# MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the $109^{\text {th }}$ Congress ${ }^{1}$ 

[Date approved: October 10, 2006] ${ }^{2}$
Bill No. and sponsor: S. 1954 (Mr. Larry E. Craig of Idaho and Mr. Daniel Akaka of Hawaii).
Proponent name, location: Office of the Governor, Saipan, Commonwealth of the Northern Mariana Islands, and related firms.

Other bills on product ( $\mathbf{1 0 9}^{\text {th }}$ Congress only): None.
Nature of bill: Permanent amendment to general note 3 of the Harmonized Tariff Schedule of the United States (HTS).

Retroactive effect: None.

## Proposed legislative language:

General Note 3(a)(iv)(A) of the Harmonized Tariff Schedule of the United States is amended by striking "(or more than 50 percent of their total value with respect to goods described in section 213(b) of the Caribbean Basin Economic Recovery Act)".

Check one: $\quad \underline{X}$ Same as that in bill as introduced.
Different from that in bill as introduced (see Technical comments section).

## Intended effect of proposed legislation:

As authorized in HTS general note 3 and provided in pertinent Customs regulations, the so-called insular possessions tariff preference program applies to products of the Commonwealth of the Northern Mariana Islands (CNMI), U.S. Virgin Islands, American Samoa, Guam, Wake Island, Midway Island, and Johnston Atoll. Most products of these islands are eligible for duty-free entry into the United States if the value of foreign content contained therein does not exceed 70 percent of the declared customs value, but this ceiling is set at 50 percent foreign content for the sensitive goods covered by this bill-namely, the goods excluded by law from eligibility for the tariff preferences provided under the CBERA. These goods comprise principally apparel, textiles, petroleum and refined petroleum products, watches, tuna, and rubber footwear. Not all these sensitive products are made in all, or any, of the U.S. insular possessions at present; because of the wording of the HTS general note, any good must first be a "product of" an insular possession under normal Customs rules applied on a normal trade relations basis to be eligible for insular possessions treatment. The effect of this proposed legislation would be to set the foreign content limit for all goods at the higher 70 percent figure, in line with the value content levels required in rules of origin for particular goods under some U.S. free trade agreements. The discussion that follows is organized by potentially affected product category for which information was available to the Commission during the period of preparation of this report. As indicated in some sections below, it is

[^0]not possible to present data showing the percentage of current dutiable trade from these possessions that might qualify for insular possessions treatment if the bill is enacted, because the pertinent value content information is not available. Thus, for the bill as a whole, no revenue loss figure can be presented, and no data are available for any of the affected products other than apparel, as discussed below.

Apparel--The proponent has expressed concern about the continuing viability of apparel production in CNMI in view of substantial changes in production and trade relating to these goods. The changes resulted from the end of the apparel and textile quota system, from globalization and outsourcing-particularly to developing countries--and from increasing demands by U.S. apparel buyers (i.e., major label brands and mass merchandisers that sell private label merchandise in their stores) for rapid just-intime delivery, rapid turn-around on fill-in or seasonal orders, integrated production capability from fiber to finished product, and ability to finance production without the buyer having to hold title to fabric or other inputs or resources. None of the other U.S. insular possessions is a significant import supplier of apparel to the United States customs territory.

No authoritative and pertinent information on expected apparel exports to the United States from CNMI or other insular possessions in the years 2006 through 2010 was available to the Commission from the proponent or other sources. No information is likewise available on anticipated local content figures for apparel being assembled in the CNMI or other insular possessions, or on the precise activities of firms operating there, despite requests to the proponent. In addition, apparel is subject to a wide range of general rates of duty depending on its nature and constituent materials, so that even with an aggregate total for imports only an estimate could be prepared. Accordingly, the Commission is unable to provide detailed data for the estimated customs revenue loss for this product group and is substituting the best estimate the proponent was able to supply, in the form in which proponent supplied the data--namely, on the basis of three possible scenarios relating to the effective date of this legislation. The Commission is unable to relate the aggregate data to existing HTS subheadings or the square meter equivalents to values, or to estimate what portion of this trade might qualify for duty-free entry under either the existing rule or the revised rule provided by this bill, in any meaningful or useful manner in the time available. The proponent's spokesman is an economic development official who serves as liaison with the current CNMI apparel manufacturing firms listed in the table of contacts below that would be the likely business beneficiaries of this legislation.

Near the end of the Commission's report preparation period, the proponent and their representatives, Sandler, Travis \& Rosenberg, P.A., reported that they had made diligent inquiry of the apparel-producing firms in CNMI. They reportedly had been told apparel production orders from United States buyers for major branded labels and major distribution firms are placed with no more than a few month's lead time and that they had no sound basis for projecting export sales to the United States for all of 2006, let alone by year through 2010. The proponent and their consultants further reported they had recently talked with buyers for the major branded apparel labels and major mass merchandisers in the United States, who had told them that, while they appreciated the availability of the CNMI apparel producers as actual or potential sources of merchandise, they (the U.S. buyers) were not in a position to offer long-term contracts to CNMI producers or to estimate their own likely purchases on the requested horizon or to make any estimates of the geographic distribution of their future apparel sourcing decisions when they do make them. Accordingly, as noted above, we are including the information supplied by the proponent in the form in which it was provided.

| U.S. apparel imports from Commonwealth of the Northern Mariana Islands (million square meter equivalents) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Item by quota category number | 2004 | 2005 | Projected |  |  |  |  |
|  |  |  | 2006 | 2007 | 2008 | 2009 | 2010 |
| Scenario A: Rule change effective 1/1/06: |  |  |  |  |  |  |  |
| All apparel . . . . . . . . . . . . | 101.883 | 79.075 | 51.241 | 33.204 | 29.884 | 26.895 | 24.206 |
| 338/339 | 34.903 | 27.031 | 17.570 | 11.421 | 10.279 | 9.251 | 8.326 |
| 347/346 | 10.229 | 4.102 | 2.289 | 1.277 | 1.149 | 1.035 | 0.931 |
| 638/639 | 29.719 | 31.293 | 19.715 | 12.420 | 11.178 | 10.060 | 9.054 |
| 647/648 | 4.665 | 3.658 | 3.658 | 3.658 | 3.292 | 2.963 | 2.667 |
| Others | 22.368 | 12.991 | 8.009 | 4.428 | 3.985 | 3.587 | 3.228 |
|  |  |  |  |  |  |  |  |
| Scenario B: Rule change 1/1/07: |  |  |  |  |  |  |  |
| All apparel . . . . . . . . . . . . | 101.883 | 79.075 | 51.241 | 46.117 | 41.505 | 37.354 | 33.619 |
| 338/339 | 34.903 | 27.031 | 17.570 | 15.813 | 14.232 | 12.809 | 11.528 |
| 347/346 . . . . . . . . . . . . . | 10.229 | 4.102 | 2.289 | 2.060 | 1.854 | 1.669 | 1.502 |
| 638/639 | 29.719 | 31.293 | 19.715 | 17.743 | 15.969 | 14.372 | 12.935 |
| 647/648 | 4.665 | 3.658 | 3.658 | 3.292 | 2.963 | 2.667 | 2.400 |
| Others | 22.368 | 12.991 | 8.009 | 7.208 | 6.487 | 5.839 | 5.255 |
|  |  |  |  |  |  |  |  |
| Scenario C: No Rule change: |  |  |  |  |  |  |  |
| All apparel . . . . . . . . . . . . | 101.883 | 79.075 | 51.241 | 33.204 | 3.320 | 0.000 | 0.000 |
| 338/339 | 34.903 | 27.031 | 17.570 | 1.142 | 1.142 | 0.000 | 0.000 |
| 347/346 . . . . . . . . . . . . . . | 10.229 | 4.102 | 2.289 | 0.128 | 0.128 | 0.000 | 0.000 |
| 638/639 | 29.719 | 31.293 | 19.715 | 1.242 | 1.242 | 0.000 | 0.000 |
| 647/648 . . . . . . . . . . . . . . | 4.665 | 3.658 | 3.658 | 0.366 | 0.366 | 0.000 | 0.000 |
| Others | 22.368 | 12.991 | 8.009 | 0.443 | 0.443 | 0.000 | 0.000 |

Source: Industry estimates presented as provided to the Commission. Scenario C's figures for 2009 and 2010 likely take into account the scheduled end of safeguard restraints on goods of China.

Because of the unusual situation presented by this bill report, the Commission is departing from its usual practice and providing a historical report of apparel imports from CNMI in an appendix for perspective. Note the historical apparel import appendix is in terms of value, but it does not provide information on the proportion of local content or value added that would determine how much, if any, of the merchandise import value might be dutiable under the provisions of general note 3(a)(iv)(A).

Contacts with relevant firms/organizations (including the proponent)--

| Name of firm/organization | Date <br> contacted | Claim US <br> makes same or <br> competing <br> product(s)? | Submission <br> attached? | Opposition <br> noted? |
| :--- | :---: | :---: | :---: | :---: |
|  |  | (Yes/No) |  |  |
| Office of the Governor, CNMI (Proponent) <br> Richard A. Pierce, 670-664-2213 | $7 / 12 / 2006$ | Yes $1 /$ | No | No |
| Commonwealth Garment Mfg. (Proponent) <br> Kelvin Ye, 670-233-3481 | $7 / 12 / 2006$ | No | No | No |
| Concorde Garment (Proponent) <br> Eli Arago/Jack Torres, 670-322-5451 | $7 / 12 / 2006$ | No | No | No |
| Grace International (Proponent) <br> Zhou Wen Huai, 670-234-9682 | $7 / 12 / 2006$ | No | No | No |
| Jin Apparel (Proponent) <br> Tony Kong, 670-234-3252 | $7 / 12 / 2006$ | No | No | No |
| Joo Ang Apparel (Proponent) <br> Park Jong Suk, 670-235-3425 | $7 / 12 / 2006$ | No | No | No |
| Marianas Garment Manufacturing (Proponent) <br> Bill Fong, 670-234-5822 | $7 / 12 / 2006$ | No | No | No |
| Michigan, Inc. (Proponent) <br> Sooho Jo, 670-234-9555 | $7 / 12 / 2006$ | No | No | No |
| Mirage Saipan (Proponent) <br> Kelvin Ye, 670-234-3481 | $7 / 12 / 2006$ | No | No | No |
| Neo Fashion, Inc. (Proponent) <br> Lee Ham Chan, 670-235-3425 | $7 / 12 / 2006$ | No | No | No |
| Onwel Mfg. Saipan, Ltd. (Proponent) <br> Mayce Chang, 670-234-9522 | $7 / 12 / 2006$ | No | No | No |
| RIFU (Proponent) <br> Kidong Choi, 670-288-5798 | $7 / 12 / 2006$ | No | No | No |
| Top Fashion, Inc. (Proponent) <br> Lim Jang Suk, 670-322-1613 | $7 / 12 / 2006$ | No | No | No |
| United International Corp. (Proponent) <br> James Lin, 670-235-6888 | $7 / 12 / 2006$ | No | No | No |
| US CNMI Development (Proponent) <br> $i l l ~ F o n g, ~ 670-235-8101 ~$ | No | No | No | No |
| Winners Corp. (Proponent) <br> Min Ho Sik, 670-235-1807 | No | Yes | No 2006 |  |
| American Apparel \& Footwear Association <br> Steve Lamar, 703-524-1864 | No | No |  |  |


| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
| :---: | :---: | :---: | :---: | :---: |
|  |  | (Yes/No) |  |  |
| American Fiber Manufacturers Association Paul T. O’Day, 703-875-0432 | 6/9/2006 | No | No | No |
| American Manufacturing Trade Action Coalition Auggie Tantillo, 202-452-0866 | 6/9/2006 | Yes ${ }^{3 /}$ | Yes | Yes |
| Domestic Manufacturers Committee within The Hosiery Association Charles Cole, 703-524-7197 <br> (J. Schollaert, Washington representative) | 7/26/2006 | Yes ${ }^{3 /}$ | Yes | Yes |
| Milliken \& Co. Jock Nash, 202-775-0084 | 6/9/2006 | No | No | No |
| National Council of Textile Organizations Cass Johnson, 202-822-8028 | 6/9/2006 | No | No | No |
| National Textile Association Karl Spilhaus, 617-542-8220 | 6/9/2006 | Yes ${ }^{3 /}$ | Yes | Yes |

1/ Proponent asserts the CNMI is an integral part of the United States economy, though it lies outside U.S. customs territory as defined in HTS general note 1. Proponent does not claim any production of apparel articles within the customs territory of the United States.
$\underline{2}$ / Statement of support is attached.
$\underline{3} /$ This trade association is not itself a manufacturer of apparel, but its members are domestic producers.

