

109TH CONGRESS
2D SESSION

S. 3344

To provide temporary duty reductions for certain cotton fabrics, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide temporary duty reductions for certain cotton fabrics, and for other purposes.

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

3 **SECTION 1. TEMPORARY DUTY REDUCTIONS FOR CERTAIN**

4 **COTTON SHIRTING FABRIC.**

5 (a) CERTAIN COTTON SHIRTING FABRICS.—

6 (1) IN GENERAL.—Subchapter II of chapter 99
7 of the Harmonized Tariff Schedule of the United
8 States is amended by inserting in numerical se-
9 quence the following new headings:

“	9902.52.08	Woven fabrics of cotton, of a type described in subheading 5208.21, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
	9902.52.09	Woven fabrics of cotton, of a type described in subheading 5208.22, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
	9902.52.10	Woven fabrics of cotton, of a type described in subheading 5208.29, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
	9902.52.11	Woven fabrics of cotton, of a type described in subheading 5208.31, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
	9902.52.12	Woven fabrics of cotton, of a type described in subheading 5208.32, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
	9902.52.13	Woven fabrics of cotton, of a type described in subheading 5208.39, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009

9902.52.14	Woven fabrics of cotton, of a type described in subheading 5208.41, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.15	Woven fabrics of cotton, of a type described in subheading 5208.42, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.16	Woven fabrics of cotton, of a type described in subheading 5208.49, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.17	Woven fabrics of cotton, of a type described in subheading 5208.51, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.18	Woven fabrics of cotton, of a type described in subheading 5208.52, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.19	Woven fabrics of cotton, of a type described in subheading 5208.59, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.	Free	No change	No change	On or before 12/31/2009

9902.52.20	Woven fabrics of cotton of a type described in subheading 5208.21, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.21	Woven fabrics of cotton of a type described in subheading 5208.22, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.22	Woven fabrics of cotton of a type described in subheading 5208.29, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.23	Woven fabrics of cotton of a type described in subheading 5208.31, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.24	Woven fabrics of cotton of a type described in subheading 5208.32, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.25	Woven fabrics of cotton of a type described in subheading 5208.39, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009

9902.52.26	Woven fabrics of cotton of a type described in subheading 5208.41, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.27	Woven fabrics of cotton of a type described in subheading 5208.42, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.28	Woven fabrics of cotton of a type described in subheading 5208.49, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.29	Woven fabrics of cotton of a type described in subheading 5208.51, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.30	Woven fabrics of cotton of a type described in subheading 5208.52, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009
9902.52.31	Woven fabrics of cotton of a type described in subheading 5208.59, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.	Free	No change	No change	On or before 12/31/2009

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1 (2) DEFINITIONS AND LIMITATION ON QUAN-
 2 TITY OF IMPORTS.—The U.S. Notes to subchapter II
 3 of chapter 99 of the Harmonized Tariff Schedule of
 4 the United States are amended by adding at the end
 5 the following:

6 “18. For purposes of headings 9902.52.08 through
 7 9902.52.31, the term “manufacturer” means a person or
 8 entity that cuts and sews men’s and boys’ shirts in the
 9 United States.

10 “19. The aggregate quantity of fabrics entered under
 11 headings 9902.52.08 through 9902.52.19 from January 1
 12 to December 31 of each year, inclusive, by or on behalf
 13 of each manufacturer of men’s and boys’ shirts shall be
 14 limited to 85 percent of the total square meter equivalents
 15 of all imported woven fabrics of cotton containing 85 per-
 16 cent or more by weight of cotton used by such manufac-
 17 turer in cutting and sewing men’s and boys’ cotton shirts
 18 in the United States and purchased by such manufacturer
 19 during calendar year 2000.”.

