

106TH CONGRESS  
2D SESSION

# S. 2823

To amend the Andean Trade Preference Act to grant certain benefits with respect to textile and apparel, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 29, 2000

Mr. GRAHAM (for himself, Mr. DEWINE, Mr. MOYNIHAN, Mr. GRASSLEY, Mr. DODD, Mr. COVERDELL, and Mr. BIDEN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Andean Trade Preference Act to grant certain benefits with respect to textile and apparel, 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. SHORT TITLE.**

4 This Act may be cited as the “Plan Colombia Trade  
5 Act”.

1 **SEC. 2. TEMPORARY EXTENSION OF ADDITIONAL TRADE**  
2 **BENEFITS TO CERTAIN ANDEAN COUNTRIES.**

3 (a) IN GENERAL.—Section 204(b) of the Andean  
4 Trade Preference Act (19 U.S.C. 3203(b)) is amended to  
5 read as follows:

6 “(b) EXCEPTIONS TO DUTY-FREE TREATMENT.—

7 “(1) IN GENERAL.—Subject to paragraphs (2),  
8 the duty-free treatment provided under this title  
9 shall not apply to—

10 “(A) textile and apparel articles which are  
11 subject to textile agreements;

12 “(B) footwear not designated at the time of  
13 the effective date of this Act as eligible for the  
14 purpose of the generalized system of pref-  
15 erences under title V of the Trade Act of 1974;

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

18 “(D) petroleum, or any product derived from  
19 petroleum, provided for in headings 2709 and  
20 2710 of the HTS;

21 “(E) watches and watch parts (including  
22 cases, bracelets and straps), of whatever type  
23 including, but not limited to, mechanical, quartz  
24 digital or quartz analog, if such watches or  
25 watch parts contain any material which is the

1 product of any country with respect to which  
 2 HTS column 2 rates of duty apply;

3 “(F) articles to which reduced rates of duty  
 4 apply under subsection (c);

5 “(G) sugars, syrups, and molasses classified  
 6 in subheadings 1701.11.03, 1701.12.02,  
 7 1701.99.02, 1702.90.32, 1806.10.42, and  
 8 2106.90.12 of the HTS; or

9 “(H) rum and tafia classified in subheading  
 10 2208.40.00 of the HTS.

11 “(2) TRANSITION PERIOD TREATMENT OF CER-  
 12 TAIN TEXTILE AND APPAREL ARTICLES.—

13 “(A) ARTICLES COVERED.—During the  
 14 transition period, the preferential treatment de-  
 15 scribed in subparagraph (B) shall apply to the  
 16 following articles:

17 “(i) APPAREL ARTICLES ASSEMBLED  
 18 IN ONE OR MORE BENEFICIARY COUN-  
 19 TRIES.—Apparel articles assembled in one  
 20 or more beneficiary countries from fabrics  
 21 wholly formed and cut in the United  
 22 States, from yarns wholly formed in the  
 23 United States, that are—

24 “(I) entered under subheading  
 25 9802.00.80 of the HTS; or

1                   “(II) entered under chapter 61  
2                   or 62 of the HTS, if, after such as-  
3                   sembly, the articles would have quali-  
4                   fied for entry under subheading  
5                   9802.00.80 of the HTS but for the  
6                   fact that the articles were embroi-  
7                   dered or subjected to stone-washing,  
8                   enzyme-washing, acid washing, perma-  
9                   pressing, oven-baking, bleaching, gar-  
10                  ment-dyeing, screen printing, or other  
11                  similar processes.

12                  “(ii) APPAREL ARTICLES CUT AND AS-  
13                  SEMBLED IN ONE OR MORE BENEFICIARY  
14                  COUNTRIES.—Apparel articles cut in one  
15                  or more beneficiary countries from fabric  
16                  wholly formed in the United States from  
17                  yarns wholly formed in the United States,  
18                  if such articles are assembled in one or  
19                  more such countries with thread formed in  
20                  the United States.

21                  “(iii) SPECIAL RULES.—

22                  “(I) EXCEPTION FOR FINDINGS  
23                  AND TRIMMINGS.—(aa) An article oth-  
24                  erwise eligible for preferential treat-  
25                  ment under this paragraph shall not

1 be ineligible for such treatment be-  
2 cause the article contains findings or  
3 trimmings of foreign origin, if such  
4 findings and trimmings do not exceed  
5 25 percent of the cost of the compo-  
6 nents of the assembled product. Ex-  
7 amples of findings and trimmings are  
8 sewing thread, hooks and eyes, snaps,  
9 buttons, 'bow buds', decorative lace,  
10 trim, elastic strips, zippers, including  
11 zipper tapes and labels, and other  
12 similar products. Elastic strips are  
13 considered findings or trimmings only  
14 if they are each less than 1 inch in  
15 width and are used in the production  
16 of brassieres.

