

having its allocation reduced in the subsequent Tariff Rate Quota Year. The subsequent Tariff Rate Quota Year allocation will be reduced from the quantity such Licensee would otherwise have received by a quantity equal to 25 percent of its unused allocation from the prior year. A Licensee whose unused allocation in two or more consecutive Tariff Rate Quota Years exceeds five percent of the quantity set forth in its license shall have its allocation reduced in the subsequent Tariff Rate Quota Year by a quantity equal to 50 percent of its unused allocation from the prior year.

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

[66 FR 6461, Jan. 22, 2001, as amended at 70 FR 25777, May 16, 2005]

## PART 336— IMPORTS OF COTTON WOVEN FABRIC

Sec.

336.1 Purpose.

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AUTHORITY: Section 406 Public Law 109–434, Tax Relief and Health Care Act of 2006. December 9, 2006.

SOURCE: 72 FR 40237, July 24, 2007, unless otherwise noted.

### § 336.1 Purpose.

This part sets forth regulations regarding the issuance and effect of licenses for allocation of Cotton Woven Fabric under the Tariff Rate Quota established by Section 406 of the Act.

### § 336.2 Definitions.

For purposes of these regulations:

*Act* means the Tax Relief and Health Care Act of 2006 (Public Law 109–434).

*Cotton Shirts* means men’s and boys’ cotton shirts made from woven fabric containing 85 percent or more by weight of cotton.

*Cotton Woven Fabric* means woven fabrics of cotton containing 85 percent or more by weight of cotton.

*Department* means the United States Department of Commerce.

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

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

*Licensee* means applicant for an allocation of the Tariff Rate Quota that receives an allocation and a license.

*Manufacturer* means a person or entity that cuts and sews men’s and boys’ cotton woven shirts in the United States.

*Tariff Rate Quota or Quotas* means the temporary duty reduction provided under Section 406 of the Act for limited quantities of cotton woven fabrics entered under HTS headings 9902.52.08 through 9902.52.19 suitable for use in making men’s and boys’ cotton woven shirts.

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

### § 336.3 Eligibility criteria and application requirements to receive allocation.

(a) In each year prior to the Tariff Rate Quota Year, the Department will cause to be published a FEDERAL REGISTER notice soliciting applications to receive an allocation of the Tariff Rate Quotas.

(b) An application for a Tariff Rate Quota must be received, or postmarked by the U.S. Postal Service, within 30 calendar days after the date of publication of the FEDERAL REGISTER notice soliciting applications.

(c) *Eligibility.* The TRQ is available to manufacturers that during the calendar year of the date of application, have cut and sewed men’s and boys’ cotton woven shirts in the United States. Furthermore, an applicant must have, during calendar year 2000, cut and sewed men’s and boys’ cotton shirts in the United States from imported woven fabrics of cotton containing 85 percent or more by weight of cotton of the kind described in HTS headings 9902.52.08 through 9902.52.19