20 (b) DETERMINATION OF TARIFF-RATE QUOTAS.—

21 (1) AUTHORITY TO ISSUE LICENSES AND LI-
 22 CENSE USE.—In order to implement the limitation
 23 on the quantity of cotton woven fabrics that may be
 24 entered under headings 9902.52.08 through
 25 9902.52.19 of the Harmonized Tariff Schedule of

1 the United States, as required by U.S. Note 19 to
2 subchapter II of chapter 99 of such Schedule, the
3 Secretary of Commerce shall issue licenses to eligible
4 manufacturers under such headings 9902.52.08
5 through 9902.52.19, specifying the restrictions
6 under each such license on the quantity of cotton
7 woven fabrics that may be entered each year by or
8 on behalf of the manufacturer. A licensee may as-
9 sign the authority (in whole or in part) under the li-
10 cense to import fabric under headings 9902.52.08
11 through 9902.52.19 of such Schedule.

12 (2) LICENSES UNDER U.S. NOTE 19.—For pur-
13 poses of U.S. Note 19 to subchapter II of chapter
14 99 of the Harmonized Tariff Schedule of the United
15 States, the Secretary of Commerce shall issue a li-
16 cense to a manufacturer within 60 days after the
17 manufacturer files with the Secretary of Commerce
18 an application containing a notarized affidavit from
19 an officer of the manufacturer that the manufac-
20 turer is eligible to receive a license and stating the
21 quantity of imported woven fabrics of cotton con-
22 taining 85 percent or more by weight of cotton pur-
23 chased during calendar year 2000 for use in the cut-
24 ting and sewing men's and boys' shirts in the United
25 States.

1 (3) AFFIDAVITS.—For purposes of an affidavit
2 described in this subsection, the date of purchase
3 shall be—

4 (A) the invoice date if the manufacturer is
5 not the importer of record; and

6 (B) the date of entry if the manufacturer
7 is the importer of record.

8 **SEC. 2. COTTON TRUST FUND.**

9 (a) ESTABLISHMENT OF TRUST FUND.—

10 (1) IN GENERAL.—There is established in the
11 Treasury of the United States a trust fund to be
12 known as the “Pima Cotton Trust Fund” (in this
13 section referred to as the “Trust Fund”), consisting
14 of such amounts as may be transferred to the Trust
15 Fund under paragraph (2).

16 (2) TRANSFER OF AMOUNTS.—

17 (A) IN GENERAL.—Beginning October 1,
18 2006, the Secretary of the Treasury shall trans-
19 fer to the Trust Fund, from the general fund
20 of the Treasury, amounts determined by the
21 Secretary of the Treasury to be equivalent to
22 the amounts received in the general fund that
23 are attributable to duties received since Janu-
24 ary 1, 1994, on articles under subheadings
25 5208.21.60, 5208.22.80, 5208.29.80,

1 5208.31.80, 5208.32.50, 5208.39.80,
2 5208.41.80, 5208.42.50, 5208.49.80,
3 5208.51.80, 5208.52.50, and 5208.59.80 of the
4 Harmonized Tariff Schedule of the United
5 States, subject to the limitation in subpara-
6 graph (B).

7 (B) LIMITATION.—The Secretary may not
8 transfer more than \$16,000,000 to the Trust
9 fund in any fiscal year, and may not transfer
10 any amount beginning on or after October 1,
11 2008.

12 (3) DISTRIBUTION OF FUNDS.—From amounts
13 in the Trust Fund, the Commissioner of the Bureau
14 of Customs and Border Protection shall make the
15 following payments annually beginning in fiscal year
16 2007:

17 (A) 25 percent of the amounts in the
18 Trust Fund shall be paid annually to a nation-
19 ally recognized association established for the
20 promotion of pima cotton grown in the United
21 States for the use in textile and apparel goods.

