

109TH CONGRESS  
1ST SESSION

# H. R. 1945

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

Mr. SIMMONS (for himself and Mr. ETHERIDGE) 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

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## 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       is amended by inserting in numerical sequence the  
8       following new headings:

“	9902.52.08	Woven fabrics of cotton, all the foregoing certified by the importer as suitable for use in making men’s and boys’ shirts and as imported by or for the benefit of a manufacturer of men’s and boys’ shirts, subject to the quantity limitations contained in general note 18 of this subchapter (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203)) .....	Free	No change	No change	On or before 12/31/2006	”.
	9902.52.09	Woven fabrics of cotton, all the foregoing certified by the importer as containing 100 percent pima cotton grown in the United States, as suitable for use in making men’s and boys’ shirts, and as imported by or for the benefit of a manufacturer of men’s and boys’ shirts (provided for in section 204(b)(3)(B)(i)(III) of the Andean Trade Preference Act (19 U.S.C. 3203)) .....	Free	No change	No change	On or before 12/31/2006	

1 (2) DEFINITIONS AND LIMITATION ON QUAN-  
2 TITY OF IMPORTS.—The U.S. Notes to subchapter II  
3 of chapter 99 are amended by adding at the end the  
4 following:

5 “18. For purposes of subheadings 9902.52.08 and  
6 9902.52.09, the term ‘making’ means cutting and  
7 sewing in the United States, and the term ‘manufac-  
8 turer’ means a person or entity that cuts and sews  
9 in the United States.

10 “19. The aggregate quantity of cotton fabrics entered  
11 under subheading 9902.52.08 from January 1 to De-  
12 cember 31 of each year, inclusive, by or on behalf  
13 of each manufacturer of men’s and boys’ shirts shall  
14 be limited to 85 percent of the total square meter  
15 equivalents of all imported cotton woven fabric used  
16 by such manufacturer in cutting and sewing men’s

1 and boys' cotton shirts in the United States and pur-  
2 chased by such manufacturer during calendar year  
3 2000.”.

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

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

20 (2) LICENSES UNDER U.S. NOTE 19.—For pur-  
21 poses of U.S. Note 19 to subchapter II of chapter  
22 99 of the Harmonized Tariff Schedule of the United  
23 States, the Secretary of Commerce shall issue a li-  
24 cense to a manufacturer within 60 days after the  
25 manufacturer files with the Secretary of Commerce

1 an application containing a notarized affidavit from  
2 an officer of the manufacturer that the manufac-  
3 turer is eligible to receive a license and stating the  
4 quantity of imported cotton woven fabric purchased  
5 during calendar year 2000 for use in the cutting and  
6 sewing men's and boys' shirts in the United States.

7 (3) AFFIDAVITS.—For purposes of an affidavit  
8 described in this subsection, the date of purchase  
9 shall be—

10 (A) the invoice date if the manufacturer is  
11 not the importer of record; and

12 (B) the date of entry if the manufacturer  
13 is the importer of record.

14 **SEC. 2. COTTON TRUST FUND.**

15 (a) ESTABLISHMENT OF TRUST FUND.—

16 (1) IN GENERAL.—There is established in the  
17 Treasury of the United States a trust fund to be  
18 known as the “Pima Cotton Trust Fund” (in this  
19 section referred to as the “Trust Fund”), consisting  
20 of such amounts as may be transferred to the Trust  
21 Fund under paragraph (2).

22 (2) TRANSFER OF AMOUNTS.—

23 (A) IN GENERAL.—Beginning October 1,  
24 2005, the Secretary of the Treasury shall trans-  
25 fer to the Trust Fund, from the general fund

1 of the Treasury, amounts determined by the  
 2 Secretary of the Treasury to be equivalent to  
 3 the amounts received in the general fund that  
 4 are attributable to duties received since Janu-  
 5 ary 1, 1994, on articles under subheadings  
 6 5208.21.60, 5208.22.80, 5208.29.80,  
 7 5208.31.80, 5208.32.50, 5208.39.80,  
 8 5208.41.80, 5208.42.50, 5208.49.80,  
 9 5208.51.80, 5208.52.50, 5208.59.80,  
 10 5210.21.80, and 5210.31.80 of the Harmonized  
 11 Tariff Schedule of the United States, subject to  
 12 the limitation in subparagraph (B).

