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H. R. 3009

IN THE SENATE OF THE UNITED STATES

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Received; read twice and referred to the Committee on Finance

AN ACT

To extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Andean Trade Pro-
3 motion and Drug Eradication Act”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) Since the Andean Trade Preference Act was
7 enacted in 1991, it has had a positive impact on
8 United States trade with Bolivia, Colombia, Ecua-
9 dor, and Peru. Two-way trade has doubled, with the
10 United States serving as the leading source of im-
11 ports and leading export market for each of the An-
12 dean beneficiary countries. This has resulted in in-
13 creased jobs and expanded export opportunities in
14 both the United States and the Andean region.

15 (2) The Andean Trade Preference Act has been
16 a key element in the United States counternarcotics
17 strategy in the Andean region, promoting export di-
18 versification and broad-based economic development
19 that provides sustainable economic alternatives to
20 drug-crop production, strengthening the legitimate
21 economies of Andean countries and creating viable
22 alternatives to illicit trade in coca.

23 (3) Notwithstanding the success of the Andean
24 Trade Preference Act, the Andean region remains
25 threatened by political and economic instability and
26 fragility, vulnerable to the consequences of the drug

1 war and fierce global competition for its legitimate
2 trade.

3 (4) The continuing instability in the Andean re-
4 gion poses a threat to the security interests of the
5 United States and the world. This problem has been
6 partially addressed through foreign aid, such as Plan
7 Colombia, enacted by Congress in 2000. However,
8 foreign aid alone is not sufficient. Enhancement of
9 legitimate trade with the United States provides an
10 alternative means for reviving and stabilizing the
11 economies in the Andean region.

12 (5) The Andean Trade Preference Act con-
13 stitutes a tangible commitment by the United States
14 to the promotion of prosperity, stability, and democ-
15 racy in the beneficiary countries.

16 (6) Renewal and enhancement of the Andean
17 Trade Preference Act will bolster the confidence of
18 domestic private enterprise and foreign investors in
19 the economic prospects of the region, ensuring that
20 legitimate private enterprise can be the engine of
21 economic development and political stability in the
22 region.

23 (7) Each of the Andean beneficiary countries is
24 committed to conclude negotiation of a Free Trade

1 Area of the Americas by the year 2005, as a means
 2 of enhancing the economic security of the region.

3 (8) Temporarily enhancing trade benefits for
 4 Andean beneficiary countries will promote the
 5 growth of free enterprise and economic opportunity
 6 in these countries and serve the security interests of
 7 the United States, the region, and the world.

8 **SEC. 3. ARTICLES ELIGIBLE FOR PREFERENTIAL TREAT-**
 9 **MENT.**

10 (a) ELIGIBILITY OF CERTAIN ARTICLES.—Section
 11 204 of the Andean Trade Preference Act (19 U.S.C.
 12 3203) is amended—

13 (1) by striking subsection (c) and redesignating
 14 subsections (d) through (g) as subsections (c)
 15 through (f), respectively; and

16 (2) by amending subsection (b) to read as fol-
 17 lows:

18 “(b) EXCEPTIONS AND SPECIAL RULES.—

19 “(1) CERTAIN ARTICLES THAT ARE NOT IM-
 20 PORT-SENSITIVE.—The President may proclaim
 21 duty-free treatment under this title for any article
 22 described in subparagraph (A), (B), (C), or (D) that
 23 is the growth, product, or manufacture of an
 24 ATPDEA beneficiary country and that meets the re-
 25 quirements of this section, if the President deter-

1 mines that such article is not import-sensitive in the
2 context of imports from ATPDEA beneficiary coun-
3 tries:

4 “(A) Footwear not designated at the time
5 of the effective date of this Act as eligible for
6 the purpose of the generalized system of pref-
7 erences under title V of the Trade Act of 1974.

8 “(B) Petroleum, or any product derived
9 from petroleum, provided for in headings 2709
10 and 2710 of the HTS.

11 “(C) Watches and watch parts (including
12 cases, bracelets and straps), of whatever type
13 including, but not limited to, mechanical, quartz
14 digital or quartz analog, if such watches or
15 watch parts contain any material which is the
16 product of any country with respect to which
17 HTS column 2 rates of duty apply.

