

109TH CONGRESS
2D SESSION

H. R. 6018

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

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. SIMMONS (for himself, Mr. JEFFERSON, Mr. HOLDEN, Mr. RADANOVICH, Mr. MCINTYRE, Mr. ETHERIDGE, and Mr. COSTA) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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

1 States is amended by inserting in numerical se-
 2 quence the following new headings:

“ 9902.52.08	Woven fabrics of cotton, of a type described in subheading 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52, or 5208.59 of average yarn number exceeding 135 metric, other than fabrics provided for in heading 9902.52.09, 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 12/31/2008	
9902.52.09	Woven fabrics of cotton of a type described in subheading 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52, or 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 12/31/2008	”.

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

8 “18. For purposes of headings 9902.52.08 and
 9 9902.52.09, the term “manufacturer” means a per-
 10 son or entity that cuts and sews men’s and boys’
 11 shirts in the United States.

12 “19. The aggregate quantity of fabrics entered under
 13 heading 9902.52.08 from January 1 to December 31
 14 of each year, inclusive, by or on behalf of each manu-

1 manufacturer of men’s and boys’ shirts shall be limited to
2 85 percent of the total square meter equivalents of
3 all imported woven fabrics of cotton containing 85
4 percent or more by weight of cotton used by such
5 manufacturer in cutting and sewing men’s and boys’
6 cotton shirts in the United States and purchased by
7 such manufacturer during calendar year 2000.”.

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

9 (1) AUTHORITY TO ISSUE LICENSES AND LI-
10 CENSE USE.—In order to implement the limitation
11 on the quantity of cotton woven fabrics that may be
12 entered under heading 9902.52.08 of the Har-
13 monized Tariff Schedule of the United States, as re-
14 quired by U.S. Note 19 to subchapter II of chapter
15 99 of such Schedule, the Secretary of Commerce
16 shall issue licenses to eligible manufacturers under
17 such heading 9902.52.08, specifying the restrictions
18 under each such license on the quantity of cotton
19 woven fabrics that may be entered each year by or
20 on behalf of the manufacturer. A licensee may as-
21 sign the authority (in whole or in part) under the li-
22 cense to import fabric under subheading 9902.52.08
23 of such Schedule.

24 (2) LICENSES UNDER U.S. NOTE 19.—For pur-
25 poses of U.S. Note 19 to subchapter II of chapter

1 99 of the Harmonized Tariff Schedule of the United
2 States, the Secretary of Commerce shall issue a li-
3 cense to a manufacturer within 60 days after the
4 manufacturer files with the Secretary of Commerce
5 an application containing a notarized affidavit from
6 an officer of the manufacturer that the manufac-
7 turer is eligible to receive a license and stating the
8 quantity of imported woven fabrics of cotton con-
9 taining 85 percent or more by weight of cotton pur-
10 chased during calendar year 2000 for use in the cut-
11 ting and sewing of men's and boys' shirts in the
12 United States.

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

16 (A) the invoice date if the manufacturer is
17 not the importer of record; and

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

20 **SEC. 2. COTTON TRUST FUND.**

21 (a) ESTABLISHMENT OF TRUST FUND.—

22 (1) IN GENERAL.—There is established in the
23 Treasury of the United States a trust fund to be
24 known as the “Pima Cotton Trust Fund” (in this
25 section referred to as the “Trust Fund”), consisting

1 of such amounts as may be transferred to the Trust
2 Fund under paragraph (2).

3 (2) TRANSFER OF AMOUNTS.—

4 (A) IN GENERAL.—Beginning October 1,
5 2006, the Secretary of the Treasury shall trans-
6 fer to the Trust Fund, from the general fund
7 of the Treasury, amounts determined by the
8 Secretary of the Treasury to be equivalent to
9 the amounts received in the general fund that
10 are attributable to duties received since Janu-
11 ary 1, 1994, on articles under subheadings
12 5208.21.80, 5208.22.80, 5208.29.80,
13 5208.31.80, 5208.32.50, 5208.39.80,
14 5208.41.80, 5208.42.50, 5208.49.80,
15 5208.51.80, 5208.52.50, 5208.59.80,
16 5210.21.80, and 5210.31.80 of the Harmonized
17 Tariff Schedule of the United States, subject to
18 the limitation in subparagraph (B).

19 (B) LIMITATION.—The Secretary may not
20 transfer more than \$16,000,000 to the Trust
21 fund in any fiscal year, and may not transfer
22 any amount beginning on or after October 1,
23 2008.

