

the Federal Aviation Administration proposes to amend part 39 of the Federal Aviation Regulations (14 CFR part 39) as follows:

PART 39—AIRWORTHINESS DIRECTIVES

1. The authority citation for part 39 continues to read as follows:
Authority: 49 U.S.C. 106(g), 40113, 44701.

§ 39.13 [Amended]
2. FAA amends § 39.13 by adding a new airworthiness directive (AD) to read as follows:
Dornier Luftfahrt GMBH: Docket No. 2000–CE–AD
(a) *What airplanes are affected by this AD?* This AD affects Models 228–100, 228–101, 228–200, and 228–201, 228–202, and 228–212 airplanes, all serial numbers, that:
(1) Are certificated in any category; and
(2) Have windshield spray nozzle option SCN 3109 installed.

(b) *Who must comply with this AD?*
Anyone who wishes to operate any of the above airplanes must comply with this AD.
(c) *What problem does this AD address?*
The actions specified by this AD are intended to prevent the windshield spray nozzle heating system from overheating, which could result in smoke in the cockpit and prompt the crew to initiate emergency actions.
(d) *What actions must I accomplish to address this problem?* To address this problem, you must accomplish the following:

Action	Compliance time	Procedures
(1) Deactivate the windshield spray nozzle heating elements by cutting wire ME16F20 at the splice at frame 7. Cap (MS2574–2 caps) and stow cables.	Within the next 100 hours time-in-service (TIS) after the effective date of this AD, unless already accomplished.	Dornier All Operators Telefax (AOT) No. AOT–228–30–022, dated September 9, 1998, references this action.
(2) Do not install, on any affected airplane, windshield spray nozzle option SCN 3109.	As of the effective date of this AD	Not Applicable.

(e) *Can I comply with this AD in any other way?* You may use an alternative method of compliance or adjust the compliance time if:
(1) Your alternative method of compliance provides an equivalent level of safety; and
(2) The Manager, Small Airplane Directorate, approves your alternative. Submit your request through an FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Small Airplane Directorate.

Note 1: This AD applies to each airplane identified in paragraph (a) of this AD, regardless of whether it has been modified, altered, or repaired in the area subject to the requirements of this AD. For airplanes that have been modified, altered, or repaired so that the performance of the requirements of this AD is affected, the owner/operator must request approval for an alternative method of compliance in accordance with paragraph (e) of this AD. The request should include an assessment of the effect of the modification, alteration, or repair on the unsafe condition addressed by this AD; and, if you have not eliminated the unsafe condition, specific actions you propose to address it.

(f) *Where can I get information about any already-approved alternative methods of compliance?* Contact Karl M. Schletzbaum, Aerospace Engineer, FAA, Small Airplane Directorate, 901 Locust, Room 301, Kansas City, Missouri 64106; telephone: (816) 329–4146; facsimile: (816) 329–4090.

(g) *What if I need to fly the airplane to another location to comply with this AD?* The FAA can issue a special flight permit under sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate your airplane to a location where you can accomplish the requirements of this AD.

(h) *How do I get copies of the documents referenced in this AD?* You may obtain copies of the documents referenced in this AD from

Dornier Luftfahrt GmbH, Product Support, P.O. Box 1103, D–82230 Wessling, Federal Republic of Germany; telephone: (08153) 302631; facsimile: (08153) 304463. You may examine these documents at FAA, Central Region, Office of the Regional Counsel, 901 Locust, Room 506, Kansas City, Missouri 64106.

Note 2: The subject of this AD is addressed in German AD Number 1999–030/2, dated April 8, 1999.

Issued in Kansas City, Missouri, on October 20, 2000.
James E. Jackson,
Acting Manager, Small Airplane Directorate,, Aircraft Certification Service.
[FR Doc. 00–27563 Filed 10–25–00; 8:45 am]
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DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Part 10

[T.D. 00–74]

RIN 1515–AC79

Refund of Duties Paid on Imports of Certain Wool Products

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document proposes to amend the Customs Regulations to implement the provisions of section 505 of Title V of the Trade and Development Act of 2000. Section 505 permits U.S. manufacturers of certain wool articles to

claim a limited refund of duties paid in each of calendar years 2000, 2001, and 2002 on imports of select wool products. The maximum amount eligible to be refunded in each of these successive claim years is limited to an amount not to exceed one-third of the amount of duties actually paid on such wool products imported in calendar year 1999. The proposed amendments contained in this document set forth the eligibility, documentation, and procedural requirements necessary to substantiate a claim for a duty refund under the terms of the statute.

DATES: Comments must be received on or before November 16, 2000.

ADDRESSES: Written comments (preferably in triplicate) may be submitted to and inspected at the Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC. 20229.

FOR FURTHER INFORMATION CONTACT: Bruce Ingalls, Chief, Entry and Drawback Management (202) 927–1082.

SUPPLEMENTARY INFORMATION:

Background

On May 18, 2000, President Clinton signed into law the Trade and Development Act of 2000 (“the Act”), Public Law 106–200, 114 Stat. 251. Title V of the Act concerns imports of certain wool articles and sets forth provisions intended to provide tariff relief to U.S. manufacturers of men’s and boys’ worsted wool suits, suit-type jackets, and trousers. Within Title V, section 505

provides for a limited refund of duties paid on imports of certain wool articles.

Section 505

Paragraph (a) of section 505 provides for a refund of duties paid on imports of certain worsted wool fabrics. Specifically, paragraph (a) provides for a limited refund of duties paid, in each of calendar years 2000, 2001 and 2002, on imports of worsted wool fabrics of the kind described in subheadings 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States (HTSUS), to manufacturers of men's or boys' suits, suit-type jackets, or trousers of such imported worsted wool fabric, who may or may not be the importer of the worsted wool fabric. The amount of duties eligible to be refunded to the manufacturer in each of calendar years 2000, 2001, and 2002 is limited to an amount not to exceed one-third of the amount of duties actually paid by the manufacturer or the importer on such worsted wool fabrics imported in calendar year 1999.

It is noted that the statute prohibits a broker or other individual acting on behalf of the manufacturer from being eligible to claim such a duty refund.

Section 505(b) provides for a refund of duties paid on imports of certain wool yarn. This provision permits a manufacturer of worsted wool fabric, who has imported wool yarn of the kind described in subheading 9902.51.13, HTSUS, to be eligible to claim a limited refund of the duties paid on entries of such wool yarn in each of calendar years 2000, 2001, and 2002. The amount of duties eligible to be refunded in each of these calendar years is limited to an amount not to exceed one-third of the amount of duties actually paid by the importing-manufacturer on such wool yarn imported in calendar year 1999.

Section 505(c) provides for a refund of duties paid on imports of certain wool fiber and wool top. Paragraph (c) permits a manufacturer of wool yarn or wool fabric, who has imported wool fiber or wool top of the kind described in subheading 9902.51.14, HTSUS, to be eligible to claim a limited refund of the duties paid on entries of such wool fiber or wool top in each of calendar years 2000, 2001, and 2002. Again, the amount of duties eligible to be refunded in each of these calendar years is limited to an amount not to exceed one-third of the amount of duties actually paid by the importing-manufacturer on such wool yarn imported in calendar year 1999.

It should be noted that while sections 505(b) and (c) require that a manufacturer also be the importer in

order to be eligible to claim a wool duty refund under the terms of the statute, section 505(a) does not require a manufacturer of men's or boys' suits, suit-type jackets, or trousers of worsted wool fabric to also be the importer of the worsted wool fabric to be eligible for the refund.

Section 505(d) requires that any claimant applying for a wool duty refund must identify each entry involved and provide appropriate information by which Customs is able to substantiate a claim for a refund of duties under this statute.