18 “(D) Handbags, luggage, flat goods, work
19 gloves, and leather wearing apparel that were
20 not designated on August 5, 1983, as eligible
21 articles for purposes of the generalized system
22 of preferences under title V of the Trade Act of
23 1974.

1 “(2) EXCLUSIONS.—Subject to paragraph (3),
2 duty-free treatment under this title may not be ex-
3 tended to—

4 “(A) textiles and apparel articles which
5 were not eligible articles for purposes of this
6 title on January 1, 1994, as this title was in
7 effect on that date;

8 “(B) rum and tafia classified in sub-
9 heading 2208.40 of the HTS; or

10 “(C) sugars, syrups, and sugar-containing
11 products subject to over-quota duty rates under
12 applicable tariff-rate quotas.

13 “(3) APPAREL ARTICLES.—

14 “(A) IN GENERAL.—Apparel articles that
15 are imported directly into the customs territory
16 of the United States from an ATPDEA bene-
17 ficiary country shall enter the United States
18 free of duty and free of any quantitative restric-
19 tions, limitations, or consultation levels, but
20 only if such articles are described in subpara-
21 graph (B).

22 “(B) COVERED ARTICLES.—The apparel
23 articles referred to in subparagraph (A) are the
24 following:

1 “(i) APPAREL ARTICLES ASSEMBLED
2 FROM PRODUCTS OF THE UNITED STATES
3 AND ATPDEA BENEFICIARY COUNTRIES OR
4 PRODUCTS NOT AVAILABLE IN COMMER-
5 CIAL QUANTITIES.—Apparel articles sewn
6 or otherwise assembled in 1 or more
7 ATPDEA beneficiary countries, or the
8 United States, or both, exclusively from
9 any one or any combination of the fol-
10 lowing:

11 “(I) Fabrics or fabric compo-
12 nents formed, or components knit-to-
13 shape, in the United States, from
14 yarns formed in the United States or
15 1 or more ATPDEA beneficiary coun-
16 tries (including fabrics not formed
17 from yarns, if such fabrics are classi-
18 fiable under heading 5602 or 5603 of
19 the HTS and are formed in the
20 United States).

21 “(II) Fabrics or fabric compo-
22 nents formed or components knit-to-
23 shape, in 1 or more ATPDEA bene-
24 ficiary countries, from yarns formed
25 in 1 or more ATPDEA beneficiary

1 countries, if such fabrics (including
2 fabrics not formed from yarns, if such
3 fabrics are classifiable under heading
4 5602 or 5603 of the HTS and are
5 formed in 1 or more ATPDEA bene-
6 ficiary countries) or components are
7 in chief weight of llama or alpaca.

8 “(III) Fabrics or yarn that is not
9 formed in the United States or in one
10 or more ATPDEA beneficiary coun-
11 tries, to the extent that apparel arti-
12 cles of such fabrics or yarn would be
13 eligible for preferential treatment,
14 without regard to the source of the
15 fabrics or yarn, under Annex 401 of
16 the NAFTA.

17 “(ii) ADDITIONAL FABRICS.—At the
18 request of any interested party, the Presi-
19 dent is authorized to proclaim additional
20 fabrics and yarns as eligible for pref-
21 erential treatment under clause (i)(III)
22 if—

23 “(I) the President determines
24 that such fabrics or yarns cannot be
25 supplied by the domestic industry in

1 commercial quantities in a timely
2 manner;

3 “(II) the President has obtained
4 advice regarding the proposed action
5 from the appropriate advisory com-
6 mittee established under section 135
7 of the Trade Act of 1974 (19 U.S.C.
8 2155) and the United States Inter-
9 national Trade Commission;

10 “(III) within 60 days after the
11 request, the President has submitted
12 a report to the Committee on Ways
13 and Means of the House of Rep-
14 resentatives and the Committee on Fi-
15 nance of the Senate that sets forth
16 the action proposed to be proclaimed
17 and the reasons for such action, and
18 the advice obtained under subclause
19 (II);

20 “(IV) a period of 60 calendar
21 days, beginning with the first day on
22 which the President has met the re-
23 quirements of subclause (III), has ex-
24 pired; and

1 “(V) the President has consulted
2 with such committees regarding the
3 proposed action during the period re-
4 ferred to in subclause (III).

