

***In the Senate of the United States,***

*May 23, 2002.*

*Resolved*, That the bill from the House of Representatives (H.R. 3009) entitled “An Act to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “Trade Act of 2002”.*

1 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF**  
 2 **CONTENTS.**

3 (a) *DIVISIONS.*—*This Act is organized into 4 divisions*  
 4 *as follows:*

5 (1) *DIVISION A.*—*Trade Adjustment Assistance.*

6 (2) *DIVISION B.*—*Bipartisan Trade Promotion*  
 7 *Authority.*

8 (3) *DIVISION C.*—*Andean Trade Preference Act.*

9 (4) *DIVISION D.*—*Extension of Certain Pref-*  
 10 *erential Trade Treatment and Other Provisions.*

11 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 12 *this Act is as follows:*

*Sec. 1. Short title.*

*Sec. 2. Organization of Act into divisions; table of contents.*

*DIVISION A—TRADE ADJUSTMENT ASSISTANCE*

*Sec. 101. Short title.*

*TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS*

*Sec. 111. Adjustment assistance for workers.*

*Sec. 112. Displaced worker self-employment training pilot program.*

*TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS*

*Sec. 201. Reauthorization of program.*

*TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES*

*Sec. 301. Purpose.*

*Sec. 302. Trade adjustment assistance for communities.*

*TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS*

*Sec. 401. Trade adjustment assistance for farmers.*

*TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN*

*Sec. 501. Trade adjustment assistance for fishermen.*

*TITLE VI—HEALTH CARE COVERAGE OPTIONS FOR WORKERS*  
*ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE*

*Sec. 601. Trade adjustment assistance health insurance credit.*

*Sec. 602. Advance payment of trade adjustment assistance health insurance credit.*

*Sec. 603. Health insurance coverage for eligible individuals.*

**TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE**

*Sec. 701. Conforming amendments.*

**TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE**

*Sec. 801. Savings provisions.*

*Sec. 802. Effective date.*

**TITLE IX—REVENUE PROVISIONS**

*Sec. 901. Custom user fees.*

**TITLE X—MISCELLANEOUS PROVISIONS**

*Sec. 1001. Country of origin labeling of fish and shellfish products.*

*Sec. 1002. Sugar policy.*

**TITLE XI—CUSTOMS REAUTHORIZATION**

*Sec. 1101. Short title.*

*Subtitle A—United States Customs Service*

**CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS**

*Sec. 1111. Authorization of appropriations for noncommercial operations, commercial operations, and air and marine interdiction.*

*Sec. 1112. Antiterrorist and illicit narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and the Gulf Coast seaports.*

*Sec. 1113. Compliance with performance plan requirements.*

**CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE**

*Sec. 1121. Authorization of appropriations for program to prevent child pornography/child sexual exploitation.*

**CHAPTER 3—MISCELLANEOUS PROVISIONS**

*Sec. 1131. Additional Customs Service officers for United States-Canada border.*

*Sec. 1132. Study and report relating to personnel practices of the Customs Service.*

*Sec. 1133. Study and report relating to accounting and auditing procedures of the Customs Service.*

*Sec. 1134. Establishment and implementation of cost accounting system; reports.*

*Sec. 1135. Study and report relating to timeliness of prospective rulings.*

*Sec. 1136. Study and report relating to customs user fees.*

*Sec. 1137. Authorization of appropriations for Customs staffing.*

**CHAPTER 4—ANTITERRORISM PROVISIONS**

*Sec. 1141. Emergency adjustments to offices, ports of entry, or staffing of the Customs Service.*

*Sec. 1142. Mandatory advanced electronic information for cargo and passengers.*

- Sec. 1143. Border search authority for certain contraband in outbound mail.*  
*Sec. 1144. Authorization of appropriations for reestablishment of Customs operations in New York City.*

*CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS*

- Sec. 1151. GAO audit of textile transshipment monitoring by Customs Service.*  
*Sec. 1152. Authorization of appropriations for textile transshipment enforcement operations.*  
*Sec. 1153. Implementation of the African Growth and Opportunity Act.*