24 (3) DISTRIBUTION OF FUNDS.—From amounts
25 in the Trust Fund, the Commissioner of the Bureau

1 of Customs and Border Protection shall make the
2 following payments annually beginning in fiscal year
3 2007:

4 (A) 25 percent of the amounts in the
5 Trust Fund shall be paid annually to a nation-
6 ally recognized association established for the
7 promotion of pima cotton grown in the United
8 States for the use in textile and apparel goods.

9 (B) 25 percent of the amounts in the
10 Trust Fund shall be paid annually to yarn spin-
11 ners of pima cotton grown in the United States,
12 and shall be allocated to each spinner in an
13 amount that bears the same ratio as—

14 (i) the spinner's production of ring
15 spun cotton yarns, measuring less than
16 83.33 decitex (exceeding 120 metric num-
17 ber) from pima cotton grown in the United
18 States in single and plied form during cal-
19 endar year 2002 (as evidenced by an affi-
20 davit provided by the spinner) bears to—

21 (ii) the production of the yarns de-
22 scribed in clause (i) during calendar year
23 2002 for all spinners who qualify under
24 this subparagraph.

1 (C) 50 percent of the amounts in the Trust
2 Fund shall be paid annually to those manufac-
3 turers who cut and sew cotton shirts in the
4 United States who certify that they used im-
5 ported cotton fabric during the period January
6 1, 1998, through July 1, 2003, and shall be al-
7 located to each such manufacturer in an
8 amount that bears the same ratio as—

9 (i) the dollar value (excluding duty,
10 shipping, and related costs) of imported
11 woven cotton shirting fabric of 80s or
12 higher count and 2-ply in warp purchased
13 by the manufacturer during calendar year
14 2002 (as evidenced by an affidavit from
15 the manufacturer that meets the require-
16 ments of paragraph (4)) used in the manu-
17 facturing of men's and boys' cotton shirts,
18 bears to—

19 (ii) the dollar value (excluding duty,
20 shipping, and related costs) of the fabric
21 described in clause (i) purchased during
22 calendar year 2002 by all manufacturers
23 who qualify under this subparagraph.

24 (4) AFFIDAVIT OF SHIRTING MANUFACTUR-
25 ERS.—The affidavit required by paragraph (3)(C) is

1 a notarized affidavit provided by an officer of the
2 manufacturer of men's and boys' shirts concerned
3 that affirms—

4 (A) that the manufacturer used imported
5 cotton fabric during the period January 1,
6 1998, through July 1, 2003, to cut and sew
7 men's and boys' woven cotton shirts in the
8 United States;

9 (B) the dollar value of imported woven cot-
10 ton shirting fabric of 80s or higher count and
11 2-ply in warp purchased during calendar year
12 2002;

13 (C) that the manufacturer maintains in-
14 voices along with other supporting documenta-
15 tion (such as price lists and other technical de-
16 scriptions of the fabric qualities) showing the
17 dollar value of such fabric purchased, the date
18 of purchase, and evidencing the fabric as woven
19 cotton fabric of 80s or higher count and 2-ply
20 in warp; and

21 (D) that the fabric was suitable for use in
22 the manufacturing of men's and boys' cotton
23 shirts.

24 (5) DATE OF PURCHASE.—For purposes of the
25 affidavit under paragraph (4), the date of purchase

1 shall be the invoice date, and the dollar value shall
2 be determined excluding duty, shipping, and related
3 costs.

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

8 (A) that the producer used pima cotton
9 grown in the United States during the period
10 January 1, 2002, through December 31, 2002,
11 to produce ring spun cotton yarns, measuring
12 less than 83.33 decitex (exceeding 120 metric
13 number), in single and plied form during 2002;

14 (B) the quantity, measured in pounds, of
15 ring spun cotton yarns, measuring less than
16 83.33 decitex (exceeding 120 metric number),
17 in single and plied form during calendar year
18 2002; and

19 (C) that the producer maintains sup-
20 porting documentation showing the quantity of
21 such yarns produced, and evidencing the yarns
22 as ring spun cotton yarns, measuring less than
23 83.33 decitex (exceeding 120 metric number),
24 in single and plied form during calendar year
25 2002.

1 (7) NO APPEAL.—Any amount paid by the
2 Commissioner of the Bureau of Customs and Border
3 Protection under this section shall be final and not
4 subject to appeal or protest.

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