5 “(iii) APPAREL ARTICLES ASSEMBLED
6 IN 1 OR MORE ATPDEA BENEFICIARY
7 COUNTRIES FROM REGIONAL FABRICS OR
8 REGIONAL COMPONENTS.—(I) Subject to
9 the limitation set forth in subclause (II),
10 apparel articles sewn or otherwise assem-
11 bled in 1 or more ATPDEA beneficiary
12 countries from fabrics or from fabric com-
13 ponents formed or from components knit-
14 to-shape, in 1 or more ATPDEA bene-
15 ficiary countries, from yarns formed in the
16 United States or 1 or more ATPDEA ben-
17 eficiary countries (including fabrics not
18 formed from yarns, if such fabrics are clas-
19 sifiable under heading 5602 or 5603 of the
20 HTS and are formed in 1 or more
21 ATPDEA beneficiary countries), whether
22 or not the apparel articles are also made
23 from any of the fabrics, fabric components
24 formed, or components knit-to-shape de-
25 scribed in clause (i).

1 “(II) The preferential treatment re-
2 ferred to in subclause (I) shall be extended
3 in the 1-year period beginning December
4 1, 2001, and in each of the 5 succeeding
5 1-year periods, to imports of apparel arti-
6 cles in an amount not to exceed the appli-
7 cable percentage of the aggregate square
8 meter equivalents of all apparel articles im-
9 ported into the United States in the pre-
10 ceding 12-month period for which data are
11 available.

12 “(III) For purposes of subclause (II),
13 the term ‘applicable percentage’ means 3
14 percent for the 1-year period beginning
15 December 1, 2001, increased in each of the
16 5 succeeding 1-year periods by equal incre-
17 ments, so that for the period beginning
18 December 1, 2005, the applicable percent-
19 age does not exceed 6 percent.

20 “(iv) HANDLOOMED, HANDMADE, AND
21 FOLKLORE ARTICLES.—A handloomed,
22 handmade, or folklore article of an
23 ATPDEA beneficiary country identified
24 under subparagraph (C) that is certified as

1 such by the competent authority of such
2 beneficiary country.

3 “(v) SPECIAL RULES.—

4 “(I) EXCEPTION FOR FINDINGS
5 AND TRIMMINGS.—An article other-
6 wise eligible for preferential treatment
7 under this paragraph shall not be in-
8 eligible for such treatment because the
9 article contains findings or trimmings
10 of foreign origin, if such findings and
11 trimmings do not exceed 25 percent of
12 the cost of the components of the as-
13 sembled product. Examples of find-
14 ings and trimmings are sewing thread,
15 hooks and eyes, snaps, buttons, ‘bow
16 buds’, decorative lace, trim, elastic
17 strips, zippers, including zipper tapes
18 and labels, and other similar products.

19 “(II) CERTAIN INTERLINING.—

20 (aa) An article otherwise eligible for
21 preferential treatment under this
22 paragraph shall not be ineligible for
23 such treatment because the article
24 contains certain interlinings of foreign
25 origin, if the value of such interlinings

1 (and any findings and trimmings)
2 does not exceed 25 percent of the cost
3 of the components of the assembled
4 article.

5 “(bb) Interlinings eligible for the
6 treatment described in division (aa)
7 include only a chest type plate, ‘hymo’
8 piece, or ‘sleeve header’, of woven or
9 weft-inserted warp knit construction
10 and of coarse animal hair or man-
11 made filaments.

12 “(cc) The treatment described in
13 this subclause shall terminate if the
14 President makes a determination that
15 United States manufacturers are pro-
16 ducing such interlinings in the United
17 States in commercial quantities.