*Subtitle B—Office of the United States Trade Representative*

- Sec. 1161. Authorization of appropriations.*

*Subtitle C—United States International Trade Commission*

- Sec. 1171. Authorization of appropriations.*

*Subtitle D—Other Trade Provisions*

- Sec. 1181. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.*  
*Sec. 1182. Regulatory audit procedures.*

*Subtitle E—Sense of Senate*

- Sec. 1191. Sense of Senate.*

*DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY*

*TITLE XXI—TRADE PROMOTION AUTHORITY*

- Sec. 2101. Short title; findings.*  
*Sec. 2102. Trade negotiating objectives.*  
*Sec. 2103. Trade agreements authority.*  
*Sec. 2104. Consultations and assessment.*  
*Sec. 2105. Implementation of trade agreements.*  
*Sec. 2106. Treatment of certain trade agreements for which negotiations have already begun.*  
*Sec. 2107. Congressional Oversight Group.*  
*Sec. 2108. Additional implementation and enforcement requirements.*  
*Sec. 2109. Committee staff.*  
*Sec. 2110. Conforming amendments.*  
*Sec. 2111. Report on impact of trade promotion authority.*  
*Sec. 2112. Identification of small business advocate at WTO.*  
*Sec. 2113. Definitions.*

*DIVISION C—ANDEAN TRADE PREFERENCE ACT*

*TITLE XXXI—ANDEAN TRADE PREFERENCE*

- Sec. 3101. Short title; findings.*  
*Sec. 3102. Temporary provisions.*  
*Sec. 3103. Termination.*

*TITLE XXXII—MISCELLANEOUS TRADE BENEFITS*

- Sec. 3201. Wool provisions.*

*Sec. 3202. Duty suspension on wool.*

*Sec. 3203. Ceiling fans.*

*Sec. 3204. Certain steam or other vapor generating boilers used in nuclear facilities.*

**DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE  
TREATMENT AND OTHER PROVISIONS**

**TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF  
PREFERENCES**

*Sec. 4101. Generalized system of preferences.*

*Sec. 4102. Amendments to generalized system of preferences.*

**TITLE XLII—OTHER PROVISIONS**

*Sec. 4201. Transparency in NAFTA tribunals.*

*Sec. 4202. Expression of solidarity with Israel in its fight against terrorism.*

*Sec. 4203. Limitation on use of certain revenue.*

*Sec. 4204. Sense of the Senate regarding the United States-Russian Federation summit meeting, May 2002.*

*Sec. 4205. No appropriations.*

1                   **DIVISION A—TRADE**  
2                   **ADJUSTMENT ASSISTANCE**

3 **SEC. 101. SHORT TITLE.**

4           *This division may be cited as the “Trade Adjustment*  
5 *Assistance Reform Act of 2002”.*

6                   **TITLE I—TRADE ADJUSTMENT**  
7                   **ASSISTANCE FOR WORKERS**

8 **SEC. 111. ADJUSTMENT ASSISTANCE FOR WORKERS.**

9           *Chapter 2 of title II of the Trade Act of 1974 (19*  
10 *U.S.C. 2271 et seq.) is amended to read as follows:*

11                   **“CHAPTER 2—ADJUSTMENT ASSISTANCE**  
12                   **FOR WORKERS**

13                   **“Subchapter A—General Provisions**

14 **“SEC. 221. DEFINITIONS.**

15           *“In this chapter:*

1           “(1) *ADDITIONAL COMPENSATION.*—*The term*  
2           *‘additional compensation’ has the meaning given that*  
3           *term in section 205(3) of the Federal-State Extended*  
4           *Unemployment Compensation Act of 1970 (26 U.S.C.*  
5           *3304 note).*

6           “(2) *ADVERSELY AFFECTED EMPLOYMENT.*—*The*  
7           *term ‘adversely affected employment’ means employ-*  
8           *ment in a firm or appropriate subdivision of a firm,*  
9           *if workers of that firm or subdivision are eligible to*  
10           *apply for adjustment assistance under this chapter.*

11           “(3) *ADVERSELY AFFECTED WORKER.*—

12           “(A) *IN GENERAL.*—*The term ‘adversely af-*  
13           *ected worker’ means a worker who is a member*  
14           *of a group of workers certified by the Secretary*  
15           *under section 231(a)(1) as eligible for trade ad-*  
16           *justment assistance.*