Petroleum and Refined Petroleum Products--No U.S. insular possessions have reserves of crude petroleum, and only the U.S. Virgin Islands (USVI) has refinery capacity (based entirely on imported crude). The single operating refinery in the USVI is jointly owned by the Venezuelan state oil company PDVSA and Amerada Hess (a U.S.-based corporation) and has a crude refining capacity of 495,000 barrels per day (b/d). USVI exports refined petroleum products from this refinery to the East Coast of the United States. In 2005, USVI exports to the United States totaled 302,000 b/d, or 8 percent of total U.S. imports of refined petroleum products and less than 1 percent of U.S. consumption.

The average duty rates for U.S. imports of refined petroleum products are low, averaging less than 1 percent ad valorem equivalent. Because the imported crude accounts for about 40 percent of the value of a barrel of refined petroleum product and the refining carried out in the USVI accounts for about 60 percent of the value-added, reducing the minimum local content requirement from 50 percent to 30 percent would have little, if any, impact on U.S. imports because the goods would largely be eligible for the tariff preference already. In addition, adjusting the local content requirement from 50 percent valueadded to 30 percent is not expected to have any impact on the U.S. refining industry or revenue.

Contacts with domestic firms/organizations (including the proponent):

| Name of firm/organization | Date <br> contacted | Claim US <br> makes same or <br> competing <br> product(s)? | Submission <br> attached? | Opposition <br> noted? |
| :--- | :---: | :---: | :---: | :---: |
|  | (Yes/No) |  |  |  |
| National Petrochemicals and Refining Assn. <br> Maurice McBride, 202-457-0480 | $6 / 28 / 2006$ | Yes | No | No |
| American Petroleum Institute <br> Jim Craig, 202-682-8000 | $6 / 28 / 2006$ | Yes | Yes | No |
| Amerada Hess Corporation <br> L.H. Ornstein, Refining, 212-497-8500 | $7 / 10 / 2006$ | Yes | No | No |

Watches--The USVI is the only insular possession that manufactures (assembles) watches. Watches are covered by the Production Incentive Certificate (PIC) program, created in $1983^{3}$ and subsequently amended ${ }^{4}$ to provide for duty exemption on U.S. territorial watches and watch movements without regard to the value of foreign content that such watches or watch movements contain, provided that recipients conform with the provisions of additional U.S. note 5 to chapter 91 (91/5) of the HTS. The USVI watch firms also receive duty refund certificates equal to the sum of 90 percent of the producer's creditable wages ${ }^{5}$ for the first 300,000 units shipped free of duty into the United States and declining percentages in additional increments up to a maximum of 750,000 units per producer.

The Miscellaneous Trade and Technical Corrections Act of 2004 (the Act) ${ }^{6}$ renewed the program and expanded the refund amount paid to certificate holders to include the difference between any duties that

[^1]would have been applied to their watches ${ }^{7}$ and watch movements if they had been dutiable on January 2001 at normal trade relations rates and any new reduced or eliminated NTR duty rates that are given effect in the future. The Act further expanded the duty refunds to include the value of health insurance, life insurance, and pension benefits, as well as adjusted the amount of watch repairs that are eligible for the duty refund. The Act extended the PIC program to 2015. ${ }^{8}$

Because the PIC provides a duty exemption without regard to a local content requirement, there is unlikely to be any revenue loss as a result of the proposed legislation.

## Contacts with domestic firms/organizations (including the proponent)--

| Name of firm/organization | $\begin{gathered} \text { Date } \\ \text { contacted } \end{gathered}$ | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
| :---: | :---: | :---: | :---: | :---: |
|  |  | (Yes/No) |  |  |
| American Watch Association David Grace, dgrace@cov.com | 06/28/2006 | Yes | Yes | No |
| Citizen Watch Co. <br> D. Perlman, dperlman@citizenwatch.com | 06/28/2006 | Yes | Yes | No |
| Seiko Watch Co. <br> Mike Marin, mmarin@seikousa.com | 06/28/2006 | Yes | No | No |
| Timex Corp. <br> Tom St. Maxens, tst.maxens@st.maxens.com | 06/28/2006 | Yes | No | No |
| U.S. Virgin Islands Government Edward F. Gerwin, Jr., egerwin@winston.com | 06/28/2006 | Yes | Yes | No |

Tuna Processing--Pacific tuna caught in South Pacific waters are processed (cleaned and canned) in American Samoa for the U.S. market so the tuna fishing boats can return rapidly to the fishing grounds without returning to their home ports. Pacific and Atlantic tuna have been similarly processed in Puerto Rico for the U.S. market. A small cannery in California processes "loins" (large chunks of tuna) imported from other countries, also for the U.S. market. Exports from these facilities are a very small share of production. A principal reason for the establishment of the canneries in American Samoa and Puerto Rico is low labor costs.

[^2]Contacts with domestic firms/organizations (including the proponent)--

| Name of firm/organization | Date <br> contacted | Claim US <br> makes same or <br> competing <br> product(s)? | Submission <br> attached? | Opposition <br> noted? |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  |  | (Yes/No) |  |  |
| Bumble Bee Seafoods, LLC <br> Christopher D. Lischewski, 858-715-4000 | $6 / 13 / 2006$ | Yes | No | No |
| Tri-Union Seafoods, LLC "Chicken of the Sea" <br> John Signorino, 858-558-9662 | $7 / 19 / 2006$ | No | No | No |
| U.S. Tuna Foundation <br> Randi Thomas, 202-857-0610 | $7 / 19 / 2006$ | No | No | No |

Rubber footwear--No information is available concerning such footwear production in the insular possessions, and no firms were contacted in preparation of this report. It is believed such production is minimal at best.

Technical comments: ${ }^{9}$ None.

[^3]June 5, 2006
Senator Charles Grassley
Chairman, Finance Committee
U.S. Senate

219 Dirksen Building
Washington, DC 20515
Dear Chairman Grassley,
On behalf of the American Apparel and Footwear Association (AAFA), we are writing to seek your support in including in the Senate’s Miscellaneous Tariff Bill a provision that would make a legislative change to General Note 3(a) of the Harmonized Tariff Schedule of the United States (HTSUS). As you might know, General Note 3(a) comprises the rules under which products may enter the United States from the U.S. insular possessions, including the Commonwealth of the Northern Marianas Islands (CNMI).

AAFA is a national trade association representing apparel, footwear and other sewn products companies, and their suppliers that compete in the global market. Our mission is to promote and enhance our members' competitiveness, productivity and profitability in the global market by minimizing regulatory, legal, commercial, political, and trade restraints.

We are concerned about the adverse impact that General Note 3(a), as currently written, is having on the garment industry in the CNMI, which is a U.S. territory with U.S. citizens. Under General Note 3(a), certain goods - including textiles, apparel, and footwear - from the insular possessions must contain at least $50 \%$ local content to enter the United States duty-free. Yet, other U.S. trading partners are subject to effective content requirements that are lower than the CMNI local content requirement for duty-free entry. This means that the CNMI competes at a distinct disadvantage with foreign suppliers who can supply the same products to the U.S. market duty-free under far lower local content requirements.

Nearly all textile and apparel exports from the insular possessions are from the CNMI, and virtually all (95\%) CNMI exports to the United States are apparel goods. The CNMI garment industry reports that apparel exports contain $45 \%-50 \%$ foreign content, qualifying them for duty-free entry into the United States. CNMI apparel manufacturers buy fabric from East Asia (China, Korea, and Taiwan) that is then cut, sewn, and packaged as final goods, resulting in production costs that are nearly three times higher than Asian costs.

We are aware that many U.S. apparel companies are watching to see if Congress will act to assist the CNMI garment industry, which we consider part of the broader U.S. textile and apparel industry. If the local content requirement were lowered to $30 \%$, CNMI manufacturers could reduce costs by using less expensive components cut and sewn abroad. This would result in a competitive landed-duty price in the United States that is, on average, only $0.9 \%$ higher than China’s. For U.S. buyers, this means greater opportunity to procure competitively priced goods from CNMI manufacturers and reduce reliance on Asian suppliers.

For the CNMI, a change to General Note 3(a) is imperative, given the recent abolition of the WTO textile and apparel quotas and that the CNMI economy depends heavily on garment exports to the United States. At the garment industry's peak in 1999, 35 factories generated sales of $\$ 1.06$ billion and created 21,000 jobs - half of all island jobs - in direct and indirect employment. The industry's total direct contribution to the CNMI economy ranged from $\$ 229.3$ million (low) to $\$ 292.6$ million (high).

Now, the picture has changed drastically. Since January 2005, nine major garment manufacturers have closed, and at least three more are expected to close this year. Just 17 garment factories remain. Industry workers have dwindled to about 8,700 and sales fell to $\$ 596$ million in 2005. This trend accelerated throughout 2005, and monthly sales plummeted from $\$ 54.3$ million dollars in December 2005 to $\$ 37.3$ million in March 2006. We expect sales to drop another $12 \%$ to $20 \%$ this year.

Knowing of your leadership on issues relating to international trade, we respectfully ask that you express your support for legislation that would harmonize the lower the local content requirement to $30 \%$ for all items originating from the insular possessions. In the Senate, bi-partisan legislation (S. 1954) has been introduced by Senator Larry Craig (R-ID) and Senator Daniel Akaka (D-HI) to change General Note 3(a). We seek your support in including this bill in the Senate's Miscellaneous Tariff Bill.

We very much appreciate your support in seeing this legislation enacted this year. Please do not hesitate to contact me if you need any additional information or if there is more AAFA can do to advance these efforts. Thank you for your consideration.

Sincerely,
Kevin M. Burke
President and CEO

July 18, 2006

The Honorable Charles Grassley
Chairman, Senate Finance Committee
219 Dirksen Office Building
Washington, DC 20510

Dear Mr. Chairman:
This letter is in response to the July 11, 2006 Senate Finance Committee request for written comments on miscellaneous tariff measures. Specifically, I am writing in opposition to S. 1954, the "Insular Possessions Act of 2005."
AMTAC represents over 200 domestic manufacturing companies in the textile, apparel, furniture, machine tool, steel products, plastics and other industry sectors. Our members collectively employ over American 35,000 workers with well-paying manufacturing jobs.
Currently, U.S. imports of textiles and apparel, footwear, tuna, petroleum, and watches and watch parts from U.S. insular possessions must contain at least 50 percent domestic content by value in order to receive duty-free treatment into the United States. H.R. 1954 reduces that threshold to a mere 30 percent domestic (or U.S.) content, making an already unfair situation worse.
U.S. protectorates are given free trade benefits and allowed to label their products "Made in the USA," yet they do not have the same minimum wage or immigration laws as the United States. The apparel industry in the Northern Mariana Islands has taken advantage of this arrangement by importing labor from China to work in sweatshop conditions. These workers assemble textile components manufactured elsewhere in Asia into final garments sold under the guise of U.S.-made products.
U.S. Department of Commerce data shows that U.S. apparel imports from the Northern Marianas totaled $\$ 2.3$ billion from 2003-2005. Allowing apparel companies in the Northern Marianas to incorporate even more foreign components will negatively affect U.S. textile producers currently supplying those yarns and fabrics as well as U.S. apparel producers forced to compete with duty-free imports made by exploited workers.
In conclusion, we strongly encourage you to preclude S. 1954 from the proposed miscellaneous tariff bill being prepared by the Senate Finance Committee.

