

TITLE V--IMPORTS OF CERTAIN WOOL ARTICLES

SEC. 501. TEMPORARY DUTY REDUCTIONS.

(a) CERTAIN WORSTED WOOL FABRICS WITH AVERAGE FIBER DIAMETERS GREATER THAN 18.5 MICRONS.--

(1) IN GENERAL.--Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.51.11	Fabrics, of worsted wool, with average fiber diameters greater than 18.5 micron, all the foregoing certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (provided for in subheading 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	19.3%	No change	No change	On or before 12/31/2003
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(2) STAGED RATE REDUCTIONS.--Any staged rate reduction of a rate of duty set forth in subheading 6203.31.00 of the Harmonized Tariff Schedule of the United States that is proclaimed by the President shall also apply to the corresponding rate of duty set forth in heading 9902.51.11 of such Schedule, as added by paragraph (1).

(b) CERTAIN WORSTED WOOL FABRICS WITH AVERAGE FIBER DIAMETERS OF 18.5 MICRON OR LESS.--

(1) In general.--Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.51.12	Fabrics, of worsted wool, with average fiber diameters of 18.5 micron or less, all the foregoing certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (provided for in subheading 5111.11.70, 5111.19.60, 5112.11.20, or 5112.19.90)	6%	No change	No change	On or before 12/31/2003
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(2) EQUALIZATION WITH CANADIAN DUTY RATES.--The President is authorized to proclaim a reduction in the rate of duty applicable to imports of worsted wool fabrics classified

under subheading 9902.51.12 of the Harmonized Tariff Schedule of the United States, as added by paragraph (1), that is necessary to equalize such rate of duty with the most favored nation rate of duty applicable to imports of worsted wool fabrics of the kind described in such subheading imported into Canada.

(c) DEFINITIONS.--The U.S. Notes to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States are amended by adding at the end the following:

A13. For purposes of headings 9902.51.11 and 9902.51.12, the term "suit" has the meaning given such term under note 3(a) of chapter 62 for purposes of headings 6203 and 6204.

A14. For purposes of headings 9902.51.11 and 9902.51.12, the term "making" means cut and sewn in the United States.®

(d) LIMITATION ON QUANTITY OF IMPORTS.--The U.S. Notes to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States, as amended by subsection (c), are further amended by adding at the end the following:

A15. The aggregate quantity of worsted wool fabrics entered under heading 9902.51.11 from January 1 to December 31 of each year, inclusive, shall be limited to 2,500,000 square meter equivalents, or such other quantity proclaimed by the President pursuant to section 504(b)(3) of the Trade and Development Act of 2000.

A16. The aggregate quantity of worsted wool fabrics entered under subheading 9902.51.12 from January 1 to December 31 of each year, inclusive, shall be limited to 1,500,000 square meter equivalents, or such other quantity proclaimed by the President pursuant to section 504(b)(3) of the Trade and Development Act of 2000.®

(e) ALLOCATION OF TARIFF-RATE QUOTAS.--In implementing the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States, as required by U.S. Notes 15 and 16 of subchapter II of chapter 99 of such Schedule, respectively, for the entry, or withdrawal from warehouse for consumption, the President, consistent with United States international obligations, shall take such action as determined appropriate by the President to ensure that such fabrics are fairly allocated to persons (including firms, corporations, or other legal entities) who cut and sew men's and boys' worsted wool suits and suit-like jackets and trousers in the United States and who apply for an allocation based on the amount of such suits cut and sewn during the prior calendar year.

(f) EFFECTIVE DATE.--The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2001.

SEC. 502. TEMPORARY DUTY SUSPENSIONS.

(a) WOOL YARN WITH AVERAGE FIBER DIAMETERS OF 18.5 MICRON OR LESS.--Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.51.13	Yarn, of combed wool, not put up for retail sale, containing 85 percent or more by weight of wool, formed with wool fibers having diameters of 18.5 micron or less (provided for in subheading				
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	5107.10.00)	Free	No change	No change	On or before 12/31/2003
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(b) WOOL FIBER AND WOOL TOP WITH AVERAGE DIAMETERS OF 18.5 MICRON OR LESS.--Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

9902.51.14	Wool fiber, waste, garnetted stock, combed wool, or wool top, having average fiber diameters of 18.5 micron or less (provided for in subheading 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, or 5105.29)	Free	No change	No change	On or before 12/31/2003
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(c) EFFECTIVE DATE.--The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2001.

