COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Amendment to the 2012 Tariff Preference Level (TPL) for Nicaragua under the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR)

AGENCY: Committee for the Implementation of Textile Agreements (CITA)

ACTION: Amending the 2012 TPL for Nicaragua

EFFECTIVE DATE: [INSERT DATE OF PUBLICATION]

SUMMARY: This notice reduces the 2012 TPL for Nicaragua to 96,529,059 square meters equivalent to account for the shortfall in meeting the one-to-one commitment for cotton and man-made fiber woven trousers exported from Nicaragua to the United States

FOR FURTHER INFORMATION CONTACT: Richard Stetson, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-2582.

SUPPLEMENTARY INFORMATION:

Authority: Annex 3.28 of the CAFTA-DR; Section 1634(a)(2) and (c)(2) of the Pension Protection Act of 2006 (P.L. 109-280); Presidential Proclamation 8111 of February 28, 2007.

Background: Annex 3.28 of the CAFTA-DR establishes a TPL for non-originating apparel goods of Nicaragua. Section 1634(a)(2) of the Pension Protection Act references the exchange of letters between the United States and Nicaragua, which establishes the one-to-one commitment for cotton and man-made fiber trousers. Section 1634(c)(2) of the Pension Protection Act authorizes the President to proclaim a reduction in the overall limit in the TPL if the President determines that Nicaragua has failed to comply with the one-to-one commitment. In Presidential Proclamation 8111, the President delegated to CITA the authority to determine whether Nicaragua had failed to comply with the one-to-one commitment and to reduce the overall limit in the TPL.

In an exchange of letters dated March 24 and 27, 2006, Nicaragua agreed that for each square meter equivalent (SME) of exports of cotton and man-made fiber woven trousers entered under the TPL, Nicaragua would export to the United States an equal amount of cotton and man-made fiber woven trousers made of U.S. formed fabric of U.S. formed yarn. Any shortfall in meeting this commitment that was not rectified by April 1 of the succeeding year would be applied against the TPL for the succeeding year. For 2011, the shortfall in meeting the one-to-one commitment is 3,470,941 square meters equivalent. This amount is being deducted from the 2012 TPL, resulting in a new TPL level for 2012 of 96,529,059 square meters equivalent.

Kim Glas
Chairman, Committee for the Implementation of Textile Agreements

[FR Doc. 2012-16834 Filed 07/09/2012 at 8:45 am; Publication Date: 07/10/2012]