

Kyle M. Baker

08/06/98

12:40:43 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc:

Subject: Angela Oh letter

Phil-

I just received a green dot/BC sig letter from Angela Oh. She wrote on July 18 requesting a meeting with the president. I actually saw this when it first came in and knew that time was short, so I called Judith Winston's shop to confer. I was told that yes, they definitely needed to see the letter and that it should be dealt with as a meeting request and that they would handle. I red-dotted it over to them immediately. So you can imagine how livid I was when I saw that Winston forwarded it you and claimed that it was "inadvertently" forwarded to her office. I would certainly think that they would be the first place a request like this should go since it involves a meeting request from one of their very own Advisory Board members. So I wanted to a) make sure you knew that our office/I didn't drop the ball on this one and b) see what you recommend I do with the letter since now it looks like we ignored Oh's request for a meeting.

I just wish people would do the job they're hired to do...but that's probably a lot to ask for at this point. I also contacted Peter Rundlet regarding this, as he's been extremely helpful in the past in being a buffer between Winston's shop's inefficiency and our need to answer similar letters. He's on vacation right now, but he is checking messages so I hope to hear from him later today.

Thanks for any input you have....

Kyle

Don-
should work with
Judy Winston on - reply.
Call and ask her how she
wants it handled
5/24/98 Phil

Chron

THE WHITE HOUSE
WASHINGTON

Date 8/24

To: Lael Brainard
Ed Rice
From: The Staff Secretary

We received this late on
Friday. I assume you'll
prepare a standard NSC/NBC
package for the President

Phil

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

Recorded
Exec Clerk's office
8/21 5:30 pm

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Richard Fisher 

SUBJECT: Presidential Proclamation to Provide Temporary Duty-Free Treatment to Certain Apparel from Mexico Under NAFTA

Issue

The attached Proclamation provides for temporary, duty-free access for certain suit and suit-type jackets imported from Mexico even though they contain interlining fabric that is not of U.S. origin. The Proclamation is needed because the interlining fabric at issue currently is not made in the United States, and the U.S. apparel industry is no longer able to take advantage of the provision in the North American Free Trade Agreement (NAFTA) that permitted duty-free entry for the products in question.

Background

As a result of the North American Free Trade Agreement (NAFTA), apparel and other textile goods assembled in Mexico from fabrics wholly formed and cut in the United States are eligible for duty-free and quota-free entry into the United States under Harmonized Tariff Schedule (HTS) heading 9802.00.90. The U.S. textile and apparel industry has utilized heading 9802.00.90 to import from Mexico certain suit and suit-type jackets containing interlining fabric that was wholly formed and cut in the United States and was subsequently shipped to Mexico for further processing.

With the loss of domestic capacity to produce certain types of interlining fabrics, the U.S. apparel industry is concerned that it will be unable to take advantage of heading 9802.00.90. Therefore, the industry has asked that the President authorize temporary, duty-free entry for certain suit and suit-type jackets from Mexico containing interlining fabrics imported into the United States, provided that the fabrics are cut in the United States and that the garments otherwise meet the criteria of heading 9802.00.90.

Section 201(b)(1)(A) of the North American Free Trade Agreement Implementation Act (19 U.S.C. § 3331(b)(1)(A)) ("NAFTA Implementation Act") authorizes the President to proclaim such modification or continuation of any duty as the President determines to be necessary or

appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada or Mexico provided for by the NAFTA, subject to the consultation and layover requirements of section 103(a) of the NAFTA Implementation Act. In accordance with these requirements, the U.S. International Trade Commission advised you on January 15, 1997, that the modification proposed in the Proclamation is likely to have no discernible effect on: (a) shipments of U.S.-produced wool and manmade-fiber suit coats; (b) U.S. imports of those products from other sources; (c) associated U.S. employment; or (d) U.S. consumers. In addition, the two relevant private sector advisory committees support the proposed proclamation, and we are unaware of any opposition to presidential action in this matter.

The Proclamation would become effective fifteen days after signature, and would continue for approximately one year. The proclamation would authorize the USTR to extend duty-free access for one additional year, after consulting with the appropriate industry sector advisory committees.

RECOMMENDATION:

I recommend that you sign the attached Proclamation.

Attachment

TO MODIFY CERTAIN PROVISIONS OF
THE SPECIAL TEXTILE AND APPAREL REGIME IMPLEMENTED
UNDER THE NORTH AMERICAN FREE TRADE AGREEMENT

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. On December 17, 1992, the Governments of Canada, Mexico, and the United States entered into the North American Free Trade Agreement ("the NAFTA"). The NAFTA was approved by the Congress in section 101(a) of the North American Free Trade Agreement Implementation Act ("the NAFTA Implementation Act") (19 U.S.C. 3311(a)), and was implemented with respect to the United States by Presidential Proclamation 6641 of December 15, 1993.

