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(Original Signature of Member)

110TH CONGRESS
2D SESSION

H. R. _____

To establish an earned import allowance program under Public Law 109–53, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. RANGEL introduced the following bill; which was referred to the Committee on _____

A BILL

To establish an earned import allowance program under Public Law 109–53, 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. EARNED IMPORT ALLOWANCE PROGRAM.**

4 (a) IN GENERAL.—Title IV of the Dominican Repub-
5 lic-Central America-United States Free Trade Agreement
6 Implementation Act (Public Law 109–53; 119 Stat. 495)
7 is amended by adding at the end the following:

8 **“SEC. 404. EARNED IMPORT ALLOWANCE PROGRAM.**

9 “(a) PREFERENTIAL TREATMENT.—

1 “(1) IN GENERAL.—Eligible apparel articles
2 wholly assembled in an eligible country and imported
3 directly from an eligible country shall enter the
4 United States free of duty, without regard to the
5 source of the fabric or yarns from which the articles
6 are made, if such apparel articles are accompanied
7 by an earned import allowance certificate that re-
8 flects the amount of credits equal to the total square
9 meter equivalents of fabric in such apparel articles,
10 in accordance with the program established under
11 subsection (b).

12 “(2) DETERMINATION OF QUANTITY OF SME.—
13 For purposes of determining the quantity of square
14 meter equivalents under paragraph (1), the conver-
15 sion factors listed in ‘Correlation: U.S. Textile and
16 Apparel Industry Category System with the Har-
17 monized Tariff Schedule of the United States of
18 America, 2008’, or its successor publications, of the
19 United States Department of Commerce, shall apply.

20 “(b) EARNED IMPORT ALLOWANCE PROGRAM.—

21 “(1) ESTABLISHMENT.—The Secretary of Com-
22 merce shall establish a program to provide earned
23 import allowance certificates to any producer or enti-
24 ty controlling production of eligible apparel articles

1 in an eligible country for purposes of subsection (a),
2 based on the elements described in paragraph (2).

3 “(2) ELEMENTS.—The elements referred to in
4 paragraph (1) are the following:

5 “(A) One credit shall be issued to a pro-
6 ducer or an entity controlling production for
7 every two square meter equivalents of qualifying
8 fabric that the producer or entity controlling
9 production can demonstrate that it has pur-
10 chased for the manufacture in an eligible coun-
11 try of articles like or similar to any article eligi-
12 ble for preferential treatment under subsection
13 (a). The Secretary of Commerce shall, if re-
14 quested by a producer or entity controlling pro-
15 duction, create and maintain an account for
16 such producer or entity controlling production,
17 into which such credits may be deposited.

18 “(B) Such producer or entity controlling
19 production may redeem credits issued under
20 subparagraph (A) for earned import allowance
21 certificates reflecting such number of earned
22 credits as the producer or entity may request
23 and has available.

24 “(C) Any textile mill or other entity lo-
25 cated in the United States that exports quali-

1 fying fabric to an eligible country may submit,
2 upon such export or upon request, the Shipper's
3 Export Declaration, or successor documenta-
4 tion, to the Secretary of Commerce—

5 “(i) verifying that the qualifying fab-
6 ric was exported to a producer or entity
7 controlling production in an eligible coun-
8 try; and

9 “(ii) identifying such producer or enti-
10 ty controlling production, and the quantity
11 and description of qualifying fabric ex-
12 ported to such producer or entity control-
13 ling production.

14 “(D) The Secretary of Commerce may re-
15 quire that a producer or entity controlling pro-
16 duction submit documentation to verify pur-
17 chases of qualifying fabric.

18 “(E) The Secretary of Commerce may
19 make available to each person or entity identi-
20 fied in the documentation submitted under sub-
21 paragraph (C) or (D) information contained in
22 such documentation that relates to the purchase
23 of qualifying fabric involving such person or en-
24 tity.

1 “(F) The program shall be established so
2 as to allow, to the extent feasible, the submis-
3 sion, storage, retrieval, and disclosure of infor-
4 mation in electronic format, including informa-
5 tion with respect to the earned import allow-
6 ance certificates required under subsection
7 (a)(1).

8 “(G) The Secretary of Commerce may rec-
9 oncile discrepancies in the information provided
10 under subparagraph (C) or (D) and verify the
11 accuracy of such information.

12 “(H) The Secretary of Commerce shall es-
13 tablish procedures to carry out the program
14 under this section by September 30, 2008, and
15 may establish additional requirements to carry
16 out the program.