17           “(B) *ADVERSELY AFFECTED SECONDARY*  
18           *WORKER.*—*The term ‘adversely affected worker’*  
19           *includes an adversely affected secondary worker*  
20           *who is a member of a group of workers employed*  
21           *at a downstream producer or a supplier, that is*  
22           *certified by the Secretary under section 231(a)(2)*  
23           *as eligible for trade adjustment assistance.*

24           “(4) *AVERAGE WEEKLY HOURS.*—*The term ‘aver-*  
25           *age weekly hours’ means the average hours worked by*

1        *a worker (excluding overtime) in the employment*  
2        *from which the worker has been or claims to have*  
3        *been separated in the 52 weeks (excluding weeks dur-*  
4        *ing which the worker was on leave for purposes of va-*  
5        *cation, sickness, maternity, military service, or any*  
6        *other employer-authorized leave) preceding the week*  
7        *specified in paragraph (5)(B)(ii).*

8                *“(5) AVERAGE WEEKLY WAGE.—*

9                *“(A) IN GENERAL.—The term ‘average*  
10              *weekly wage’ means  $\frac{1}{13}$  of the total wages paid*  
11              *to an individual in the high quarter.*

12              *“(B) DEFINITIONS.—For purposes of com-*  
13              *puting the average weekly wage—*

14              *“(i) the term ‘high quarter’ means the*  
15              *quarter in which the individual’s total*  
16              *wages were highest among the first 4 of the*  
17              *last 5 completed calendar quarters imme-*  
18              *diately preceding the quarter in which oc-*  
19              *curs the week with respect to which the com-*  
20              *putation is made; and*

21              *“(ii) the term ‘week’ means the week in*  
22              *which total separation occurred, or, in cases*  
23              *where partial separation is claimed, an ap-*  
24              *propriate week, as defined in regulations*  
25              *prescribed by the Secretary.*

1           “(6) *BENEFIT PERIOD.*—*The term ‘benefit pe-*  
2           *riod’ means, with respect to an individual, the fol-*  
3           *lowing:*

4                   “(A) *STATE LAW.*—*The benefit year and*  
5                   *any ensuing period, as determined under appli-*  
6                   *cable State law, during which the individual is*  
7                   *eligible for regular compensation, additional*  
8                   *compensation, or extended compensation.*

9                   “(B) *FEDERAL LAW.*—*The equivalent to the*  
10                   *benefit year or ensuing period provided for*  
11                   *under the applicable Federal unemployment in-*  
12                   *surance law.*

13           “(7) *BENEFIT YEAR.*—*The term ‘benefit year’*  
14           *has the same meaning given that term in the Federal-*  
15           *State Extended Unemployment Compensation Act of*  
16           *1970 (26 U.S.C. 3304 note).*

17           “(8) *CONTRIBUTED IMPORTANTLY.*—*The term*  
18           *‘contributed importantly’ means a cause that is im-*  
19           *portant but not necessarily more important than any*  
20           *other cause.*

21           “(9) *COOPERATING STATE.*—*The term ‘cooper-*  
22           *ating State’ means any State that has entered into an*  
23           *agreement with the Secretary under section 222.*

24           “(10) *CUSTOMIZED TRAINING.*—*The term ‘cus-*  
25           *tomized training’ means training that is designed to*



1        *meet the special requirements of an employer (includ-*  
2        *ing a group of employers) and that is conducted with*  
3        *a commitment by the employer to employ an indi-*  
4        *vidual on successful completion of the training.*

5            “(11) *DOWNSTREAM PRODUCER.*—*The term*  
6        *‘downstream producer’ means a firm that performs*  
7        *additional, value-added production processes for a*  
8        *firm or subdivision, including a firm that performs*  
9        *final assembly or finishing, directly for another firm*  
10       *(or subdivision), for articles that were the basis for a*  
11       *certification of eligibility under section 231(a)(1) of a*  
12       *group of workers employed by such other firm, if the*  
13       *certification of eligibility under section 231(a)(1) is*  
14       *based on an increase in imports from, or a shift in*  
15       *production to, Canada or Mexico.*

