



# Introduction to Haiti HOPE II's Earned Import Allowance Program



INTERNATIONAL  
**T R A D E**  
ADMINISTRATION



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# Earned Import Allowance Program

- Congress passed the Haitian Opportunity through Partnership Encouragement Act (HOPE) in 2006.
- HOPE II's provisions, passed in 2008, were intended to simplify HOPE's trade preference programs to encourage development in Haiti.
- New 3 for 1 Earned Import Allowance Program: For every 3 square meter equivalents (SMEs) of qualifying fabric shipped to Haiti for production of apparel, qualifying apparel producers may export 1 SME of apparel wholly formed or knit-to-shape in Haiti, from Haiti or the Dominican Republic, duty free, regardless of the source of the fabric.
- OTEXA will implement and administer the Earned Import Allowance Program.



## Federal Register Notice: Procedures and Comments

- On September 15, 2008, the Office of Textiles and Apparel (OTEXA) published interim procedures for the Earned Import Allowance Program: See Imports of Certain Apparel Articles: Interim Procedures for the Implementation of the Earned Import Allowance Program Established Under the Food, Conservation, and Energy Act of 2008, 73 FR 53191 (September 15, 2008).
- A copy of the notice is available on OTEXA's website: <http://otexa.ita.doc.gov/fr2006/Interim%20Procedures912.htm>
- Although these procedures are not subject to the requirement to provide prior notice and opportunity for public comment under 5 U.S.C. 553(b)(A) ("Administrative Procedures Act"), OTEXA will consider written comments received by 5 p.m. on November 14, 2008.

# Qualifying Apparel Producer

- **Qualifying Apparel Producer:** An individual, corporation, partnership, association, or other entity or group that exercises direct, daily operational control over the apparel production process in Haiti; or an individual, corporation, partnership, association or other entity that is not a producer and that controls the apparel production process in Haiti through a contractual relationship or other indirect means.

# Qualifying Knit Fabric

- Fabric or knit-to-shape components wholly formed or knit-to-shape in the United States, specified FTA partner countries, or countries designated as beneficiaries of certain trade preference programs, from yarns wholly formed in the United States.
- Fabric or knit-to-shape components must be purchased on or after October 1, 2008, for production of apparel in Haiti.
- Fabrics or knit to shape components are not ineligible if they:
  - Contain nylon filament yarn
  - Total weight of non-U.S. yarns is less than 10% of the total weight of the fabric or knit-to-shape component
  - Contain yarns deemed in short supply



# Qualifying Woven Fabric

- Fabric wholly formed in the United States from yarns wholly formed in the United States.
- Fabric must be purchased on or after October 1, 2008, expressly for production of apparel in Haiti.
- Fabrics are not ineligible if:
  - They contain nylon filament yarn
  - The total weight of non-U.S. yarns is less than 10% of the total weight of the fabric
  - They contain yarns deemed in short supply



# Establishing an Account



- Qualifying apparel producers may submit requests to open accounts, deposit credits and have certificates issued through an interactive online system available through OTEXA's website.
- To establish an account, applicants must submit a request to OTEXA that includes name, address, contact information and a statement explaining why they are eligible as a qualifying apparel producer.
- OTEXA will review the request and verify that the applicant qualifies under HOPE II provisions and Commerce's implementing procedures.
- After the account is opened, qualifying apparel producers may review available balances and account activity online.

## Depositing Credits for Qualifying Fabrics

- Qualifying apparel producers can deposit credits with purchases of qualifying fabrics intended for production of apparel in Haiti.
- Requests to deposit credits must be supported by documentation indicating description and quantity of fabric, the manufacturer, and that fabric is intended for production of apparel in Haiti, among other requirements.
- OTEXA will review requests to deposit credits. Once approved, OTEXA will add the amount to account balance.
- Requests must be made online. Supporting documentation may be submitted online (preferred) or by fax.