HTSUS Subheadings Identified in Sections 501, 502 and 505 of the Act

Paragraphs (a), (b) and (c) to section 505 identify the HTSUS tariff provisions set forth in subchapter II of chapter 99 that provide the basis for a duty refund claim under this section. The chapter 99 provisions were promulgated in sections 501 and 502 of the Act for purposes of implementing temporary duty reductions and temporary duty suspensions for certain wool products.

Although the chapter 99 subheadings do not become effective until January 1, 2001, they are statutorily defined in sections 501 and 502 of the Act as including subheadings for eligible wool products that were in effect in the 1999 and 2000 HTSUS. As section 505 permits claims for duty refunds to be made in calendar year 2000, and the amount of duties eligible to be refunded for claim year 2000 is limited to an amount not to exceed one-third of duties actually paid on select wool products imported in calendar year 1999, it is necessary to identify the 1999 and 2000, HTSUS, wool provisions that correlate to the chapter 99 subheadings identified in section 505. To that end, it is noted that:

- Section 501(a)(1) creates new subheading 9902.51.11, HTSUS, that describes “[F]abrics, 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)”;

- Section 501(b)(1) creates new subheading 9902.51.12, HTSUS, that describes “[F]abrics, 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)”;

- Section 502(a) creates new subheading 9902.51.13, HTSUS, that

describes “[Y]arn, 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 5107.10.00)”;

- Section 502(b) creates new subheading 9902.51.14, HTSUS, that describes “[W]ool fiber, waste, garnetted stock, combed wool, or wool top, having average fiber diameters of 18.5 micron or less (provided for in subheadings 5101.11; 5101.19; 5101.21; 5101.29; 5101.30; 5103.10; 5103.20; 5104.00; 5105.21; or 5105.29)”.

Proposed Implementation

In this document, Customs is proposing its implementation of section 505. As the wool duty refund program authorized by section 505 limits the total amount of refunds available to eligible claimants in each of calendar years 2000, 2001 and 2002, to an amount not to exceed one-third of the duties paid on eligible wool products imported in calendar year 1999, Customs needs to determine the total amount of duties paid in calendar year 1999 both on an aggregate level and per claimant.

Using ACS To Determine the Amount of Duty Refund Eligible To Be Received in Each of Calendar Years 2000, 2001 and 2002

Customs will use government data generated by the Automated Commercial System (ACS) to determine the total amount of duties paid on eligible wool products imported in calendar year 1999. To this end, separate ACS queries will be run to determine the total amount of duties paid on wool products imported in calendar year 1999 for the following HTSUS subheading categories:

- 5112.11.20 and 5112.19.90;
- 5107.10.00; and
- 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, and 5105.29.

For purposes of duty refund claims made pursuant to section 505(a), one-third of the ACS-generated amount for duties paid on 1999 imports of merchandise described in HTSUS subheadings 5112.11.20 and 5112.19.90 will establish the maximum amount that is eligible to be refunded in calendar years 2000, 2001, and 2002.

For purposes of duty refund claims made pursuant to section 505(b), one-third of the ACS-generated amount for duties paid on 1999 imports of merchandise described in HTSUS subheadings 5107.10.0 will establish the

maximum amount that is eligible to be refunded in calendar years 2000, 2001, and 2002.

For purposes of duty refund claims made pursuant to section 505(c), one-third of the ACS-generated amount for duties paid on 1999 imports of merchandise described in HTSUS subheadings 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, and 5105.29 will establish the maximum amount that is eligible to be refunded in calendar years 2000, 2001, and 2002.

It should be noted that although one-third of the ACS-generated figure for each of these categories establishes the maximum amount that is eligible to be refunded in calendar years 2000, 2001, and 2002, this entire amount may not necessarily be refunded. Only those amounts of duties that are substantiated by manufacturers, to Customs satisfaction, will be eligible for refund.

Carded Wool Fabrics Do Not Provide the Basis for a Section 505 Wool Duty Refund

Customs notes that HTSUS subheadings 5111.11.70 and 5111.19.60 are not included in the above discussion for the following reason. Section 505(a) of the Act authorizes a refund of duties paid on imports of worsted wool fabrics. Section 505(a) references two new HTSUS subheadings, 9902.51.11 and 9902.51.12, that describe worsted wool fabrics and were intended to provide the basis for a wool duty refund under the terms of the statute. Even though these chapter 99 tariff provisions were created in section 501(a)(1) of the Act and are statutorily defined as including HTSUS subheadings 5111.11.70 and 5111.19.60, these two HTSUS subheadings provide for carded wool fabrics and not worsted wool fabrics. Accordingly, Customs will not consider them purposes of the proposed wool duty refund program. Rather, Customs will only consider the correlating subheadings covering worsted wool fabrics identified above, *i.e.*, HTSUS subheadings 5112.11.20 and 5112.19.90.

Proposed Customs Regulations

Customs is proposing to amend the Customs Regulations by adding a new § 10.184 to implement the terms of section 505. Section 10.184 sets forth the proposed eligibility, documentation and procedural requirements necessary for a claimant to establish the amount of duties paid on eligible wool products in calendar year 1999, and to substantiate a claim for a duty refund in the years 2000, 2001 and 2002 under the statute.

Prospective Wool Duty Refund Claimants Must File a Letter of Intent With Customs To Substantiate the Amount of Duties Paid on Eligible Wool Products Imported in Calendar Year 1999

Customs is proposing that an eligible manufacturer that expects to seek a section 505 duty refund in calendar years 2000, 2001, and 2002, must file with Customs a letter of intent to that effect, along with documentation that substantiates, to Customs satisfaction, the amount of duties paid on eligible wool products imported in calendar year 1999.

As section 505 permits both importing-manufacturers and, in limited circumstances, manufacturers who are not importers, to claim a duty refund, the proposed requirements for filing a letter of intent, with appropriate substantiating documentation, are different for each class of claimant.

Substantiating the Amount of Duties Paid on Eligible Wool Products Imported in Calendar Year 1999 Where the Manufacturer Is the Importer

In the case of a manufacturer who is the importer of the eligible wool products imported in calendar year 1999, it is proposed that the letter of intent set forth the total amount of duties actually paid by the importing-manufacturer on such merchandise. The prospective claimant must attach to the letter of intent a list of relevant entry summary numbers that substantiates this amount. The importing-manufacturer may not list any entry summary number that did not liquidate under the HTSUS subheadings that provide a basis for a wool duty refund.

Substantiating the Amount of Duties Paid on Worsted Wool Fabric Imported in Calendar Year 1999 Where the Manufacturer Is Not the Importer, but Relevant Entry Summary Information Is Available

In the case of a manufacturer who is not the importer of worsted wool fabric imported in calendar year 1999, it is proposed that the manufacturer's letter of intent must identify the importer(s) or supplier(s) who sold such fabric to the manufacturer. It is further proposed that the non-importing manufacturer must attach to the letter of intent copies of all relevant invoices, a completed Customs Form (CF) 5106—Importer ID Input Record (for purposes of administering the duty refund), and a signed affidavit that states that the manufacturer purchased the imported worsted wool fabric from an identified importer(s), or from an identified supplier(s) who has

provided the manufacturer with invoices or other substantiating documentation that establishes that the identified supplier(s) purchased such fabric from the identified importer(s). The manufacturer's signed affidavit must state that either the importer of the worsted wool fabric has agreed to provide the relevant entry summary numbers directly to the manufacturer, in which case the relevant entry summary numbers will be attached to the manufacturer's signed affidavit, or the importer has agreed to submit the relevant entry summary information directly to Customs as an attachment to the importer's signed affidavit.