SEC. 503. SEPARATE TARIFF LINE TREATMENT FOR WOOL YARN AND MEN'S OR BOYS' SUITS AND SUIT-TYPE JACKETS AND TROUSERS OF WORSTED WOOL FABRIC.

(a) SEPARATE TARIFF LINE TREATMENT.--The President shall proclaim 8-digit tariff categories, without changes in existing duty rates, in chapters 51 and 62 of the Harmonized Tariff Schedule of the United States in order to provide separate tariff treatment for

- (1) wool yarn made of wool fiber with an average fiber diameter of 18.5 micron or less, and wool fabrics made from yarns with an average fiber diameter of 18.5 micron or less; and
- (2) men's or boys' suits, suit-type jackets, and trousers of worsted wool fabric, made of wool yarn having an average diameter of 18.5 micron or less.

(b) CONFORMING CHANGES.--The President is authorized to make conforming changes in headings 9902.51.11, 9902.51.12, 9902.51.13, and 9902.51.14 of the Harmonized Tariff Schedule of the United States to take into account the new permanent tariff categories proclaimed under subsection (a).

SEC. 504. MONITORING OF MARKET CONDITIONS AND AUTHORITY TO MODIFY TARIFF REDUCTIONS.

(a) MONITORING OF MARKET CONDITIONS.--Beginning on the date of the enactment of this Act, the President shall monitor market conditions in the United States, including domestic demand, domestic supply, and increases in domestic production, of worsted wool fabrics and their components in the market for--

- (1) men's or boys' worsted wool suits, suit-type jackets, and trousers;

(2) worsted wool fabric and yarn used in the manufacture of such suits, jackets, and trousers; and

(3) wool used in the production of such fabrics and yarn.

(b) AUTHORITY TO MODIFY LIMITATION ON QUANTITY OF WORSTED WOOL FABRICS SUBJECT TO TARIFF REDUCTION.--

(1) **IN GENERAL.--**The President shall, on an annual basis, consider requests made by United States manufacturers of apparel products made of worsted wool fabrics described in subsection (a) to modify the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States, as required by U.S. Notes 15 and 16 of subchapter II of chapter 99 of such Schedule, respectively.

(2) **Consideration of certain market conditions.--**In determining whether to modify the limitation on the quantity of imports of worsted wool fabrics described in paragraph (1), the President shall consider the following United States market conditions:

(A) Increases or decreases in sales of the domestically-produced worsted wool fabrics described in subsection (a).

(B) Increases or decreases in domestic production of such fabrics.

(C) Increases or decreases in domestic production and consumption of the apparel items described in subsection (a).

(D) The ability of domestic producers of worsted wool fabrics described in subsection (a) to meet the needs of domestic manufacturers of the apparel items described in subsection (a) in terms of quantity and ability to meet market demands for the apparel items.

(E) Evidence that domestic manufacturers of worsted wool fabrics have lost sales due to the temporary duty reductions on certain worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States (as added by subsections (a) and (b) of section 501).

(F) Evidence that domestic manufacturers of apparel items described in subsection (a) have lost sales due to the inability to purchase adequate supplies of worsted wool fabrics on a cost competitive basis.

(G) Price per square meter of imports and domestic sales of worsted wool fabrics.

(3) MODIFICATION OF LIMITATION ON QUANTITY OF FABRICS.--

(A) **IN GENERAL.--**If the President determines that the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States should be modified, the President shall proclaim such changes to U.S. Note 15 or 16 to subchapter II of chapter 99 of such Schedule (as added by section 501(d)), as the President determines to be appropriate.