2. Section 201(b)(1)(A) of the NAFTA Implementation Act (19 U.S.C. 3331(b)(1)(A)) authorizes the President to proclaim such modifications or continuation of any duty as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada or Mexico provided for by the NAFTA, subject to the consultation and layover requirements of section 103(a) of the NAFTA Implementation Act (19 U.S.C. 3313(a)). Among the provisions previously proclaimed to implement the NAFTA schedule of concessions is heading 9802.00.90 of the Harmonized Tariff Schedule of the United States ("HTS"), which affords duty-free entry into the United States of certain textile and apparel goods assembled in Mexico, in which all fabric components were wholly formed and cut in the United States and then exported to Mexico ready for assembly and there assembled and returned to the U.S. customs territory.

3. In order to maintain the general level of reciprocal and mutually advantageous concessions under the NAFTA, I have determined that new provisions should be added to chapter 99 of the HTS to provide that specified apparel articles, which are assembled in Mexico using interlining fabrics that are cut but not formed in the United States, and which otherwise meet the conditions set forth in HTS heading 9802.00.90, may enter the

United States free of duty on a temporary basis because the necessary interlining fabrics for such apparel are no longer formed in the United States. The consultation and layover requirements provided for in section 103(a) of the NAFTA Implementation Act have been observed.

4. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483) ("Trade Act"), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other Acts affecting import treatment and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including, but not limited to, sections 103(a) and 201(b) of the NAFTA Implementation Act, section 604 of the Trade Act, and section 301 of title 3, United States Code, do proclaim that:

(1) Subchapter VI of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(3)(a) The modifications to the HTS made by this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the fifteenth day after the signing of this proclamation.

(b) At the close of the effective period specified therefor in the Annex, HTS subheadings 9906.98.02 and 9906.98.03 shall cease to apply to imported articles, except that goods described in such subheadings that were shipped and in transit on a through bill of lading on such specified date shall be eligible for the tariff treatment specified therein as if entered on the last day of such effective period. At the close of the day that is one year from the close of the effective period specified in such HTS subheadings, U.S. note 28 to subchapter VI of chapter 99, such subheadings and their immediately superior text

beginning with the word "Apparel" shall all be deleted from the HTS.

(c) The United States Trade Representative is authorized, after obtaining advice from the appropriate advisory committees established under section 135 of the Trade Act (19 U.S.C. 2155), to extend the effective period of the new tariff provisions for one additional year, upon publication in the Federal Register of a notice modifying the new HTS subheadings accordingly.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of , in the year of our Lord nineteen hundred and
ninety-eight, and of the Independence of the United States of
America the two hundred and twenty-third.

ANNEX

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the fifteenth day after the President signs this Proclamation, the Harmonized Tariff Schedule of the United States ("HTS") is modified by inserting in numerical sequence in subchapter VI of chapter 99 the following new U.S. note, tariff subheadings and superior text, with language inserted in columns of the HTS headed "Heading/Subheading", "Article Description", "Rates of Duty 1-Special", and "Effective Period", and with the new superior text inserted at the same level of indentation as the article description in subheading 9906.73.02:

[U.S. Note:]

"28. For purposes of subheadings 9906.98.02 and 9906.98.03, the term "interlining fabrics" refers to the following:

- (a) A chest plate, "hymo" piece or "sleeve header" of woven or weft-inserted warp knit construction, the foregoing of coarse animal hair or man-made filaments, of a type used in the manufacture of men's, boys', women's or girls' tailored suit jackets and suit-type jackets;
- (b) A weft-inserted warp knit fabric that contains and exhibits properties of elasticity and resilience which render the fabric especially suitable for attachment by fusing with a thermoplastic adhesive to the coat-front, side body or back of men's or boys' tailored suit jackets and suit-type jackets; or
- (c) A woven fabric that contains and exhibits properties of resiliency which render the fabric especially suitable for attachment by fusing with a thermo-plastic adhesive to the coat-front, side body or back of men's, boys', women's or girls' tailored suit jackets and suit-type jackets."

