

Proclamation 5133 of November 30, 1983

**Implementation of the Caribbean Basin Economic Recovery Act**

*By the President of the United States of America*

*A Proclamation*

1. Sections 211 and 218 of the Caribbean Basin Economic Recovery Act (the CBERA) (19 U.S.C. 2701, 2706) confer authority upon the President to proclaim duty-free treatment for all eligible articles from any country which has been designated a "beneficiary country" in accordance with the provisions of section 212 of the CBERA. I am designating the countries and territories or successor political entities set forth in the Annex as "beneficiary countries" under section 212 of the CBERA. I have previously notified the House of Representatives and the Senate of my intention to make such designation, together with the considerations entering into my decision, pursuant to subsection 212(a)(1)(A) of the CBERA. 19 USC 2702, 1202.

19 USC 2702.

2. In order to implement the duty-free treatment provided in accordance with the provisions of the CBERA, it is necessary to modify the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), thus incorporating the substance of relevant provisions of the CBERA, and of actions taken thereunder, into the TSUS, pursuant to section 604 of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2483).

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including but not limited to sections 211 and 218 of the CBERA and section 604 of the Trade Act, do proclaim that: 19 USC 2701, 2706.

(1) The countries set forth in general headnote 3(g)(i) of the TSUS, as added by paragraph (2) of this Proclamation, are designated as beneficiary countries. 19 USC 2483.  
19 USC 1202 note.

(2) A new general headnote 3(g) of the TSUS is hereby added as set forth in the Annex, and present general headnote 3(g) is redesignated as general headnote 3(h).

(3) A new headnote 4 to subpart A of part 10 of schedule 1 of the TSUS is hereby added as set forth in the Annex.

(4) The provisions of this Proclamation shall be effective with respect to all articles that are entered, or withdrawn from warehouse for consumption, on or after the effective date of this Proclamation and on or before September 30, 1995.

(5) This Proclamation shall be effective on January 1, 1984.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of Nov., in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and eighth.

RONALD REAGAN

## ANNEX

## Modifications to the Tariff Schedules of the United States

## A. The TSUS is modified by adding the following new general headnote 3(g):

"(g) *Products of Countries Designated as Beneficiary Countries for Purposes of the Caribbean Basin Economic Recovery Act (CBERA).*

(i) The following countries and territories or successor political entities are designated beneficiary countries for the purposes of the CBERA, pursuant to section 212 of that Act (19 U.S.C. 2702):

Barbados	Panama
Costa Rica	Saint Christopher-Nevis
Dominica	Saint Lucia
Dominican Republic	Saint Vincent and the Grenadines
Jamaica	Trinidad and Tobago
Netherlands Antilles	

(ii)(A) Unless otherwise excluded from eligibility by the provisions of subdivision (g)(iii) of this headnote, any article which is the growth, product, or manufacture of a beneficiary country shall receive duty-free treatment if—

(1) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(2) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered. For purposes of determining the percentage referred to in subparagraph (2) above, the term "beneficiary country" includes the Commonwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 per centum of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (2).

(B) Pursuant to section 213(a)(2) of the CBERA, the Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out subdivision (g) of this headnote including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under the CBERA, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country, and must be stated as such in a declaration by the manufacturer or exporter of the article accompanied by an endorsement thereof by the importer or consignee; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(1) simple combining or packaging operations, or

(2) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(C) As used in subdivision (g)(ii) of this headnote, the phrase "direct costs of processing operations" includes, but is not limited to—

(1) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(2) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

(iii) The duty-free treatment provided under the CBERA shall not apply to—

(A) tuna, prepared or preserved in any manner, in airtight containers, provided for in items 112.30, 112.34 or 112.90;

(B) sugars, sirups, and molasses, provided for in items 155.20 or 155.30, to the extent that importation and duty-free treatment of such articles are limited by headnote 4, subpart A, part 10, schedule 1;

(C)(1) textile and apparel articles provided for in the following items:

