

1 (2) by redesignating such subheading as sub-
2 heading 1604.14.22.

3 **SEC. 3107. TRADE BENEFITS UNDER THE CARIBBEAN BASIN**
4 **ECONOMIC RECOVERY ACT.**

5 (a) *IN GENERAL.*—Section 213(b)(2)(A) of the
6 *Caribbean Basin Economic Recovery Act* (19 U.S.C.
7 2703(b)(2)(A)) is amended as follows:

8 (1) *Clause (i) is amended—*

9 (A) by striking the matter preceding sub-
10 *clause (I) and inserting the following:*

11 “(i) *APPAREL ARTICLES ASSEMBLED*
12 *IN ONE OR MORE CBTPA BENEFICIARY*
13 *COUNTRIES.—Apparel articles sewn or oth-*
14 *erwise assembled in one or more CBTPA*
15 *beneficiary countries from fabrics wholly*
16 *formed and cut, or from components knit-*
17 *to-shape, in the United States from yarns*
18 *wholly formed in the United States, (includ-*
19 *ing fabrics not formed from yarns, if such*
20 *fabrics are classifiable under heading 5602*
21 *or 5603 of the HTS and are wholly formed*
22 *and cut in the United States) that are—”;*
23 *and*

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



1 *“Apparel articles entered on or after Sep-*
2 *tember 1, 2002, shall qualify under the pre-*
3 *ceding sentence only if all dyeing, printing,*
4 *and finishing of the fabrics from which the*
5 *articles are assembled, if the fabrics are knit*
6 *fabrics, is carried out in the United States.*
7 *Apparel articles entered on or after Sep-*
8 *tember 1, 2002, shall qualify under the first*
9 *sentence of this clause only if all dyeing,*
10 *printing, and finishing of the fabrics from*
11 *which the articles are assembled, if the fab-*
12 *rics are woven fabrics, is carried out in the*
13 *United States.”.*

14 (2) *Clause (ii) is amended to read as follows:*

15 *“(ii) OTHER APPAREL ARTICLES AS-*
16 *SEMBLED IN ONE OR MORE CBTPA BENE-*
17 *FICIARY COUNTRIES.—Apparel articles sewn*
18 *or otherwise assembled in one or more*
19 *CBTPA beneficiary countries with thread*
20 *formed in the United States from fabrics*
21 *wholly formed in the United States and cut*
22 *in one or more CBTPA beneficiary coun-*
23 *tries from yarns wholly formed in the*
24 *United States, or from components knit-to-*
25 *shape in the United States from yarns*



1 wholly formed in the United States, or both
2 (including fabrics not formed from yarns, if
3 such fabrics are classifiable under heading
4 5602 or 5603 of the HTS and are wholly
5 formed in the United States). Apparel arti-
6 cles entered on or after September 1, 2002,
7 shall qualify under the preceding sentence
8 only if all dyeing, printing, and finishing
9 of the fabrics from which the articles are as-
10 sembled, if the fabrics are knit fabrics, is
11 carried out in the United States. Apparel
12 articles entered on or after September 1,
13 2002, shall qualify under the first sentence
14 of this clause only if all dyeing, printing,
15 and finishing of the fabrics from which the
16 articles are assembled, if the fabrics are
17 woven fabrics, is carried out in the United
18 States.”.

19 (3) Clause (iii)(II) is amended to read as fol-
20 lows:

21 “(II) The amount referred to in sub-
22 clause (I) is as follows:

23 “(aa) 500,000,000 square meter
24 equivalents during the 1-year period
25 beginning on October 1, 2002.



1 “(bb) 850,000,000 square meter
2 equivalents during the 1-year period
3 beginning on October 1, 2003.

4 “(cc) 970,000,000 square meter
5 equivalents in each succeeding 1-year
6 period through September 30, 2008.”.

7 (4) Clause (iii)(IV) is amended to read as fol-
8 lows:

9 “(IV) The amount referred to in sub-
10 clause (III) is as follows:

11 “(aa) 4,872,000 dozen during the
12 1-year period beginning on October 1,
13 2001.

14 “(bb) 9,000,000 dozen during the
15 1-year period beginning on October 1,
16 2002.

17 “(cc) 10,000,000 dozen during the
18 1-year period beginning on October 1,
19 2003.

20 “(dd) 12,000,000 dozen in each
21 succeeding 1-year period through Sep-
22 tember 30, 2008.”.