[HTS subheadings:]

	:	"Apparel articles assembled in Mexico in which all	:	:	:	:
	:	fabric components were wholly formed and cut in	:	:	:	:
	:	the United States except interlining fabrics of	:	:	:	:
	:	a type described in U.S. note 28 to this subchap-	:	:	:	:
	:	ter that were cut in the United States but not	:	:	:	:
	:	formed therein and that are incorporated in such	:	:	:	:
	:	articles, the foregoing of a type otherwise	:	:	:	:
	:	described in heading 9802.00.90 of the tariff	:	:	:	:
	:	schedule:	:	:	:	:
9906.98.02	:	Men's or boys' suit-type jackets, whether	:	:	:	:
	:	or not imported as parts of suits or	:	:	:	:
	:	ensembles, the foregoing of wool or fine	:	:	:	:
	:	animal hair or of man-made fibers or sub-	:	:	:	:
	:	ject to wool restraints or to man-made	:	:	:	:
	:	fiber restraints (provided for in sub-	:	:	:	:
	:	headings 6103.11.00, 6103.12.10, 6103.12.20,	:	:	:	:
	:	6103.19.10, 6103.19.15, 6103.19.90,	:	:	:	:
	:	6103.21.00, 6103.23.00, 6103.29.10,	:	:	:	:
	:	6103.31.00, 6103.33.10, 6103.33.20,	:	:	:	:
	:	6103.39.10, 6103.39.80, 6203.11.10,	:	:	:	:
	:	6203.11.20, 6203.12.10, 6203.12.20,	:	:	:	:
	:	6203.19.20, 6203.19.30, 6203.19.90,	:	:	:	:
	:	6203.21.00, 6203.23.00, 6203.29.20,	:	:	:	:
	:	6203.31.00, 6203.33.10, 6203.33.20,	:	:	:	:
	:	6203.39.10, 6203.39.20, or 6203.39.90).....	:	:Free (MX)	:	:On or
	:		:	:	:	:before
	:		:	:	:	:08/31/99
	:		:	:	:	:
9906.98.03	:	Women's or girls' suit-type jackets, whether	:	:	:	:
	:	or not imported as parts of suits or ensem-	:	:	:	:
	:	bles, the foregoing of wool or fine animal	:	:	:	:
	:	hair or of man-made fibers or subject to	:	:	:	:
	:	wool restraints or to man-made fiber	:	:	:	:
	:	restraints (provided for in subheadings	:	:	:	:
	:	6104.11.00, 6104.13.10, 6104.13.20,	:	:	:	:
	:	6104.19.10, 6104.19.15, 6104.19.80,	:	:	:	:
	:	6104.21.00, 6104.23.00, 6104.29.10,	:	:	:	:
	:	6104.29.20, 6104.31.00, 6104.33.10,	:	:	:	:
	:	6104.33.20, 6104.39.10, 6104.39.20,	:	:	:	:
	:	6204.11.00, 6204.13.10, 6204.13.20,	:	:	:	:
	:	6204.19.10, 6204.19.20, 6204.19.80,	:	:	:	:
	:	6204.21.00, 6204.23.00, 6204.29.20,	:	:	:	:
	:	6204.29.40, 6204.31.10, 6204.31.20,	:	:	:	:
	:	6204.33.10, 6204.33.20, 6204.33.40,	:	:	:	:
	:	6204.33.50, 6204.39.20, 6204.39.30,	:	:	:	:
	:	or 6204.39.80).....	:	:Free (MX)	:	:On or
	:		:	:	:	:before
	:		:	:	:	:08/31/99"
	:		:	:	:	:

TO MODIFY CERTAIN PROVISIONS OF
THE SPECIAL TEXTILE AND APPAREL REGIME IMPLEMENTED
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4. Section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483) ("Trade Act"), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other Acts affecting import treatment and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

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beginning with the word "Apparel" shall all be deleted from the HTS.

(c) The United States Trade Representative is authorized, after obtaining advice from the appropriate advisory committees established under section 135 of the Trade Act (19 U.S.C. 2155), to extend the effective period of the new tariff provisions for one additional year, upon publication in the Federal Register of a notice modifying the new HTS subheadings accordingly.

IN WITNESS WHEREOF, I have hereunto set my hand this
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- (b) A weft-inserted warp knit fabric that contains and exhibits properties of elasticity and resilience which render the fabric especially suitable for attachment by fusing with a thermoplastic adhesive to the coat-front, side body or back of men's or boys' tailored suit jackets and suit-type jackets; or
- (c) A woven fabric that contains and exhibits properties of resiliency which render the fabric especially suitable for attachment by fusing with a thermo-plastic adhesive to the coat-front, side body or back of men's, boys', women's or girls' tailored suit jackets and suit-type jackets."