18 “(III) DE MINIMIS RULE.—An
19 article that would otherwise be ineli-
20 gible for preferential treatment under
21 this subparagraph because the article
22 contains fibers or yarns not wholly
23 formed in the United States or in one
24 or more ATPDEA beneficiary coun-
25 tries shall not be ineligible for such

1 treatment if the total weight of all
2 such fibers or yarns is not more than
3 7 percent of the total weight of the
4 good.

5 “(C) HANDLOOMED, HANDMADE, AND
6 FOLKLORE ARTICLES.—For purposes of sub-
7 paragraph (B)(iv), the President shall consult
8 with representatives of the ATPDEA bene-
9 ficiary countries concerned for the purpose of
10 identifying particular textile and apparel goods
11 that are mutually agreed upon as being
12 handloomed, handmade, or folklore goods of a
13 kind described in section 2.3(a), (b), or (c) of
14 the Annex or Appendix 3.1.B.11 of the Annex.

15 “(D) PENALTIES FOR TRANSSHIPMENT.—

16 “(i) PENALTIES FOR EXPORTERS.—If
17 the President determines, based on suffi-
18 cient evidence, that an exporter has en-
19 gaged in transshipment with respect to ap-
20 parel articles from an ATPDEA bene-
21 ficiary country, then the President shall
22 deny all benefits under this title to such
23 exporter, and any successor of such ex-
24 porter, for a period of 2 years.

1 “(ii) PENALTIES FOR COUNTRIES.—

2 Whenever the President finds, based on
3 sufficient evidence, that transshipment has
4 occurred, the President shall request that
5 the ATPDEA beneficiary country or coun-
6 tries through whose territory the trans-
7 shipment has occurred take all necessary
8 and appropriate actions to prevent such
9 transshipment. If the President determines
10 that a country is not taking such actions,
11 the President shall reduce the quantities of
12 apparel articles that may be imported into
13 the United States from such country by
14 the quantity of the transshipped articles
15 multiplied by 3, to the extent consistent
16 with the obligations of the United States
17 under the WTO.

18 “(iii) TRANSSHIPMENT DESCRIBED.—

19 Transshipment within the meaning of this
20 subparagraph has occurred when pref-
21 erential treatment under subparagraph (A)
22 has been claimed for an apparel article on
23 the basis of material false information con-
24 cerning the country of origin, manufacture,
25 processing, or assembly of the article or

1 any of its components. For purposes of
2 this clause, false information is material if
3 disclosure of the true information would
4 mean or would have meant that the article
5 is or was ineligible for preferential treat-
6 ment under subparagraph (A).

7 “(E) BILATERAL EMERGENCY ACTIONS.—

8 “(i) IN GENERAL.—The President
9 may take bilateral emergency tariff actions
10 of a kind described in section 4 of the
11 Annex with respect to any apparel article
12 imported from an ATPDEA beneficiary
13 country if the application of tariff treat-
14 ment under subparagraph (A) to such arti-
15 cle results in conditions that would be
16 cause for the taking of such actions under
17 such section 4 with respect to a like article
18 described in the same 8-digit subheading
19 of the HTS that is imported from Mexico.

20 “(ii) RULES RELATING TO BILATERAL
21 EMERGENCY ACTION.—For purposes of ap-
22 plying bilateral emergency action under
23 this subparagraph—

24 “(I) the requirements of para-
25 graph (5) of section 4 of the Annex

1 (relating to providing compensation)
2 shall not apply;

3 “(II) the term ‘transition period’
4 in section 4 of the Annex shall mean
5 the period ending December 31, 2006;
6 and

7 “(III) the requirements to con-
8 sult specified in section 4 of the
9 Annex shall be treated as satisfied if
10 the President requests consultations
11 with the ATPDEA beneficiary country
12 in question and the country does not
13 agree to consult within the time pe-
14 riod specified under section 4.

15 “(4) CUSTOMS PROCEDURES.—

16 “(A) IN GENERAL.—

17 “(i) REGULATIONS.—Any importer
18 that claims preferential treatment under
19 paragraph (1) or (3) shall comply with
20 customs procedures similar in all material
21 respects to the requirements of Article
22 502(1) of the NAFTA as implemented
23 pursuant to United States law, in accord-
24 ance with regulations promulgated by the
25 Secretary of the Treasury.

