



This document is scheduled to be published in the Federal Register on 12/19/2016 and available online at <https://federalregister.gov/d/2016-30383>, and on [FDsys.gov](http://FDsys.gov)

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

#### **Limitation of Duty-free Imports of Apparel Articles Assembled in Haiti under the Caribbean Basin Economic Recovery Act (CBERA), as amended by the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE)**

**AGENCY:** International Trade Administration, Department of Commerce.

**ACTION:** Notification of Annual Quantitative Limit on Imports of Certain Apparel from Haiti.

**SUMMARY:** CBERA, as amended, provides duty-free treatment for certain apparel articles imported directly from Haiti. One of the preferences is known as the “value-added” provision, which requires that apparel meet a minimum threshold percentage of value added in Haiti, the United States, and/or certain beneficiary countries. The provision is subject to a quantitative limitation, which is calculated as a percentage of total apparel imports into the United States for each 12-month annual period. For the annual period from December 20, 2016 through December 19, 2017, the quantity of imports eligible for preferential treatment under the value-added provision is 337,117,964 square meters equivalent.

**DATES:** *Effective Date:* December 20, 2016

**FOR FURTHER INFORMATION CONTACT:** Maria Goodman, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-3651.

#### **SUPPLEMENTARY INFORMATION:**

**Authority:** Section 213A of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703a) (“CBERA”), as amended by the Haitian Hemispheric Opportunity through Partnership

Encouragement Act of 2006 ("HOPE") (Title V of the Tax Relief and Health Care Act of 2006), the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 ("HOPE II")(Subtitle D of Title XV of the Food, Conservation, and Energy Act of 2008 ), the Haiti Economic Lift Program Act of 2010 ("HELP"), and the Trade Preferences Extension Act of 2015; and as implemented by Presidential Proc. No. 8114, 72 FR 13655 (March 22, 2007), and No. 8596, 75 FR 68153 (November 4, 2010).

**Background:** Section 213A(b)(1)(B) of CBERA, as amended (19 U.S.C. 2703a(b)(1)(B)), outlines the requirements for certain apparel articles imported directly from Haiti to qualify for duty-free treatment under a "value-added" provision. In order to qualify for duty-free treatment, apparel articles must be wholly assembled, or knit-to-shape, in Haiti from any combination of fabrics, fabric components, components knit-to-shape, and yarns, as long as the sum of the cost or value of materials produced in Haiti or one or more beneficiary countries, as described in CBERA, as amended, or any combination thereof, plus the direct costs of processing operations performed in Haiti or one or more beneficiary countries, as described in CBERA, as amended, or any combination thereof, is not less than an applicable percentage of the declared customs value of such apparel articles. Pursuant to CBERA, as amended, the applicable percentage for the period December 20, 2016 through December 19, 2017, is 55 percent.

For every twelve month period following the effective date of CBERA, as amended, duty-free treatment under the value-added provision is subject to a quantitative limitation. CBERA, as amended provides that the quantitative limitation will be recalculated for each subsequent 12-month period. Section 213A (b)(1)(C) of CBERA, as amended (19 USC 2703a(b)(1)(C)) , requires that, for the twelve-month period beginning on December 20, 2016, the quantitative limitation for qualifying apparel imported from Haiti under the value-added provision will be an

amount equivalent to 1.25 percent of the aggregate square meter equivalent of all apparel articles imported into the United States in the most recent 12-month period for which data are available. The aggregate square meters equivalent of all apparel articles imported into the United States is derived from the set of Harmonized System lines listed in the Annex to the World Trade Organization Agreement on Textiles and Clothing ("ATC"), and the conversion factors for units of measure into square meter equivalents used by the United States in implementing the ATC. For purposes of this notice, the most recent 12-month period for which data are available as of December 20, 2016 is the 12-month period ending on October 31, 2016. Therefore, for the one-year period beginning on December 20, 2016 and extending through December 19, 2017, the quantity of imports eligible for preferential treatment under the value-added provision is **337,117,964** square meters equivalent. Apparel articles entered in excess of these quantities will be subject to otherwise applicable tariffs.

Dated: December 13, 2016.

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BILLING CODE 3510-DR

[FR Doc. 2016-30383 Filed: 12/16/2016 8:45 am; Publication Date: 12/19/2016]