13 (B) LIMITATION.—The Secretary may not  
 14 transfer more than \$16,000,000 to the Trust  
 15 fund in any fiscal year, and may not transfer  
 16 any amount beginning on or after October 1,  
 17 2007.

18 (3) DISTRIBUTION OF FUNDS.—From amounts  
 19 in the Trust Fund, the Commissioner of the Bureau  
 20 of Customs and Border Protection shall make the  
 21 following payments annually beginning in fiscal year  
 22 2005:

23 (A) 25 percent of the amounts in the  
 24 Trust Fund shall be paid annually to a nation-  
 25 ally recognized association established for the

1 promotion of pima cotton grown in the United  
2 States for the use in textile and apparel goods.

3 (B) 25 percent of the amounts in the  
4 Trust Fund shall be paid annually to yarn spin-  
5 ners of pima cotton grown in the United States,  
6 and shall be allocated to each spinner in an  
7 amount that bears the same ratio as—

8 (i) the spinner's production of ring  
9 spun cotton yarns, measuring less than  
10 83.33 decitex (exceeding 120 metric num-  
11 ber) from pima cotton grown in the United  
12 States in single and plied form during cal-  
13 endar year 2002 (as evidenced by an affi-  
14 davit provided by the spinner) bears to—

15 (ii) the production of the yarns de-  
16 scribed in clause (i) during calendar year  
17 2002 for all spinners who qualify under  
18 this subparagraph.

19 (C) 50 percent of the amounts in the Trust  
20 Fund shall be paid annually to those manufac-  
21 turers who cut and sew cotton shirts in the  
22 United States who certify that they used im-  
23 ported cotton fabric during the period January  
24 1, 1998, through July 1, 2003, and shall be al-

1 located to each such manufacturer in an  
2 amount that bears the same ratio as—

3 (i) the dollar value (excluding duty,  
4 shipping, and related costs) of imported  
5 woven cotton shirting fabric of 80s or  
6 higher count and 2-ply in warp purchased  
7 by the manufacturer during calendar year  
8 2002 (as evidenced by an affidavit from  
9 the manufacturer that meets the require-  
10 ments of paragraph (4)) used in the manu-  
11 facturing of men's and boys' cotton shirts,  
12 bears to—

13 (ii) the dollar value (excluding duty,  
14 shipping, and related costs) of the fabric  
15 described in clause (i) purchased during  
16 calendar year 2002 by all manufacturers  
17 who qualify under this subparagraph.

18 (4) AFFIDAVIT OF SHIRTING MANUFACTUR-  
19 ERS.—The affidavit required by paragraph (3)(C) is  
20 a notarized affidavit provided by an officer of the  
21 manufacturer of men's and boys' shirts concerned  
22 that affirms—

23 (A) that the manufacturer used imported  
24 cotton fabric during the period January 1,  
25 1998, through July 1, 2003, to cut and sew

1 men's and boys' woven cotton shirts in the  
2 United States;

3 (B) the dollar value of imported woven cot-  
4 ton shirting fabric of 80s or higher count and  
5 2-ply in warp purchased during calendar year  
6 2002;

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

15 (D) that the fabric was suitable for use in  
16 the manufacturing of men's and boys' cotton  
17 shirts.

18 (5) DATE OF PURCHASE.—For purposes of the  
19 affidavit under paragraph (4), the date of purchase  
20 shall be the invoice date, and the dollar value shall  
21 be determined excluding duty, shipping, and related  
22 costs.

23 (6) AFFIDAVIT OF YARN SPINNERS.—The affi-  
24 davit required by paragraph (3)(B) is a notarized af-

1       fidavit provided by an officer of the producer of ring  
2       spun yarns that affirms—

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

9               (B) the quantity, measured in pounds, of  
10              ring spun cotton yarns, measuring less than  
11              83.33 decitex (exceeding 120 metric number),  
12              in single and plied form during calendar year  
13              2002; and

14             (C) that the producer maintains sup-  
15             porting documentation showing the quantity of  
16             such yarns produced, and evidencing the yarns  
17             as ring spun cotton yarns, measuring less than  
18             83.33 decitex (exceeding 120 metric number),  
19             in single and plied form during calendar year  
20             2002.

21             (7) NO APPEAL.—Any amount paid by the  
22             Commissioner of the Bureau of Customs and Border  
23             Protection under this section shall be final and not  
24             subject to appeal or protest.

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