Required Content of an Importer's Signed Affidavit in Support of a Non-Importing Manufacturer's Letter of Intent

If an importer chooses to assist in the substantiation of a manufacturer's letter of intent, and elects to submit the relevant entry summary numbers directly to Customs, it is proposed that the importer must submit such information as an attachment to a signed affidavit. The attached entry summary numbers must substantiate the amount of fabric sold to the identified manufacturer, as evidenced by the manufacturer's submitted invoices, and the importer must state that no entry summary number has been listed that did not liquidate under HTSUS subheadings 5112.11.20 or 5112.19.90. The importer's signed affidavit must attest to the fact that the importer sold worsted wool fabric, of a kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, and imported in calendar year 1999, either directly to the identified manufacturer or to the manufacturer through an identified third-party supplier.

Substantiating the Amount of Duties Paid on Worsted Wool Fabric Imported in Calendar Year 1999 Where the Manufacturer Is Not the Importer, and Entry Summary Information Is Not Available

Where a manufacturer is the purchaser, but not the importer, of worsted wool fabric of the kind imported in calendar year 1999 and described in HTSUS subheadings 5112.11.20 or 5112.19.90, and the importer of such fabric is unable or unwilling to provide the relevant entry summary numbers to either the manufacturer or Customs, Customs is aware that it may be difficult for the manufacturer to reconstruct the amount of duties actually paid on such imports. Accordingly, it is proposed that in such circumstances a non-importing

manufacturer may attempt to substantiate the amount of duties paid on calendar year 1999 imports of worsted wool fabric by submitting relevant calendar year 1999 invoices to Customs. Although early year 1999 invoices may describe fabric that was actually imported in calendar year 1998, and, conversely, some worsted wool fabric that was actually imported in calendar year 1999 may be described in invoices dated year 2000 and later, Customs is of the view that limiting acceptable invoices for purposes of substantiating the amount of duties paid in calendar year 1999 to those invoices that are dated calendar year 1999 represents a reasonable compromise. An invoice used for this purpose must relate to fabric that is of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90. Additionally, it is proposed that where an invoice is used to substantiate the amount of duties paid on worsted wool fabric imported in calendar year 1999, an adjustment must be made to the monetary amount reflected in the invoice as that amount includes the fabric seller's mark-up, each supplier's mark-up in a distribution chain, as well as the duties already paid upon importation of the fabric. To take this into account Customs proposes, and is seeking public comment on, the use of the following formula to deduct mark-up and calculate the duties paid on the adjusted invoice amount:

(1) Customs will deduct 10 percent (to reflect seller's imputed mark-up) from any invoice amount used to substantiate the amount of duties paid on worsted wool fabric imported in calendar year 1999;

(2) Customs will divide the resulting adjusted invoice amount by 100% plus the duty rate (the 1999 *ad valorem* duty rate of 30.6% applicable to subheadings 5112.11.20 and 5112.19.90) to back out the duty and determine the appraised value; and

(3) Customs will then multiply the appraised value times the 30.6% duty rate.

Although this formula is offered as a reasonable means of calculating the amount of duties paid on an invoice amount, there remain several variables that may substantially alter the accuracy of this formula. First, it is noted that there is no definitive way to establish that the fabric described in an invoice was, in fact, imported in calendar year 1999. Second, the 10% figure (a figure offered to Customs as reasonable by the trade) may be too low or, in the event there are several intermediary fabric sellers, there may be more than one mark-up reflected in the invoice

amount. To ensure that these variables do not result in an artificially high baseline from which the calendar year 2000, 2001 and 2002 duty refunds are calculated, Customs will use ACS to determine importer-specific aggregate 1999 duty payments on HTSUS subheadings 5112.11.20 and 5112.19.90. Customs will then compare the ACS determination with the importer-specific aggregates of all claimants. If the amount claimed exceeds the ACS amount, Customs will adjust the formula used for claims based on invoices associated with that importer. For example, if several manufacturers source their imported worsted wool fabric from the same importer, the aggregate amount claimed by those manufacturers as their 1999 duty payments may not exceed the aggregate amount paid by that importer in 1999. If the aggregate amount claimed for that importer exceeds the ACS aggregate, it is proposed that the 10% deduction, described in step 1 of the duty computation formula discussed above, for all invoice amounts associated with that importer which were used to substantiate the amount of duties paid in calendar year 1999 will be increased on a *pro rata* basis to ensure that aggregate claims do not exceed the ACS-generated amount. In this event, amounts substantiated by entry summary numbers will not be reduced. Thus, if one manufacturer bases his letter of intent on entry summaries associated with an importer and two other manufacturers, whose source is the same importer, base their letters of intent on invoices, and ACS indicates 1999 duty payments are less than the total ascribed to that importer in letters of intent, the 1999 duty amounts claimed by the manufacturer whose letter of intent is based on entry summaries will not be affected. However, the duty amounts claimed by the other two manufacturers will be reduced on a *pro rata* basis.

Invoices May Only Be Used To Substantiate the Amount of Duties Paid on Worsted Wool Fabric in Calendar Year 1999, and May Not Be Used To Substantiate Duties Paid in Claim Years 2000, 2001 and 2002

Section 505(d) requires a wool duty refund claimant to properly identify and make appropriate claim to Customs for each entry used to substantiate the amount of duties paid on eligible wool products in each of calendar claim years 2000, 2001 and 2002. Accordingly, invoices may not be used to substantiate the amount of duties paid in each of these claim years, and may only be used for purposes of substantiating the

amount of duties paid on worsted wool fabric imported in calendar year 1999 where the relevant entry summary information is not available.

Time To File Letter of Intent

It is proposed that a prospective wool duty refund claimant's letter of intent, including all related substantiating documentation and, where necessary, the importer's signed affidavit with attached entry summary information, must be received by Customs no later than January 31, 2001, unless this date is extended upon due notice in the **Federal Register**.

Claimant's Individual Share of the Total Amount of Duties Eligible To Be Refunded

Customs will calculate each claimant's individual share of the total amount of duties eligible to be refunded based on submitted documentation that substantiates, to Customs satisfaction, the amount of duties paid by each claimant, or importer on whom the claimant relies, on eligible wool products imported in calendar year 1999. One-third of a claimant's individual share will constitute the maximum amount that claimant may receive in each of calendar years 2000, 2001, and 2002.

Wool Duty Refund Verification Letter

It is proposed that Customs will issue a wool duty refund verification letter to each prospective claimant that timely and completely substantiates, to Customs satisfaction, the amount of duties paid on eligible wool products imported in calendar year 1999. The verification letter will set forth the prospective claimant's Customs identification number for purposes of the wool duty refund program, the ACS-generated amount of duties paid on calendar year 1999 imports of the eligible wool products per importer that provide the basis for the prospective claimant's wool duty refund claim, the maximum amount of wool duty refund that the prospective claimant is eligible to receive in each of calendar years 2000, 2001, and 2002, and, where the aggregate amount of eligible individual refunds exceeds the relevant ACS-generated amount, the *pro rata* deduction used to adjust the maximum amount of wool duty refund that the prospective claimant will be eligible to receive in each of the claim years.

Customs proposes to issue a verification letter to the manufacturer no later than 30 calendar days from the date the manufacturer's letter of intent, and all required supporting documentation, is received by Customs,

unless this date is extended upon due notice in the **Federal Register**.

Procedures for Filing a Section 505 Wool Duty Refund Claim

As section 505(d) requires claimants to identify each entry that provides the basis for a wool duty refund, it is proposed that all claims for a refund of duties paid on imports of eligible wool products in each of calendar years 2000, 2001, and 2002, must be substantiated by a list of entry summary numbers for that merchandise. No wool duty refunds will be issued to a claimant until all entry summary numbers submitted to Customs for purposes of substantiating the claim are liquidated.

