is produced by a process of full fermentation in an insular possession or beneficiary country shall be treated as

being an indigenous product of that possession or country.

''(3)(A) Ethyl alcohol and mixtures thereof that are only dehydrated within an insular possession or beneficiary country (hereinafter in this paragraph referred to as 'dehydrated alcohol and mixtures') shall be treated as being indigenous products of that possession or country only if the alcohol or mixture, when entered, meets the applicable local feedstock requirement.

''(B) The local feedstock requirement with respect to any calendar year is—

''(i) 0 percent with respect to the base quantity of dehydrated alcohol and mixtures that is entered;

''(ii) 30 percent with respect to the 35,000,000 gallons of dehydrated alcohol and mixtures next entered after the base quantity; and

''(iii) 50 percent with respect to all dehydrated alcohol and mixtures entered after the amount specified in clause (ii) is entered.

''(C) For purposes of this paragraph:

''(i) The term 'base quantity' means, with respect to dehydrated alcohol and mixtures entered during any calendar year, the greater of—

''(I) 60,000,000 gallons; or

''(II) an amount (expressed in gallons) equal to 7 percent of the United States domestic market for ethyl alcohol, as determined by the United States International Trade Commission, during the 12-month period ending on the preceding September 30;

that is first entered during that calendar year.

''(ii) The term 'local feedstock' means hydrous ethyl alcohol which is wholly produced or manufactured in any insular possession or beneficiary country.

''(iii) The term 'local feedstock requirement' means the minimum percent, by volume, of local feedstock that must be included in dehydrated alcohol and mixtures.

''(4) The term 'beneficiary country' has the meaning given to such term under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

''(5) The term 'United States person' has the meaning given to such term by section 7701(a)(3) of the Internal Revenue Code of 1986 [26 U.S.C. 7701(a)(3)].

''(6) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

''(e) DRAWBACKS.—

''(1) For purposes of subsections (b) and (j)(2) of section 313 of the Tariff Act of 1930 (19 U.S.C. 1313), as amended by section 1888(2) of this Act, any ethyl alcohol (provided for in item 427.88 of the Tariff Schedules of the United States [not classified to the Code]) or mixture containing such ethyl alcohol (provided for in part 1, 2, or 10 of schedule 4 of such Schedules) which is subject to the additional duty imposed by item 901.50 of the Appendix to such Schedules may be treated as being fungible with, or of being of the same kind and quality as, any other imported ethyl alcohol (provided for in item 427.88 of such Schedules) or mixture containing such ethyl alcohol (provided for in part 1, 2, or 10 of schedule 4 of such Schedules) only if such other imported ethyl alcohol or mixture thereof is also subject to such additional duty.

''(2) Paragraph (1) shall not apply with respect to ethyl alcohol (provided for in item 427.88 of the Tariff Schedules of the United States) or mixture containing such ethly [ethyl] alcohol (provided for in part 1, 2, or 10 of schedule 4 of such Schedules) that is exempt from the additional duty imposed by item 901.50 of the Appendix to such Schedules by reason of—

''(A) subsection (b), or

''(B) any agreement entered into under section 102(b) of the Trade Act of 1974 [19 U.S.C. 2112(b)].''

[Pub. L. 101–221, §7(b), Dec. 12, 1989, 103 Stat. 1891, as amended by Pub. L. 101–382, title II, §225, Aug. 20, 1990, 104 Stat. 660, provided that: ''The amendments made by subsection (a) [amending section 423(c) of Pub. L. 99–514, set out above] shall apply with respect to calendar years after 1989.'']

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101–1147 and 1171–1177] or title XVIII [§§1801–1899A] of Pub. L. 99–514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99–514, as amended, set out as a note under section 401 of Title 26, Internal Revenue Code.

DUTY-FREE TREATMENT OF IMPORTED RUM; COMPENSATION MEASURES; PRESIDENTIAL AUTHORITY; REPORT TO CONGRESS

Pub. L. 98–67, title II, §214(c), Aug. 5, 1983, 97 Stat. 393, as amended by Pub. L. 99–514, §2, Oct. 22, 1986, 100 Stat. 2095, provided that: ''If the sum of the amounts of taxes covered into the treasuries of Puerto Rico or the United States Virgin Islands pursuant to section 7652(c) of the Internal Revenue Code of 1986 [26 U.S.C. 7652(c)] is reduced below the amount that would have been covered over if the imported rum had been produced in Puerto Rico or the United States Virgin Islands, then the President shall consider compensation measures and, in this regard, may withdraw the duty-free treatment on rum provided by this title [this chapter]. The President shall submit a report to the Congress on the measures he takes.''

