

The Special Access Program

On February 20, 1986, the President announced a program to guarantee access to the U.S. market for Caribbean-produced textile products assembled from fabric formed and cut in the United States. Caribbean countries entered into bilateral agreements with the United States under which guaranteed levels of access were established for their exports of qualifying assembled textile products. These guaranteed access levels are distinct from the quotas or designated consultation levels which apply to textile products that do not meet the requirements of the Special Access Program. Textile products that meet the requirements of the Special Access Program must be entered under heading 9802.00.80.15 of the Harmonized Tariff Schedule of the United States (HTSUS), which applies to articles assembled abroad from U.S. components, and are subject to duty on the value of the assembled textile product less the value of the U.S. components. The program has been implemented by Federal Register Notices dated June 11, 1986 (51 FR 21208); October 20, 1986 (51 FR 37214); May 15, 1987 (52 FR 18414); July 10, 1987 (52 FR 26057); November 15, 1989 (54 FR 47549); December 6, 1989 (54 FR 50425) and June 7, 1991 (56 FR 26394). In a Federal Register Notice dated August 30, 1995 (60 FR 45144), the Committee for the Implementation of Textile Agreements (CITA) announced the establishment of a similar Special Access Program for textile products assembled in ATPA designated countries from fabric formed and cut in the United States.

In order to qualify for Special Access Program treatment, a textile product must meet the following requirements:

- (1) the product must be assembled in a CBI or ATPA country with which the United States has entered into a bilateral agreement regarding guaranteed access levels under the Special Access Program;
- (2) the product must be assembled from fabric formed and cut in the United States; i.e., all fabric components of the assembled product (with the exception of findings and trimmings, including elastic strips) must be U.S. formed and cut. This requirement applies to all textile components of the assembled product, including linings and pocketing, except as provided in (4) below. Greige goods imported into, and then finished in, the United States are not considered fabric formed and cut in the United States. Fabric that is woven or knitted in the United States from yarn is considered U.S.-formed;
- (3) the importer of the product and the exporter of the component parts from which the product is assembled must be the same entity or person; and
- (4) findings and trimmings of non-U.S. origin may be incorporated into the assembled product provided they do not exceed 25 percent of the cost of the components of the assembled product. Findings and trimmings include sewing thread, hooks and eyes, snaps, buttons, Abow buds, @ decorative lace trim, elastic strips, zippers, including zipper tapes, and labels. Elastic strips are considered findings or trimmings only if less than one inch in width and used in the production of brassieres. Certain non-U.S. formed, U.S. cut interlinings for suit jackets and suit-type jackets may currently qualify as findings and trimmings under a temporary amendment to the Special

Access Program. See 62 F.R. 49206 (September 23, 1997), 62 F.R. 66057 (December 17, 1997), and 63 F.R. 51903 (September 29, 1998);

(5) upon entry into the United States, the product must be classified under heading 9802.00.80.15 of the HTSUS.

The specific recordkeeping requirements are outlined in Federal Register Notices 54 FR 50425 (December 6, 1989) and 63 FR 16474 (April 3, 1998).

CITA has determined that the Special Access/Special Regime Export Declaration (Form ITA-370P) is no longer necessary for the efficient administration of the Special Access Program. As a result, effective May 4, 1998, for component parts exported from the United States on or after May 4, 1998, participants in the Special Access Program are no longer required to file and present the Special Access/Special Regime Export Declaration (Form ITA-370P). For assembled products imported into the United States that were made from component parts exported from the United States on or after May 4, 1998, participants in the Special Access Program will no longer be required to file and present this form. Participants should be aware, however, that the representations made at the time of entry of products alleged to qualify under the Special Access Program continue to be subject to federal law prohibiting false or misleading statements.

In order to determine that participants in the Special Access Program comply fully with the Special Access Program requirements set forth in this Notice, Customs will continue to conduct a series of Post Entry Compliance reviews. These reviews will be conducted for entries made for the first quarter of 1998 and shall continue for each successive quarter. During the course of such a review, the participant must provide Customs officials with evidence, through the documents describes above, that all products entered under the Special Access Program qualify for Special Access Program treatment.