Filing a Wool Duty Refund Claim Where the Manufacturer Is the Importer

To file a wool duty refund claim, it is proposed that a manufacturer who is the importer of eligible wool products in calendar years 2000, 2001, or 2002, provide Customs with a copy of the verification letter the manufacturer received from Customs and a signed affidavit that contains the following information:

- (1) A statement that the affiant is a U.S. manufacturer of certain wool products in the current calendar claim year;
- (2) A statement that the affiant actually paid duties on imports of eligible wool products in the current calendar claim year;
- (3) A statement as to the total amount of duties paid on such merchandise in the current calendar claim year;
- (4) A list of current calendar claim year entry summary numbers, set forth as an attachment to the signed affidavit, that substantiates the total amount of duties paid as set forth in paragraph (3) above, and does not exceed the affiant's individual share of duties eligible to be refunded as set forth in the affiant's verification letter;
- (5) A statement that the manufacturer has not listed any entry summary in paragraph (4) above that has had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law; and
- (6) A list of entry summary numbers, set forth in paragraph (4) above, that is, or may become, subject to any outstanding drawback claim, protest, or any other refund claim authorized by law.

Filing a Wool Duty Refund Claim Where the Manufacturer Is Not the Importer

Where a manufacturer of men's or boys' suits, suit-type jackets, or trousers of worsted wool fabric, of the kind described in HTSUS subheadings

5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12, is not the importer of such fabric, the manufacturer may not possess the requisite entry summary numbers necessary to substantiate a wool duty refund claim. In such situations, it is proposed that the non-importing manufacturer arrange for the importer of such fabric to supply the relevant entry summary numbers to Customs. The importer may either submit the relevant entry summary numbers directly to the non-importing manufacturer, who will attach this information to the manufacturer's signed affidavit, or the importer may submit this information directly to Customs as an attachment to the importer's signed affidavit.

If the importer provides the relevant entry summary numbers directly to the non-importing manufacturer, it is proposed that the manufacturer substantiate a claim for a wool duty refund by submitting to Customs a copy of the verification letter the manufacturer received from Customs, copies of all relevant invoices, and a signed affidavit that contains the following information:

- (1) A statement that the affiant is a U.S. manufacturer, in the current calendar year, of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11, or 9902.51.12;
- (2) A statement that the affiant is not the importer, in the current calendar claim year, of imported worsted wool fabric of the kind described in paragraph (1) above;
- (3) A statement that the affiant purchased imported worsted wool fabric of the kind described in paragraph (1) above from an identified importer(s) or from an identified supplier(s), and copies of relevant invoices are attached;
- (4) Where the affiant purchased imported worsted wool fabric of the kind described in paragraph (1) above, a statement that the affiant has substantiating documentation that establishes that such fabric was imported by the identified importer(s); and
- (5) A list of relevant entry summary numbers that substantiates the amount of duties paid in the current calendar year on worsted wool fabric of the kind described in paragraph (1) above, that is identified in the manufacturer's submitted invoice(s).

If the importer provides the relevant entry summary numbers directly to Customs as an attachment to the importer's signed affidavit, it is proposed that the manufacturer

substantiate a claim for a wool duty refund in the same manner as described above, except that instead of submitting the relevant entry summary numbers to Customs, the non-importing manufacturer must state in the affidavit that the identified importer has agreed to submit this information directly to Customs as an attachment to the importer's signed affidavit. Unless Customs timely receives signed affidavits containing the requisite substantiating information from both the manufacturer and, where applicable, the importer, the manufacturer's claim for a wool duty refund pursuant to section 505 will be deemed incomplete and denied by Customs.

Required Content of an Importer's Signed Affidavit in Support of a Non-Importing Manufacturer's Wool Duty Refund Claim

If an importer chooses to assist in the substantiation of a non-importing manufacturer's wool duty refund claim by submitting the relevant entry summary numbers directly to Customs as an attachment to the importer's signed affidavit, the affidavit must contain the following information:

- (1) A statement that the importer actually paid duties in the current calendar claim year on worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;
- (2) A statement that the importer sold worsted wool fabric of the kind described in paragraph (1) above to the identified manufacturer or to an identified supplier(s);
- (3) A list of relevant entry summary numbers for fabric of the kind described in paragraph (1), in an amount that substantiates that amount of fabric sold to the manufacturer, as evidenced by the manufacturer's invoices;
- (4) A list of any entry summary numbers in paragraph (3) above that has had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law; and
- (5) A list of entry summary numbers, set forth in paragraph (3) above, that is, or may become, subject to any outstanding drawback claim, protest, or any other refund claim authorized by law.

Timely and Complete Wool Duty Refund Claims

In order for a manufacturer's wool duty refund claim to be deemed timely and complete, Customs must receive the substantiating documentation proposed above, including, where applicable, the importer's signed affidavit with relevant

attachments, no later than 90 calendar days from the last day of the calendar year in which duties were paid for which a refund is being sought.

Section 505 Wool Duty Refund Claims and Other Claims for Refunds or Drawback

Once an entry summary has been used to provide the basis for a duty refund claim pursuant to section 505, and the entire amount of duties paid on eligible wool products is refunded to the claimant, it is proposed that Customs will deny any subsequent claim for drawback of the same duties, or any other claim for a refund of those duties. However, if an entry summary has been used to substantiate a claim for a section 505 duty refund, and an amount in duties paid on that entry has not been refunded, it is proposed that the remaining amount may be eligible for drawback or any other refund claim authorized by law. Conversely, if an entry summary has been used to substantiate a drawback claim, or any refund claim authorized by law, and an amount in duties paid on that entry has not been refunded, it is proposed that the remaining amount may be eligible for a subsequent section 505 duty refund claim.

In situations where an entry summary is eligible to substantiate a section 505 claim, as well as a claim for drawback or any other claim authorized by law, it is proposed that the claim that is received first by Customs, and deemed timely and complete, will be processed first.

Comments

Before adopting this proposal as a final rule, consideration will be given to any written comments timely submitted to Customs, including comments on the clarity of this interim rule and how it may be made easier to understand. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.4 of the Treasury Department Regulations (31 CFR 1.4), and § 103.11(b) of the Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9 a.m. and 4:30 p.m. at the Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW., 3rd Floor, Washington, DC.

The Regulatory Flexibility Act and Executive Order 12866

These proposed regulatory changes implement the terms of section 505 of the Trade and Development Act of 2000, which went into effect May 18, 2000.

Because these proposed changes benefit the public by allowing eligible claimants to receive a refund of duties paid on imports of certain wool products, pursuant to the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, it is certified that, if adopted, the proposed amendments will not have a significant impact on a substantial number of small entities. Further, these proposed amendments do not meet the criteria for a "significant regulatory action" as specified in E.O. 12866.

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been reviewed under the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget (OMB) under control number 1515-0227. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

Comments on the collection of information should be sent to OMB, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503. A copy should also be sent to the Regulations Branch at the address set forth above. Comments should be submitted within the time frame that comments are due regarding the substance of the proposal.

Comments are invited on:

- (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- (b) The accuracy of the agency's estimate of the information collection burden;
- (c) Ways to enhance the quality, utility, and clarity of the information to be collected;
- (d) Ways to minimize the information collection burden on respondents, including through the use of automated collection techniques or other forms of information technology; and
- (e) Estimates of capital or start-up costs and costs of operations, maintenance, and purchase of services to provide information.