17 “(c) DEFINITIONS.—For purposes of this section—

18 “(1) the term ‘appropriate congressional com-
19 mittees’ means the Committee on Ways and Means
20 of the House of Representatives and the Committee
21 on Finance of the Senate;

22 “(2) the term ‘eligible apparel articles’ means
23 the following articles classified in chapter 62 of the
24 HTS (and meeting the requirements of the rules re-
25 lating to chapter 62 of the HTS contained in gen-

1 eral note 29(n) of the HTS) of cotton (but not of
2 denim): trousers, bib and brace overalls, breeches
3 and shorts, skirts and divided skirts, and pants;

4 “(3) the term ‘eligible country’ means the Do-
5 minican Republic; and

6 “(4) the term ‘qualifying fabric’ means woven
7 fabric of cotton wholly formed in the United States
8 from yarns wholly formed in the United States and
9 certified by the producer or entity controlling pro-
10 duction as being suitable for use in the manufacture
11 of apparel items such as trousers, bib and brace
12 overalls, breeches and shorts, skirts and divided
13 skirts or pants, all the foregoing of cotton, except
14 that—

15 “(A) fabric otherwise eligible as qualifying
16 fabric shall not be ineligible as qualifying fabric
17 because the fabric contains nylon filament yarn
18 with respect to which section
19 213(b)(2)(A)(vii)(IV) of the Caribbean Basin
20 Economic Recovery Act applies;

21 “(B) fabric that would otherwise be ineli-
22 gible as qualifying fabric because the fabric
23 contains yarns not wholly formed in the United
24 States shall not be ineligible as qualifying fabric
25 if the total weight of all such yarns is not more

1 than 10 percent of the total weight of the fab-
2 ric, except that any elastomeric yarn contained
3 in an eligible apparel article must be wholly
4 formed in the United States; and

5 “(C) fabric otherwise eligible as qualifying
6 fabric shall not be ineligible as qualifying fabric
7 because the fabric contains yarns or fibers that
8 have been designated as not commercially avail-
9 able pursuant to—

10 “(i) article 3.25(4) or Annex 3.25 of
11 the Agreement;

12 “(ii) Annex 401 of the North Amer-
13 ican Free Trade Agreement;

14 “(iii) section 112(b)(5) of the African
15 Growth and Opportunity Act;

16 “(iv) section 204(b)(3)(B) (i)(III) or
17 (ii) of the Andean Trade Preference Act;

18 “(v) section 213(b)(2)(A)(v) or
19 213A(b)(5)(A) of the Caribbean Basin
20 Economic Recovery Act; or

21 “(vi) any other provision, relating to
22 determining whether a textile or apparel
23 article is an originating good eligible for
24 preferential treatment, of a law that imple-
25 ments a free trade agreement entered into

1 by the United States that is in effect at
2 the time the claim for preferential treat-
3 ment is made.

4 “(d) REVIEW AND REPORT.—

5 “(1) REVIEW.—The United States Inter-
6 national Trade Commission shall carry out a review
7 of the program under this section annually for the
8 purpose of evaluating the effectiveness of, and mak-
9 ing recommendations for improvements in, the pro-
10 gram.

11 “(2) REPORT.—The United States Inter-
12 national Trade Commission shall submit to the ap-
13 propriate congressional committees annually a report
14 on the results of the review carried out under para-
15 graph (1).

16 “(e) EFFECTIVE DATE AND APPLICABILITY.—

17 “(1) EFFECTIVE DATE.—The program under
18 this section shall be in effect for the 10-year period
19 beginning on the date on which the President cer-
20 tifies to the appropriate congressional committees
21 that sections A, B, C, and D of the Annex to Presi-
22 dential Proclamation 8213 (December 20, 2007)
23 have taken effect.

24 “(2) APPLICABILITY.—The program under this
25 section shall apply with respect to qualifying fabric

1 exported to an eligible country on or after August 1,
2 2007.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for the Dominican Republic-Central America-United
5 States Free Trade Agreement Implementation Act is
6 amended by inserting after the item relating to section
7 403 the following:

“Sec. 404. Earned import allowance program.”.

8 **SEC. 2. TECHNICAL CORRECTION.**

9 Section 15402(d) of the Food, Conservation, and En-
10 ergy Act of 2008 (Public Law 110–246) is amended by
11 striking “231A(b)” and inserting “213A(b)”.