## Requesting an Earned Import Allowance Certificate

- A qualifying producer may go online to request an earned import allowance certificate.
- If there is a sufficient balance in the account, a certificate will be automatically generated.
- The amount of the requested withdrawal will be deducted from the account balance.
- The earned import allowance certificate must be presented to Customs and Border Protection with other customs documentation.
- If the account balance is insufficient, the online system will automatically decline the request.

## Supporting Documentation

- Supporting documentation for opening a new account
  - Letter affirming that the applicant is a qualifying producer of apparel in Haiti or controls the apparel production process in Haiti through a contractual relationship or other indirect means
- Supporting documentation for depositing credits
  - A copy of the Shipper's Export Declaration (SED) or its successor, a printout of the Electronic Export Information (EEI) submitted to the Census Bureau via its online system
  - A copy of an invoice from a supplier of qualifying fabric indicating the date and amount of fabric purchased and that it was sold to the qualifying apparel producer

# Verification of Requests

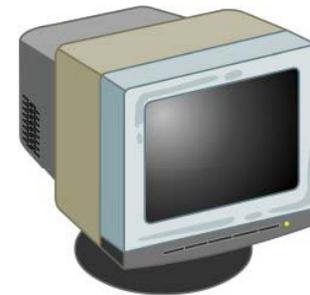
- OTEXA will review all requests and supporting documentation to determine eligibility of producers and fabrics in question.
- OTEXA may request additional documentation from producers or any entity named in documents to verify the accuracy of requests.
- OTEXA may impose penalties for fraudulent submissions.



# How Does the Program Work?

## A Step-by-Step Example

- **Step 1:** A qualifying producer establishes an account with OTEXA through the HOPE II online system.
- **Step 2:** The qualifying producer purchases 300 SMEs of qualifying fabric for apparel production in Haiti.
- **Step 3:** The qualifying producer logs into the HOPE II online system to request a deposit into its account based on the purchase of qualifying fabric.



## How Does the Program Work?



- **Step 4:** The qualifying producer provides the requested information, including supporting documentation, for OTEXA's review.
- **Step 5:** After reviewing the request and ensuring that all eligibility requirements have been met, OTEXA approves the request and increases the qualifying producer's account balance by 100 SMEs (300 SMEs divided by 3).

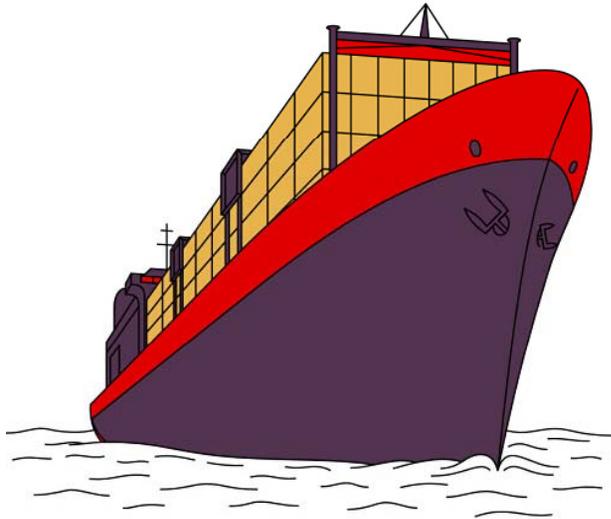
## How Does the Program Work?

- **Step 6:** The qualifying producer uses woven fabric from India for the production of men's pants in Haiti.
- **Step 7:** Knowing that it has 100 SMEs available in its account with OTEXA, the qualifying producer uses the appropriate conversion factor to determine that 80 pairs of men's pants are approximately equivalent to 100 SMEs.
- **Step 8:** The producer uses the HOPE II online system to request an earned import allowance certificate for 100 SMEs.



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## How Does the Program Work?



- **Step 9:** Since the qualifying producer has 100 SMEs available in its account, the online system automatically issues a certificate.
- **Step 10:** The qualifying producer ships the 80 pairs of pants to the U.S., including the earned Import allowance certificate with the other Customs documentation. The apparel may now enter the U.S. duty free.