The collection of information in this proposed rule is in § 10.184. The information requested is necessary to implement the terms of section 505 of the Trade and Development Act of 2000, whereby Customs is authorized to substantiate and process claims for

refunds of duties paid in each of calendar years 2000, 2001, and 2002, on imports of certain wool products. The collection of information is required in order for a claimant to obtain the duty refund. The likely respondents are business organizations who seek a refund of duties paid on imports of eligible wool products in each of calendar years 2000, 2001, and 2002.

Estimated total annual reporting and/or recordkeeping burden: 8,600 hours.

Estimated average annual burden per respondent/recordkeeper: 290 hours.

Estimated number of respondents and/or recordkeepers: 30.

Estimated annual frequency of response: 2.

If this proposal is adopted, part 178 of the Customs Regulations (19 CFR part 178), which lists the information collections contained in the regulations and control numbers assigned by OMB, will be amended accordingly.

Drafting Information

The principal author of this document was Suzanne Kingsbury, Regulations Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

List of Subjects in 19 CFR Part 10

Customs duties and inspection, Imports, Reporting and recordkeeping requirements, Trade agreements.

Proposed Amendment to the Regulations

For the reasons stated above, it is proposed to amend part 10 of the Customs Regulations (19 CFR part 10) as set forth below.

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

1. The general authority citation for part 10 is revised, and a new specific authority citation for § 10.184 is added, to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 22, Harmonized Tariff Schedule of the United States), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314.

* * * * *

Section 10.184 is also issued under Sec. 505, Pub. L. 106-200, 114 Stat. 251;

* * * * *

2. A new center heading and wool refunds § 10.184 is added to read as follows:

§ 10.184 Refund of duties on certain wool imports.

(a) *General.* Section 505 of Title V of Pub. L. 106-200 (114 Stat. 251), entitled

the Trade and Development Act of 2000, authorizes the President to refund duties paid on imports of eligible wool products. The statute permits eligible importing-manufacturers and, in certain circumstances, manufacturers who are not importers, to apply for a refund of duties paid on imports of eligible wool products in each of three succeeding years. Claimants are eligible for a refund of duties paid on imports of eligible wool products in each of calendar years 2000, 2001 and 2002, limited to an amount not to exceed one-third of the duties paid on such wool products imported in calendar year 1999. This section sets forth the legal requirements and procedures that apply for purposes of obtaining this duty refund.

(b) *Eligible wool products.* For purposes for this section, the term "eligible wool product" means an imported wool product described under a Harmonized Tariff Schedule of the United States subheading listed under paragraph (c) of this section, relevant to a manufacturer of the particular wool products specified in paragraph (c).

(c) *Refunds authorized by section 505—(1) Worsted wool fabric.* In each of calendar years 2000, 2001, and 2002, a manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12, is eligible to claim a refund of the duties paid on entries of such fabric that were purchased by the manufacturer. The amount of duties eligible to be refunded to the manufacturer in each of these calendar years is limited to an amount not to exceed one-third of the amount of duties paid on calendar year 1999 imports of such worsted wool fabrics that were purchased by the manufacturer. A broker or other individual acting on behalf of the manufacturer is ineligible to claim a duty refund.

(2) *Wool yarn.* A manufacturer of worsted wool fabric, who imports wool yarn of the kind described in HTSUS subheadings 5107.10.00 and 9902.51.13, is eligible to claim a limited refund of the duties paid by the manufacturer on entries of such wool yarn in each of calendar years 2000, 2001, and 2002. The amount of duties eligible to be refunded in each of these calendar years is limited to an amount not to exceed one-third of the amount of duties paid by the importing-manufacturer on such wool yarn imported in calendar year 1999.

(3) *Wool fiber and wool top.* A manufacturer of wool yarn or wool fabric, who imports wool fiber or wool top of the kind described in HTSUS

subheadings 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, 5105.29, or 9902.51.14, is eligible to claim a limited refund of the duties paid by the manufacturer on entries of such wool fiber or wool top in each of calendar years 2000, 2001, and 2002. The amount of duties eligible to be refunded in each of these calendar years is limited to an amount not to exceed one-third of the amount of duties paid by the importing-manufacturer on such wool yarn imported in calendar year 1999.

(d) *Manufacturer's letter of intent to file a claim for a wool duty refund.* A manufacturer that expects to file a wool duty refund claim in calendar years 2000, 2001, and 2002, pursuant to the terms of paragraph (c) of this section, must first file with Customs a letter of intent to that effect. A manufacturer's letter of intent must substantiate, to Customs satisfaction, the amount of duties paid on eligible wool products imported in calendar year 1999.

(1) *Documentation required where the manufacturer is the importer.* Where a manufacturer is the importer of the eligible wool products imported in calendar year 1999, a letter of intent to file a wool duty refund claim must be signed by the manufacturer or a knowledgeable authorized officer or employee of the manufacturer and must state that, to the best of the signer's knowledge and belief, the information contained in the letter is accurate and truthful. The letter of intent must contain the following information:

(i) A statement of the total amount of duties paid by the importing-manufacturer on eligible wool products imported in calendar year 1999;

(ii) A list of relevant entry summary numbers, set forth as an attachment in either a paper or an electronic format (the latter submitted to Customs on diskette), that substantiates the amount set forth in paragraph (d)(1)(i) of this section; and

(iii) A statement that no entry summary has been listed in paragraph (d)(1)(ii) of this section that did not liquidate under the HTSUS subheadings that provide a basis for a wool duty refund.

(1) *Documentation required where the manufacturer is not the importer, but the manufacturer possesses the relevant entry summary numbers.* Where a manufacturer described in paragraph (c)(1) of this section is not the calendar year 1999 importer of worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, but possesses the relevant entry summary numbers, a letter of intent to file a wool duty refund claim must be

submitted to Customs and signed by the non-importing manufacturer or a knowledgeable authorized officer or employee of the manufacturer. The letter of intent must state that, to the best of the signer's knowledge and belief, the information contained in the letter is accurate and truthful.

(i) The non-importing manufacturer's letter of intent must contain the following information:

(A) A statement as to the identity of the importer(s) or supplier(s) who sold imported worsted wool fabric of the kind described in HTSUS subheadings 5512.11.20 or 5112.19.90 to the manufacturer;

(B) Copies of all relevant invoices, set forth as an attachment, that demonstrate that the manufacturer purchased imported worsted wool fabric of the kind described in paragraph (d)(2)(i)(A) of this section from an identified importer(s) or identified supplier(s) and that establish, where applicable, that the identified supplier(s) purchased such fabric from the identified importer(s);

(B) A completed Customs Form (CF) 5106—Importer ID Input Record, set forth as an attachment; and

(D) A signed affidavit, set forth as an attachment, that contains the following information:

(1) A statement that the affiant is a U.S. manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

(2) A statement that the affiant was not the importer in calendar year 1999 of worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90;

(3) A statement as to the quantity of imported worsted wool fabric of the kind described in paragraph (d)(2)(i)(D)(2) of this section that the affiant purchased from an identified importer(s) or from an identified supplier(s), with copies of relevant invoices attached;

(4) If the affiant purchased fabric of the kind described in paragraph (d)(2)(i)(D)(2) of this section from an identified supplier, a statement that the affiant has been provided with substantiating documentation that establishes that the subject fabric was imported by the identified importer; and

(5) A statement by the affiant that the identified importer(s) has provided a list of relevant entry summary numbers directly to the affiant that substantiates the amount of duties paid in calendar year 1999 on the fabric identified in the submitted invoices, and such

information is set forth as an attachment; or

(6) A statement by the affiant that the identified importer has agreed to submit a signed affidavit directly to Customs with the relevant entry summary numbers attached.