Sincerely,

Auggie Tantillo
Executive Director

July 27, 2006
The Honorable Charles Grassley
Chairman, Senate Finance Committee
219 Dirksen Office Building
Washington, DC 20510
Dear Mr. Chairman:
This is a response to the Senate Finance Committee's request for written comments on miscellaneous tariff measures. I am writing in opposition to S. 1954, the "Insular Possessions Act of 2005" which would make major adverse changes to U.S. rules of origin for imports by lowering the threshold for duty free treatment, on sensitive products like apparel from Insular Possessions such as The Northern Marianas Islands (CNMI), from $50 \%$ of value added in CNMI to a mere $30 \%$. The DMC represents over 80 domestic sock manufacturing companies, including Fox River Mills in the state of Iowa, and many others in Alabama and North Carolina, that could suffer significant damage if S. 1954 passes.
S. 1954, sounds simple on its face, but in reality is an extremely complicated bill crafted behind a misleading title, with major adverse ramifications to the domestic textile and apparel industry hidden in the changes it would make to General Note 3 of the Harmonized Tariff System. These subtle but extremely significant S. 1954 changes would also constitute a dangerous precedent. If S. 1954 passes, we can expect proliferation of these largely unenforceable rules of origin to other areas beyond the Israeli Free Trade Agreement, which since 1986 has been the only FTA to enjoy such a loose and difficult-to-enforce value-based rule of origin for textiles and apparel.
The current threshold for duty free treatment for textiles from insular possessions like The Northern Marianas, requiring $50 \%$ value added in CNMI, effectively means that yarn or bolts of fabric from China or elsewhere can be sent in to CNMI to be knit or cut and sewn into apparel. This $50 \%$ requirement makes it feasible for CNMI Customs and U.S. Customs to monitor and enforce the rule of origin for duty free privileges. Changing the rule of origin to a mere $30 \%$ as S. 1954 would do, would allow mere partial assembly to confer duty-free status and render Customs enforcement untenable and ineffective, as the initiators of this provision must know. Customs would then have to determine just how much cutting and sewing for many different articles was performed in The Northern Marianas and how much elsewhere, and what was the value of each assembly operation. This is a prescription for non-enforcement.
We have successfully petitioned the U.S. government to establish a textile safeguard limit on sock imports from China, after demonstrating that soaring Chinese sock imports at extremely low, highly subsidized prices were inflicting severe damage on the domestic U.S. sock industry. Since then we have received numerous reports including some in writing from the Chinese sock industry itself, that China is avoiding these sock quotas by means of fraudulent transshipments through third countries, or by using permissive rules of origin to perform partial assembly in a third country to obtain non-Chinese origin. Indeed there have been instances in the past where fraudulent transshipment attempts by Chinese apparel companies through the Northern Marianas has been detected by Customs. A recent BBC news article describing current Chinese apparel transshipment practices is also attached.
The Northern Marianas has a long and checkered history of being used by Chinese apparel companies and U.S. importers wishing to evade U.S. apparel quotas. If H.R. 1954 passes, Chinese companies may establish sock mills there which would need only to add $30 \%$ in value to socks with $70 \%$ value added in China, thus evading the existing China sock safeguard limit.
This measure to grant Insular Possessions such as The Northern Marianas significant trade liberalization concessions would hardly seem non-controversial in nature, as provisions in Miscellaneous Tariff bills should be. Apart from fraudulent transshipment, you may recall that The Northern Marianas has been able to stymie efforts to establish U.S. labor standards there. The apparel industry in The Northern

Marianas has thus been able to import labor from China to work for slave wages in sweatshop conditions to assemble textile components manufactured in China into garments sold with the Made in USA label. We strongly urge you to reject S. 1954 from inclusion in the proposed miscellaneous tariff bill being prepared by the Senate Finance Committee. You may direct any further questions to our Washington Representative, Jim Schollaert, at 703-524-7197.

Sincerely,

Charles Cole, Chairman
Domestic Manufacturers Committee

China slipping through quota net
By Charlotte Windle
BBC Shanghai business reporter
A growing number of Chinese textile manufacturers are resorting to illegal transhipment to get their goods into the US and Europe.
They say it's the only option left available to them since the reintroduction of quotas on Chinese textile exports earlier this year.
In Zhejiang province to the south of Shanghai - one of the heartlands of textile manufacturing in China many factories are faced with the choice of illegally transhipping their products or laying off workers. One factory in the province has decided that rather than putting many of its 1,500 workers out of work, they will offer their customers - mainly European retailers - goods that are illegally transhipped. The factory produced more than 4 million items of clothing for the European market last year. This year, they had planned to exceed that figure and were not expecting quotas to be introduced on Chinese textile exports in June.
Legal limits
The quotas forbid the factory from producing anything more for the European market this year.
The Europeans and Americans just say what we are doing is illegal but I say morally I have an obligation to my workers
Factory owner in Zhejiang
But as it has already bought material for a batch of blouses ordered by a German retailer it has decided to go ahead and make them anyway.
Legally, the manufacturer cannot get the products into Europe so it has found a way of doing it illegally by sending the clothes via another country.
The way it works is that the factory will make and pack the garments and will also sew in care instructions - but no "Made in China" label. It then ships the garments to Europe via a third country. Third countries that are being used in this way include the Philippines, Turkey or Morocco.
For a fee, a factory in that country will sew in "Made in the Philippines" or "Made in Morocco" labels if required - the US market requires country of origin labels but not all European nations do - as well as providing country of origin certificates.
'Moral obligation'
Factory owners believe they are justified in acting in this way.
The owner of the Zhejiang factory told the BBC: "The Europeans and Americans just say what we are doing is illegal but I say morally I have an obligation to my workers.
"There are so many workers behind me. I have a responsibility to them."
Industry insiders say that many small and medium sized retailers in Europe and the US may now be receiving shipments of this kind.
And, while the big name retailers refuse to take the risk, those who source indirectly from Chinese suppliers may not know their orders are being handled in this way.
Howard Liu is one such industry insider. He runs a textiles trading company - helping US and European retailers to source from China.
Shipping switch
He says smuggling via a second country has become widespread since the introduction of quotas and he says that while his company is not involved, everyone is aware it is happening.
"They will put orders to China and China will make the order, the garments, and pack and everything and then just ship it to this country. This kind of country has a non-quota agreement with the Europe side then they will ship the goods freely to Europe."
When a garment leaves China, the absence of a "Made in China" label isn't enough to alert the attention of
customs officials.
China exports to numerous countries that do not require goods to be labelled in this way.
And, while every shipment entering the EU or the US must be accompanied by a certificate of origin, those documents can, and are, being falsified.
It is unclear whether the Chinese government knows what is happening.
But what is clear is that the system is being abused.
Story from BBC NEWS:
http://news.bbc.co.uk/go/pr/fr/-/1/hi/business/4264562.stm
Published: 2005/09/20 20:54:25 GMT
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July 28, 2006

The Honorable Charles Grassley
Chairman, Senate Finance Committee
219 Dirksen Office Building
Washington, DC 20510
National Textile Association Statement Regarding Miscellaneous Tariff Measures Introduced in the Senate During the 109th Congress

Dear Mr. Chairman:
I write in response to the July 11, 2006, Senate Finance Committee solicitation of statements regarding miscellaneous tariff measures introduced in the Senate during the 109th Congress.

The National Textile Association is the nation's oldest and largest organization representing the fabric-making industry in the U.S. Our members knit, weave, dye, print, and finish fabric in the U.S., as well as supply the fabric industry with fibers, yarns, and other products and services.

From the list published at http://finance.senate.gov/sitepages/2006MTB.htm we have identified three bills that we must oppose as harmful to the interest of domestic producers we represent.

NTA opposes S. 738 a bill to provide relief for the cotton shirt industry. We have communicated our concerns to a representative of the U.S. cotton shirt industry and he agreed to changes to the bill to make it acceptable to NTA. Those changes resulted in the filing of a new bill, S. 3344 to which NTA has no objection.

NTA opposes S. 1954 the Insular Possessions Act of 2005.
This bill would amend the requirements for duty-free treatment of goods shipped to the U.S. from insular possessions of the U.S. by lowering, from 50 percent to 30 percent, the percentage of the total value of a good which must originate in the insular possession or the U.S. This change is of great interest to U.S. textile producers because the Commonwealth of the Northern Mariana Islands (CNMI) is one of the beneficiaries of the insular possessions duty-free provision, being a major shipper ( 79 million square meters worth in 2005) of apparel articles to the U.S.

In addition to duty-free status, the CNMI enjoys an extremely privileged trading relationship with the U.S. Apparel articles assembled in the CNMI may, legally, be marked "Made in the U.S.A." notwithstanding that the CNMI is exempt from the U.S. minimum wage. Furthermore, exemption from U.S. immigration laws, combined with the CNMI's own liberal guest worker program means that most of the apparel jobs in the CNMI are not even held by citizens of the CNMI.

Allowing more foreign content in goods entered duty-free from insular possessions will create an incentive for manufacturers to reduce insular possession/U.S. content in favor of cheap inputs from
foreign countries. Among these foreign beneficiaries is, undoubtedly, China. U.S. imports of certain textile and apparel articles of Chinese origin are limited, through the year 2008, under a bilateral agreement between the U.S. and China. S. 1954 would create a loop-hole for Chinese-origin goods to enter the U.S., via the CNMI, in circumvention of the hard-won U.S.-China bilateral agreement.

NTA opposes S. 3642 a bill to temporarily suspend the duty on knitted or crocheted fabrics of cotton, printed. The NTA member companies who indicate that they manufacture cotton knit fabrics in the U.S. are
Alamac American Knits LLC
Beverly Knits, Inc.
Contempora Fabrics
Domestic Fabrics
Fab Industries, Inc.
Safer Textile Processing

From the list published at http://finance.senate.gov/sitepages/2006MTB.htm we have identified the follow bills that we support, the passage of which would be beneficial to the domestic producers we represent, or to which we have no objection:

NTA supports S. 982 a bill to suspend the duty on certain rayon staple fibers. To the best of our knowledge and believe there is no domestic source for rayon.

NTA supports S. 2328 a bill to extend through 2009 the existing duty suspension on certain synthetic filament yarns.

NTA supports S. 2329 a bill to extend through 2009 the existing duty suspension on certain filament yarns.

NTA supports S. 3022
NTA supports S. 3023
NTA supports S. 3024
NTA supports S. 3025
NTA supports S. 3026
NTA supports S. 3027
NTA supports S. 3028
NTA supports S. 3029 \}
These bills are suspension (or extend existing suspensions) of duty on certain fibers, yarns, and fabrics of fine animal hair such as cashmere, camel hair, and vicuna. These fibers are not commercially produced in the U.S. and the domestic producers of yarns and fabrics of fine animal hair support the duty suspension.

NTA supports S. 3051
NTA supports S. 3052
NTA supports S. 3053

NTA supports S. 3054
NTA supports S.3217. To the best of our knowledge and belief there is no domestic source for this rayon.
NTA supports S. 3227 To the best of our knowledge and belief there is no domestic source for this rayon.
NTA supports S. 3232 .
NTA supports S.3233. \} These bills extend and modify duty suspensions on wool products, wool research fund, and wool duty refunds, programs that have been in force since 2000 and which, taken together have provided significant relieve to the domestic wool textile and apparel industry.

NTA supports S. 3240 a bill to clarify the tariff treatment of textile parts of seats and other furniture.

Cut pieces of fabric for use as furniture upholstery are classified as furniture parts under headings 9401 or 9403 of the Harmonized Tariff Schedule of the U.S. They are duty-free, in contrast to the duty on fabric in roll form, which range from 7 to 17 percent depending on fabric type.

This duty circumvention is severely damaging to U.S. upholstery fabric manufacturers. In 2005 the U.S. imported $\$ 1.2$ billion in textile parts for chairs and other furniture, of which $\$ 811$ million were of Mexican origin (for automobile seats) and $\$ 336$ million were of Chinese origin (for home furnishings). While it is not possible to calculate precisely the loss in tariff revenue to the U.S. treasury due to this duty circumvention, it is undoubtedly several tens of millions of dollars annually.

The tariff schedule does not define what operations must be performed on fabric to transform it into furniture parts. Currently U.S. Customs and Border Protection classifies fabric as a furniture part even if it has undergone the very minimal further processing of cutting. We believe that the mere cutting of fabric should not be considered transforming operation for classification in HTSUS headings 9401 and 9403.

The design of this bill is to establish a reasonable definition of textile furniture parts based on substantial transformation. The National Textile Association endorses this effort. In addition, Senator Elizabeth Dole and Senator Rick Santorum have joined Senator Chafee in efforts to challenge this misclassification.

The NTA Upholstery Fabrics Committee, at the meeting held on Tuesday, April 11, 2006
VOTED to endorse the efforts of Senator Lincoln Chafee of Rhode Island to correct the misclassification of upholstery fabric as furniture parts and to contact their members of Congress and urge them to support Senator Chafee's efforts. The members of the Upholstery Fabrics Committee reiterated that misclassification of upholstery fabrics is a major issues which is seriously damaging U.S. producers of upholstery fabrics.
The NTA Board of Government, meeting later the same day, likewise
VOTED to support efforts to correct the misclassification of upholstery fabrics. Noting the seriousness of the issue, as emphasized by the members of the Upholstery Fabrics Committee, the NTA Board of Government directed the staff to exert the utmost energies in pushing for a legislative or administrative correction to the problem of misclassification of upholstery fabrics.
NTA supports S. 3252
NTA supports S. 3264
NTA supporss S. 3265
NTA supports S. $3266 \quad$ To the best of our knowledge and belief there is no domestic source for this rayon.

