

to 25 percent of its unused allocation from the prior year. A Licensee whose unused allocation in two consecutive Tariff Rate Quota Years exceeds five percent of the quantity set forth in its license shall have its allocation reduced in the subsequent Tariff Rate Quota Year by a quantity equal to 50 percent of its unused allocation from the prior year.

(f) No penalty will be imposed under paragraph (e) of this section if the Licensee demonstrates to the satisfaction of the Department that the unused allocation resulted from breach by a carrier of its contract of carriage, breach by a supplier of its contract to supply the fabric, act of God, or force majeure.

#### § 335.7 Modifications of the limitation.

In the event the limitation on the quantity of imports of Worsted Wool Fabric under the Tariff Rate Quotas is increased, the increase will be allocated on the same basis as the rest of the Tariff Rate Quotas. Licenses will be issued or adjusted accordingly.

### PART 340—MODIFICATION OF THE TARIFF RATE QUOTA LIMITATION ON WORSTED WOOL FABRIC IMPORTS

Sec.

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340.2 Definitions.

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340.7 Determination.

AUTHORITY: Pub. L. 106-200, 114 Stat. 299; Presidential Proclamation 7383 (December 1, 2000).

SOURCE: 66 FR 6463, Jan. 22, 2001, unless otherwise noted.

#### § 340.1 Purpose.

This part sets forth regulations regarding the procedures for considering requests to modify the limitations on the quantity of imports of fabrics of worsted wool under the Tariff Rate Quotas established by Section 501 of the Act. Section 504 of the Act requires annual consideration of such requests made by U.S. manufacturers of certain

apparel products made of Worsted Wool Fabrics and grants the authority to modify the limitations.

#### § 340.2 Definitions.

For purposes of these regulations and the forms used to implement them:

*The Act* means the Trade and Development Act of 2000 (Public Law No. 106-200, 114 Stat 251).

*The Department* means the United States Department of Commerce.

*HTS* means the Harmonized Tariff Schedule of the United States.

*Imports* subject to Tariff Rate Quotas are defined by date of presentation as defined in 19 CFR 132.1(d) and 19 CFR 132.11(a).

*Production* means cutting and sewing garments in the United States.

*Tariff Rate Quota or Quotas* means the temporary duty reduction provided under Section 501 of the Act for limited quantities of fabrics of worsted wool with average diameters greater than 18.5 micron, certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (HTS heading 9902.51.11), and for limited quantities of fabrics of worsted wool with average diameters of 18.5 microns or less, certified by the importer as suitable for use in making suits, suit-type jackets, or trousers (HTS heading 9902.51.12).

*Tariff Rate Quota Year* means a calendar year for which the Tariff Rate Quotas are in effect.

*Worsted Wool Fabric* means fabric containing at least 85 percent by weight worsted wool.

*Worsted Wool Suits* means men's and boys' worsted wool suits, containing at least 85 percent by weight worsted wool fabric.

*Worsted Wool Suit-Type Jackets* mean men's and boys' worsted wool suit-type jackets, containing at least 85 percent by weight worsted wool fabric.

*Worsted Wool Trousers* means men's and boys' worsted wool trousers, containing at least 85 percent by weight worsted wool fabric.

#### § 340.3 Requests for modification.

(a) On an annual basis, the Department will cause to be published a FEDERAL REGISTER notice soliciting requests from U.S. manufacturers of