22 (B) 25 percent of the amounts in the
23 Trust Fund shall be paid annually to yarn spin-
24 ners of pima cotton grown in the United States,

1 and shall be allocated to each spinner in an
 2 amount that bears the same ratio as—

3 (i) the spinner's production of ring
 4 spun cotton yarns, measuring less than
 5 83.33 decitex (exceeding 120 metric num-
 6 ber) from pima cotton grown in the United
 7 States in single and plied form during cal-
 8 endar year 2002 (as evidenced by an affi-
 9 davit provided by the spinner) bears to—

10 (ii) the production of the yarns de-
 11 scribed in clause (i) during calendar year
 12 2002 for all spinners who qualify under
 13 this subparagraph.

14 (C) 50 percent of the amounts in the Trust
 15 Fund shall be paid annually to those manufac-
 16 turers who cut and sew cotton shirts in the
 17 United States who certify that they used im-
 18 ported cotton fabric during the period January
 19 1, 1998, through July 1, 2003, and shall be al-
 20 located to each such manufacturer in an
 21 amount that bears the same ratio as—

22 (i) the dollar value (excluding duty,
 23 shipping, and related costs) of imported
 24 woven cotton shirting fabric of 80s or
 25 higher count and 2-ply in warp purchased

1 by the manufacturer during calendar year
2 2002 (as evidenced by an affidavit from
3 the manufacturer that meets the require-
4 ments of paragraph (4)) used in the manu-
5 facturing of men's and boys' cotton shirts,
6 bears to—

7 (ii) the dollar value (excluding duty,
8 shipping, and related costs) of the fabric
9 described in clause (i) purchased during
10 calendar year 2002 by all manufacturers
11 who qualify under this subparagraph.

12 (4) AFFIDAVIT OF SHIRTING MANUFACTUR-
13 ERS.—The affidavit required by paragraph (3)(C) is
14 a notarized affidavit provided by an officer of the
15 manufacturer of men's and boys' shirts concerned
16 that affirms—

17 (A) that the manufacturer used imported
18 cotton fabric during the period January 1,
19 1998, through July 1, 2003, to cut and sew
20 men's and boys' woven cotton shirts in the
21 United States;

22 (B) the dollar value of imported woven cot-
23 ton shirting fabric of 80s or higher count and
24 2-ply in warp purchased during calendar year
25 2002;

1 (C) that the manufacturer maintains in-
2 voices along with other supporting documenta-
3 tion (such as price lists and other technical de-
4 scriptions of the fabric qualities) showing the
5 dollar value of such fabric purchased, the date
6 of purchase, and evidencing the fabric as woven
7 cotton fabric of 80s or higher count and 2-ply
8 in warp; and

9 (D) that the fabric was suitable for use in
10 the manufacturing of men's and boys' cotton
11 shirts.

12 (5) DATE OF PURCHASE.—For purposes of the
13 affidavit under paragraph (4), the date of purchase
14 shall be the invoice date, and the dollar value shall
15 be determined excluding duty, shipping, and related
16 costs.

17 (6) AFFIDAVIT OF YARN SPINNERS.—The affi-
18 davit required by paragraph (3)(B) is a notarized af-
19 fidavit provided by an officer of the producer of ring
20 spun yarns that affirms—

21 (A) that the producer used pima cotton
22 grown in the United States during the period
23 January 1, 2002, through December 31, 2002,
24 to produce ring spun cotton yarns, measuring

1 less than 83.33 decitex (exceeding 120 metric
2 number), in single and plied form during 2002;

3 (B) the quantity, measured in pounds, of
4 ring spun cotton yarns, measuring less than
5 83.33 decitex (exceeding 120 metric number),
6 in single and plied form during calendar year
7 2002; and

8 (C) that the producer maintains sup-
9 porting documentation showing the quantity of
10 such yarns produced, and evidencing the yarns
11 as ring spun cotton yarns, measuring less than
12 83.33 decitex (exceeding 120 metric number),
13 in single and plied form during calendar year
14 2002.

15 (7) NO APPEAL.—Any amount paid by the
16 Commissioner of the Bureau of Customs and Border
17 Protection under this section shall be final and not
18 subject to appeal or protest.

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