300.60-303.20	355.70	364.30	379.39-379.43
307.30	355.81	365.00	379.46-379.52
307.50-307.52	355.82	365.11	379.55-379.58
307.62-307.68	356.20	365.20	379.62-379.64
309.02-310.91	356.30	365.68	379.71-379.79
315.05-315.15	356.40	365.74	379.83-379.84
316.40	357.10-357.20	365.77-365.78	379.89-379.92
316.55-316.58	357.35	365.86	379.95-379.96
319.21-332.40	357.45	366.03-366.09	383.02-383.08
335.55-335.60	358.08-358.09	366.18-366.27	383.12-383.23
336.10-336.64	358.14	366.42-366.47	383.27-383.32
337.50-337.55	358.30-358.35	366.60-366.69	383.34-383.43
337.68	358.50	366.75-366.79	383.47-383.50
338.10-339.05	359.10	367.05-367.25	383.55-383.66
345.30	359.30	367.34	383.70-383.75
345.50	359.50	367.50-367.60	383.80-383.86
346.05-346.45	360.06	370.04-370.08	383.90-383.92
346.52	360.20-360.30	370.16	385.20-385.40
346.60	360.42-360.43	370.21	385.53
346.70	360.65-360.76	370.24-370.68	385.61
346.82	360.78	370.88	385.85
346.90	360.81	372.04-372.06	386.04-386.06
347.10-347.15	360.83	372.15	386.11
347.26	361.07-361.18	372.25-372.45	386.15-386.50
347.33	361.24	372.70-372.75	388.10-388.40
347.40	361.42	373.15	389.40-389.62
347.55-347.70	361.45-361.50	373.25-373.27	702.06
349.15	361.80	374.20-374.30	702.54-702.80
351.05	363.01	374.50	703.05-703.16
351.30	363.10-363.20	374.60	704.20-704.32
352.50	363.30	378.08	704.55-704.70
355.02	363.65-363.75	376.54	704.85-704.90
355.15-355.18	363.85	378.20-378.25	727.82
355.25	364.07	378.35-378.45	748.45-478.50 <sup>1</sup>
355.35	364.13	378.60-378.65	791.74
355.50	364.20	379.02-379.08	
355.60	364.23	379.13-379.33	

except that beneficiary country exports of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or traditional folklore handicraft textiles products, if such products are properly certified under an arrangement established between the United States Committee for the Implementation of Textile Agreements<sup>2</sup> and such beneficiary country, are eligible for the duty-free treatment provided under the CBERA;

(2) textile and apparel articles—

(i) in chief value of cotton, wool, man-made fibers, or blends thereof in which those fibers, in the aggregate, exceed in value each other single component fiber thereof, or

(ii) in which either the cotton content or the man-made fiber content equals or exceeds 50 percent by weight of all component fibers thereof, or

(iii) in which the wool content exceeds 17 percent by weight of all component fibers thereof, or

(iv) containing blends of cotton, wool, or man-made fibers, which fibers, in the aggregate, amount to 50 percent or more by weight of all component fibers thereof, and which are provided for in the following items:

305.04-305.50	357.60-357.90	366.72	383.33
308.60-308.90	357.95	366.81-366.84	383.45
315.25-315.40	358.02	367.28	383.52-383.53
315.45	358.05-358.06	367.31	383.68
315.55	358.11	367.35-367.45	383.77-383.78
315.75-316.30	358.16-358.26	367.65	383.88
316.50	358.40	370.12	383.95
316.70	358.60	370.17-370.19	385.15
335.70-335.95	359.20	370.22	385.50
337.60	359.40	370.72-370.84	385.55-385.60
337.80-337.90	359.60	370.92	385.63-385.80
339.10	360.04	372.08-372.10	385.90
345.10	360.10-360.15	372.20	386.07
345.35	360.35-360.36	372.50-372.65	386.13
345.60	360.40	372.80-373.10	387.10-387.37
346.50	360.44-360.48	373.20-373.22	389.10-389.30
346.56	360.77	373.30	389.70
346.65	360.79	374.05-374.15	696.15
346.80	360.82	374.35-374.45	702.08
346.86	360.84-361.05	374.55	702.12
346.95	361.21-361.23	374.65	702.14
347.20	361.26	376.04	702.20
347.28-347.30	361.43	376.12-376.28	702.85-702.95
347.35	361.53-361.56	376.56	703.65
347.45-347.50	361.85	378.05-378.15	703.72-704.15
347.72-349.10	363.02-363.05	378.30	704.34-704.50
349.25-350.00	363.25	378.50-378.55	704.75-704.80
351.10-351.25	363.35-363.60	378.70	704.95
351.40-352.40	363.80	379.00	705.35-705.78
352.80-353.50	363.90	379.11	705.83-705.90
355.04	364.09	379.35	706.33
355.20	364.14-364.18	379.37	706.37
355.42-355.45	364.21	379.45	706.39
355.55	364.25	379.54	727.86
355.65	364.35	379.60	735.20
355.75	365.05	379.66-379.69	737.21
355.85-356.15	365.14-365.15	379.81	737.51
356.25	365.25-365.50	379.86-379.87	748.55
356.35	365.80-365.84	379.94	772.30-772.35
356.45	365.91	379.98	791.45-791.48
356.70-357.05	366.12-366.15	383.00	791.70
357.30	366.30-366.39	383.10	791.80
357.40	366.48-366.57	383.25	791.90

