

109TH CONGRESS
1ST SESSION

S. 738

To provide relief for the cotton shirt industry.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2005

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

A BILL

To provide relief for the cotton shirt industry.

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. SHORT TITLE.**

4 This Act shall be known as the “Cotton Shirt Indus-
5 try Tariff Relief and Technical Corrections Act”.

6 **SEC. 2. TEMPORARY DUTY REDUCTIONS FOR CERTAIN COT-**
7 **TON SHIRTING FABRIC.**

8 (a) CERTAIN COTTON SHIRTING FABRICS.—

9 (1) IN GENERAL.—Subchapter II of chapter 99
10 is amended by inserting in numerical sequence the
11 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 12/31/2005	

1 (2) DEFINITIONS AND LIMITATION ON QUAN-

2 TITY OF IMPORTS.—The U.S. Notes to chapter 99

3 are amended by adding at the end the following:

4 “18. For purposes of subheadings 9902.52.08 and

5 9902.52.09, the term ‘making’ means cutting and sewing

6 in the United States, and the term ‘manufacturer’ means

7 a person or entity that cuts and sews in the United States.

8 “19. The aggregate quantity of cotton fabrics entered

9 under subheading 9902.52.08 from January 1 to Decem-

10 ber 31 of each year, inclusive, by or on behalf of each man-

11 ufacturer of men’s and boys’ shirts shall be limited to 85

12 percent of the total square meter equivalents of all im-

13 ported cotton woven fabric used by such manufacturer in

14 cutting and sewing men’s and boys’ cotton shirts in the

15 United States and purchased by such manufacturer dur-

16 ing calendar year 2000.”.

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

2 (1) AUTHORITY TO ISSUE LICENSES AND LI-
3 CENSE USE.—To implement the limitation on the
4 quantity of imports of cotton woven fabrics under
5 subheading 9902.52.08 of the Harmonized Tariff
6 Schedule of the United States, as required by U.S.
7 Note 19 to subchapter II of chapter 99 of such
8 Schedule, for the entry, or withdrawal from ware-
9 house for consumption, the Secretary of Commerce
10 shall issue licenses to eligible manufacturers with re-
11 spect to items entered under subheading 9902.52.08
12 specifying the annual quantity restrictions under
13 each such license. A licensee may assign the author-
14 ity (in whole or in part) to import fabric under sub-
15 heading 9902.52.08 of such Schedule.

16 (2) LICENSES UNDER U.S. NOTE 19.—For pur-
17 poses of U.S. Note 19 to subchapter II of chapter
18 99 of the Harmonized Tariff Schedule of the United
19 States, the Secretary of Commerce shall issue a li-
20 cense within 60 days of an application containing a
21 notarized affidavit from an officer of the manufac-
22 turer that the manufacturer is eligible to receive a
23 license and stating the quantity of imported cotton
24 woven fabric purchased during calendar year 2000

1 for use in the cutting and sewing of men's and boys'
2 shirts in the United States.

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

6 (A) the invoice date if the manufacturer is
7 not the importer of record; and

8 (B) the date of entry if the manufacturer
9 is the importer of record.

10 **SEC. 3. PIMA COTTON TRUST FUND.**

11 (a) ESTABLISHMENT OF TRUST FUND.—

12 (1) IN GENERAL.—There is hereby established
13 within the Treasury of the United States a trust
14 fund to be known as the “Pima Cotton Trust Fund”
15 (hereinafter in this section referred to the “Trust
16 Fund”), consisting of such amounts as may be
17 transferred to the Trust Fund under paragraph (2).

18 (2) TRANSFER OF AMOUNTS.—

19 (A) IN GENERAL.—Beginning October 1,
20 2005, the Secretary of the Treasury shall trans-
21 fer to the Trust Fund out of the general fund
22 of the Treasury of the United States amounts
23 determined by the Secretary of the Treasury to
24 be equivalent to the amounts received in the
25 general fund that are attributable to the duty

1 received since January 1, 1994, on articles
2 under subheadings 5208.21.60, 5208.22.80,
3 5208.29.80, 5208.31.80, 5208.32.50,
4 5208.39.80, 5208.41.80, 5208.42.50,
5 5208.49.80, 5208.51.80, 5208.52.50,
6 5208.59.80, 5210.21.80, and 5210.31.80 of the
7 Harmonized Tariff Schedule of the United
8 States, subject to the limitation in subpara-
9 graph (B).

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

15 (b) DISTRIBUTION OF FUNDS.—

16 (1) IN GENERAL.—From amounts in the Trust
17 Fund, the Commissioner of Customs and Border
18 Protection shall make the following payments annu-
19 ally beginning in fiscal year 2005:

20 (A) 25 percent of the amounts in the
21 Trust Fund shall be paid annually to a nation-
22 ally recognized association established for the
23 promotion of pima cotton grown in the United
24 States for use in textile and apparel goods.

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

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

13 (ii) the production of yarns described
14 in clause (i) during calendar year 2002 for
15 all spinners who qualify under this sub-
16 paragraph.

17 (C) 50 percent of the amounts in the Trust
18 Fund shall be paid annually to manufacturers
19 who cut and sew cotton shirts in the United
20 States who certify that they used imported cot-
21 ton fabric during the period January 1, 1998,
22 through July 1, 2003, and shall be allocated to
23 each such manufacturer in an amount that
24 bears the same ratio as—

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

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

16 (2) AFFIDAVIT OF SHIRTING MANUFACTUR-
17 ERS.—The affidavit required by paragraph (1)(C) is
18 a notarized affidavit of an officer of the manufac-
19 turer of men's and boys' shirts that affirms—

20 (A) that the manufacturer used imported
21 cotton fabric during the period January 1,
22 1998, through July 1, 2003, to cut and sew
23 men's and boys' woven cotton shirts in the
24 United States;

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

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

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

16 (3) DATE OF PURCHASE.—For purposes of the
17 affidavit required by paragraph (2), the date of pur-
18 chase shall be the invoice date, and the dollar value
19 shall be determined excluding duty, shipping, and re-
20 lated costs.

21 (4) AFFIDAVIT OF YARN SPINNERS.—The affi-
22 davit required by paragraph (1)(B), is a notarized
23 affidavit of an officer of a company that produces
24 ring spun yarns that affirms—

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

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

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

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

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