1 “(ii) DETERMINATION.—

2 “(I) IN GENERAL.—In order to
3 qualify for the preferential treatment
4 under paragraph (1) or (3) and for a
5 Certificate of Origin to be valid with
6 respect to any article for which such
7 treatment is claimed, there shall be in
8 effect a determination by the Presi-
9 dent that each country described in
10 subclause (II)—

11 “(aa) has implemented and
12 follows; or

13 “(bb) is making substantial
14 progress toward implementing
15 and following,

16 procedures and requirements similar
17 in all material respects to the relevant
18 procedures and requirements under
19 chapter 5 of the NAFTA.

20 “(II) COUNTRY DESCRIBED.—A
21 country is described in this subclause
22 if it is an ATPDEA beneficiary
23 country—

24 “(aa) from which the article
25 is exported; or

1 “(bb) in which materials
2 used in the production of the ar-
3 ticle originate or in which the ar-
4 ticle or such materials undergo
5 production that contributes to a
6 claim that the article is eligible
7 for preferential treatment under
8 paragraph (1) or (3).

9 “(B) CERTIFICATE OF ORIGIN.—The Cer-
10 tificate of Origin that otherwise would be re-
11 quired pursuant to the provisions of subpara-
12 graph (A) shall not be required in the case of
13 an article imported under paragraph (1) or (3)
14 if such Certificate of Origin would not be re-
15 quired under Article 503 of the NAFTA (as im-
16 plemented pursuant to United States law), if
17 the article were imported from Mexico.

18 “(5) DEFINITIONS.—In this subsection—

19 “(A) ANNEX.—The term ‘the Annex’
20 means Annex 300-B of the NAFTA.

21 “(B) ATPDEA BENEFICIARY COUNTRY.—
22 The term ‘ATPDEA beneficiary country’ means
23 any ‘beneficiary country’, as defined in section
24 203(a)(1) of this title, which the President des-
25 ignates as an ATPDEA beneficiary country,

1 taking into account the criteria contained in
2 subsections (c) and (d) of section 203 and other
3 appropriate criteria, including the following:

4 “(i) Whether the beneficiary country
5 has demonstrated a commitment to—

6 “(I) undertake its obligations
7 under the WTO, including those
8 agreements listed in section 101(d) of
9 the Uruguay Round Agreements Act,
10 on or ahead of schedule; and

11 “(II) participate in negotiations
12 toward the completion of the FTAA
13 or another free trade agreement.

14 “(ii) The extent to which the country
15 provides protection of intellectual property
16 rights consistent with or greater than the
17 protection afforded under the Agreement
18 on Trade-Related Aspects of Intellectual
19 Property Rights described in section
20 101(d)(15) of the Uruguay Round Agree-
21 ments Act.

22 “(iii) The extent to which the country
23 provides internationally recognized worker
24 rights, including—

25 “(I) the right of association;

1 “(II) the right to organize and
2 bargain collectively;

3 “(III) a prohibition on the use of
4 any form of forced or compulsory
5 labor;

6 “(IV) a minimum age for the em-
7 ployment of children; and

8 “(V) acceptable conditions of
9 work with respect to minimum wages,
10 hours of work, and occupational safe-
11 ty and health;

12 “(iv) Whether the country has imple-
13 mented its commitments to eliminate the
14 worst forms of child labor, as defined in
15 section 507(6) of the Trade Act of 1974.

16 “(v) The extent to which the country
17 has met the counternarcotics certification
18 criteria set forth in section 490 of the For-
19 eign Assistance Act of 1961 (22 U.S.C.
20 2291j) for eligibility for United States as-
21 sistance.

22 “(vi) The extent to which the country
23 has taken steps to become a party to and
24 implements the Inter-American Convention
25 Against Corruption.

1 “(vii) The extent to which the
2 country—

3 “(I) applies transparent, non-
4 discriminatory, and competitive proce-
5 dures in government procurement
6 equivalent to those contained in the
7 Agreement on Government Procure-
8 ment described in section 101(d)(17)
9 of the Uruguay Round Agreements
10 Act; and

11 “(II) contributes to efforts in
12 international fora to develop and im-
13 plement international rules in trans-
14 parency in government procurement.