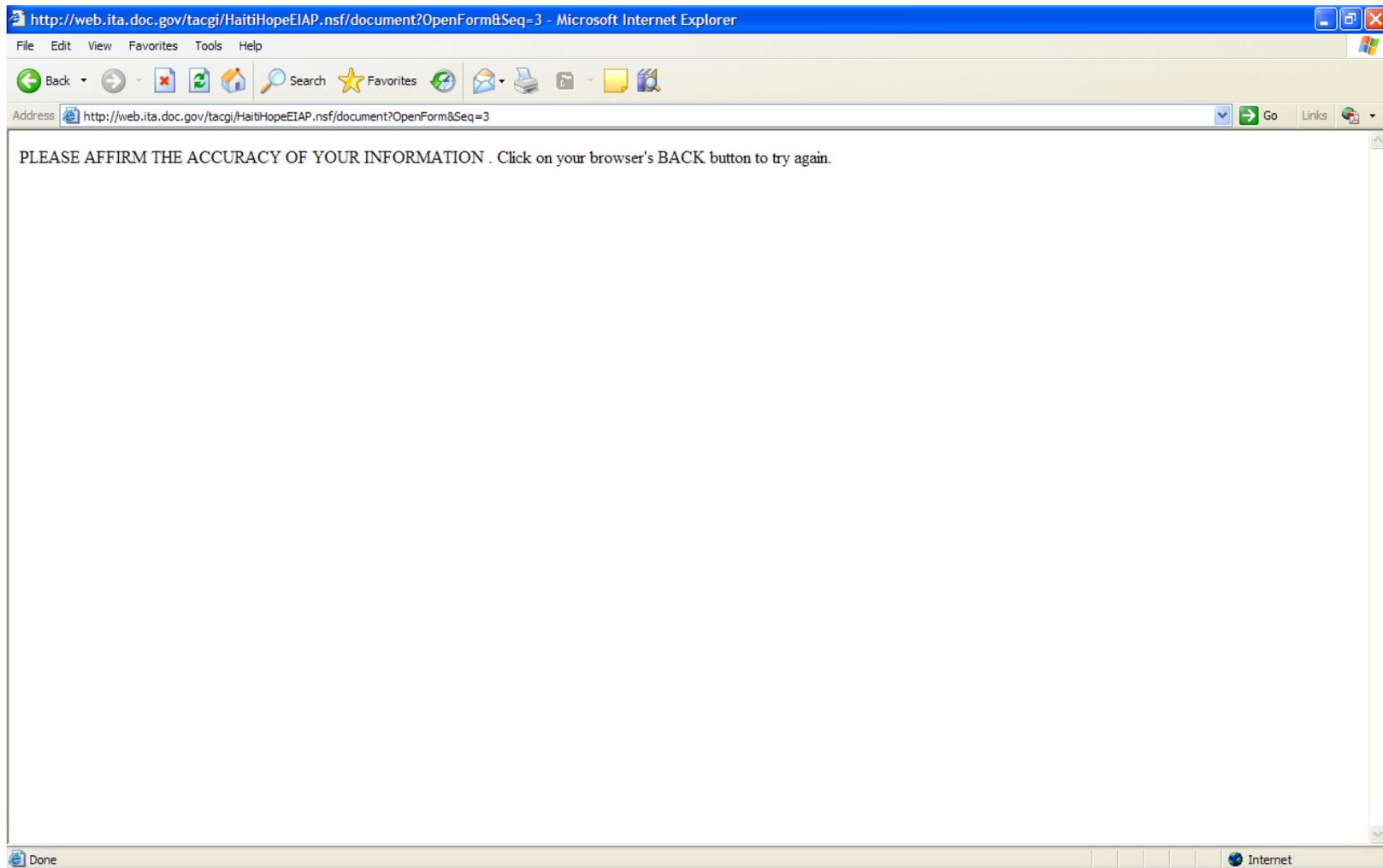
## Haiti HOPE II Online System

- The Haiti HOPE II online system will be available through OTEXA's website on the day the Earned Import Allowance Program is officially implemented via Presidential proclamation.
- Participants will be assigned individual account numbers and PINs in order to request to deposit credits and request the issuance of import certificates.
- Participants will also be able to designate parties to request import certificates and import goods on their behalf.
- Account activity and balances will be tracked and available for participants' review via OTEXA's website.