16            “(12) *EXTENDED COMPENSATION.*—*The term ‘ex-*  
17       *tended compensation’ has the meaning given that*  
18       *term in section 205(4) of the Federal-State Extended*  
19       *Unemployment Compensation Act of 1970 (26 U.S.C.*  
20       *3304 note).*

21            “(13) *JOB FINDING CLUB.*—*The term ‘job finding*  
22       *club’ means a job search workshop which includes a*  
23       *period of structured, supervised activity in which*  
24       *participants attempt to obtain jobs.*

1           “(14) *JOB SEARCH PROGRAM.*—*The term ‘job*  
2           *search program’ means a job search workshop or job*  
3           *finding club.*

4           “(15) *JOB SEARCH WORKSHOP.*—*The term ‘job*  
5           *search workshop’ means a short (1- to 3-day) sem-*  
6           *inar, covering subjects such as labor market informa-*  
7           *tion, résumé writing, interviewing techniques, and*  
8           *techniques for finding job openings, that is designed*  
9           *to provide participants with knowledge that will en-*  
10          *able the participants to find jobs.*

11          “(16) *ON-THE-JOB TRAINING.*—*The term ‘on-the-*  
12          *job training’ has the same meaning as that term has*  
13          *in section 101(31) of the Workforce Investment Act.*

14          “(17) *PARTIAL SEPARATION.*—*A partial separa-*  
15          *tion shall be considered to exist with respect to an in-*  
16          *dividual if—*

17                 “(A) *the individual has had a 20-percent or*  
18                 *greater reduction in the average weekly hours*  
19                 *worked by that individual in adversely affected*  
20                 *employment; and*

21                 “(B) *the individual has had a 20-percent or*  
22                 *greater reduction in the average weekly wage of*  
23                 *the individual with respect to adversely affected*  
24                 *employment.*

1           “(18) *REGULAR COMPENSATION*.—The term ‘reg-  
2           ular compensation’ has the meaning given that term  
3           in section 205(2) of the Federal-State Extended Un-  
4           employment Compensation Act of 1970 (26 U.S.C.  
5           3304 note).

6           “(19) *REGULAR STATE UNEMPLOYMENT*.—The  
7           term ‘regular State unemployment’ means unemploy-  
8           ment insurance benefits other than an extension of  
9           unemployment insurance by a State using its own  
10          funds beyond either the 26-week period mandated by  
11          Federal law or any additional period provided for  
12          under the Federal-State Extended Unemployment  
13          Compensation Act of 1970 (26 U.S.C. 3304 note).

14          “(20) *SECRETARY*.—The term ‘Secretary’ means  
15          the Secretary of Labor.

16          “(21) *STATE*.—The term ‘State’ includes each  
17          State of the United States, the District of Columbia,  
18          and the Commonwealth of Puerto Rico.

19          “(22) *STATE AGENCY*.—The term ‘State agency’  
20          means the agency of the State that administers the  
21          State law.

22          “(23) *STATE LAW*.—The term ‘State law’ means  
23          the unemployment insurance law of the State ap-  
24          proved by the Secretary under section 3304 of the In-  
25          ternal Revenue Code of 1986.

1           “(24) *SUPPLIER*.—The term ‘supplier’ means a  
2           *firm that produces and supplies directly to another*  
3           *firm (or subdivision) component parts for articles*  
4           *that were the basis for a certification of eligibility*  
5           *under section 231(a)(1) of a group of workers em-*  
6           *ployed by such other firm.*

7           “(25) *TOTAL SEPARATION*.—The term ‘total sep-  
8           *aration’ means the layoff or severance of an indi-*  
9           *vidual from employment with a firm in which or in*  
10          *a subdivision of which, adversely affected employment*  
11          *exists.*

12          “(26) *UNEMPLOYMENT INSURANCE*.—The term  
13          ‘unemployment insurance’ means the unemployment  
14          compensation payable to an individual under any  
15          State law or Federal unemployment compensation  
16          law, including chapter 85 of title 5, United States  
17          Code, and the Railroad Unemployment Insurance Act  
18          (45 U.S.C. 351 et seq.).

19          “(27) *WEEK*.—Except as provided in paragraph  
20          5(B)(ii), the term ‘week’ means a week as defined in  
21          the applicable State law.