15 “(C) NAFTA.—The term ‘NAFTA’ means
16 the North American Free Trade Agreement en-
17 tered into between the United States, Mexico,
18 and Canada on December 17, 1992.

19 “(D) WTO.—The term ‘WTO’ has the
20 meaning given that term in section 2 of the
21 Uruguay Round Agreements Act (19 U.S.C.
22 3501).

23 “(E) ATPDEA.—The term ‘ATPDEA’
24 means the Andean Trade Promotion and Drug
25 Eradication Act.”.

1 (b) DETERMINATION REGARDING RETENTION OF
2 DESIGNATION.—Section 203(e)(1) of the Andean Trade
3 Preference Act (19 U.S.C. 3202(e)(1)) is amended—

4 (1) by redesignating subparagraphs (A) and
5 (B) as clauses (i) and (ii), respectively;

6 (2) by inserting “(A)” after “(1)”; and

7 (3) by adding at the end the following:

8 “(B) The President may, after the requirements of
9 paragraph (2) have been met—

10 “(i) withdraw or suspend the designation of any
11 country as an ATPDEA beneficiary country, or

12 “(ii) withdraw, suspend, or limit the application
13 of preferential treatment under section 204(b)(1) or
14 (3) to any article of any country,

15 if, after such designation, the President determines that,
16 as a result of changed circumstances, the performance of
17 such country is not satisfactory under the criteria set forth
18 in section 204(b)(5)(B).”.

19 (c) CONFORMING AMENDMENTS.—(1) Section 202 of
20 the Andean Trade Preference Act (19 U.S.C. 3201) is
21 amended by inserting “(or other preferential treatment)”
22 after “treatment”.

23 (2) Section 204(a) of the Andean Trade Preference
24 Act (19 U.S.C. 3203(a)) is amended—

1 (A) in paragraph (1), by inserting “(or other-
2 wise provided for)” after “eligibility”; and

3 (B) in paragraph (2), by striking “subsection
4 (a)” and inserting “paragraph (1)”.

5 **SEC. 4. TERMINATION OF PREFERENTIAL TREATMENT.**

6 Section 208 of the Andean Trade Preference Act (19
7 U.S.C. 3206) is amended to read as follows:

8 **“SEC. 208. TERMINATION OF PREFERENTIAL TREATMENT.**

9 “No duty-free treatment or other preferential treat-
10 ment extended to beneficiary countries under this title
11 shall remain in effect after December 31, 2006.”.

12 **SEC. 5. TRADE BENEFITS UNDER THE CARIBBEAN BASIN**
13 **ECONOMIC RECOVERY ACT.**

14 Section 213(b)(2)(A) of the Caribbean Basin Eco-
15 nomic Recovery Act (19 U.S.C. 2703(b)(2)(A)) is amend-
16 ed as follows:

17 (1) Clause (i) is amended by striking the mat-
18 ter preceding subclause (I) and inserting the fol-
19 lowing:

20 “(i) APPAREL ARTICLES ASSEMBLED
21 IN ONE OR MORE CBTPA BENEFICIARY
22 COUNTRIES.—Apparel articles sewn or oth-
23 erwise assembled in one or more CBTPA
24 beneficiary countries from fabrics wholly
25 formed and cut, or from components knit-

1 to-shape, in the United States from yarns
2 wholly formed in the United States, (in-
3 cluding fabrics not formed from yarns, if
4 such fabrics are classifiable under heading
5 5602 or 5603 of the HTS and are wholly
6 formed and cut in the United States) that
7 are—”.

8 (2) Clause (ii) is amended to read as follows:

9 “(ii) OTHER APPAREL ARTICLES AS-
10 SEMBLED IN ONE OR MORE CBTPA BENE-
11 FICIARY COUNTRIES.—Apparel articles
12 sewn or otherwise assembled in one or
13 more CBTPA beneficiary countries with
14 thread formed in the United States from
15 fabrics wholly formed in the United States
16 and cut in one or more CBTPA beneficiary
17 countries from yarns wholly formed in the
18 United States, or from components knit-to-
19 shape in the United States from yarns
20 wholly formed in the United States, or
21 both (including fabrics not formed from
22 yarns, if such fabrics are classifiable under
23 heading 5602 or 5603 of the HTS and are
24 wholly formed in the United States).”.