NTA has no objection to S .3344 a bill to provide relief for the cotton shirt industry. This is an alternative
version of S.738; NTA opposes S.738.
NTA supports S.3395. To the best of our knowledge and belief there is no domestic source for this rayon.
NTA supports S.3434.
NTA supports S. 3435 .
NTA supports S.3436.
NTA supports S. 3645. To the best of our knowledge and belief there is no domestic source for this rayon.

Finally, from the list published at http://finance.senate.gov/sitepages/2006MTB.htm we have identified additional bills that may be of interest to domestic U.S. textile producers but regarding which we are not making comments at this time. We may be filing additional comments before the August 15th deadline. Our silence at this time regarding the following bills should not be taken as an indication of domestic industry assent.
S. 541
S. 2647
S. 2648
S. 3070
S. 3071
S. 3097
S. 3098
S. 3099
S. 3100
S. 3101
S. 3102
S. 3103
S. 3105
S. 3110
S. 3123
S. 3125
S. 3126
S. 3127
S. 3150
S. 3164
S. 3236
S. 3241
S. 3242
S. 3362
S. 3393
S. 3394
S. 3396
S. 3397
S. 3400
S. 3401
S. 3402
S. 3403
S. 3479
S. 3493
S. 3494
S. 3556
S. 3641
S. 3643
S. 3644

Thank you for your consideration of these comments.

Sincerely yours,

David Trumbull
Director, Member Services
----Original Message-----
From: Michael Platner [mailto:Platnerm@api.org]
Sent: Wednesday, July 05, 2006 12:39 PM
To: Foreso, Cynthia
Cc: Karen Matusic; Mark Kibbe
Subject: RE: Proposed legislation

Cynthia,

API does not believe that this legislation will have any adverse impact on the domestic oil and gas industry. While the legislation may provide some marginal benefits to the industry, we do not want to go on record in favor of or opposed to the legislation. Thank you for the opportunity to comment.

Michael

Michael L. Platner
Director of Taxation

## API

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Cynthia B. Foreso
Energy & Related Products
GSP Project Leader
U.S. International Trade Commission
Tel.: 202-205-3348
Fax: 202-205-2217
------Original Message-----
From: Grace, David [mailto:dgrace@cov.com]
Sent: Friday, July 07, 2006 11:32 AM
To: Foreso, Cynthia
Cc: Emilio G. Collado; DeArment, Roderick
Subject: RE: Proposed legislation, re: watches
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Good morning Cynthia:

Hope you are well. The American Watch Association (AWA) has reviewed the proposed legislation and does not believe that it would have an adverse impact watches and/or watch components produced in the United States or the U.S. Virgin Islands. Accordingly, the AWA does not oppose the proposed legislation.

Many thanks for the opportunity to provide this input.

David R. Grace<br>Covington \& Burling LLP<br>1201 Pennsylvania Avenue, NW<br>Washington, DC 20004-2401<br>202-662-5368 (voice)<br>202-662-6291 (fax)<br>dgrace@cov.com

Cynthia B. Foreso<br>Energy \& Related Products<br>GSP Project Leader<br>U.S. International Trade Commission<br>Tel.: 202-205-3348<br>Fax: 202-205-2217<br>------Original Message-----<br>From: dperlman@citizenwatch.com [mailto:dperlman@citizenwatch.com]<br>Sent: Friday, July 07, 2006 11:56 AM<br>To: Foreso, Cynthia<br>Subject: Re: Proposed legislation, re: watches

Dear Ms. Foreso:

My apologies for not responding on this sooner.

It does not appear that S. 1954 would affect watches made in the U.S. insular possessions. Therefore, we don't have a position in favor of, or in opposition to, the legislation. Similarly, we don't have an opinion as to whether or not there would be an adverse effect on U.S. companies in other industries.

Thank you for soliciting our views.
Best regards.

David

Cynthia B. Foreso<br>Energy \& Related Products<br>GSP Project Leader<br>U.S. International Trade Commission<br>Tel.: 202-205-3348<br>Fax: 202-205-2217<br>------Original Message-----<br>From: Gerwin, Edward [mailto:EGerwin@winston.com]<br>Sent: Wednesday, July 05, 2006 5:13 PM<br>To: Foreso, Cynthia<br>Cc: Hiebert, Peter; Alan Grunwald (E-mail); Joseph H. Wein (E-mail)<br>Subject: Comment on Proposed Legislation to Revise General Note 3(a)(iv)(A)

Hello Ms. Foreso --

On behalf of the Government of the U.S. Virgin Islands, I am responding to your request for comments on S. 1954. This proposed legislation would change the local content/value added requirements for certain items eligible for duty free treatment under General Note 3(a)(iv)(A) of the Harmonized Tariff Schedule of the United States. Specifically, the proposed legislation would eliminate the special, more demanding local content/value added requirements that apply under current law to import-sensitive items, including textiles and apparel, footwear, tuna and petroleum.

The Government of the Virgin Islands strongly supports this change in the current General Note 3(a)(iv)(A) local content/value added rules. This change could potentially provide new opportunities for the U.S. insular possessions to expand their manufacturing sectors and to diversify their economies. Such opportunities are important to island economies that are far from the U.S. mainland and possess limited resources and few competitive economic advantages. This change is also important to assure that U.S. insular economies keep pace with the advantages that the United States now provides to foreign countries with which we have entered into free trade agreements.

Please note that this proposed change in General Note 3(a)(iv)(A) should have no effect on current rules governing the treatment of watches imported to the U.S. mainland from the Virgin Islands and other insular possessions. These rules, which are set out in Additional U.S. Note 5 to Chapter 91 of the HTSUS, are expressly carved out from General Note 3(a)(iv)(A). As a result, the proposed change in the General Note's local content/value added rules would not apply to watches, for which duty-free status would be determined by the numerical limitations detailed in Additional Note 5 to Chapter 91.

We trust that these comments are of assistance. Please let us know if we can provide you with further
comments or information.

Regards,

Peter Hiebert
Edward Gerwin
Counsel to the Government of the U.S. Virgin Islands
Edward F. Gerwin, Jr.
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## Appendix

Historical Apparel Exports from
Northern Mariana Islands to
Mainland U.S.A.
for the
Years 2001-2005

| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | All CNMI Exports to USA | \$948,155,000 | \$816,959,000 | \$826,123,000 | \$811,020,000 | \$679,560,000 |
|  | CNMI Garment Exports to USA (sum) | \$946,097,000 | \$814,651,000 | \$823,071,000 | \$796,318,000 | \$676,988,000 |
| 6101.10.00.00 | M/B overcoats, carcoats etc. of wool or fine animal hair, knit |  | \$2,000 | \$13,000 | \$6,000 |  |
| 6101.20.00.10 | Men's overcoats, car coats, etc., of cotton, Knit | \$121,000 | \$2,099,000 | \$1,399,000 | \$5,264,000 | \$6,787,000 |
| 6101.20.00.20 | Boys' overcoats, carcoats etc., of other manmade fibers, knit |  | \$175,000 | \$2,000 |  |  |
| 6101.30.20.10 | Men's overcoats, car coats, etc., of other man-made fibers, Knit . | \$252,000 | \$1,419,000 | \$788,000 | \$1,022,000 | \$16,000 |
| 6102.10.00.00 | W/G Overcoats, etc., of other man-made fibers, Knit | \$187,000 | \$1,592,000 | \$704,000 | \$420,000 |  |
| 6102.20.00.10 | Women's Overcoats, car coats, etc., of cotton, Knit | \$4,631,000 | \$9,005,000 | \$7,351,000 | \$11,183,000 | \$6,047,000 |
| 6102.20.00.20 | Girls Overcoats, car coats, etc., of cotton, Knit | \$1,281,000 |  | \$165,000 | \$1,580,000 | \$38,000 |
| 6102.30.10.00 | W/G Overcoats, etc., MMF > 23\% by wt. w/Fine Animal Hair, Knit | \$19,000 |  |  | \$569,000 |  |
| 6102.30.20.10 | Women's Overcoats, car coats, etc., of other man-made fibers, Knit . | \$75,000 | \$91,000 | \$2,870,000 | \$57,000 | \$642,000 |
| 6103.11.00.00 | M/B Suits of Wool or fine animal hair, Knit | \$1,000 |  |  |  |  |
| 6103.19.10.00 | M/B Suits of artificial fibers containing 23\% or more wool, knit |  |  |  |  |  |
| 6103.32.20.00 | M/B suit type jackets and blazers of cotton, knit |  |  |  | \$5,000 |  |
| 6103.42.10.20 | Men's trousers \& breeches of cotton, Knit | \$1,532,000 | \$1,514,000 | \$2,702,000 | \$1,575,000 | \$759,000 |
| 6103.42.10.40 | Boy's trousers \& breeches, NESOI, of cotton, Knit | \$1,468,000 | \$1,559,000 | \$77,000 | \$112,000 | \$4,000 |
| 6103.42.10.50 | Men's Shorts, of cotton, Knit | \$339,000 | \$115,000 | \$651,000 | \$289,000 | \$243,000 |
| 6103.42.10.70 | Boy's Shorts, o/t parts of sets, Cotton, Knit . . | \$212,000 | \$33,000 | \$62,000 |  |  |
| 6103.43.10.20 | M/B shorts of synthetic fibers containing 23\% more wool, knit |  |  |  | \$4,000 |  |
| 6103.43.15.20 | Men's trousers \& breeches of other synthetic fibers, Knit | \$1,284,000 | \$749,000 | \$233,000 | \$225,000 |  |
| 6103.43.15.40 | Boys' trousers and breeches NESOI of synthetic fiber, knit |  | \$27,000 | \$100,000 | \$117,000 |  |
| 6103.43.15.50 | Men's shorts, of other syn fibers, Knit | \$1,000 | \$5,000 | \$41,000 | \$272,000 | \$150,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6103.43.15.70 | Boy's shorts NESOI, of synthetic fibers, knit |  |  | \$38,000 | \$274,000 |  |
| 6104.29.10.30 | W/G ENS of trousers of artificial fibers, knit |  | \$6,000 |  |  |  |
| 6104.29.10.50 | W/G ENS of blouses and tops of artificial fibers, knit |  | \$6,000 |  |  |  |
| 6104.31.00.00 | W/G Suit-type jackets \& blazers, of wool, Knit | \$59,000 | \$425,000 | \$184,000 |  | \$418,000 |
| 6104.32.00.00 | W/G Suit-type jackets \& blazers, of cotton, Knit | \$178,000 | \$1,042,000 | \$1,006,000 | \$173,000 | \$187,000 |
| 6104.33.10.00 | W/G Suit-type jackets, syn fiber, cont. > 23\% Wool, Knit | \$27,000 |  |  |  |  |
| 6104.33.20.00 | W/G Suit-type jackets of syn. Fiber, cont. >23\% wool, Knit | \$397,000 | \$229,000 | \$571,000 | \$529,000 | \$113,000 |
| 6104.39.10.00 | W/G Suit-type jackets \& blazers, of art. Fibers, Knit | \$6,000 | \$7,000 | \$40,000 | \$94,000 | \$84,000 |
| 6104.39.20.30 | W/G suit type jacket of other textile mat' subject to MMF restraints, knit |  |  |  | \$26,000 |  |
| 6104.42.00.10 | Women's dresses, of cotton, Knit | \$9,071,000 | \$6,064,000 | \$2,305,000 | \$2,044,000 | \$219,000 |
| 6104.42.00.20 | Girls's dresses of cotton, Knit | \$160,000 | \$61,000 | \$82,000 | \$365,000 | \$5,000 |
| 6104.43.10.10 | Women's dresses of synthetic fibers containing 23\% more wool, knit |  |  |  | \$2,000 |  |
| 6104.43.20.10 | Women's Dresses of other syn. Fibers, Knit | \$1,155,000 | \$2,790,000 | \$1,552,000 | \$1,992,000 | \$2,292,000 |
| 6104.43.20.20 | Girl's Dresses of other syn. Fibers, Knit | \$20,000 |  |  |  |  |
| 6104.44.20.10 | Women's Dresses of art. Fiber, < 23\% wool, Knit | \$1,693,000 | \$1,435,000 | \$1,141,000 | \$3,537,000 | \$2,794,000 |
| 6104.49.90.10 | W/G dresses of other textile materials SUBJ, cotton RES, knit |  | \$5,000 | \$2,000 | \$13,000 | \$1,897,000 |
| 6104.51.00.00 | W/G Skirts and divided skirts of wool, Knit | \$62,000 | \$1,000 |  | \$23,000 |  |
| 6104.52.00.10 | Women's Skirts and divided skirts, of cotton, Knit | \$2,303,000 | \$3,722,000 | \$4,703,000 | \$4,952,000 |  |
| 6104.52.00.20 | Girls' Skirts and divided skirts, cotton, Knit | \$83,000 | \$1,180,000 | \$263,000 | \$881,000 | \$144,000 |
| 6104.53.10.00 | W/G Skirts of syn fibers, cont. > 23\% wool, Knit | \$268,000 | \$540,000 |  | \$502,000 |  |
| 6104.53.20.10 | Women's Skirts, Syn. Fiber, < 23\% wool, Knit | \$7,611,000 | \$7,201,000 | \$8,009,000 | \$8,283,000 | \$6,827,000 |
| 6104.53.20.20 | Girls' Skirts of syn fiber, < 23\% wool, Knit | \$429,000 |  | \$57,000 | \$272,000 |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6104.59.10.30 | Women's Skirts of art. Fibers, NESOI, Knit | \$6,650,000 | \$4,084,000 | \$4,863,000 | \$5,441,000 | \$2,701,000 |
| 6104.59.80.10 | W/G skirts OT textile materials, SUBJ, cotton, RES, knit |  |  |  | \$9,000 |  |
| 6104.59.80.30 | W/G skirts OT textile materials SUBJ, man made fibers, res, knit |  |  |  | \$10,000 |  |
| 6104.61.00.10 | W/G Trousers \& breeches of Wool or fine animal hair, Knit | \$87,000 | \$4,000 | \$6,000 | \$18,000 |  |
| 6104.62.10.20 | Women's Overalls of cotton, not insulated, Knit | \$16,000 |  | \$79,000 | \$29,000 |  |
| 6104.62.20.06 | Knitted Women's Cotton trousers, cont. > 5\% elastic yarn | \$3,751,000 | \$7,479,000 | \$6,714,000 | \$6,189,000 | \$5,746,000 |
| 6104.62.20.11 | Knitted Women's Cotton trousers, Other | \$21,197,000 | \$21,411,000 | \$35,269,000 | \$25,226,000 | \$11,525,000 |
| 6104.62.20.21 | Knit Girls' cotton trousers, parts of playsuits, Other |  | \$22,000 |  | \$1,000 | \$27,000 |
| 6104.62.20.26 | Knit Girls' cotton trousers, > 5\% elastic yarn | \$1,513,000 | \$1,110,000 | \$1,151,000 | \$2,508,000 | \$339,000 |
| 6104.62.20.28 | Knitted Girls' cotton trousers, NESOI | \$8,668,000 | \$5,422,000 | \$5,804,000 | \$6,290,000 | \$747,000 |
| 6104.62.20.30 | Women's Shorts of cotton, Knit | \$5,201,000 | \$3,515,000 | \$4,844,000 | \$3,862,000 | \$121,000 |
| 6104.62.20.60 | Girls' Shorts, Cotton, Not imp. As part of playsuits, Knit | \$2,448,000 | \$1,726,000 | \$1,844,000 | \$1,965,000 | \$1,882,000 |
| 6104.63.10.20 | Women's Overalls of syn fibers, not insulated, Knit | \$112,000 | \$7,000 | \$4,000 |  | \$28,000 |
| 6104.63.15.10 | W/G Trousers of syn fibers, cont. > 23\% wool, Knit | \$481,000 | \$389,000 |  | \$926,000 | \$306,000 |
| 6104.63.20.06 | Knitted Women's syn fiber Trousers, > 5\% elastic yarn | \$1,304,000 | \$3,676,000 | \$4,061,000 | \$4,129,000 | \$2,285,000 |
| 6104.63.20.11 | Knitted Women's syn. Trousers, Other | \$3,803,000 | \$4,562,000 | \$5,933,000 | \$9,161,000 | \$4,582,000 |
| 6104.63.20.16 | Knit Girls' syn trousers, > 5\% elastic yarn, Parts of Playsuits | \$92,000 |  |  |  |  |
| 6104.63.20.26 | Knit Girls' syn trousers, > 5\% elastic yarn, Other | \$79,000 |  | \$106,000 |  |  |
| 6104.63.20.28 | Knit Girls' synthetic trousers, NESOI | \$410,000 | \$108,000 | \$103,000 | \$508,000 | \$499,000 |
| 6104.63.20.30 | Women's Shirts of syn fibers, cont. < 23\% wool/fine animal hair, Knit | \$498,000 | \$11,000 | \$328,000 | \$2,000 | \$302,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6104.63.20.60 | Girls' Shorts of syn fibers, cont. <23 wool/fine animal hair, Knit | \$5,000 | \$39,000 | \$64,000 |  |  |
| 6104.69.20.05 | W/G trousers and breeches of artificial fibers, greater than $23 \%$ wool, knit |  |  |  | \$16,000 |  |
| 6104.69.20.30 | W/G Trousers \& breeches of art. Fibers, NESOI, Knit | \$6,726,000 | \$5,238,000 | \$3,384,000 | \$3,826,000 | \$3,295,000 |
| 6104.69.20.60 | W/G Shorts of artificial fibers, NESOI, Knit | \$41,000 |  |  | \$2,000 |  |
| 6104.69.80.22 | W/G trousers of other textile material SUBJ cotton RES, knit |  | \$1,000 | \$5,000 | \$16,000 |  |
| 6104.69.80.26 | W/G trousers of OT textile materials SUBJ, of man made fibers, res, knit |  |  |  | \$31,000 |  |
| 6105.10.00.10 | Men's Shirts of cotton, Knit | \$55,813,000 | \$47,968,000 | \$51,922,000 | \$42,529,000 | \$49,544,000 |
| 6105.10.00.20 | Boys shirts of cotton, IMP as playsuit parts, knit |  |  | \$1,000 |  |  |
| 6105.10.00.30 | Boy's Shirts, NESOI, of cotton, Knit | \$904,000 | \$1,735,000 | \$1,203,000 | \$254,000 | \$460,000 |
| 6105.20.10.00 | M/B shirts of manmade fiber containing greater than $23 \%$ wool, knit |  | \$131,000 | \$121,000 |  |  |
| 6105.20.20.10 | Men's Shirts of other man-made fibers, Knit | \$10,904,000 | \$7,301,000 | \$7,342,000 | \$11,070,000 | \$7,173,000 |
| 6105.20.20.30 | Boys shirts of manmade fibers, NESOI, knit |  | \$86,000 | \$31,000 |  |  |
| 6105.90.40.00 | M/B shirts of silk containing 70\% more silk knit |  |  |  |  | \$93,000 |
| 6105.90.80.60 | M/B shirts of other textile materials, knit, NESOI |  | \$4,000 |  | \$257,000 | \$100,000 |
| 6106.10.00.10 | Women's Blouses and Shirts of Cotton, Knit | \$49,889,000 | \$70,501,000 | \$53,072,000 | \$36,048,000 | \$23,786,000 |
| 6106.10.00.20 | Girls' Blouses of Cotton, imported as Playsuit Parts, Knit | \$23,000 | \$12,000 |  |  |  |
| 6106.10.00.30 | Girls' Blouses, NESOI, of cotton, Knit | \$1,735,000 | \$1,419,000 | \$766,000 | \$754,000 | \$36,000 |
| 6106.20.10.10 | Women's blouses of man made fibers containing $23 \%$ more wool, knit |  |  |  | \$371,000 | \$14,000 |
| 6106.20.20.10 | Women's Blouses of other man-made fibers, Knit | \$7,361,000 | \$10,595,000 | \$13,734,000 | \$9,323,000 | \$9,229,000 |
| 6106.20.20.20 | Girls' blouses of other manmade fibers. IMP, playsuit parts, knit |  | \$88,000 |  |  |  |
| 6106.20.20.30 | Girls' Blouses \& Shirts NESOI of other MM fiber, Knit | \$330,000 |  |  | \$161,000 |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6106.90.30.10 | W/G blouses of other textile materials SUBJ cotton RES, knit |  |  |  | \$18,000 |  |
| 6106.90.30.30 | W/G blouses of other textile materials SUBJ, manmade fibers RES, knit |  | \$9,000 |  |  |  |
| 6107.11.00.10 | Men's underpants and briefs, of cotton, knit |  | \$88,000 |  |  | \$1,000 |
| 6107.91.00.30 | Mens or boys sleepwear, of cotton, knit |  |  |  | \$192,000 |  |
| 6107.92.00.30 | Mens sleepware of manmade fiber, knit |  |  |  | \$66,000 |  |
| 6108.21.00.10 | Women's briefs and panties of cotton, knit |  |  |  |  | \$19,000 |
| 6108.22.90.20 | Women's briefs and panties of manmade fibers, knit |  |  |  | \$161,000 | \$40,000 |
| 6108.31.00.10 | Women's Nightdresses and Pajamas of cotton, Knit | \$228,000 | \$84,000 | \$16,000 | \$209,000 | \$159,000 |
| 6108.32.00.10 | Women's nightdresses and pajamas of manmade fiber, knit |  |  |  | \$694,000 |  |
| 6108.91.00.30 | Women's Negligees, Bathrobes, etc., of cotton, Knit | \$1,287,000 | \$1,000 | \$302,000 | \$207,000 | \$790,000 |
| 6108.92.00.15 | Women's underwear except underpants of man made fibers, knit |  |  |  |  | \$13,000 |
| 6108.92.00.25 | Girls' underwear except underpants of man made fiber, knit |  |  | \$5,000 |  |  |
| 6108.92.00.30 | Women's Negligees, Bathrobes, etc., of man-made fiber, Knit | \$65,000 |  | \$81,000 | \$2,643,000 |  |
| 6109.10.00.04 | M/B T-Shirts, knit cotton, crew/v-neck, short sleeve |  |  |  | \$873,000 | \$1,495,000 |
| 6109.10.00.05 | M/B T-Shirts, all white, underwear of cotton, Knit | \$29,000 | \$20,000 | \$172,000 | \$5,000 |  |
| 6109.10.00.09 | M/B articles similar to $T$-shirts, underwear of cotton, Knit | \$173,000 | \$9,000 | \$47,000 |  |  |
| 6103.10.00.11 | Men's or Bots' thermal undershirts of knit cotton |  |  |  | \$5,000 | \$31,000 |
| 6109.10.00.12 | Men's T-shirts, except underwear of cotton, Knit | \$8,936,000 | \$3,898,000 | \$11,712,000 | \$5,421,000 | \$4,887,000 |
| 6109.10.00.14 | Boy's T-shirts, except underwear, of cotton, Knit | \$827,000 | \$404,000 | \$18,000 | \$961,000 | \$48,000 |
| 6109.10.00.18 | Men's Tank tops \& singlets, except underwear, of cotton, Knit | \$334,000 | \$199,000 | \$123,000 | \$69,000 | \$355,000 |
| 6109.10.00.23 | Boy's Tank tops \& singlets of cotton, Knit . . . . | \$85,000 | \$20,000 |  |  | \$25,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6109.10.00.27 | M/B articles similar to T-shirts, except underwear, of cotton, Knit | \$950,000 | \$2,202,000 | \$1,453,000 | \$1,489,000 | \$1,165,000 |
| 6109.10.00.37 | W/G Underwear of cotton, Knit | \$57,000 |  | \$51,000 |  |  |
| 6109.10.00.40 | Women's T-shirts, except underwear, of cotton, Knit | \$1,999,000 | \$6,374,000 | \$9,140,000 | \$7,193,000 | \$3,879,000 |
| 6109.10.00.45 | Girls' T-shirts, except underwear, of cotton, Knit | \$667,000 | \$114,000 | \$53,000 | \$1,758,000 | \$624,000 |
| 6109.10.00.60 | Women's Tank tops, except underwear, of cotton, Knit | \$10,393,000 | \$9,033,000 | \$9,970,000 | \$14,005,000 | \$12,665,000 |
| 6109.10.00.65 | Girls' Tank tops, except underwear, of cotton, Knit | \$978,000 | \$395,000 | \$551,000 | \$586,000 | \$2,750,000 |
| 6109.10.00.70 | W/G articles similar to T-shirts \& tank tops of cotton, Knit | \$7,353,000 | \$4,869,000 | \$5,253,000 | \$9,236,000 | \$3,157,000 |
| 6109.90.10.07 | Mens' T-shirts of man-made fibers, Knit . . . . | \$226,000 | \$362,000 | \$1,145,000 | \$141,000 | \$166,000 |
| 610990.10.09 | Boys' T-shirts of man-made fibers, Knit |  | \$106,000 |  |  |  |
| 6109.90.10.13 | Men's tank tops \& singlets of man-made fiber, Knit | \$1,000 | \$38,000 | \$47,000 | \$44,000 |  |
| 6109.90.10.49 | M/B articles similar to T-shirts of MMF, Knit | \$277,000 | \$330,000 | \$40,000 | \$43,000 | \$30,000 |
| 6109.90.10.50 | Women's T-shirts of man-made fibers, Knit | \$16,000 | \$239,000 | \$541,000 | \$463,000 | \$456,000 |
| 6109.90.10.60 | Girls' T-Shirts of manmade fibers, knit |  |  | \$111,000 | \$62,000 | \$225,000 |
| 6109.90.10.65 | Women's tank tops \& singlets of man-made fiber, Knit | \$613,000 | \$434,000 | \$1,379,000 | \$4,369,000 | \$4,745,000 |
| 6109.90.10.70 | Girls' Tank tops \& singlets of man-made fiber, Knit | \$14,000 |  |  | \$6,000 |  |
| 6109.90.10.90 | W/G articles similar to T-shirts, etc., of MMF, Knit | \$458,000 | \$786,000 | \$1,302,000 | \$722,000 | \$753,000 |
| 6109.90.80.10 | M/B T-Shirts, all white, underwear of cotton, Knit | \$11,000 |  | \$3,000 |  |  |
| 6109.90.80.30 | W/G T-Shirts etc. OTC textile material, containing less than 70\% Wt SIK KT |  | \$1,000 |  | \$5,000 |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6110.11.00.30 | Women's sweaters of wool, knit |  |  | \$65,000 |  |  |
| 6110.11.00.50 | M/B vest (except sweater vest) of wool, knit |  |  |  |  |  |
| 6110.11.00.70 | M/B sweatshirts and similar articles of wool, knit or crocheted |  | \$37,000 |  |  |  |
| 6110.11.00.80 | W/G sweatshirts and similar articles of wool, knit |  | \$210,000 |  | \$740,000 | \$1,242,000 |
| 6110.12.10.60 | W/G sweatshirts etc., wholly of cashmere, knit |  |  |  |  | \$2,000 |
| 6110.20.10.20 | W/G Sweaters of cotton containing 36\% more flax fibers, knit | \$50,000 |  |  |  |  |
| 6110.20.10.22 | M/B vest (except sweater vest) of cotton containing $36 \%$ flax fibers, knit |  | \$1,000 |  |  |  |
| 6110.20.10.24 | W/G Vests EX Sweaters of cotton containing 36\% flax fibers, knit | \$4,000 |  |  |  |  |
| 6110.20.10.25 | M/B sweatshirt and similar articles, of cotton, containing $36 \%$ flax fibers, knit |  | \$1,000 | \$13,000 | \$87,000 |  |
| 6110.20.10.30 | W/G sweatshirts and similar articles of cotton containing 36\% flax fiber, knit | \$524,000 |  |  |  |  |
| 6110.20.20.10 | Men's sweaters of other cotton, knit | \$1,000 | \$101,000 | \$117,000 | \$14,000 | \$421,000 |
| 6110.20 .20 .15 | Boys' sweaters of other cotton, knit |  | \$1,000 |  | \$3,000 |  |
| 6110.20 .20 .20 | Women's sweaters of other cotton, knit | \$1,142,000 | \$465,000 | \$208,000 | \$83,000 | \$51,000 |
| 6110.20 .20 .25 | Girl's sweaters of other cotton, knit | \$15,000 | \$1,000 |  |  |  |
| 6110.20.20.30 | M/B vests (except sweater vest)of other cotton, knit | \$62,000 | \$10,000 |  | \$123,000 |  |
| 6110.20.20.35 | W/G vests (except sweater vest) of other cotton, knit | \$614,000 | \$308,000 | \$400,000 | \$524,000 | \$100,000 |
| 6110.20.20.40 | M/B Sweatshirts of other cotton, knitted | \$7,437,000 | \$6,432,000 | \$5,769,000 | \$1,773,000 | \$2,424,000 |
| 6110.20 .20 .45 | W/G sweatshirts of other cotton, knitted | \$3,477,000 | \$3,326,000 | \$2,964,000 | \$2,208,000 | \$414,000 |
| 6110.20 .20 .65 | M/B other apparel of cotton, knit | \$93,451,000 | \$75,316,000 | \$46,165,000 | \$36,248,000 | \$28,936,000 |
| 6110.20 .20 .75 | W/G other apparel of cotton, knit | \$320,869,000 | \$248,268,000 | \$227,092,000 | \$195,459,000 | \$153,087,000 |
| 6110.30.10.20 | W/G sweaters of man made fibers containing 25\% more leather, knit |  |  | \$104,000 | \$5,000 | \$22,000 |