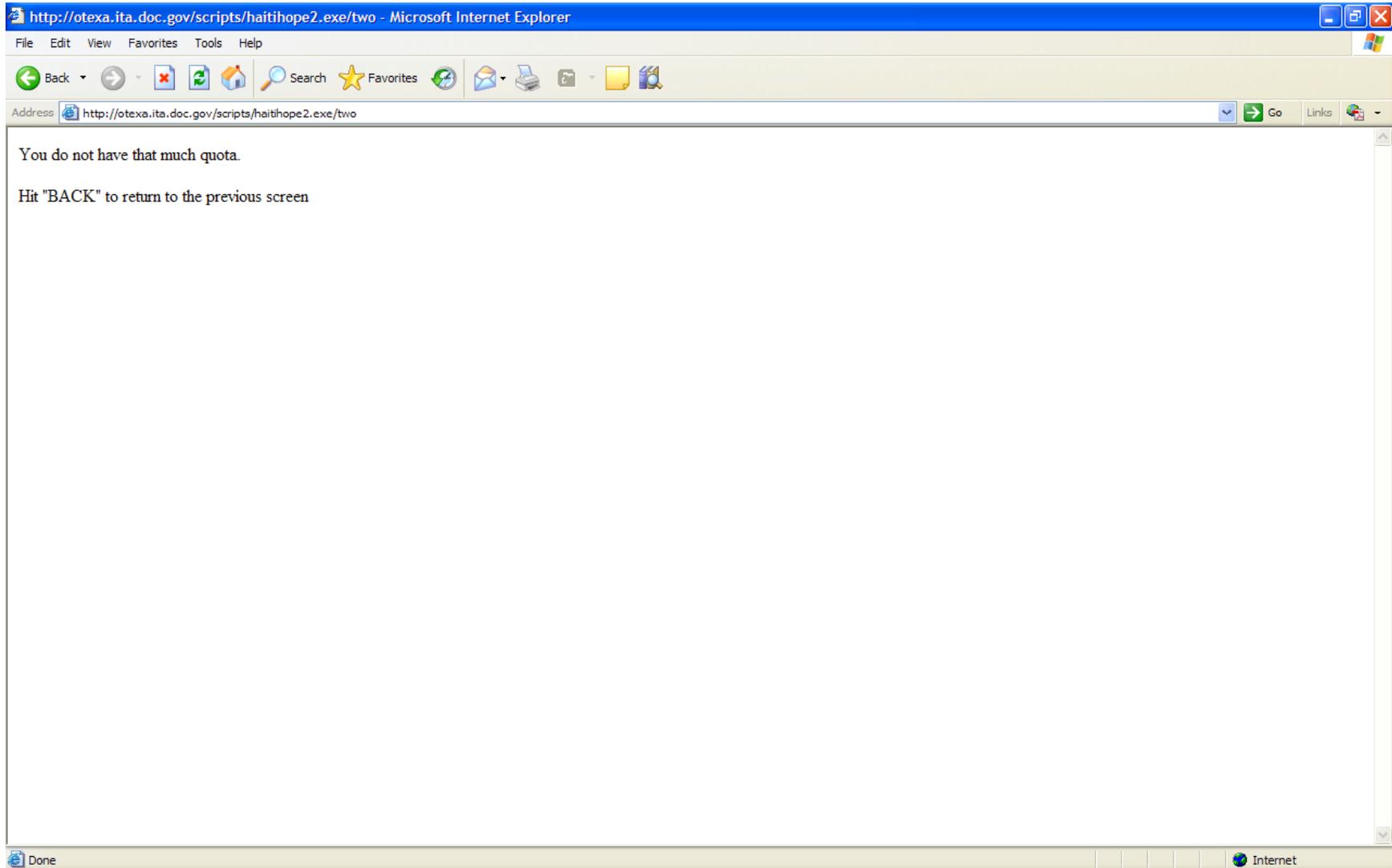
## Haiti HOPE II Online System

- Requesting a new account
- Requesting a deposit into an existing account
- Requesting an import certificate
- Reviewing account balances and activity online

# Possible Errors



# Possible Errors



# Reviewing Account Activity Online

The screenshot shows a Microsoft Internet Explorer browser window with the title "Office of Textiles and Apparel (OTEXA) - Microsoft Internet Explorer". The address bar displays "http://otexa.ita.doc.gov/scripts/company\_viewH.exe". The page header includes the Department of Commerce logo and the text "INTERNATIONAL TRADE ADMINISTRATION Office of Textiles and Apparel". A navigation menu contains links for "Home", "Trade Data", "Export Advantage", "Federal Register", "Reference", and "Contacts". The main content area features the heading "OTEXA Haiti Hope II Automated Import Approval System 2008" in red. Below this, it prompts the user to "Enter Licensee's Password" and provides a "Password:" input field. Two buttons, "Continue" and "Reset", are positioned below the input field. A paragraph of text explains that the system allows licensees to monitor their license utilization for the current year and that a password must be entered to access data. At the bottom of the page, it asks users to email questions or comments to Laurie Mease. The footer contains links for "Privacy Policy" and "Disclaimer".

Office of Textiles and Apparel (OTEXA) - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Refresh Print Mail Stop

Address http://otexa.ita.doc.gov/scripts/company\_viewH.exe Go Links

DEPARTMENT OF COMMERCE UNITED STATES OF AMERICA INTERNATIONAL TRADE ADMINISTRATION Office of Textiles and Apparel

Home Trade Data Export Advantage Federal Register Reference Contacts

**OTEXA Haiti Hope II Automated Import Approval System 2008**

Enter Licensee's Password