(ii) A non-importing manufacturer's affidavit to substantiate the amount of duties paid on worsted wool fabric imported in calendar year 1999 must be signed by the manufacturer or a knowledgeable authorized officer or employee of the manufacturer, and be submitted to Customs in the following format:

Non-Importing Manufacturer's Affidavit in Support of a Letter of Intent To File a Wool Duty Refund Claim (Where the Manufacturer Possesses the Relevant Entry Summary Numbers)

1. The undersigned, (*name of manufacturer*), is a U.S. manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

2. The undersigned was not the importer in calendar year 1999 of worsted wool fabric of the kind described in item (1) above;

3. The undersigned purchased (*specify quantity*) of imported worsted wool fabric of the kind described in item (1) above from (*name of importer*) or from a supplier (*name of supplier*), and copies of the relevant invoices are attached;

4. Where the undersigned purchased imported worsted wool fabric of the kind described in item (1) above from (*name of supplier*), the undersigned has substantiating documentation that establishes that such fabric was imported by (*name of importer*);

5(a). Attached is a list of relevant entry summary numbers, provided directly to the undersigned by (*name of importer*), that substantiates the amount of duties paid in calendar year 1999 on the fabric identified in the attached invoices; or

5(b). The importer, (*name of importer*), has agreed to submit a signed affidavit directly to Customs that attests to the fact that the importer sold imported worsted wool fabric of the kind described in item (1) above to the undersigned or to identified supplier(s), and to attach a list of the relevant entry summary numbers that substantiates the amount of duties paid in calendar year 1999 on the fabric identified in the attached invoices; and

6. The undersigned attests that the information set forth in this affidavit is true and accurate to the best of the affiant's knowledge and belief.

(iii) If an importer assists in the substantiation of a non-importing manufacturer's letter of intent by submitting relevant entry summary numbers directly to Customs as an attachment to a signed affidavit, the importer's affidavit must be signed by the importer or a knowledgeable officer or employee of the importer and must

state that, to the best of the affiant's knowledge and belief, the information contained in the affidavit is accurate and truthful. The importer's signed affidavit must contain the following information:

(A) A statement that the affiant paid duties on worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, imported in calendar year 1999;

(B) Identification of the claimant, or supplier to the claimant, to whom the affiant sold imported worsted wool fabric of the kind described in paragraph (d)(2)(iii)(A) of this section;

(C) A list of relevant entry summary numbers for worsted wool fabric of the kind described in paragraph (d)(2)(iii)(A) of this section, imported in calendar year 1999, set forth as an attachment in either a paper or an electronic format (the latter submitted to Customs on diskette), that substantiates the amount of duty paid in calendar year 1999 on the fabric sold to the identified claimant or identified supplier, as evidenced by the claimant's invoices; and

(D) A statement that the importer has not listed any entry summary in paragraph (d)(2)(iii)(C) of this section that did not liquidate under HTSUS subheadings 5112.11.20 or 5112.19.90.

(iv) The importer's affidavit in support of a non-importing manufacturer's letter of intent to claim a wool duty refund must be signed by the importer or a knowledgeable officer or employee of the importer, and be submitted to Customs in the following format:

Importer's Affidavit in Support of a Non-Importing Manufacturer's Letter of Intent To Claim a Wool Duty Refund

1. The undersigned, (*name of importer*), is an importer who paid duties on worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, imported in calendar year 1999;

2. The undersigned sold worsted wool fabric of the kind described in item (1) above to a manufacturer identified as (*name of manufacturer*) or to a supplier(s) identified as (*name of supplier*);

3. Attached is a list of relevant entry summary numbers for worsted wool fabric of the kind described in item (1) above that substantiates the amount of duties paid in calendar year 1999 on the fabric that was sold to (*name of manufacturer*) or to (*name of supplier(s)*) by the undersigned;

4. The undersigned has not listed any entry summary in item (3) above that did not liquidate under HTSUS subheadings 5112.11.20 or 5112.11.90; and

5. The undersigned attests that the information set forth in this affidavit is true and accurate to the best of the affiant's knowledge and belief.

(3) *Documentation required where the manufacturer is not the importer and the manufacturer does not possess the relevant entry summary numbers.*

Where a manufacturer described in paragraph (c)(1) of this section is not the calendar year 1999 importer of worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, and does not possess the relevant entry summary numbers, a letter of intent to file a wool duty refund claim must be submitted to Customs and signed by the non-importing manufacturer or a knowledgeable authorized officer or employee of the manufacturer. The letter of intent must state that, to the best of the signer's knowledge and belief, the information contained in the letter is accurate and truthful.

(i) The non-importing manufacturer's letter of intent, where the manufacturer does not possess the relevant entry summary numbers, must contain the following information:

(A) A statement as to the identity of the importer(s) or supplier(s) who sold imported worsted wool fabric of the kind described in HTSUS subheadings 5512.11.20 or 5112.19.90 to the non-importing manufacturer;

(B) Copies of all relevant calendar year 1999 invoices, set forth as an attachment, that demonstrate that the non-importing manufacturer purchased imported worsted wool fabric of the kind described in paragraph (d)(2)(i)(A) of this section from an identified importer(s) or identified supplier(s);

(C) A statement that if the non-importing manufacturer purchased imported worsted wool fabric of the kind described in paragraph (d)(2)(i)(A) of this section from an identified supplier, the manufacturer has substantiating documentation that establishes that such fabric was imported by the identified importer;

(D) A completed Customs Form (CF) 5106—Importer ID Input Record, set forth as an attachment; and

(E) A signed affidavit, set forth as an attachment, that contains the following information:

(1) A statement that the affiant is a U.S. manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

(2) A statement that the affiant was not the importer in calendar year 1999 of worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90;

(3) A statement of the quantity of imported worsted wool fabric of the

kind described in paragraph (d)(3)(i)(D)(2) of this section that the affiant purchased from an identified importer(s) or from an identified supplier(s), with copies of the relevant invoices attached;

(4) A statement that where the affiant purchased imported worsted wool fabric of the kind described in paragraph (d)(3)(i)(D)(2) of this section from an identified supplier, the affiant has substantiating documentation that establishes that such fabric was imported by the identified importer; and

(5) A statement by the affiant that a good faith effort was made to contact the identified importer and request relevant entry summary numbers that substantiate the amount of duties paid in calendar year 1999 on fabric identified in the submitted invoices, but the identified importer is unable or unwilling to provide such assistance.

(ii) A non-importing manufacturer's affidavit to substantiate the amount of duties paid by the importer on worsted wool fabric imported in calendar year 1999, where no entry summary numbers are available, must be signed by the manufacturer or a knowledgeable authorized officer or employee of the manufacturer, and be submitted to Customs in the following format:

Non-Importing Manufacturer's Affidavit in Support of a Letter of Intent To File a Wool Duty Refund Claim (Where the Manufacturer Does Not Possess the Relevant Entry Summary Numbers)

1. The undersigned, (*name of manufacturer*), is a U.S. manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

2. The undersigned was not the importer in calendar year 1999 of worsted wool fabric of the kind described in item (1) above;

3. The undersigned purchased (*specify quantity*) of imported worsted wool fabric of the kind described in item (1) above from (*name of importer*) or from a supplier (*name of supplier*), and copies of relevant invoices are attached;

4. If the undersigned has purchased imported worsted wool fabric of the kind described in item (1) above from (*name of supplier*), the undersigned has substantiating documentation that establishes that such fabric was imported by (*name of importer*);

5. The undersigned attests that a good faith effort was made to contact the identified importer(s) and request that relevant entry summary numbers be provided to either the undersigned or directly to Customs that substantiate the amount of duties paid in calendar year 1999 on fabric identified in the submitted invoices, but the identified importer is unable or unwilling to provide such assistance.

6. The undersigned attests that the information set forth in this affidavit is true

and accurate to the best of the affiant's knowledge and belief.

