

April 21, 2004

MEMORANDUM FOR: DIRECTORS, FIELD OPERATIONS

FROM: Executive Director, Trade Compliance and Facilitation
Office of Field Operations

SUBJECT: TBT-04-009 Short Supply Designation Under the African
Growth and Opportunity Act (AGOA) and the Caribbean
Trade Partnership Act (CBTPA)

REF: TBT-01-008: AGOA Implementation Instructions
TBT-00-023-01: CBTPA Implementation Instructions
TBT-01-004-01: Descriptive Information Regarding Short
Supply Fabrics

BACKGROUND:

The Trade and Development Act of 2000, which was signed into law on May 18, 2000, authorized a new trade and investment policy for sub-Saharan Africa under the AGOA and the expansion of trade benefits to the countries in the Caribbean Basin under the CBTPA. These trade programs allow for preferential tariff treatment when apparel articles are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more beneficiary countries from fabrics or yarn not formed in the United States or in one or more beneficiary countries and not widely available in commercial quantities, i.e. short supply.

In Executive Order 13191, the President authorized the Committee for the Implementation of Textile Agreements (CITA) to determine whether particular yarns or fabrics cannot be supplied by the domestic industry in commercial quantities in a timely manner. On November 3, 2003, CITA received a request alleging that micro-denier 30 singles and 36 singles solution dyed, open-end spun, staple spun viscose yarn, for use in manufacturing fabric, cannot be supplied by the domestic industry in commercial quantities in a timely manner under the AGOA and CBTPA.

Based upon information and advice received, and its understanding of the industry, CITA determined that the yarn set forth in the petition cannot be supplied by the domestic industry in commercial quantities in a timely manner. On January 2, 2004, CITA and the Office of the United States Trade Representatives (USTR) submitted a report to the Congressional Committees that set forth the action proposed, the reasons

for such actions, and advice obtained. A period of 60 calendar days since this report was submitted has expired, as required by the AGOA and CBTPA.

In a March 5, 2004 Federal Register Notice (69 FR 10431), CITA designated micro-denier 30 singles and 36 singles solution dyed, open-end spun, staple spun viscose yarn, produced on open-ended spindles, classified in Harmonized Tariff Schedule of the United States (HTSUS) subheading 5510.11.0000, for preferential tariff treatment under subheading 9819.11.24 of the HTSUS (for purposes of the AGOA), and under subheading 9820.11.27 of the HTSUS (for the purposes of the CBTPA) provided that:

- 1) the apparel articles are both cut and sewn or otherwise assembled in one or more eligible beneficiary sub-Saharan African countries or in one or more eligible CBTPA beneficiary countries from U.S. formed fabrics containing the said yarn;
- 2) all other yarns are U.S. formed and all other fabrics are U.S. formed from yarns wholly formed in the United States, including fabrics not formed from yarns, if such fabrics are classifiable under HTS heading 5602 or 5603 and are wholly formed in the United States; and
- 3) the articles must be imported directly into the Customs territory of the United States from the eligible beneficiary country.

ACTION:

Claims for short supply under 9819.11.24 of the HTSUS (for the purposes of AGOA), and 9820.11.27 of the HTSUS (for purposes of CBTPA) may be accepted on or after the Federal Register publication date of March 5, 2004, provided that the apparel articles meet the requirements set forth above.

Please pass this memorandum to Port Directors, Assistant Port Directors, National Import Specialists, Import Specialists, Inspectors, Entry Officers, Brokers, Importers, and other interested parties.

INFORMATION:

If you have any questions concerning this administration notice, please call Ms. Susan Thomas at (202) 927-3719, Ms. Jackeline Martel at (202) 927-5397, or Mr. Robert Abels at (202) 927-1959.

/s/ Lou Samenink for
Elizabeth G. Durant