Password:

Continue Reset

The Import Approval System provides a means by which licensees may monitor their license utilization for the current year. To access you data, your licensee's password must be entered.

Please e-mail your questions or comments to [Laurie Mease](#)

Privacy Policy Disclaimer

Internet

# Reviewing Account Activity Online

Activity Under HaitiHope II for OTEXA test 1

LICNO11	AMOUNT1	SHIPMENT1	LICNO12	AMOUNT2	SHIPMENT2	DATE	APPROVAL	IMPNO	WEBNAME
H08450	300					9/25/2008			
H08450	200	100		0	0	9/25/2008	H08450A01	62-1652974	
H08450	150	50		0	0	9/25/2008	H08450A02	62-1652974	
H08450	149	1		0	0	9/25/2008	H08450A03	62-1652974	test monkey

## Third Party Account Access

- Participants may designate third parties to have access to their account in order to import goods on their behalf.
- In order to make this designation, participants must send a letter of authorization to the third party, with a copy to OTEXA.
- The letter must include the importer of record number that will be used to enter the goods, a 5 digit PIN, and a code name that will identify the importer requesting the import certificate.
- Letters may be submitted to OTEXA via email (preferred) or fax.
- Sample authorization letters will be provided upon request.

## Questions?

- If you have a question, please submit it in writing using the “Q&A” or “Ask a Question” feature.
- We will address as many questions as time allows.
- The remaining questions will be addressed via email following the webinar.
- If questions come up later, please contact OTEXA using the information on the next slide.

## For More Information

For more information, please contact OTEXA:

Office of Textiles and Apparel (OTEXA)  
U.S. Department of Commerce  
1401 Constitution Ave. NW, Room 3100  
Washington, DC 20230  
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