Executive Documents

PROC. NO. 7351. TO IMPLEMENT THE UNITED STATES-CARIBBEAN BASIN TRADE PARTNERSHIP ACT

Proc. No. 7351, Oct. 2, 2000, 65 F.R. 59329, provided in pars. (3) and (5) that the United States Trade Representative (USTR) is authorized to determine whether each designated beneficiary country has satisfied the requirements of subsec. (b)(4)(A)(ii) of this section relating to the implementation of procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the North American Free Trade Agreement and to exercise the authority provided to the President under section 2483 of this title to embody modifications and technical or conforming changes in the Harmonized Tariff Schedule of the United States (HTS) and is directed to set forth any such determination in a notice to be published in the Federal Register, and that such notice would modify general note 17 of the HTS by listing the countries that satisfy the requirements of subsec. (b)(4)(A)(ii) of this section, effective Oct. 2, 2000, except that the modifications to the HTS made by the Annex to the proclamation, as further modified by any notice to be published in the Federal Register, would be effective on the date announced by the USTR in such notice.

EX. ORD. NO. 13191. IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT AND THE UNITED STATES-CARIBBEAN BASIN TRADE PARTNERSHIP ACT

Ex. Ord. No. 13191, Jan. 17, 2001, 66 F.R. 7271, as amended by Proc. No. 7912, par. 13, June 29, 2005, 70 F.R. 37963, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the African Growth and Opportunity Act (Title I of Public Law 106–200) [19 U.S.C. 3701 et seq.] (AGOA), the United States-Caribbean Basin Trade Partnership Act (Title II of Public Law 106–200) [see Short Title of 2000 Amendment note set out under section 2701 of this title] (CBTPA), the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701 *et seq.*), and section 301 of title 3, United States Code, and in order to expand international trade and enhance our economic

partnership with sub-Saharan Africa and the Caribbean Basin, promote investment and economic development and reduce poverty in those regions, and create new economic opportunities for American workers and businesses, it is hereby ordered as follows:

PART I—IMPLEMENTATION OF THE AGOA

SECTION 1. *Apparel Articles Assembled from Fabrics or Yarn Not Available in Commercial Quantities.* The Committee for the Implementation of Textile Agreements (the ''Committee'') is authorized to exercise the authority vested in the President under section 112(b)(5)(B)(i) of the AGOA (19 U.S.C. 3721(b)(5)(B)(i)) to determine whether yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner. The Committee shall establish procedures to ensure appropriate public participation in any such determination. The Committee and the United States Trade Representative (USTR) are jointly authorized to exercise the authority vested in the President under sections 112(b)(5)(B)(ii), (iii), and (v) of the AGOA (19 U.S.C. 3721(b)(5)(B)(ii), (iii), and (v)) to obtain advice from the appropriate advisory committee, to submit a report to the appropriate Congressional committees, and to consult with those Congressional committees. The USTR is authorized to exercise the authority vested in the President under section 112(b)(5)(B)(ii) of the AGOA to obtain advice from the U.S. International Trade Commission (USITC).