6110.30.10.50 M/B sweatshirt and similar articles of man made fiber containing 25\% leather, knit . . . . .

| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6110.30.10.60 | W/G sweatshirt and similar articles of man made fiber containing $25 \%$ leather. Knit . |  |  | \$3,000 |  |  |
| 6110.30.15.50 | M/B sweatshirt and similar articles of man made fibers containing $23 \%$ wool knit |  | \$62,000 | \$28,000 |  |  |
| 6110.30.15.60 | W/G sweatshirt and similar articles of man made fiber containing $23 \%$ wool, knit | \$126,000 | \$133,000 | \$1,137,000 | \$1,711,000 | \$4,000 |
| 6110.30.20.10 | M/B sweaters of manmade fibers containing 30\% silk, knit |  |  |  | \$39,000 |  |
| 6110.30.20.50 | M/B sweatshirts and similar articles of man made fibers containing $30 \%$ silk, knit |  | \$11,000 |  | \$2,000 |  |
| 6110.30.30.05 | B/G sweaters and similar articles as playsuit PT of OT man made fibers, knit |  |  |  | \$1,000 |  |
| 6110.30.30.10 | Men's swearers of other man made fibers, knit |  |  | \$4,767,000 | \$619,000 |  |
| 6110.30.30.20 | Women's sweaters of other man made fibers, knit | \$62,000 |  | \$52,000 | \$39,000 | \$649,000 |
| 6110.30.30.30 | M/B vests(except sweater vests) of other man made fibers, knit | \$33,000 |  | \$31,000 |  | \$49,000 |
| 6110.30.30.35 | W/G vests (except sweater vest) of other man made fibers, knit |  | \$672,000 | \$602,000 | \$553,000 | \$530,000 |
| 6110.30.30.40 | M/B sweatshirts of other man made fibers, knit | \$175,000 | \$45,000 | \$508,000 | \$30,000 | \$9,000 |
| 6110.30.30.45 | W/G sweatshirts of other man made fibers, knit | \$8,000 | \$10,000 | \$16,000 | \$33,000 | \$12,000 |
| 6110.30.30.50 | M/B other sweaters of other manmade fibers, knit | \$12,293,000 | \$12,356,000 | \$20,076,000 | \$22,624,000 | \$18,626,000 |
| 6110.30.30.55 | W/G other sweaters of other manmade fibers, knit | \$44,795,000 | \$57,960,000 | \$70,817,000 | \$111,428,000 | \$104,225,000 |
| 6110.90.10.50 | M/B Pullover and similar articles of silk, containing 70\% more silk, knit |  |  |  | \$20,000 |  |
| 6110.90.10.60 | W/G pullover and similar articles of silk containing 70\% more silk, knit |  |  |  |  | \$14,000 |
| 6110.90.90.28 | W/G sweaters of OT textile MAT SUBJ wool, RES, knit |  | \$42,000 |  |  |  |
| 6110.90.90.70 | W/G pullover and similar articles OT textiles MAT SUBJ cotton RES, knit |  | \$10,000 |  |  |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6110.90.90.78 | W/G Pullovers and similar articles OT textiles MAT SUBJ Manmade fibers,RES, Knit | \$527,000 |  | \$106,000 | \$5,000 | \$28,000 |
| 6110.90.90.88 | M/B pullovers and similar articles, other textiles, materials, knit, NESOI | \$151,000 | \$622,000 |  |  |  |
| 6110.90.90.90 | W/G Pullovers and similar articles, other textile materials, knit, NESOI |  |  | \$13,000 | \$21,000 | \$35,000 |
| 6111.20.10.00 | Babies' blouses and shirts except SET PT of cotton, knit | \$178,000 |  |  | \$56,000 | \$40,000 |
| 6111.20.20.00 | Babies' T-Shirts and similar garments except SET PT of cotton, knit | \$84,000 | \$58,000 |  |  | \$7,000 |
| 6111.20.30.00 | Babies' sweater and similar garment except SET PT of cotton, knit | \$26,000 |  | \$2,000 | \$20,000 | \$23,000 |
| 6111.20.40.00 | Babies' dresses of cotton, knit | \$9,000 |  | \$7,000 |  | \$9,000 |
| 6111.20.50.00 | Babies' trousers, shorts except SET PT of cotton, knit | \$3,431,000 | \$2,218,000 | \$1,739,000 | \$1,576,000 | \$562,000 |
| 6111.20.60.10 | Babies' sunsuits and similar apparel of cotton, knit | \$17,000 |  |  |  |  |
| 6111.20.60.40 | Babies' other garments and clothing accessories of cotton, knit . . . . . . . | \$56,000 |  |  |  |  |
| 6111.20.60.70 | Babies' garments and clothing accessories of knit cotton, NESOI |  |  |  |  | \$11,000 |
| 6111.30.10.00 | Babies' trousers, shorts except set pt of synthetic fibers, knit |  |  | \$4,000 |  |  |
| 6111.30.20.00 | Babies' blouses, shirts except set PTS of synthetic fiber, knit | \$186,000 |  |  |  |  |
| 6112.11.00.10 | M/B jackets for track suits of cotton, knit . |  |  | \$75,000 |  |  |
| 6112.11.00.20 | W/G jackets for track suits of cotton, knit |  | \$220,000 |  |  |  |
| 6112.11.00.50 | M/B trousers for track suits of cotton, knit . . . | \$1,000 |  | \$51,000 |  |  |
| 6112.11.00.60 | W/G trousers for track suits of cotton, knit |  | \$52,000 |  |  |  |
| 6112.12.00.40 | W/G shirts for track suits of synthetic fibers, knit | \$19,000 |  |  |  |  |
| 6112.12.00.60 | W/G trousers for track suits of synthetic fibers, knit | \$16,000 |  |  |  |  |
| 6114.10.00.20 | Men's or boys tops of wool or fine animal hair, knit |  |  |  |  |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6114.10.00.40 | Women's or girls tops of wool or fine animal hair, knit |  |  | \$9,000 | \$12,000 |  |
| 6114.20.00.05 | M/B tops of cotton, knit | \$8,000 | \$13,000 | \$76,000 | \$18,000 | \$11,000 |
| 6114.20.00.10 | W/G tops of cotton, knitted or crochet | \$15,152,000 | \$12,814,000 | \$17,849,000 | \$11,892,000 | \$14,802,000 |
| 6114.20.00.15 | Jumpers of cotton, knit | \$171,000 |  |  |  | \$5,000 |
| 6114.20.00.20 | Bodysuits and body shirts of cotton, knit . . . | \$133,000 |  |  |  |  |
| 6114.20.00.40 | W/G sunsuits and similar apparel of cotton, knit | \$10,000 |  |  | \$3,000 |  |
| 6114.20.00.52 | Women's overalls and similar apparel of cotton, not insulated, knit |  |  | \$6,000 |  |  |
| 6114.20.00.60 | W/G other garments of cotton, knit | \$19,000 | \$88,000 |  |  | \$89,000 |
| 6114.30.10.10 | M/B tops of manmade fibers, knit | \$7,000 |  |  | \$3,000 | \$21,000 |
| 6114.30.10.20 | W/G tops of manmade fibers, knit . . . . . . . . . | \$1,272,000 | \$2,258,000 | \$6,904,000 | \$16,367,000 | \$43,762,000 |
| 6114.30.30.14 | Jumpers of man made fiber, knit, containing less than $23 \%$ wool or fine animal hair |  |  | \$41,000 |  |  |
| 6114.30.30.70 | W/G other garments of manmade fibers, knit |  |  |  | \$350,000 | \$178,000 |
| 6114.90.90.10 | Tops containing less than $70 \%$ by weight silk or silks waste, knit |  |  |  | \$60,000 |  |
| 6117.80.85.00 | Headbands or ponytail holders etc., TN greater than 70\% silk, knit |  |  |  | \$7,000 |  |
| 6117.80.95.10 | Clothing accessories NESOI of cotton, knit |  | \$25,000 | \$46,000 |  |  |
| 6117.80.95.40 | Clothing accessories of man made fibers, NESOI, knit |  |  |  |  | \$1,000 |
| 6201.11.00.10 | Men's overcoats, carcoats etc. of wool, n, knit or crochet | \$1,000 | \$194,000 |  |  |  |
| 6201.92.20.51 | Men's Anoraks and similar articles of cotton, NESOI not knit |  |  |  | \$15,000 | \$2,000 |
| 6201.93.30.00 | M/B garments water resistant; man- made fibers, NESOI, not knit |  |  | \$2,000 |  |  |
| 6201.93.35.11 | Mens's anoraks and similar articles, man-made fiber, NESOI, not Knit | \$383,000 | \$127,000 | \$39,000 | \$4,000 |  |
| 6202.11.00.10 | Women's overcoats, carcoats and similar coats, woll NT, knit | \$30,000 | \$282,000 |  | \$365,000 | \$146,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6202.12.20.50 | Women's overcoats and similar coats, cotton, NESOI, not knit |  |  |  | \$1,000 |  |
| 6202.13.30.10 | Women's overcoat and similar coats, of man made fibers, NESOI, not knit |  |  | \$114,000 |  |  |
| 6202.13.40.20 | Women's overcoats and similar coats, manmade fibers, NESOI not knit | \$30,000 |  |  | \$130,000 | \$36,000 |
| 6202.91.20.11 | Women's anorak ski-jackets and similar articles, wool, not knit | \$1,803,000 | \$1,415,000 |  | \$6,000 | \$3,000 |
| 6202.92.20.61 | Women's anorak and similar articles, of cotton, not knit |  | \$29,000 |  | \$104,000 | \$26,000 |
| 6202.92.20.71 | Girls' anorak and similar articles of cotton, NESOI, not knit |  |  | \$16,000 |  |  |
| 6202.93.20.20 | W/G padded sleeveless jacket without SLV ATT, manmade fiber, not knit | \$167,000 |  | \$6,000 |  |  |
| 6202.93.40.11 | Women's anorak and similar articles, manmade fiber GT=36\% wool, not knit | \$95,000 |  | \$158,000 |  |  |
| 6202.93.50.11 | Womens anorak and similar articles, manmade fibers, LT 36\% wool or fine animal hair, not knit or crochet | \$28,000 | \$426,000 | \$33,000 | \$592,000 | \$27,000 |
| 6202.99.90.21 | W/G Anorak and similar articles, textile mat'l subject to Wool restraints, not knit |  | \$84,000 |  |  |  |
| 6203.11.15.00 | M/B Suits of Wool GT=30\% silk, not knit or crochet, wool < 18.5 M | \$1,000 |  |  | \$1,000 |  |
| 6203.11.30.00 | M/B Suits of Wool GT=30\% silk, not knit or crochet, NESOI | \$1,000 | \$1,000 | \$347,000 |  |  |
| 6203.11.60.00 | M/B suits of wool LT 30 silk not knit or crocheted WL LTEQ 18.5M | \$4,635,000 |  |  |  |  |
| 6203.11.90.00 | M/B suits of wool LT 30\% silk, not knit or crochet NESOI | \$21,931,000 | \$12,985,000 | \$16,532,000 | \$7,716,000 |  |
| 6203.19.90.80 | M/B suits of other textile materials NESOI, not knit | \$1,000 |  |  |  |  |
| 6203.31.90.10 | M/B jackets and blazers, wool, not knit, note 3(a), NESOI | \$1,000 |  |  |  |  |
| 6203.30.90.20 | M/B Suit type jacket and blazer wool, not knit, NESOI |  | \$4,000 | \$334,000 |  |  |
| 6203.41.18.10 | Men's trousers and breeches of wool, not knit, NESOI | \$25,000 | \$9,000 |  |  |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6203.42.40.15 | Men's trousers and breeches other cotton, not knit | \$12,000 | \$40,000 |  |  | \$4,000 |
| 6203.42.40.50 | Men's shorts of cotton, not knit | \$22,000 | \$64,000 | \$60,000 | \$71,000 |  |
| 6203.42.40.60 | Boys' shorts of cotton not playsuit parts, not knit |  |  |  | \$39,000 |  |
| 6203.43.40.10 | Men's trousers and breeches of other synthetic fibers, not knit | \$25,000 | \$7,000 |  |  |  |
| 6203.43.40.30 | Men's shorts of other synthetic fibers, not knit | \$9,000 | \$10,000 |  |  |  |
| 6203.49.20.15 | Men's trousers and breeches, artificial fibers, not knit | \$7,000 |  |  |  |  |
| 6204.11.00.00 | Women's of girls suits of wool, not knit or crochet | \$392,000 |  |  | \$7,000 |  |
| 6204.13.10.00 | W/G suits of synthetic fibers containing $36 \%$ more wool, not knit |  |  |  |  | \$18,000 |
| 6204.13.20.10 | Women's suits of synthetic fibers containtaining LT $36 \%$, wool or fine animal hair, not knit or crocheted | \$5,845,000 | \$5,413,000 | \$4,713,000 | \$6,364,000 | \$2,766,000 |