1 (3) Clause (iii)(II) is amended to read as fol-
2 lows:

3 “(II) The amount referred to in sub-
4 clause (I) is as follows:

5 “(aa) 290,000,000 square meter
6 equivalents during the 1-year period
7 beginning on October 1, 2001.

8 “(bb) 500,000,000 square meter
9 equivalents during the 1-year period
10 beginning on October 1, 2002.

11 “(cc) 850,000,000 square meter
12 equivalents during the 1-year period
13 beginning on October 1, 2003.

14 “(dd) 970,000,000 square meter
15 equivalents in each succeeding 1-year
16 period through September 30, 2008.”.

17 (4) Clause (iii)(IV) is amended to read as fol-
18 lows:

19 “(IV) The amount referred to in sub-
20 clause (III) is as follows:

21 “(aa) 4,872,000 dozen during the
22 1-year period beginning on October 1,
23 2001.

1 “(bb) 9,000,000 dozen during the
2 1-year period beginning on October 1,
3 2002.

4 “(cc) 10,000,000 dozen during
5 the 1-year period beginning on Octo-
6 ber 1, 2003.

7 “(dd) 12,000,000 dozen in each
8 succeeding 1-year period through Sep-
9 tember 30, 2008.”.

10 (5) Section 213(b)(2)(A) of such Act is further
11 amended by adding at the end the following new
12 clause:

13 “(ix) APPAREL ARTICLES ASSEMBLED
14 IN ONE OR MORE CBTPA BENEFICIARY
15 COUNTRIES FROM UNITED STATES AND
16 CBTPA BENEFICIARY COUNTRY COMPO-
17 NENTS.—Apparel articles sewn or other-
18 wise assembled in one or more CBTPA
19 beneficiary countries with thread formed in
20 the United States from components cut in
21 the United States and in one or more
22 CBTPA beneficiary countries from fabric
23 wholly formed in the United States from
24 yarns wholly formed in the United States,
25 or from components knit-to-shape in the

1 United States and one or more CBTPA
 2 beneficiary countries from yarns wholly
 3 formed in the United States, or both (in-
 4 cluding fabrics not formed from yarns, if
 5 such fabrics are classifiable under heading
 6 5602 or 5603 of the HTS).”.

7 **SEC. 6. TRADE BENEFITS UNDER THE AFRICAN GROWTH**
 8 **AND OPPORTUNITY ACT.**

9 Section 112(b) of the African Growth and Oppor-
 10 tunity Act (19 U.S.C. 3721(b)) is amended as follows:

11 (1) Paragraph (1) is amended by amending the
 12 matter preceding subparagraph (A) to read as fol-
 13 lows:

14 “(1) APPAREL ARTICLES ASSEMBLED IN ONE
 15 OR MORE BENEFICIARY SUB-SAHARAN AFRICAN
 16 COUNTRIES.—Apparel articles sewn or otherwise as-
 17 sembled in one or more beneficiary sub-Saharan Af-
 18 rican countries from fabrics wholly formed and cut,
 19 or from components knit-to-shape, in the United
 20 States from yarns wholly formed in the United
 21 States, (including fabrics not formed from yarns, if
 22 such fabrics are classifiable under heading 5602 or
 23 5603 of the HTS and are wholly formed and cut in
 24 the United States) that are—”.

1 (2) Paragraph (2) is amended to read as fol-
2 lows:

3 “(2) OTHER APPAREL ARTICLES ASSEMBLED IN
4 ONE OR MORE BENEFICIARY SUB-SAHARAN AFRICAN
5 COUNTRIES.—Apparel articles sewn or otherwise as-
6 sembled in one or more beneficiary sub-Saharan Af-
7 rican countries with thread formed in the United
8 States from fabrics wholly formed in the United
9 States and cut in one or more beneficiary sub-Saha-
10 ran African countries from yarns wholly formed in
11 the United States, or from components knit-to-shape
12 in the United States from yarns wholly formed in
13 the United States, or both (including fabrics not
14 formed from yarns, if such fabrics are classifiable
15 under heading 5602 or 5603 of the HTS and are
16 wholly formed in the United States).”.

