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DEPARTMENT OF COMMERCE International Trade Administration

Limitation of Duty-free Imports of Apparel Articles Assembled in Haiti under the Haitian Hemispheric Opportunity Through Partnership for Encouragement Act (HOPE)

AGENCY: Department of Commerce, International Trade Administration.

ACTION: Notification of Annual Quantitative Limit on Certain Apparel under HOPE.

EFFECTIVE DATE: December 20, 2011

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

SUPPLEMENTARY INFORMATION:

Authority: The Caribbean Basin Recovery Act ("CBERA"), as amended by the Haitian Hemispheric Opportunity Through Partnership for Encouragement Act of 2006 ("HOPE"), Title V of the Tax Relief and Health Care Act of 2006 and the Food, Conservation, and Energy Act of 2008 ("HOPE II"); the Haiti Economic Lift Program Act of 2010 ("HELP"); and implemented by Presidential Proclamations No. 8114, 72 Fed. Reg. 13655, 13659 (March 22, 2007), and No. 8596, 75 Fed. Reg. 68153 (November 4, 2010).

HOPE provides for duty-free treatment for certain apparel articles imported directly from Haiti. Section 213A(b)(1)(B) of HOPE outlines the requirements for certain apparel articles to qualify for duty-free treatment under a "value-added" program. 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 countries, as described in HOPE, or any combination thereof, plus the direct costs of processing operations performed in Haiti or one or more countries, as described in HOPE, or any combination thereof, is not less than an applicable percentage of the declared customs value of such apparel articles. Pursuant to HELP, the applicable percentage for the period December 20, 2011 through December 19, 2012, is 50 percent or more.

For every twelve month period following the effective date of HOPE, duty-free treatment under the value-added program is subject to a quantitative limitation. HOPE provides that the quantitative limitation will be recalculated for each subsequent 12-month period. Section 213A(b)(1)(C) of HOPE, as amended by HOPE II and HELP, requires that, for the twelve-month period beginning on December 20, 2011, the quantitative limitation for qualifying apparel imported from Haiti under the value-added program 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, 2011 is the 12-month period ending on October 31, 2011.

Therefore, for the one-year period beginning on December 20, 2011 and extending through December 19, 2012, the quantity of imports eligible for preferential treatment under the value-added program is 326,752,739 square meters equivalent. Apparel articles entered in excess of these quantities will be subject to otherwise applicable tariffs.

Dated: December 12, 2011

Kim Glas,
Deputy Assistant Secretary for Textiles and Apparel

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