| 6204.13.20.20 | Girls' suits of synthetic fibers, containing less than $36 \%$ wool or fine animal hair, not knit or crocheted |  |  |  | \$30,000 |  |
| 6204.19.20.00 | W/G suits of artificial fibers containing LT 36\% by weight wool or fine animal hair, not knit . . . | \$175,000 | \$218,000 | \$228,000 | \$9,000 | \$333,000 |
| 6204.19.80.90 | W/G suits of other textile materials NESOI, not knit |  | \$51,000 |  |  |  |
| 6204.31.10.10 | Women's suit type jacket, wool GT 30\% silk, not knit | \$79,000 |  |  |  | \$425,000 |
| 6204.31.20.10 | Women's suit type jacket, wool not GT 30\% silk, not knit | \$18,434,000 | \$6,063,000 | \$6,530,000 | \$9,489,000 | \$6,640,000 |
| 6204.32.20.30 | Women's suit jackets of cotton, LT 30\% by weight, flax not knit | \$96,000 | \$490,000 | \$2,865,000 | \$4,314,000 | \$5,908,000 |
| 6204.33.40.10 | Women's suit type jackets, synthetic fiber, GT 36\% wool, not knit | \$274,000 | \$219,000 | \$501,000 | \$746,000 | \$940,000 |
| 6204.33.50.10 | Womens suit jackets, synthetic fibers, LT $36 \%$ by weight, fine animal hair, not knit or crocehted | \$8,243,000 | \$8,710,000 | \$12,906,000 | \$1,226,000 | \$11,859,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6204.39.20.10 | Women's suit type jacket, artificial fibers, GT=36\% wool, not knit | \$1,525,000 | \$1,702,000 | \$600,000 | \$526,000 |  |
| 6204.39.30.10 | Women's suit type jackets, artifical fibers N LT 36\% wool not knit | \$20,634,000 | \$8,098,000 | \$12,805,000 | \$15,197,000 | \$15,534,000 |
| 6204.39.30.20 | Girls' suit jackets, artificial fibers, N LT 36\%, wool or fine animal hair, not knit | \$31,000 |  |  |  |  |
| 6204.39.60.00 | W/G suit type jackets of silk, $70 \%$ more silk, not knit | \$73,000 |  |  | \$219,000 |  |
| 6204.39.80.20 | W/G suit type jackets, of other textile mat'ls subj. to Wool restraints, not knit | \$402,000 |  | \$405,000 | \$331,000 | \$29,000 |
| 6204.39.80.50 | W/G suit type jacket, other silk, not knit . . . . | \$77,000 | \$142,000 | \$976,000 |  | \$1,220,000 |
| 6204.39.80.60 | W/G suit type jacket, textile meaterials NESOI not knit | \$462,000 | \$329,000 |  |  | \$752,000 |
| 6204.41.20.10 | Women's dresses wool not greater than 30\%silk, no knit |  | \$2,000 | \$52,000 | \$385,000 | \$43,000 |
| 6204.42.30.50 | Women's dress of cotton containing LT 36\% WT, flax fibers, not knitted or crocheted . . . . | \$304,000 |  | \$27,000 | \$63,000 | \$32,000 |
| 6204.43.40.30 | Women's dresses of synthetic fibers, LT $36 \%$, by weight, wool or fine animal hairs, not knit | \$125,000 | \$10,000 | \$37,000 | \$20,000 | \$41,000 |
| 6204.44.30.10 | Women's dresses of artificial fibers, GT30\% wool, not knit | \$1,000 |  | \$1,000 |  |  |
| 6204.44.40.10 | Women's dresses of other artificial fibers, LT 36\% by WT, wool or fine animal hair not knit | \$1,182,000 | \$108,000 | \$1,092,000 | \$1,490,000 | \$1,838,000 |
| 6204.49.50.60 | W/G dresses of textile materials, NESOI, not knit |  |  |  | \$49,000 | \$68,000 |
| 6204.51.00.10 | Women's skirts and divided skirts, of wool, not knit | \$5,344,000 | \$4,930,000 | \$2,632,000 | \$3,243,000 | \$2,331,000 |
| 6204.52.20.10 | Women's skirts and divided skirts, cotton, corduroy, not knit | \$81,000 | \$169,000 | \$79,000 | \$20,000 |  |
| 6204.52.20.70 | Women's skirts and divided skirts, cotton; NESOI, not knit | \$1,119,000 | \$1,320,000 | \$811,000 | \$1,260,000 | \$1,075,000 |
| 6204.53.20.10 | Women's skirts, synthetic fiber, GT=36\% wool, not knit | \$38,000 |  | \$195,000 | \$64,000 |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6204.53.30.10 | Women's skirts, synthetic fiber, LT 36\% by weight, of wool or fine animal hair, not knit | \$9,139,000 | \$7,348,000 | \$7,792,000 | \$4,047,000 | \$1,749,000 |
| 6204.53.30.20 | Girls skirt of synthetic fiber, less than $36 \%$ by weight wool or fine animal hair, not knit |  |  |  | \$2,000 |  |
| 6204.59.20.10 | Women's skirts, artificial fibers, GT 36\% wool not knit | \$404,000 | \$658,000 | \$790,000 | \$75,000 |  |
| 6204.59.30.10 | Women's skirts, artificial fibers, LT 36\% by weight, of wool or fine animal hairs not knit | \$6,713,000 | \$3,995,000 | \$5,376,000 | \$6,935,000 | \$5,553,000 |
| 6204.59.40.20 | W/G skirts other textile material, SUBJ wool RES, not knit |  |  | \$27,000 | \$83,000 |  |
| 6204.59.40.50 | W/G skirts of silk, less than $70 \%$ by weight silk/silk WST, not knit |  | \$77,000 |  | \$43,000 | \$142,000 |
| 6204.59.40.60 | W/G skirts of textile materials NESOI, not knit | \$100,000 | \$45,000 |  |  |  |
| 6204.61.10.10 | Women's T/B wool, not knit, elastice fiber, greater than $6 \mathrm{~kg} / \mathrm{dz}$ |  |  |  | \$20,000 |  |
| 6204.61.90.10 | Women's trousers and breeches of wool not knit | \$20,135,000 | \$15,448,000 | \$8,919,000 | \$10,906,000 | \$11,553,000 |
| 6204.62.20.05 | W/G overalls, cotton, not knit, insulated, cold weather protection |  |  | \$1,000 |  |  |
| 6204.62.20.10 | Women's bib and brace overalls of cotton not knit |  |  | \$26,000 |  |  |
| 6204.62.40.20 | Women's trousers and breecher other cotton not knit | \$975,000 | \$2,168,000 | \$5,680,000 | \$10,013,000 | \$6,837,000 |
| 6204.62.40.50 | Girls trouser OT cotton, not IMP playsuit part, not knit |  |  | \$5,000 | \$58,000 |  |
| 6204.62.40.55 | Women's shorts of cotton, not knit | \$6,000 |  | \$10,000 |  |  |
| 6204.62.40.65 | Girls' shorts cotton, not knit, NESOI |  |  | \$10,000 | \$24,000 |  |
| 6204.63.15.10 | Women's bib and brace overalls, of synthetic fibers, not knit |  |  | \$17,000 |  |  |
| 6204.63.25.10 | Women's trousers etc., synthetic fibers GT=36\% wool not knit . | \$248,000 | \$142,000 | \$189,000 | \$1,240,000 | \$784,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6204.63.35.10 | Women's trousers et. Synthetic fibers, LT 36\% with wool or fine animal hair, not knit or crocheted | \$16,978,000 | \$14,007,000 | \$15,874,000 | \$12,482,000 | \$15,289,000 |
| 6204.63.35.32 | Women's shorts of synthetic fibers LT 36\% wool or fine animal hair, not knit or crocheted | \$34,000 | \$17,000 |  |  |  |
| 6204.63.35.40 | Girls shorts of syntheric fibers less than $36 \%$ wool or fine animal hair, not part of playsuit not knit |  | \$3,000 |  |  |  |
| 6204.69.10.50 | Girls overalls, artificial fibers, not insulated cold weather, N-IMP PRT, polyester not knit | \$54,000 |  |  |  |  |
| 6204.69.20.10 | Women's trousers, artificial fibers, containing GT=36\% wool, not knit | \$1,434,000 | \$1,760,000 | \$3,292,000 | \$1,072,000 | \$235,000 |
| 6204.69.25.10 | Women's trousers, artificial fibers containing LT 36\% wool, not knit or crocheted | \$20,487,000 | \$14,252,000 | \$13,892,000 | \$16,630,000 | \$16,239,000 |
| 6204.69.25.40 | Women's shorts, artificial fibers containing LT 36\% wool not knit or crocheted | \$12,000 |  |  |  |  |
| 6204.69.60.20 | W/G trousers etc silk SUBJ, wool restraints, not knit |  |  | \$233,000 | \$318,000 | \$25,000 |
| 6204.69.60.40 | W/G trousers, breechesLT 70\% WHT SLK/SLK WST, not knit | \$99,000 | \$130,000 |  | \$532,000 | \$1,069,000 |
| 6204.69.90.20 | W/G trousers of other textile material SUBJ wool RES, not knit | \$417,000 |  | \$124,000 | \$219,000 |  |
| 6204.69.90.44 | W/G trousers, breeches of other textile materials, NESOI, not knit | \$427,000 | \$34,000 |  |  | \$354,000 |
| 6205.20.20.25 | Men's dress shirts of cotton, NESOI, not knit |  | \$7,000 |  |  |  |
| 6205.20.20.50 | Men's shirts, cotton, W GT=2 CLR WARP NOT NAPPD not knit | \$4,000 |  |  |  |  |
| 6205.20.20.65 | Men's cotton shirts, NESOI, not knit | \$4,000 | \$25,000 |  | \$1,000 |  |
| 6205.30.20.50 | Men's shirts (except dress shirt) of man made fibers with greater than 2 color warp, not knit |  | \$91,000 |  |  |  |
| 6205.30.20.70 | Mens shirts (except dress) of man made fibers, NESOI, less than $36 \%$ wool or fine animal hair, not knit |  |  |  | \$160,000 | \$7,000 |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6206.20.30.10 | Women's wool blouses less than 30\%WGT with fine animal hair, NESOI, not knit or crocheted |  | \$93,000 |  | \$118,000 |  |
| 6206.30.30.10 | Women's blouses of cotton with greater than 2 color warp, not knit |  |  | \$29,000 |  |  |
| 6206.30.30.40 | Women's blouse, shirt, cotton, with less than 2 colors in WRP A/O fil . . . . . . . . . . . . . I | \$55,000 | \$34,000 | \$135,000 | \$14,000 | \$67,000 |
| 6206.40.30.10 | Women's blouse, manmade fibers, containing less than $30 \%$ WGT FL FB, greater than 2 colors, WRP, not knit | \$51,000 |  |  |  |  |
| 6206.40.30.30 | Women's blouses of manmade fibers less than $36 \%$ flax fibers, not knit | \$670,000 | \$464,000 | \$520,000 | \$848,000 | \$487,000 |
| 6206.90.00.40 | W/G blouses of other textile materials, NESOI, not knit |  |  |  | \$18,000 | \$20,000 |
| 6208.29.10.10 | W/G nightdress etc. other textile materials, containing 70\% silk, not knit | \$14,000 |  |  |  |  |
| 6209.20.30.00 | Babies' trousers, shorts, etc., except set parts of cotton, not knit |  |  |  | \$33,000 |  |
| 6211.31.00.40 | Men's of boys' vests of wool, not knit or crocheted |  |  |  | \$40,000 | \$22,000 |
| 6211.32.00.60 | M/B shirts excluded from heading 6205 of cotton, not knit |  |  | \$12,000 |  |  |
| 6211.33.00.40 | M/B man made fiber shirts excluded from heading 6205, not knit |  |  | \$100,000 |  |  |
| 6211.33.00.54 | M/B vests of manmade fibers, not knit, containing less tan $36 \%$ wool or fine animal hair | \$51,000 | \$38,000 | \$38,000 | \$10,000 |  |
| 6211.33.00.61 | M/B Garments NESOI of manmade fibers, not knit | \$44,000 | \$18,000 | \$8,000 | \$9,000 |  |
| 6211.41.00.50 | Women's or girls' vests of wool not knit or crocheted |  | \$93,000 | \$79,000 |  |  |
| 6211.41.00.55 | W/G jackets NESOI of wool or fine animal hair, not knit or crocheted | \$2,598,000 | \$1,463,000 | \$1,113,000 | \$185,000 | \$733,000 |
| 6211.42.00.54 | W/G cotton blouses, shirts and shirtblouses, 2 or more color warp, not knit |  | \$4,000 |  |  |  |
| 6211.42.00.56 | W/G cotton blouses, shirts and shirtblouses, EX HD 6206, not knit |  | \$13,000 |  |  | \$13,000 |
| 6211.42.00.70 | Women's or girls' vests of cotton not knit |  | \$67,000 |  | \$41,000 |  |
| 6211.42.00.75 | W/G jackets, NESOI, of cotton, not knit |  | \$182,000 |  | \$255,000 |  |