(4) *Time to file a letter of intent.* A manufacturer's letter of intent to file a wool duty refund claim, including all attachments and, where applicable, the importer's signed affidavit in support of the manufacturer's letter of intent, must be received by Customs no later than January 31, 2001, unless this date is extended upon due notice in the **Federal Register**.

(e) *Customs verification letter.* Customs will issue to a prospective claimant a written verification letter within 30 calendar days from the date Customs receives a timely and complete letter of intent that substantiates, to Customs satisfaction, the amount of duties paid on eligible wool products imported in calendar year 1999. The amount of potential duty refund will be based on the quantity of eligible wool products that was imported by the prospective claimant or, where the prospective claimant was not the importer, purchased by the prospective claimant (as indicated by submitted invoices). If entry summary numbers are used to substantiate the amount of duties paid on eligible wool products in calendar year 1999, the potential refund amount will be limited to the amount of duties paid on such entry summaries that is attributable to that quantity of eligible wool products. If invoices are used to substantiate the amount of duties paid on worsted wool fabrics in calendar year 1999, the amount of duties will be determined by deducting 10 percent from the invoice amounts, dividing the resulting adjusted invoice amounts by 100% plus the duty rate (30.6%) to back out the duty, and then multiplying that amount times the duty rate (30.6%). If the aggregate amount of duties attributable to an importer exceeds the amount of duties paid by that importer in calendar year 1999, as indicated by ACS, an adjustment will be made to those claimants requiring use of the invoice formula. The percentage deducted from the invoice amounts for those claimants will be increased on a *pro rata* basis to ensure that the aggregate amount to be refunded does not exceed the ACS amount. Refund amounts substantiated by entry summary numbers will not be reduced. A letter of verification will set forth the following information:

(1) The prospective claimant's claim identification number;

(2) The ACS-generated amount of duties paid on calendar year 1999 imports of the eligible wool products per importer that provide the basis for

the prospective claimant's wool duty refund claim;

(3) The maximum amount of wool duty refund that the individual prospective claimant will be eligible to receive in each of calendar years 2000, 2001, and 2002; and

(4) Where invoices are used to substantiate the amount of duties paid on worsted wool fabric in calendar year 1999, the percentage that was deducted from the invoice amounts, with accompanying explanation.

(f) *Eligibility criteria to claim a duty refund in calendar years 2000, 2001, and 2002.* To be eligible to claim a refund of duties paid on imports of certain wool products in calendar years 2000, 2001, and 2002, a claimant must be in receipt of a claim verification letter from Customs. Additionally, in each such calendar year a claimant must be:

(1) A U.S. manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12, for which duties were paid in that year;

(2) A U.S. manufacturer of worsted wool fabric who paid duties in that year on imported wool yarn of the kind described in HTSUS subheadings 5107.10.00 or 9902.51.13; or

(3) A U.S. manufacturer of wool yarn or wool fabric who paid duties in that year on imported wool fiber or wool top of the kind described in HTSUS subheadings 5101.11, 5101.19, 5101.21, 5101.29, 5101.30, 5103.10, 5103.20, 5104.00, 5105.21, 5105.29 or 9902.51.14.

(g) *Procedures for filing a claim—(1) Time to file.* An eligible claimant may submit to Customs, once per calendar year, a request for a refund of duties paid on imports of eligible wool products in each of calendar years 2000, 2001, and 2002. A claim may be amended within 30 calendar days from the date of the original submission or, if Customs has notified the claimant in writing that the claim is insufficient to support a duty refund claim or is otherwise defective, within 30 calendar days from the date of the Customs notification. All claims for a wool duty refund, whether original or amended, must be received by Customs within 90 calendar days from the last day of the calendar year for which a wool duty refund is being sought.

(1) *Place to file.* A claim for a refund of duties paid on imports of eligible wool products must be submitted to: U.S. Customs Service, Wool Refund Claim, Residual Liquidation and Protest

Branch, Rm. 761, 6 World Trade Center, New York, N.Y. 10048-0945.

(2) *Documentation.* (i) *Where the manufacturer is the importer.* To file a wool duty refund claim, an importing-manufacturer must provide Customs with a copy of the verification letter the claimant received from Customs and an affidavit, signed by the manufacturer or a knowledgeable officer or employee of the manufacturer, that contains the following information:

(A) A statement that the affiant is a U.S. manufacturer of the kind described in either paragraphs (f)(1), (f)(2) or (f)(3) of this section, in the current calendar claim year;

(B) A statement of the total amount of duties paid by the affiant in that year on eligible wool products;

(C) The total amount of duty refund being claimed;

(D) A list of relevant entry summary numbers, set forth as an attachment and submitted to Customs in either a paper or an electronic format (the latter on diskette), that substantiates the amount of duties for which a refund is being claimed in paragraph (g)(3)(i)(C) of this section, and does not exceed the affiant's share of duties eligible to be refunded as set forth in the attached verification letter;

(E) A statement that no entry summary has been listed in paragraph (g)(3)(i)(D) of this section that has already had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law; and

(F) A statement that identifies, if applicable, any entry summary listed in paragraph (g)(3)(i)(D) of this section that is, or may become, subject to an outstanding drawback claim, protest, or any other refund claim authorized by law.

(ii) *Form of affidavit.* An importing-manufacturer's signed affidavit to substantiate a wool duty refund claim in calendar years 2000, 2001, or 2002 must be signed by the manufacturer, or a knowledgeable officer or employee of the manufacturer, and be submitted to Customs in the following format:

Importing-Manufacturer's Affidavit in Support of a Claim for a Wool Duty Refund Under Section 505 of the Trade and Development Act of 2000, for Calendar Year

1. The undersigned, (*name of manufacturer*), is a U.S. manufacturer of the kind described in either paragraph (f)(1) ☐, (f)(2) ☐ or (f)(3) ☐ [check one] of § 10.184 of the Customs Regulations (19 CFR 10.184(f)), in the current calendar claim year;

2. The undersigned paid (*total amount of duties paid*) in calendar year _____ on eligible wool products;

3. The amount of wool duty refund being claimed is \$ _____;

4. Attached is a list of the relevant current claim year entry summary numbers that substantiate the amount of duty refund being claimed in item (3) above;

5. The undersigned has not listed any entry summary in item (4) above that has had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law;

6. The undersigned will list any entry summary in item (4) above that is, or may become, subject to an outstanding drawback claim, protest, or any other refund claim authorized by law; and

7. The undersigned attests that the information set forth in this affidavit is true and accurate to the best of the affiant's knowledge and belief.

(iii) *Where the manufacturer is not the importer.* To file a wool duty refund claim a manufacturer of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HSTUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12, who is a purchaser but not the importer of such fabric, must provide Customs with a copy of the verification letter the claimant received from Customs and an affidavit signed by the manufacturer, or a knowledgeable officer or employee of the manufacturer, that contains the following information:

(A) A statement that the affiant is a U.S. manufacturer in the current calendar claim year of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

(B) A statement that the affiant is not the importer in the current calendar year of imported worsted wool fabric of the kind described in paragraph (g)(3)(iii)(A) of this section;

(C) A statement as to the quantity of imported worsted wool fabric of the kind described in paragraph (g)(3)(iii)(A) of this section that the affiant purchased from an identified importer(s) or from an identified supplier(s), with copies of relevant invoices attached;

(D) A statement that where the affiant purchased imported worsted wool fabric of the kind described in paragraph (g)(3)(iii)(A) of this section from an identified supplier(s), the affiant has substantiating documentation that establishes that such fabric was imported by the identified importer(s);

(E) A statement by the affiant that the identified importer(s) has provided a list of relevant entry summary numbers directly to the affiant that substantiates the amount of duties paid in the current calendar claim year on the fabric identified in the submitted invoices, and such information is set forth as an attachment; or

(F) A statement by the affiant that the identified importer(s) has agreed to submit a signed affidavit directly to Customs with the relevant entry summary numbers attached, that substantiates the amount of duties paid in the current calendar claim year on the fabric identified in the submitted invoices.

