

**§ 10.841 Applicability.**

Title V of Public Law 109-432, entitled the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act), amended the Caribbean Basin Economic Recovery Act (the CBERA, 19 U.S.C. 2701-2707) by adding a new section 213A (19 U.S.C. 2703A) to authorize the President to extend additional trade benefits to Haiti. Section 213A of the CBERA provides for the duty-free treatment of certain apparel articles and certain wiring sets from Haiti. The provisions of this subpart set forth the legal requirements and procedures that apply for purposes of obtaining duty-free treatment pursuant to CBERA section 213A.

**§ 10.842 Definitions.**

As used in this subpart, the following terms have the meanings indicated unless either the context in which they are used requires a different meaning or a different definition is prescribed for a particular section of this subpart:

(a) *Apparel articles*. “Apparel articles” means goods classifiable in Chapters 61 and 62 and headings 6501, 6502, 6503, and 6504 and subheadings 6406.99.15 and 6505.90 of the HTSUS;

(b) *Applicable one-year period*. “Applicable one-year period” means each of the following one-year periods:

(1) *Initial applicable one-year period*. “Initial applicable one-year period” means the period beginning on December 20, 2006, and ending on December 19, 2007;

(2) *Second applicable one-year period*. “Second applicable one-year period” means the period beginning on December 20, 2007, and ending on December 19, 2008;

(3) *Third applicable one-year period*. “Third applicable one-year period” means the period beginning on December 20, 2008, and ending on December 19, 2009;

(4) *Fourth applicable one-year period*. “Fourth applicable one-year period” means the period beginning on December 20, 2009, and ending on December 19, 2010; and

(5) *Fifth applicable one-year period*. “Fifth applicable one-year period” means the period beginning on Decem-

ber 20, 2010, and ending on December 19, 2011;

(c) *Customs territory of the United States*. “Customs territory of the United States” means the 50 states, the District of Columbia, and Puerto Rico;

(d) *Declared customs value*. “Declared customs value” means the appraised value of an imported article determined in accordance with section 402 of the Tariff Act of 1930, as amended (19 U.S.C. 1401a);

(e) *Enter; entry*. “Enter” and “entry” refer to the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States;

(f) *Entity controlling production*. “Entity controlling production” means an individual, corporation, partnership, association, or other entity or group that is not a producer and that controls the production process in Haiti through a contractual relationship or other indirect means;

(g) *Fabric component*. “Fabric component” means a component cut from fabric to the shape or form of the component as it is used in the apparel article;

(h) *Foreign material*. “Foreign material” means a material not produced in Haiti or any eligible country described in § 10.844(c);

(i) *HTSUS*. “HTSUS” means the Harmonized Tariff Schedule of the United States;

(j) *Knit-to-shape articles*. “Knit-to-shape,” when used with reference to apparel articles, means any apparel article of which 50 percent or more of the exterior surface area is formed by major parts that have been knitted or crocheted directly to the shape used in the apparel article, with no consideration being given to patch pockets, appliques, or the like. Minor cutting, trimming, or sewing of those major parts will not affect the determination of whether an apparel article is “knit-to-shape”;

(k) *Knit-to-shape components*. “Knit-to-shape,” when used with reference to textile components, means components that are knitted or crocheted from a yarn directly to a specific shape, that is, the shape or form of the component as it is used in the apparel article, containing at least one self-start edge.

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Minor cutting or trimming will not affect the determination of whether a component is “knit-to-shape”;

(l) *Major parts*. “Major parts” means integral components of an apparel article but does not include collars, cuffs, waistbands, plackets, pockets, linings, paddings, trim, accessories, or similar parts or components;

(m) *Producer*. “Producer” means an individual, corporation, partnership, association, or other entity or group that exercises direct, daily operational control over the production process in Haiti;

(n) *Self-start edge*. “Self-start edge,” when used with reference to knit-to-shape components, means a finished edge which is finished as the component comes off the knitting machine. Several components with finished edges may be linked by yarn or thread as they are produced from the knitting machine;

(o) *Subheading*. “Subheading” means the first six digits in the tariff classification number under the HTSUS;

(p) *Wholly assembled in Haiti*. “Wholly assembled in Haiti” means that all of the components of the apparel article (including thread, decorative embellishments, buttons, zippers, or similar components) were joined together in Haiti; and

(q) *Wholly the growth, product, or manufacture*. “Wholly the growth, product, or manufacture,” when used with reference to Haiti or one or more eligible countries described in §10.844(c) of this subpart, refers both to any article which has been entirely grown, produced, or manufactured in Haiti or one or more eligible countries described in §10.844(c) of this subpart and to all materials incorporated in an article which have been entirely grown, produced, or manufactured in Haiti or one or more eligible countries described in §10.844(c) of this subpart.

### §10.843 Articles eligible for duty-free treatment.

The duty-free treatment referred to in §10.841 applies to the following articles that are imported directly from Haiti into the customs territory of the United States:

(a) *Certain apparel articles*. Apparel articles of a producer or entity control-

ling production that are wholly assembled or knit-to-shape in Haiti from any combination of fabrics, fabric components, components knit-to-shape, and yarns, subject to the applicable quantitative limits set forth in U.S. Note 6(g), Subchapter XX, Chapter 98, HTSUS, and provided that the applicable value-content requirement set forth in §10.844(a) of this subpart is met through the use of:

(1) The individual entry method (see §10.844(a)(1) of this subpart); or

(2) The annual aggregation method (see §10.844(a)(2) of this subpart).

(b) *Certain woven apparel articles*. Apparel articles classifiable in Chapter 62 of the HTSUS (other than articles classifiable in subheading 6212.10 of the HTSUS), as in effect on December 20, 2006, that are wholly assembled or knit-to-shape in Haiti from any combination of fabrics, fabric components, components knit-to-shape, and yarns, but do not qualify for duty-free treatment under paragraph (a) of this section because they fail to meet the applicable value-content requirement set forth in §10.844(a) of this subpart, subject to the applicable quantitative limits set forth in U.S. Note 6(h), Subchapter XX, Chapter 98, HTSUS;

(c) *Brassieres*. Any article classifiable in subheading 6212.10 of the HTSUS, that is both cut and sewn or otherwise assembled in Haiti or the United States, or both, without regard to the source of the fabric or components from which the article is made, subject to the quantitative limits set forth in U.S. Note 6(g), Subchapter XX, Chapter 98, HTSUS; and

(d) *Wiring sets*. Any article classifiable in subheading 8544.30.00 of the HTSUS, as in effect on December 20, 2006, that is the product or manufacture of Haiti, provided the article satisfies the value-content requirement set forth in §10.844(b) of this subpart. For purposes of this paragraph, the term “product or manufacture of Haiti” refers to an article that is either:

(1) Wholly the growth, product, or manufacture of Haiti; or

(2) A new or different article of commerce that has been grown, produced, or manufactured in Haiti;