23 (5) Clause (iv) is amended to read as follows:

24 “(iv) CERTAIN OTHER APPAREL ARTI-
25 CLES.—



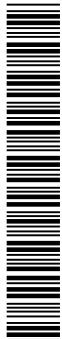
1 “(I) *GENERAL RULE.*—Subject to
2 subclause (II), any apparel article
3 classifiable under subheading 6212.10
4 of the HTS, except for articles entered
5 under clause (i), (ii), (iii), (v), or (vi),
6 if the article is both cut and sewn or
7 otherwise assembled in the United
8 States, or one or more CBTPA bene-
9 ficiary countries, or both.

10 “(II) *LIMITATION.*—During the 1-
11 year period beginning on October 1,
12 2001, and during each of the 6 suc-
13 ceeding 1-year periods, apparel articles
14 described in subclause (I) of a producer
15 or an entity controlling production
16 shall be eligible for preferential treat-
17 ment under subparagraph (B) only if
18 the aggregate cost of fabrics (exclusive
19 of all findings and trimmings) formed
20 in the United States that are used in
21 the production of all such articles of
22 that producer or entity that are en-
23 tered and eligible under this clause
24 during the preceding 1-year period is
25 at least 75 percent of the aggregate de-



1 *clared customs value of the fabric (ex-*
2 *clusive of all findings and trimmings)*
3 *contained in all such articles of that*
4 *producer or entity that are entered and*
5 *eligible under this clause during the*
6 *preceding 1-year period.*

7 *“(III) DEVELOPMENT OF PROCE-*
8 *DURE TO ENSURE COMPLIANCE.—The*
9 *United States Customs Service shall*
10 *develop and implement methods and*
11 *procedures to ensure ongoing compli-*
12 *ance with the requirement set forth in*
13 *subclause (II). If the Customs Service*
14 *finds that a producer or an entity con-*
15 *trolling production has not satisfied*
16 *such requirement in a 1-year period,*
17 *then apparel articles described in sub-*
18 *clause (I) of that producer or entity*
19 *shall be ineligible for preferential treat-*
20 *ment under subparagraph (B) during*
21 *any succeeding 1-year period until the*
22 *aggregate cost of fabrics (exclusive of*
23 *all findings and trimmings) formed in*
24 *the United States that are used in the*
25 *production of such articles of that pro-*



1 *ducer or entity entered during the pre-*
2 *ceding 1-year period is at least 85 per-*
3 *cent of the aggregate declared customs*
4 *value of the fabric (exclusive of all*
5 *findings and trimmings) contained in*
6 *all such articles of that producer or en-*
7 *tity that are entered and eligible under*
8 *this clause during the preceding 1-year*
9 *period.”.*

10 *(6) Clause (vii) is amended by adding at the end*
11 *the following new subclause:*

12 *“(V) THREAD.—An article other-*
13 *wise eligible for preferential treatment*
14 *under this paragraph shall not be in-*
15 *eligible for such treatment because the*
16 *thread used to assemble the article is*
17 *dyed, printed, or finished in one or*
18 *more CBTPA beneficiary countries.”.*

19 *(7) Section 213(b)(2)(A) of such Act is further*
20 *amended by adding at the end the following new*
21 *clause:*

22 *“(ix) APPAREL ARTICLES ASSEMBLED*
23 *IN ONE OR MORE CBTPA BENEFICIARY*
24 *COUNTRIES FROM UNITED STATES AND*
25 *CBTPA BENEFICIARY COUNTRY COMPO-*



1 *NENTS.—Apparel articles sewn or otherwise*
2 *assembled in one or more CBTPA bene-*
3 *ficiary countries with thread formed in the*
4 *United States from components cut in the*
5 *United States and in one or more CBTPA*
6 *beneficiary countries from fabric wholly*
7 *formed in the United States from yarns*
8 *wholly formed in the United States, or from*
9 *components knit-to-shape in the United*
10 *States and one or more CBTPA beneficiary*
11 *countries from yarns wholly formed in the*
12 *United States, or both (including fabrics*
13 *not formed from yarns, if such fabrics are*
14 *classifiable under heading 5602 or 5603 of*
15 *the HTS). Apparel articles shall qualify*
16 *under this clause only if they meet the re-*
17 *quirements of clause (i) or (ii) (as the case*
18 *may be) with respect to dyeing, printing,*
19 *and finishing of knit and woven fabrics*
20 *from which the articles are assembled.”.*

21 **(b) EFFECTIVE DATE OF CERTAIN PROVISIONS.—***The*
22 *amendment made by subsection (a)(3) shall take effect on*
23 *October 1, 2002.*