SEC. 2. *Handloomed, Handmade, and Folklore Articles and Ethnic Printed Fabrics.* The Committee, after consultation with the Commissioner, United States Customs Service (Commissioner), is authorized to exercise the authority vested in the President under section 112(b)(6) of the AGOA (19 U.S.C. 3721(b)(6)) to consult with beneficiary sub-Saharan African countries and to determine which, if any, particular textile and apparel goods shall be treated as being handloomed, handmade, or folklore articles or ethnic printed fabrics. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 3. *Certain Interlinings.* The Committee is authorized to exercise the authority vested in the President under section 112(d)(1)(B)(iii) of the AGOA (19 U.S.C. 3721(d)(1)(B)(iii)) to determine whether U.S. manufacturers are producing interlinings in the United States in commercial quantities. The Committee shall establish procedures to ensure appropriate public participation in any such determination. The determination or determinations of the Committee under this section shall be set forth in a notice or notices that the Committee shall cause to be published in the Federal Register. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 4. *Penalties for Transshipments.* The Committee, after consultation with the Commissioner, is authorized to exercise the authority vested in the President under section 113(b)(3) of the AGOA (19 U.S.C. 3722(b)(3)) to determine, based on sufficient evidence, whether an exporter has engaged in transshipment and to deny for a period of 5 years all benefits under section 112 of the AGOA (19 U.S.C. 3721) to any such exporter, any successor of such exporter, and any other entity owned or operated by the principal of such exporter. The determination or determinations of the Committee under this section shall be set forth in a notice or notices that the Committee shall cause to be published in the Federal Register. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 5. *Effective Visa Systems.* Pursuant to sections 112(a) and 113(a)(1) of the AGOA (19 U.S.C. 3721(a) and 3722(a)(1)), the USTR is authorized to direct the Commissioner to take such actions as may be necessary to ensure that textile and apparel articles described in section 112(b) of the AGOA (19 U.S.C. 3721(b)) that are entered, or withdrawn from warehouse, for consumption are accompanied by an appropriate export visa, if the preferential treatment described in section 112(a) of the AGOA is claimed with respect to such articles.

PART II—IMPLEMENTATION OF THE CBTPA

SEC. 6. *Apparel Articles Assembled from Fabrics or Yarn Not Available in Commercial Quantities.* The Committee is authorized to exercise the authority vested in the President under section 213(b)(2)(A)(v)(II)(aa) of the CBERA (19 U.S.C. 2703(b)(2)(A)(v)(II)(aa)), as added by section 211(a) of the CBTPA, to determine whether yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner. The Committee shall establish procedures to ensure appropriate public participation in any such determination. The Committee and the USTR are jointly authorized to exercise the authority vested in the President under sections 213(b)(2)(A)(v)(II)(bb), (cc), and (ee) of the CBERA (19 U.S.C. 2703(b)(2)(A)(v)(II)(bb), (cc), and (ee)), as added by section 211(a) of the CBTPA, to obtain advice from the appropriate advisory committee, to submit a report to the appropriate Congressional committees, and to consult with those Congressional committees. The USTR is authorized to exercise the authority vested in the President under section 213(b)(2)(A)(v)(II)(bb) of the CBERA to obtain advice from the USITC.

SEC. 7. *Certain Interlinings.* The Committee is authorized to exercise the authority vested in the President under section 213(b)(2)(A)(vii)(II)(cc) of the CBERA (19 U.S.C. 2703(b)(2)(A)(vii)(II)(cc)), as added by section 211(a) of the CBTPA, to determine whether U.S. manufacturers are producing interlinings in the United States in commercial quantities. The Committee shall establish procedures to ensure appropriate public participation in any such determination. The determination or determinations of the Committee under this section shall be set forth in a notice or notices that the Committee shall cause to be published in the Federal Register. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 8. *Handloomed, Handmade, and Folklore Articles.* The Committee, after consultation with the Commissioner, is authorized to exercise the authority vested in the President under section 213(b)(2)(C) of the CBERA (19 U.S.C. 2703(b)(2)(C)), as added by section 211(a) of the CBTPA, to consult with representatives of CBTPA beneficiary countries for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, hand made, or folklore goods within the meaning of that section. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 9. *Penalties for Transshipments.* The Committee, after consultation with the Commissioner, is authorized to exercise the authority vested in the President under section 213(b)(2)(D) of the CBERA (19 U.S.C. 2703(b)(2)(D)), as added by section 211(a) of the CBTPA, to determine, based on sufficient evidence, whether an exporter has engaged in transshipment and, if transshipment has occurred, to deny all benefits under the CBTPA to any such exporter, and any successor of such exporter, for a period of 2 years; to request that any CBTPA beneficiary country through whose territory transshipment has occurred take all necessary and appropriate actions to prevent such transshipment; and to impose the penalty provided in section 213(b)(2)(D)(ii) of the CBERA on a CBTPA beneficiary country if the Committee determines that such country is not taking such actions. The determination or determinations of the Committee under this section shall be set forth in a notice or notices that the Committee shall cause to be published in the Federal Register. The Commissioner shall take such actions to carry out any such determination as directed by the Committee.