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	:	a type described in U.S. note 28 to this subchap-	:	:	:	:
	:	ter that were cut in the United States but not	:	:	:	:
	:	formed therein and that are incorporated in such	:	:	:	:
	:	articles, the foregoing of a type otherwise	:	:	:	:
	:	described in heading 9802.00.90 of the tariff	:	:	:	:
	:	schedule:	:	:	:	:
9906.98.02	:	Men's or boys' suit-type jackets, whether	:	:	:	:
	:	or not imported as parts of suits or	:	:	:	:
	:	ensembles, the foregoing of wool or fine	:	:	:	:
	:	animal hair or of man-made fibers or sub-	:	:	:	:
	:	ject to wool restraints or to man-made	:	:	:	:
	:	fiber restraints (provided for in sub-	:	:	:	:
	:	headings 6103.11.00, 6103.12.10, 6103.12.20,	:	:	:	:
	:	6103.19.10, 6103.19.15, 6103.19.90,	:	:	:	:
	:	6103.21.00, 6103.23.00, 6103.29.10,	:	:	:	:
	:	6103.31.00, 6103.33.10, 6103.33.20,	:	:	:	:
	:	6103.39.10, 6103.39.80, 6203.11.10,	:	:	:	:
	:	6203.11.20, 6203.12.10, 6203.12.20,	:	:	:	:
	:	6203.19.20, 6203.19.30, 6203.19.90,	:	:	:	:
	:	6203.21.00, 6203.23.00, 6203.29.20,	:	:	:	:
	:	6203.31.00, 6203.33.10, 6203.33.20,	:	:	:	:
	:	6203.39.10, 6203.39.20, or 6203.39.90).....	:	:Free (MX)	:	:On or
	:		:	:	:	:before
	:		:	:	:	:08/31/99
9906.98.03	:	Women's or girls' suit-type jackets, whether	:	:	:	:
	:	or not imported as parts of suits or ensem-	:	:	:	:
	:	bles, the foregoing of wool or fine animal	:	:	:	:
	:	hair or of man-made fibers or subject to	:	:	:	:
	:	wool restraints or to man-made fiber	:	:	:	:
	:	restraints (provided for in subheadings	:	:	:	:
	:	6104.11.00, 6104.13.10, 6104.13.20,	:	:	:	:
	:	6104.19.10, 6104.19.15, 6104.19.80,	:	:	:	:
	:	6104.21.00, 6104.23.00, 6104.29.10,	:	:	:	:
	:	6104.29.20, 6104.31.00, 6104.33.10,	:	:	:	:
	:	6104.33.20, 6104.39.10, 6104.39.20,	:	:	:	:
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	:	6204.19.10, 6204.19.20, 6204.19.80,	:	:	:	:
	:	6204.21.00, 6204.23.00, 6204.29.20,	:	:	:	:
	:	6204.29.40, 6204.31.10, 6204.31.20,	:	:	:	:
	:	6204.33.10, 6204.33.20, 6204.33.40,	:	:	:	:
	:	6204.33.50, 6204.39.20, 6204.39.30,	:	:	:	:
	:	or 6204.39.80).....	:	:Free (MX)	:	:On or
	:		:	:	:	:before
	:		:	:	:	:08/31/99"



U.S. Department of Justice

Office of Legal Counsel

Office of the
Deputy Assistant Attorney General

Washington, DC 20530

August 21, 1998

MEMORANDUM

Re: Proposed Proclamation Entitled
"To Modify Certain Provisions of the
Special Textile and Apparel Regime
Implemented Under the North American
Free Trade Agreement"

The attached proposed Proclamation was prepared by the Office of the United States Trade Representative and forwarded to this Department for review with respect to form and legality.

The proposed Proclamation would provide temporary, duty-free entry for certain suits and suit-type jackets from Mexico containing interlining fabric that was cut but not formed in the United States. This action is authorized by section 201(b) of the North American Free Trade Agreement Implementation Act (19 U.S.C. § 3331(b)), which allows the President to modify or continue any duty he determines is necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada and Mexico provided for by the North American Free Trade Agreement, and by section 604 of the Trade Act of 1974 (19 U.S.C. § 2483), which authorizes the President to embody in the Harmonized Tariff Schedule of the United States the modification of any rate of duty.

We rely upon the United States Trade Representative with respect to the accuracy of all non-legal provisions.

The proposed Proclamation is approved with respect to form and legality.

A handwritten signature in cursive script, reading "Beth Nolan", is positioned above the printed name.

Beth Nolan

Deputy Assistant Attorney General



U.S. Department of Justice

Office of Legal Counsel

Office of the
Deputy Assistant Attorney General

Washington, DC 20530

August 21, 1998

The President,

The White House.

My dear Mr. President:

I am herewith transmitting a proposed Proclamation entitled "To Modify Certain Provisions of the Special Textile and Apparel Regime Implemented Under the North American Free Trade Agreement." This proposed Proclamation was prepared by the Office of the United States Trade Representative and forwarded to this Department for review with respect to form and legality.

The proposed Proclamation is approved with respect to form and legality.

Respectfully,

A handwritten signature in black ink, appearing to read "Beth Nolan", is written above the printed name.

Beth Nolan

Deputy Assistant Attorney General