17 “(bb) In the case of an article  
18 described in clause (ii) of this sub-  
19 paragraph, sewing thread shall not be  
20 treated as findings or trimmings  
21 under this subclause.

22 “(II) CERTAIN INTERLINING.—  
23 (aa) An article otherwise eligible for  
24 preferential treatment under this  
25 paragraph shall not be ineligible for

1 such treatment because the article  
2 contains certain interlinings of foreign  
3 origin, if the value of such interlinings  
4 (and any findings and trimmings)  
5 does not exceed 25 percent of the cost  
6 of the components of the assembled  
7 article.

8 “(bb) Interlinings eligible for the  
9 treatment described in division (aa)  
10 include only a chest type plate, ‘hymo’  
11 piece, or ‘sleeve header’, of woven or  
12 weft-inserted warp knit construction  
13 and of coarse animal hair or man-  
14 made filaments.

15 “(cc) The treatment described in  
16 this subclause shall terminate if the  
17 President makes a determination that  
18 United States manufacturers are pro-  
19 ducing such interlinings in the United  
20 States in commercial quantities.

21 “(III) DE MINIMIS RULE.—An  
22 article that would otherwise be ineli-  
23 gible for preferential treatment under  
24 this paragraph because the article  
25 contains fibers or yarns not wholly

1           formed in the United States or in one  
2           or more beneficiary countries shall not  
3           be ineligible for such treatment if the  
4           total weight of all such fibers or yarns  
5           is not more than 7 percent of the  
6           total weight of the good. Notwith-  
7           standing the preceding sentence, an  
8           apparel article containing elastomeric  
9           yarns shall be eligible for preferential  
10          treatment under this paragraph only  
11          if such yarns are wholly formed in the  
12          United States.

13                   “(IV) SPECIAL ORIGIN RULE.—  
14           An article otherwise eligible for pref-  
15           erential treatment under clause (i) or  
16           (ii) of this subparagraph shall not be  
17           ineligible for such treatment because  
18           the article contains nylon filament  
19           yarn (other than elastomeric yarn)  
20           that is classifiable under subheading  
21           5402.10.30, 5402.10.60, 5402.31.30,  
22           5402.31.60, 5402.32.30, 5402.32.60,  
23           5402.41.10, 5402.41.90, 5402.51.00,  
24           or 5402.61.00 of the HTS duty-free  
25           from a country that is a party to an

1 agreement with the United States es-  
2 tablishing a free trade area, which en-  
3 tered into force before January 1,  
4 1995.

5 “(iv) SPECIAL RULE FOR FABRICS  
6 NOT FORMED FROM YARNS.—

7 “(I) APPLICATION TO CLAUSE  
8 (i).—An article otherwise eligible for  
9 preferential treatment under clause (i)  
10 of this subparagraph shall not be in-  
11 eligible for such treatment because the  
12 article is assembled in one or more  
13 beneficiary countries from fabrics not  
14 formed from yarns, if such fabrics are  
15 classifiable under heading 5602 or  
16 5603 of the HTS and are wholly  
17 formed and cut in the United States.

18 “(II) APPLICATION TO CLAUSE  
19 (ii).—An article otherwise eligible for  
20 preferential treatment under clause  
21 (ii) of this subparagraph shall not be  
22 ineligible for such treatment because  
23 the article is assembled in one or  
24 more beneficiary countries from fab-  
25 rics not formed from yarns, if such

1 fabrics are classifiable under heading  
2 5602 or 5603 of the HTS and are  
3 wholly formed in the United States.

4 “(B) PREFERENTIAL TREATMENT.—Dur-  
5 ing the transition period, the articles to which  
6 this paragraph applies shall enter the United  
7 States free of duty and free of any quantitative  
8 restrictions, limitations, or consultation levels.

9 “(C) TRANSITION PERIOD.—In this para-  
10 graph, the term ‘transition period’ means, with  
11 respect to a beneficiary country, the period that  
12 begins on the date of enactment of the Plan Co-  
13 lombia Trade Act or October 1, 2000, which-  
14 ever is later, and ends on the date that duty-  
15 free treatment ends under this title.”.

16 (b) FACTORS AFFECTING DESIGNATION.—

17 (1) IN GENERAL.—Section 203(d) of the Ande-  
18 an Trade Preference Act (19 U.S.C. 3202(d)) is  
19 amended—

20 (A) by striking “and” at the end of para-  
21 graph (11);

22 (B) by striking the period at the end of  
23 paragraph (12) and inserting “; and”; and

24 (C) by adding at the end the following:

1           “(13) the extent to which such country adheres  
2 to democratic principles and the rule of law.”.

3           (2) EFFECTIVE DATE.—The amendments made  
4 by this subsection take effect on the earlier of—

5                   (A) October 1, 2000; or

6                   (B) the date of enactment of the Plan Co-  
7 lombia Trade Act.

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