SEC. 10. *Bilateral Emergency Tariff Actions.* The Committee is authorized to exercise the authority vested in the President under section 213(b)(2)(E) of the CBERA (19 U.S.C. 2703(b)(2)(E)), as added by section 211(a) of the CBTPA, to take bilateral emergency tariff actions, if the Committee determines that the conditions provided

in section 213(b)(2)(E) of the CBERA are satisfied. The Committee shall establish procedures to ensure appropriate public participation in any such determination. The determination or determinations of the Committee under this section shall be set forth in a notice or notices that the Committee shall cause to be published in the Federal Register. The Commissioner shall take such actions to carry out any such bilateral emergency tariff action as directed by the Committee.

PART III—GENERAL PROVISIONS

SEC. 11. *Judicial Review*. This order does not create any right or benefit, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

§ 2703a. Special rules for Haiti

(a) Definitions

In this section:

(1) Initial applicable 1-year period

The term ''initial applicable 1-year period'' means the 1-year period beginning on December 20, 2006.

(2) Appropriate congressional committees

The term ''appropriate congressional committees'' means the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(3) Core labor standards

The term ''core labor standards'' means—

(A) freedom of association;

(B) the effective recognition of the right to bargain collectively;

(C) the elimination of all forms of compulsory or forced labor;

(D) the effective abolition of child labor and a prohibition on the worst forms of child labor; and

(E) the elimination of discrimination in respect of employment and occupation.

(4) Enter; entry

The terms ''enter'' and ''entry'' refer to the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States.

(5) Imported directly from Haiti or the Dominican Republic

Articles are ''imported directly from Haiti or the Dominican Republic'' if—

(A) the articles are shipped directly from Haiti or the Dominican Republic into the United States without passing through the territory of any intermediate country; or

(B) the articles are shipped from Haiti or the Dominican Republic into the United States through the territory of an intermediate country, and—

(i) the articles in the shipment do not enter into the commerce of any intermediate country, and the invoices, bills of lading, and other shipping documents specify the United States as the final destination; or

(ii) the invoices and other documents do not specify the United States as the final destination, but the articles in the shipment—

(I) remain under the control of the customs authority in the intermediate country;

(II) do not enter into the commerce of the intermediate country except for the purpose of a sale other than at retail; and

(III) have not been subjected to operations in the intermediate country other than loading, unloading, or other activities necessary to preserve the articles in good condition.

(6) Knit-to-shape

A good is ''knit-to-shape'' if 50 percent or more of the exterior surface area of the good is formed by major parts that have been knitted or crocheted directly to the shape used in the good, with no consideration being given to patch pockets, appliqués, or the like. Minor cutting, trimming, or sewing of those major parts shall not affect the determination of whether a good is ''knit-to-shape.''[1]

(7) TAICNAR Program

The term ''TAICNAR Program'' means the Technical Assistance Improvement and Compliance Needs Assessment and Remediation Program established pursuant to subsection (e).

(8) Wholly assembled

A good is ''wholly assembled'' in Haiti if all components, of which there must be at least two, pre-existed in essentially the same condition as found in the finished good and were combined to form the finished good in Haiti. Minor attachments and minor embellishments (for example, appliqués, beads, spangles, embroidery, and buttons) not appreciably affecting the identity of the good, and minor subassemblies (for example, collars, cuffs, plackets, and pockets), shall not affect the determination of whether a good is ''wholly assembled'' in Haiti.

(b) Apparel and other textile articles

(1) Value-added rule for apparel articles

(A) In general

Apparel articles described in subparagraph (B) of a producer or entity controlling production that are imported directly from Haiti or the Dominican Republic shall enter the United States free of duty during the initial applicable 1-year period and any 1-year period thereafter, subject to the limitations set forth in subparagraphs (B) and (C), and subject to subparagraph (D).

(B) Apparel articles described

(i) In general

In the initial applicable 1-year period and any 1-year period thereafter, apparel articles described in this paragraph are apparel articles that are wholly assembled, or are knit-to-shape, in Haiti from any combination of fabrics, fabric components, components knit-to-shape, and yarns, only if, for each entry in that 1-year period, the sum of—

(I) the cost or value of the materials produced in Haiti or one or more coun-

[1] So in original. The closing quotation marks probably should precede the period.