

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

"	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	".

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.

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

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

## 8 SEC. 2. COTTON TRUST FUND.

9 (a) ESTABLISHMENT OF TRUST FUND.—

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.

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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