(iv) *Form of affidavit.* A manufacturer who is not the importer of the imported worsted wool fabric must submit to Customs an affidavit to substantiate a wool duty refund claim in calendar years 2000, 2001, or 2002, signed by the manufacturer or a knowledgeable officer or employee of the manufacturer, in the following format:

Non-Importing Manufacturer's Affidavit in Support of a Claim for a Duty Refund Under Section 505 of the Trade and Development Act of 2000, for Calendar Year

1. The undersigned, (*name of manufacturer*), is a U.S. manufacturer in calendar year _____ of men's or boys' suits, suit-type jackets, or trousers, of imported worsted wool of the kind described 5112.11.20, 5112.19.90, 9902.51.11 or 9902.51.12;

2. The undersigned was not the importer of imported worsted wool fabric of the kind described in item (1) above;

3. The undersigned purchased (*specify quantity*) of imported worsted wool fabric of the kind described in item (1) above from (*name of importer(s)*) or from a supplier(s), and the relevant invoices are attached;

4. Where the undersigned purchased imported worsted wool fabric of the kind described in item (1) above from (*name of supplier*), the undersigned has substantiating documentation that establishes that such fabric was imported by (*name of importer*);

5(a). Attached is a list of relevant entry summary numbers, provided directly to the undersigned by (*name of importer*), that substantiates the amount of duties paid in the current calendar claim year on the fabric identified in the attached invoices; or

5(b). The importer, (*name of importer*), has agreed to submit a signed affidavit directly to Customs that attests to the fact that the importer sold imported worsted wool fabric of the kind described in item (1) above to the undersigned or to (*name of supplier*), and has agreed to attach a list of the relevant entry summary numbers that substantiates the amount of duties paid in the current calendar claim year on

the fabric identified in the attached invoices; and

6. The undersigned attests that the information set forth in this affidavit is true and accurate to the best of the affiant's knowledge and belief.

(v) Required content of an importer's signed affidavit in support of a manufacturer's wool duty refund claim.

Where an importer chooses to assist in the substantiation of a non-importing manufacturer's wool duty refund claim by submitting relevant entry summary numbers directly to Customs, such entry information must be set forth as an attachment to an affidavit that is signed by the importer or by a knowledgeable officer or employee of the importer, and must contain the following information:

(A) A statement as the total amount of duties that the importer paid in the current calendar claim year on worsted wool fabric of the kind described in paragraph (g)(3)(iii) of this section;

(B) A statement that the importer sold worsted wool fabric of the kind described in paragraph (g)(3)(iii) of this section, to the identified manufacturer or to the identified supplier(s);

(C) A list of relevant entry summary numbers for the worsted wool fabric of the kind described in paragraph (g)(3)(iii) of this section, set forth as an attachment in either a paper or an electronic format (the latter submitted to Customs on diskette), that substantiates the amount of duties paid during the current calendar claim year on such fabric that was sold by the importer to the identified manufacturer or to the identified supplier(s);

(D) A statement that no entry summary number has been listed in paragraph (g)(3)(v)(C) of this section that has already had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law; and

(E) A statement that lists any entry summary number in paragraph (g)(3)(v)(C) of this section that is, or may become, subject to an outstanding drawback claim, protest, or any other refund claim authorized by law.

(vi) *Form of affidavit.* The importer's affidavit in support of a manufacturer's wool duty refund claim must be signed by the importer or by a knowledgeable officer or employee of the importer, and be submitted to Customs in the following format:

Importer's Affidavit in Support of a Non-Importing Manufacturer's Claim for a Duty Refund Under Section 505 of the Trade and Development Act of 2000, for Calendar Year

1. The undersigned, (*name of importer*), is an importer who paid duties in calendar year _____ on worsted wool fabric of the kind described in HTSUS subheadings 5112.11.20 or 5112.19.90, imported in calendar year 1999;

2. The undersigned sold worsted wool fabric of the kind described in item (1) above to a manufacturer identified as (*name of manufacturer*) or to a supplier(s) identified as (*name of supplier*);

3. Attached is a list of relevant entry summary numbers for worsted wool fabric of the kind described in item (1) above that substantiates the amount of duties paid in the current calendar claim year on such fabric that was sold by the undersigned to (*name of manufacturer*) or to an identified supplier(s) (*name of supplier*);

4. The undersigned has not listed any entry summary in item (3) above that has had 99% or more of the amount of duties paid on that entry refunded pursuant to any refund claim authorized by law;

5. The undersigned will list any entry summary in item (3) above that is, or may become, subject to an outstanding drawback claim, protest, or any other refund claim authorized by law; and

6. The undersigned attests that the information set forth in this affidavit is true and accurate to the best of the affiant's knowledge and belief.

(h) *Wool duty refund claim processing procedures.* Upon receipt of a timely and complete wool duty refund claim filed pursuant to the terms of this section, Customs will determine the liquidation status of the entry summaries used to substantiate the claim. No duty refund will be issued to a claimant until all the entry summaries identified for purposes of substantiating the claim have been liquidated.

(i) *Denial of a wool duty refund claim.* Customs may deny a wool duty refund claim if the claim was not timely filed, if the claimant is not eligible pursuant to the terms of this section, or if the claimant has not complied with the requirements of this section. Customs will provide the claimant with written notice of the denial of the claim, including the reason for the denial.

(j) *Multiple refund claims and pending judicial review—(1) Order of precedence for multiple section 505 duty refund claims.* An eligible claimant is entitled to payment in order of the precedence established by the date and time of submission of a timely and complete claim for a request for refund of duties pursuant to the terms of this section.

(2) *Order of precedence for section 505 duty refund claims and other refund claims.* If a claim for a section 505 duty refund has been received by Customs, and a protest, request for reliquidation, drawback claim, or any other refund claim authorized by law, that relates to any of the eligible wool products identified in any of the entry summaries used to substantiate the filed section 505 claim, has also been filed with Customs but remains undecided, the claim that was received first by Customs, and deemed timely and complete, will be processed first.

(3) *Allowance or denial of subsequent claims.* If an entry has been used to provide the basis for a duty refund claim pursuant to section 505, and the entire amount of duties paid on that entry was refunded to the claimant, a claim for drawback, or any other refund claim authorized by law, that is based on that entry, will be denied by Customs. If an entry has been used to substantiate a claim for a section 505 duty refund, and an amount in duties paid on that entry has not been refunded, the remaining amount may be eligible for subsequent section 505 duty refund claims, drawback, or any other refund claim authorized by law. An entry that has already had 99% or more of the duties paid on that entry refunded by way of a drawback claim, protest, or any other claim authorized by law, may not be used to provide the basis for a wool duty refund claim.

(4) *Pending judicial review.* If a summons involving the tariff classification or the dutiability of an imported wool product has been filed in the Court of International Trade, Customs will deem any entry summary at issue in that judicial proceeding ineligible to substantiate a duty refund claim.

(k) *Penalties and liquidated damages.* A wool duty refund claimant's failure to comply with any of the procedural requirements set forth in this document, or failure to adhere to all applicable laws and regulations, may subject the claimant to penalties, liquidated damages or other administrative sanctions.

Raymond W. Kelly,
Commissioner of Customs.

Approved: October 19, 2000.

John P. Simpson,
Deputy Assistant Secretary of the Treasury.

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