

107TH CONGRESS
2D SESSION

S. 2385

Entitled the “Production Incentive Certificate Program Revision Act”.

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2002

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

Entitled the “Production Incentive Certificate Program Revision Act”.

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. AMENDMENTS TO UNITED STATES INSULAR**
4 **POSSESSION PROGRAM.**

5 (a) PRODUCTION CERTIFICATES.—Additional U.S.
6 Note 5(h) to chapter 91 of the Harmonized Tariff Sched-
7 ule of the United States is amended—

8 (1) by amending subparagraphs (i) and (ii) to
9 read as follows:

10 “(i) In the case of each of calendar years 2002 through
11 2015, the Secretaries jointly, shall—

1 “(A) verify—

2 “(1) the wages paid in the preceding calendar
3 year by each producer (including the value of
4 usual and customary fringe benefits)—

5 “(I) to permanent residents of the insular
6 possessions; and

7 “(II) to workers providing training in the
8 insular possessions in the production or
9 manufacture of watch movements and
10 watches or engaging in such other activi-
11 ties in the insular possessions relating to
12 such production or manufacture as are ap-
13 proved by the Secretaries; and

14 “(2) the total quantity and value of watches
15 produced in the insular possessions by that pro-
16 ducer and imported into the customs territory
17 of the United States; and

18 “(B) issue to each producer (not later than 60 days
19 after the end of the preceding calendar year) a cer-
20 tificate for the applicable amount.

21 “(ii) For purposes of subparagraph (i), except as provided
22 in subparagraphs (iii) and (iv), the term ‘applicable
23 amount’ means an amount equal to the sum of—

24 “(A) 90 percent of the producer’s creditable wages
25 (including the value of any usual and customary

1 fringe benefits) on the assembly during the pre-
2 ceding calendar year of the first 300,000 units; plus
3 “(B) the applicable graduated declining percentage
4 (determined each year by the Secretaries) of the pro-
5 ducer’s creditable wages (including the value of any
6 usual and customary fringe benefits) on the assem-
7 bly during the preceding calendar year of units in
8 excess of 300,000 but not in excess of 750,000; plus
9 “(C) the difference between the duties that would
10 have been due on the producer’s watches (excluding
11 digital watches) imported into the customs territory
12 of the United States during the preceding calendar
13 year if the watches had been subject to duty at the
14 rates set forth in column 1 under this chapter that
15 were in effect on January 1, 2001, and the duties
16 that would have been due on the watches if the
17 watches had been subject to duty at the rates set
18 forth in column 1 under this chapter that were in
19 effect for such preceding calendar year.”; and

20 (2) by amending subparagraph (v) to read as
21 follows:

22 “(v)(A) Any certificate issued under subparagraph (i)
23 shall entitle the certificate holder to secure a refund of
24 duties equal to the face value of the certificate on watches,
25 watch movements, and articles of jewelry provided for in

1 heading 7113 that are imported into the customs territory
2 of the United States by the certificate holder. Such re-
3 funds shall be made under regulations issued by the
4 Treasury Department. Not more than 5 percent of such
5 refunds may be retained as a reimbursement to the Cus-
6 toms Service for the administrative costs of making the
7 refunds. If the Secretary of the Treasury determines that
8 there is an insufficient level of duties from watch and
9 watch-related tariffs, the Secretary may authorize refunds
10 of duties collected on jewelry under chapter 71 or any
11 other duties that the Secretary determines are appro-
12 priate.

13 “(B) At the election of the certificate holder and upon
14 making the certification described in this clause, the Sec-
15 retary of the Treasury shall pay directly to the certificate
16 holder the face value of the certificate, less the value of—

17 “(1) any duty refund previously claimed by the hold-
18 er under the certificate, and

19 “(2) a discount of not more than 2 percent of the
20 face value of the certificate,

21 as determined by the Secretary of the Treasury.

22 “(C) Direct payments under clause (B) shall be made
23 under regulations issued by the Secretary of the Treasury.
24 Such regulations shall assure that a certificate holder is
25 required to provide only the minimum documentation nec-

1 essary to support an application for direct payment. A cer-
 2 tificate holder shall not be eligible for direct payment
 3 under clause (B) unless the certificate holder certifies to
 4 the Secretaries that the funds received will be reinvested
 5 or utilized to support and continue employment in the Vir-
 6 gin Islands.

7 “(D) The Secretary of the Treasury is authorized to make
 8 the payments provided for in clause (B) from duties col-
 9 lected on watches, watch movements, and parts therefor.
 10 If such duties are insufficient, the Secretary of the Treas-
 11 ury is authorized to make the payments from duties col-
 12 lected on jewelry under chapter 71 or any other duties
 13 that the Secretary determines are appropriate.”.

14 (b) JEWELRY.—Additional U.S. Note 3 to chapter 71
 15 of the Harmonized Tariff Schedule of the United States
 16 is amended—

17 (1) by redesignating paragraphs (b), (c), (d),
 18 and (e) as paragraphs (c), (d), (e), and (f), respec-
 19 tively;

20 (2) by inserting after paragraph (a) the fol-
 21 lowing new paragraph:

22 “(b) The 750,000 unit limitation in additional U.S. Note
 23 5(h)(ii)(B) to chapter 91 shall not apply to articles of jew-
 24 elry subject to this note.”; and

1 (3) by striking paragraph (f), as so redesign-
 2 nated, and inserting the following:

3 “(f) Notwithstanding any other provision of law, any arti-
 4 cle of jewelry provided for in heading 7113 that is assem-
 5 bled in the Virgin Islands, Guam, or American Samoa by
 6 a jewelry manufacturer or jewelry assembler that com-
 7 menced jewelry manufacturing or jewelry assembly oper-
 8 ations in the Virgin Islands, Guam, or American Samoa
 9 after August 9, 2001, shall be treated as a product of the
 10 Virgin Islands, Guam, or American Samoa for purposes
 11 of this note and General Note 3(a)(iv) of this Schedule
 12 if such article is entered no later than 18 months after
 13 such jewelry manufacturer or jewelry assembler com-
 14 menced jewelry manufacturing or jewelry assembly oper-
 15 ations in the Virgin Islands, Guam, or American Samoa.”.

16 **SEC. 2. EFFECTIVE DATE.**

17 The amendments made by this Act shall apply with
 18 respect to goods imported into the customs territory of
 19 the United States on or after January 1, 2002.

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