except that beneficiary country exports of handloom fabrics of the cottage industry, or hand-made cottage industry products made of such handloom fabrics, or traditional folklore handicraft textiles products, if such products are properly certified under an arrangement established between the United States Committee for the Implementation of Textile Agreements<sup>2</sup> and such beneficiary country, are eligible for the duty-free treatment provided under the CBERA;

(D) petroleum, or any product derived from petroleum, provided for in items 475.05, 475.10, or 475.25-475.65;

(E) footwear, work gloves, luggage, handbags, flat goods, and leather wearing apparel provided for in items 700.05-700.27, 700.29-700.53, 700.56-700.83, 700.95, 705.35, 705.85, 705.86, 706.05-706.16, 706.21-706.32, 706.34, 706.36, 706.38, 706.41, 706.43, 706.55, 706.62, or 791.76;

(F) watches and watch parts (including cases, bracelets and straps) of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which column 2 rates of duty apply; or

(G) the articles subject to the provisions of subpart A of part 2 of the Appendix, to the extent that such provisions have not been modified or terminated by the President pursuant to subsection 213(e)(5) of the CBERA."

B. Subpart A of part 10 of schedule 1 of the TSUS is modified by adding the following new headnote 4:

"4. For such period as there is in effect a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to protect a price-support program for sugar beets and sugar cane, the importation and duty-free treatment of sugars, sirups, and molasses, provided for in items 155.20 and 155.30, in accordance with general headnote 3(g), shall be governed in the following manner:

(a)(i) For all beneficiary countries, except those subject to subparagraph (ii) and paragraph (b), duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.), at the time of the effective date of the Caribbean Basin Economic Recovery Act; except that the President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the value limitation provided for in section 504(c)(1) of the Trade Act of 1974 on the duty-free treatment afforded to beneficiary countries under general headnote 3(g) if he finds that such adjustment will not interfere with the price support program for sugar beets and sugar cane and is appropriate in light of market conditions.

(ii) As an alternative to subparagraph (i), the President may, at the request of a beneficiary country not subject to paragraph (b) and upon the recommendation of the Secretary of Agriculture, elect to permit sugar, sirups, and molasses from that country to enter duty-free during a calendar year subject to quantitative limitations to be established by the President on the quantity of sugar, sirups, and molasses entered from that country.

(b) For the following countries whose exports of sugar, sirups, and molasses in 1981 were not eligible for duty-free treatment because of the operation of section 504(c) of the Trade Act of 1974, the quantity of sugar, sirups, and molasses which may be entered in any calendar year shall be limited to no more than the quantity specified below:

Dominican Republic.....	780,000 metric tons
Guatemala .....	210,000 metric tons
Panama .....	160,000 metric tons

Such sugar, sirups, and molasses shall be admitted free of duty, except as provided for in paragraph (c).

(c) The President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the quantitative limitations imposed under paragraph (a)(ii) or (b) if he determines such action will not interfere with the price-support program for sugar beets and sugar cane and is appropriate in light of market conditions. The President, upon the recommendation of the Secretary of Agriculture, may suspend the duty-free treatment for all or part of the quantity of sugar, sirups, and molasses permitted to be entered by paragraphs (a)(ii) and (b) if such action is necessary to protect the price-support program for sugar beets and sugar cane.

(d) Any quantitative limitation imposed on a beneficiary country under paragraphs (a)(ii) and (b) shall apply only to the extent that such limitation permits a lesser quantity of sugar, sirups, and molasses to be entered from that country than the quantity that would be permitted to be entered under any other provision of law."

**Editorial Note:** Two items on the implementation of the Caribbean Basin Economic Recovery Act are printed in the *Weekly Compilation of Presidential Documents* (vol. 19, pp. 1628 and 1630): the President's letter to the Speaker of the House of Representatives and the President of the Senate, dated Nov. 30, 1983, and the Principal Deputy Press Secretary's statement of Dec. 1, 1983.