

107TH CONGRESS
1ST SESSION

H. R. 575

To amend the Harmonized Tariff Schedule of the United States with respect to the production incentive certificate program for watch and jewelry producers in the United States Virgin Islands, Guam, and American Samoa.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2001

Mrs. CHRISTENSEN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Harmonized Tariff Schedule of the United States with respect to the production incentive certificate program for watch and jewelry producers in the United States Virgin Islands, Guam, and American Samoa.

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

3 **SECTION 1. AMENDMENTS TO UNITED STATES INSULAR**
4 **POSSESSION PROGRAM.**

5 (a) PRODUCTION CERTIFICATES.—The additional
6 U.S. Note 5(h) to chapter 91 of the Harmonized Tariff
7 Schedule of the United States is amended—

1 (1) by amending subparagraphs (i) and (ii) to
2 read as follows:

3 “(i) In the case of each calendar quarter beginning after
4 January 1, 2002, and before January 1, 2016, the
5 Secretaries jointly, shall:

6 “(A) verify for the preceding calendar quarter both
7 the wages paid by each producer to permanent
8 residents of the insular possessions (including
9 the value of any fringe benefits) and the total
10 quantity and value of watches produced in the
11 insular possessions and imported into the cus-
12 toms territory of the United States; and

13 “(B) issue to each producer (not later than 30 days
14 after the end of the calendar quarter) a certifi-
15 cate for the applicable amount.

16 “(ii) For purposes of subparagraph (i), except as provided
17 in subparagraphs (iii) and (iv), the term ‘applicable
18 amount’ means an amount equal to the sum of:

19 “(A) 90 percent of the producer’s creditable wages
20 (including the value of any fringe benefits) on
21 watch assembly during the preceding calendar
22 quarter (but only the first 300,000 units per
23 calendar year); plus

24 “(B) the applicable graduated declining percentage
25 (determined each year by the Secretaries) of the

1 producer's creditable wages (including the value
2 of any fringe benefits) on the assembly during
3 the preceding calendar quarter for units in ex-
4 cess of 300,000 that calendar year, but not in
5 excess of 750,000 that calendar year; plus

6 “(C) the difference between the duties that would
7 have been due on the producer's watches (ex-
8 cluding digital watches) imported into the cus-
9 toms territory of the United States during the
10 preceding quarter if they had been imported
11 from a country eligible for normal trade rela-
12 tions subject to duty at the rates set forth in
13 column 1 under this chapter that were in effect
14 on January 1, 2001, and the duties that would
15 have been due on those watches if they had
16 been imported from the same country under the
17 tariffs in effect for the preceding calendar quar-
18 ter.”; and

19 (2) by amending subparagraph (v) to read as
20 follows:

21 “(v)(A) Any certificate issued under subparagraph (i)
22 shall entitle the certificate holder to secure the refund
23 of duties equal to the face value of the certificate on
24 watches, watch movements and, with the exception of
25 discrete cases, parts therefor imported into the cus-

1 toms territory of the United States by the certificate
2 holder. Such refunds shall be made under regulations
3 issued by the Treasury Department. Not more than
4 5 percent of such refunds may be retained as a reim-
5 bursement to the Customs Service for the administra-
6 tive costs of making the refunds. If the Secretary of
7 the Treasury determines that there is an insufficient
8 level of duties from watch and watch-related tariffs,
9 the Secretary may authorize refunds of duties col-
10 lected on jewelry under chapter 71 or any other du-
11 ties that the Secretary determines are appropriate.
12 “(B) At the election of the certificate holder and upon
13 making the certification described in this clause, the
14 Secretary of the Treasury shall pay to the holder the
15 face value of the certificate, less the value of (1) any
16 duty refund claimed by the holder under the certifi-
17 cate, plus (2) a discount of not more than 2 percent
18 of the face value of the certificate, as determined by
19 the Secretary of the Treasury. A certificate holder
20 shall not be eligible for direct payment under this
21 clause unless the certificate holder certifies to the
22 Secretaries that the funds received will be reinvested
23 or utilized to support and continue employment in the
24 Virgin Islands.

1 “(C) The Secretary of the Treasury is authorized to make
2 the payments provided for in clause (B) from duties
3 collected on watches, watch movements and, with the
4 exception of discrete cases, parts therefor. If such du-
5 ties are insufficient, the Secretary of the Treasury is
6 authorized to make those payments from duties col-
7 lected on jewelry under chapter 71 or any other du-
8 ties that the Secretary determines are appropriate.”.

9 (b) JEWELRY.—Additional U.S. Note to chapter 71
10 of the Harmonized Tariff Schedule of the United States
11 is amended—

12 (1) by redesignating paragraphs (b), (c), (d),
13 and (e) as paragraphs (c), (d), (e), and (f), respec-
14 tively;

15 (2) by inserting after paragraph (a) the fol-
16 lowing new paragraph:

17 “(b) The 750,000 unit limitation in additional U.S. Note
18 5(h)(ii)(B) to chapter 91 shall not apply to articles
19 of jewelry subject to this note.”; and

20 (3) by striking paragraph (f), as so redesign-
21 nated, and inserting the following:

22 “(f) Notwithstanding any other provision of law, prior to
23 February 9, 2004, any article of jewelry provided for
24 in heading 7113 that is assembled in the Virgin Is-
25 lands, Guam, or American Samoa shall be treated as

1 a product of the Virgin Islands, Guam, or American
2 Samoa for purposes of this note and General Note
3 3(a)(iv) of this Schedule.”.

4 **SEC. 2. EFFECTIVE DATE.**

5 The amendments made by this Act shall take effect
6 on April 1, 2002, with respect to goods imported into the
7 customs territory of the United States on or after January
8 1, 2002.

○