| HTS number | Article description | 2001 | 2002 | 2003 | 2004 | 2005 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 6211.42.00.81 | W/G garments NESOI of cotton, not knit |  |  |  | \$2,000 |  |
| 6211.43.00.10 | Women's coveralls and similar apparel, man made fibers, not insulated, not knit | \$62,000 |  |  |  |  |
| 6211.43.00.60 | Women and girls tops OT, camisoles, bustiers, bandos etc. of manmade fibers, not knit | \$436,000 | \$386,000 | \$361,000 | \$58,000 | \$8,000 |
| 6211.43.00.76 | W/G manmade fiber vests, not knit, containing less than $36 \%$ weight wool or fine animal hair |  | \$26,000 |  |  |  |
| 6211.43.00.78 | W/G jackets, NESOI of manmade fibers, not knit | \$1,542,000 | \$1,507,000 | \$2,078,000 | \$1,310,000 | \$173,000 |
| 6211.43.00.91 | W/G garments NESOI of manmade fibers, not knit | \$3,000 | \$3,000 | \$1,000 | \$46,000 | \$123,000 |
| 6211.49.90.50 | W/G blouses, shirts, shirt-blouses, less than $70 \%$ by weight silk, not knit |  | \$41,000 |  | \$211,000 |  |
| 6211.49.90.80 | W/G jackets, NESOI, other textile materials, less than 70\% silk/ silk WST |  | \$250,000 |  |  |  |
| 6212.10.90.10 | Bras not containing lace net or embroidery cotton |  | \$7,000 |  |  |  |
| 6214.30.00.00 | Shawls, scarves and the like of synthetic fiber not knit | \$69,000 | \$200,000 |  |  |  |
| 6217.10.95.30 | Accessories of MMF, not knit or crocheted. |  |  |  |  | \$45,000 |

Source: U.S. Dept. of Commerce, Census Bureau, U.S. Trade with Puerto Rico and U.S. Possessions, Foreign Trade Report No. FT 895, years as shown.

109TH CONGRESS
1 st Session
S. 1954

To amend the General Notes of the Harmonized Tariff Schedule of the United States to give products imported from United States insular possessions the same treatment as products imported from countries with which the United States has entered into a free trade agreement.

## IN THE SENATE OF THE UNITED STATES

November 2, 2005
Mr. Craig (for himself and Mr. Akaka) introduced the following bill; which was read twice and referred to the Committee on Finance

## A BILL

To amend the General Notes of the Harmonized Tariff Schedule of the United States to give products imported from United States insular possessions the same treatment as products imported from countries with which the United States has entered into a free trade agreement.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Insular Possessions
5 Act of 2005".

## SEC. 2. TARIFF TREATMENT FOR INSULAR POSSESSIONS.

(a) In General.-General Note 3(a)(iv)(A) of the Harmonized Tariff Schedule of the United States is amended by striking "(or more than 50 percent of their total value with respect to goods described in section 213(b) of the Caribbean Basin Economic Recovery Act)".
(b) Effective Date.-The amendment made by this section shall applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.


[^0]:    ${ }^{1}$ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: Jan Summers (202-205-2605).
    ${ }^{2}$ Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel doc/bill reports/index.htm.

[^1]:    ${ }^{3}$ Legislation granting duty-free treatment to watches and watch movements in order to promote light industry in the U.S. insular possessions dates back to the 1950s. Pub. L. 83-768 (1954) allowed for the duty-free entry of U.S. insular products if the value of foreign components did not exceed 50 percent. Pub. L. 89-805 (1966) created the U.S. insular possessions watch program, administered by the U.S. Departments of Commerce and the Interior, and gave eligible watch producers/assemblers an annual allocation of watches and watch movements that could enter the United States free of duty. Following a peak in employment in the early 1970s, the USVI watch industry experienced declines, prompting Congress to pass Pub. L. 94-88 (1975), which raised the level of permissible foreign content to 70 percent of total value. Employment in the USVI watch industry continued to decline in the early 1980s, which, according to the Government of the U.S. Virgin Islands, resulted from increased U.S. imports of watches from lesser-developed countries with lower labor costs, as well as from damage from a succession of hurricanes that resulted in a decrease in the number of operating companies from seven to four. See Prehearing brief on behalf of the Government of the Virgin Islands, Sept. 12, 2005, relating to the probably economic effect of proposed GSP changes. The insular possession watch industry provision in section 110 of Pub. L. 97-446 (96 Stat. 2331), enacted by Congress in 1983, refers to the PIC.
    ${ }^{4}$ Amended by Section 602 of Pub. L. 103-465 (108 Stat. 4991) (1994); and Pub. L. 106-36 (113 Stat. 127) (1999), which extended the issuance of duty refund certificates to territorial jewelry producers for any article of jewelry provided for in HTS heading 7113 that is the product of any such territory.
    5 "Creditable wages" refer to all wages, up to an amount equal to 65 percent of the contribution and benefit base for Social Security as defined by the Social Security Act for the year in which the wages were earned, paid to permanent residents of the territories employed in the firm's $91 / 5$ watch and watch movement assembly operations, plus any wages paid for the repair of non-91/5 watches up to an amount equal to 50 percent of the firm's total creditable wages. See 15 CFR part 303, as of Jan. 10, 2002.
    ${ }^{6}$ Pub. L. 108-429 (118 Stat. 2434) (Dec. 3, 2004).

[^2]:    Excluding digital watches and units in excess of the 750,000 unit limitation. See HTS chapter 91, additional U.S. note 5(h)(ii)(C).
    ${ }^{8}$ In addition to including the value of health insurance, life insurance, and pension benefits, "creditable wages" was redefined to include wages paid to watch and watch movement assembly workers in the complete assembly of watches, excluding the movement, only in situations where the desired movement cannot be purchased unassembled and the producer can show documentation establishing this situation. See 70 CFR Part 128 (July 6, 2005), pp. 38,828-38,834; and 70 CFR Part 215 (Nov. 8, 2005), pp. 67 and 645-67.

[^3]:    ${ }^{9}$ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