17 (3) Paragraph (3) is amended—

18 (A) by amending the matter preceding sub-
19 paragraph (A) to read as follows:

20 “(3) APPAREL ARTICLES FROM REGIONAL FAB-
21 RIC OR YARNS.—Apparel articles wholly assembled
22 in one or more beneficiary sub-Saharan African
23 countries from fabric wholly formed in one or more
24 beneficiary sub-Saharan African countries from
25 yarns originating either in the United States or one

1 or more beneficiary sub-Saharan African countries
 2 (including fabrics not formed from yarns, if such
 3 fabrics are classified under heading 5602 or 5603 of
 4 the HTS and are wholly formed in one or more ben-
 5 eficiary sub-Saharan African countries), or from
 6 components knit-to-shape in one or more beneficiary
 7 sub-Saharan African countries from yarns origi-
 8 nating either in the United States or one or more
 9 beneficiary sub-Saharan African countries, or ap-
 10 parel articles wholly formed on seamless knitting
 11 machines in a beneficiary sub-Saharan African coun-
 12 try from yarns originating either in the United
 13 States or one or more beneficiary sub-Saharan Afri-
 14 can countries, subject to the following:”;

15 (B) in subparagraph (A)(ii)—

16 (i) by striking “1.5” and inserting
 17 “3”; and

18 (ii) by striking “3.5” and inserting
 19 “7”; and

20 (C) by amending subparagraph (B) to read
 21 as follows:

22 “(B) SPECIAL RULES FOR LESSER DEVEL-
 23 OPED COUNTRIES.—

24 “(i) IN GENERAL.—Subject to sub-
 25 paragraph (A), preferential treatment

1 under this paragraph shall be extended
2 through September 30, 2004, for apparel
3 articles wholly assembled, or knit-to-shape
4 and wholly assembled, or both, in one or
5 more lesser developed beneficiary sub-Sa-
6 haran African countries regardless of the
7 country of origin of the fabric or the yarn
8 used to make such articles.

9 “(ii) LESSER DEVELOPED BENE-
10 FICIARY SUB-SAHARAN AFRICAN COUN-
11 TRY.—For purposes of clause (i), the term
12 ‘lesser developed beneficiary sub-Saharan
13 African country’ means—

14 “(I) a beneficiary sub-Saharan
15 African country that had a per capita
16 gross national product of less than
17 \$1,500 in 1998, as measured by the
18 International Bank for Reconstruction
19 and Development;

20 “(II) Botswana; and

21 “(III) Namibia.”.

22 (4) Paragraph (4)(B) is amended by striking
23 “18.5” and inserting “21.5”.

1 (5) Section 112(b) of such Act is further
2 amended by adding at the end the following new
3 paragraph:

4 “(7) APPAREL ARTICLES ASSEMBLED IN ONE
5 OR MORE BENEFICIARY SUB-SAHARAN AFRICAN
6 COUNTRIES FROM UNITED STATES AND BENE-
7 FICIARY SUB-SAHARAN AFRICAN COUNTRY COMPO-
8 NENTS.—Apparel articles sewn or otherwise assem-
9 bled in one or more beneficiary sub-Saharan African
10 countries with thread formed in the United States
11 from components cut in the United States and one
12 or more beneficiary sub-Saharan African countries
13 from fabric wholly formed in the United States from
14 yarns wholly formed in the United States, or from
15 components knit-to-shape in the United States and
16 one or more beneficiary sub-Saharan African coun-
17 tries from yarns wholly formed in the United States,
18 or both (including fabrics not formed from yarns, if
19 such fabrics are classifiable under heading 5602 or
20 5603 of the HTS).”.

Passed the House of Representatives November 16,
2001.

Attest:

JEFF TRANDAHL,

Clerk.