(B) **ADDITIONAL REQUIREMENT.--**In any calendar year, any modification of the limitation on the quantity of imports of worsted wool fabrics under headings 9902.51.11 and 9902.51.12 of the Harmonized Tariff Schedule of the United States shall not exceed--

(i) 1,000,000 square meter equivalents for worsted wool fabrics under heading 9902.51.11; and

(ii) 1,000,000 square meter equivalents for worsted wool fabrics under heading 9902.51.12.

(c) **IMPLEMENTATION.--**The President shall issue regulations necessary to implement the provisions of this section.

SEC. 505. REFUND OF DUTIES PAID ON IMPORTS OF CERTAIN WOOL ARTICLES.

(a) **WORSTED WOOL FABRICS.**--In each of the calendar years 2000, 2001, and 2002, a manufacturer of men's or boys' suits, suit-type jackets, or trousers (not a broker or other individual acting on behalf of the manufacturer to process the import) of imported worsted wool fabrics of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such fabrics in each such calendar year in an amount equal to one-third of the amount of duties paid by the importer on such worsted wool fabrics (without regard to micron level) imported in calendar year 1999.

(b) **WOOL YARN.**--In each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such wool yarn in each such calendar year in an amount equal to one-third of the amount of duties paid by the manufacturer on such wool yarn (without regard to micron level) imported in calendar year 1999.

(c) **WOOL FIBER AND WOOL TOP.**--In each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a refund of duties paid on entries of such wool fiber in each such calendar year in an amount equal to one-third of the amount of duties paid by the manufacturer on such wool fiber (without regard to micron level) imported in calendar year 1999.

(d) **PROPER IDENTIFICATION AND APPROPRIATE CLAIM.**--Any person applying for a rebate under this section shall properly identify and make appropriate claim to the United States Customs Service for each entry involved.

SEC. 506. WOOL RESEARCH, DEVELOPMENT, AND PROMOTION TRUST FUND.

(a) **ESTABLISHMENT.**--There is hereby established within the Treasury of the United States a trust fund to be known as the Wool Research, Development, and Promotion Trust Fund (hereafter in this section referred to as the ``Trust Fund"), consisting of such amounts as may be transferred to the Trust Fund under subsection (b)(1) and any amounts as may be credited to the Trust Fund under subsection (c)(2).

(b) **TRANSFER OF AMOUNTS.**--

(1) **IN GENERAL.**--The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into such general fund that are attributable to the duty received on articles under chapters 51 and 52 of the Harmonized Tariff Schedule of the United States, subject to the limitation in paragraph (2).

(2) **LIMITATION.**--The Secretary shall not transfer more than \$2,250,000 to the Trust Fund in any fiscal year.

(3) **TRANSFER BASED ON ESTIMATES.**--The amounts required to be transferred under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the amounts required to be transferred.

(c) **INVESTMENT OF TRUST FUND.**--

(1) **IN GENERAL.**--It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in the Secretary's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United

States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price or by purchase of outstanding obligations at the market price. Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(2) INTEREST AND PROCEEDS FROM SALE OR REDEMPTION OF OBLIGATIONS.--The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) AVAILABILITY OF AMOUNTS FROM TRUST FUND.--From amounts available in the Trust Fund (including any amounts not obligated in previous fiscal years), the Secretary of Agriculture is authorized to provide grants to a nationally-recognized council established for the development of the United States wool market for the following purposes:

(1) Assist United States wool producers to improve the quality of wool produced in the United States, including to improve wool production methods.

(2) Disseminate information on improvements described in paragraph (1) to United States wool producers generally.

(3) Assist United States wool producers in the development and promotion of the wool market.

(e) REPORTS TO CONGRESS.--The Secretary of the Treasury, in consultation with the Secretary of Agriculture, shall prepare and submit to Congress an annual report on the financial condition and the results of the operations of the Trust Fund, including a description of the use of amounts of grants provided under subsection (d), during the preceding fiscal year and on its expected condition and operations during the next fiscal year.

(f) SUNSET PROVISION.--Effective January 1, 2004, the Trust Fund shall be abolished and all amounts in the Trust Fund on such date shall be transferred to the general fund of the Treasury of the United States.