22          “(28) *WEEK OF UNEMPLOYMENT*.—The term  
23          ‘week of unemployment’ means a week of total, part-  
24          total, or partial unemployment as determined under

1       *the applicable State law or Federal unemployment*  
2       *insurance law.*

3       **“SEC. 222. AGREEMENTS WITH STATES.**

4       “(a) *IN GENERAL.*—*The Secretary is authorized on be-*  
5       *half of the United States to enter into an agreement with*  
6       *any State or with any State agency (referred to in this*  
7       *chapter as ‘cooperating State’ and ‘cooperating State agen-*  
8       *cy’, respectively) to facilitate the provision of services under*  
9       *this chapter.*

10       “(b) *PROVISIONS OF AGREEMENTS.*—*Under an agree-*  
11       *ment entered into under subsection (a)—*

12               “(1) *the cooperating State agency as an agent of*  
13       *the United States shall—*

14                       “(A) *facilitate the early filing of petitions*  
15                       *under section 231(b) for any group of workers*  
16                       *that the State considers is likely to be eligible for*  
17                       *benefits under this chapter;*

18                       “(B) *assist the Secretary in the review of*  
19                       *any petition submitted from that State by*  
20                       *verifying the information and providing other*  
21                       *assistance as the Secretary may request;*

22                       “(C) *advise each worker who applies for un-*  
23                       *employment insurance of the available benefits*  
24                       *under this chapter and the procedures and dead-*  
25                       *lines for applying for those benefits and of the*

1            *worker’s potential eligibility for assistance with*  
2            *health care coverage through the trade adjust-*  
3            *ment assistance health insurance credit under*  
4            *section 6429 of the Internal Revenue Code of*  
5            *1986 or under funds made available to the State*  
6            *to carry out section 173(f) of the Workforce In-*  
7            *vestment Act of 1998;*

8            *“(D) receive applications for services under*  
9            *this chapter;*

10           *“(E) provide payments on the basis pro-*  
11           *vided for in this chapter;*

12           *“(F) advise each adversely affected worker*  
13           *to apply for training under section 240, and of*  
14           *the deadlines for benefits related to enrollment in*  
15           *training under this chapter;*

16           *“(G) ensure that the State employees with*  
17           *responsibility for carrying out an agreement en-*  
18           *tered into under subsection (a)—*

19           *“(i) inform adversely affected workers*  
20           *covered by a certification issued under sec-*  
21           *tion 231(c) of the workers’ (and individual*  
22           *member’s of the worker’s family) potential*  
23           *eligibility for—*

24           *“(I) medical assistance under the*  
25           *medicaid program established under*

1 *title XIX of the Social Security Act (42*  
2 *U.S.C. 1396a et seq.);*

3 *“(II) child health assistance under*  
4 *the State children’s health insurance*  
5 *program established under title XXI of*  
6 *that Act (42 U.S.C. 1397aa et seq.);*

7 *“(III) child care services for*  
8 *which assistance is provided under the*  
9 *Child Care and Development Block*  
10 *Grant Act of 1990 (42 U.S.C. 9858 et*  
11 *seq.);*

12 *“(IV) the trade adjustment assist-*  
13 *ance health insurance credit under sec-*  
14 *tion 6429 of the Internal Revenue Code*  
15 *of 1986 and health care coverage assist-*  
16 *ance under funds made available to the*  
17 *State to carry out section 173(f) of the*  
18 *Workforce Investment Act of 1998; and*

19 *“(V) other Federal- and State-*  
20 *funded health care, child care, trans-*  
21 *portation, and assistance programs for*  
22 *which the workers may be eligible; and*

23 *“(ii) provide such workers with infor-*  
24 *mation regarding how to apply for such as-*  
25 *sistance, services, and programs, including*

1           *notification that the election period for*  
2           *COBRA continuation may be extended for*  
3           *certain workers under section 603 of the*  
4           *Trade Adjustment Assistance Reform Act of*  
5           *2002;*

6           “(H) *provide adversely affected workers re-*  
7           *ferral to training services approved under title I*  
8           *of the Workforce Investment Act of 1998 (29*  
9           *U.S.C. 2801 et seq.), and any other appropriate*  
10          *Federal or State program designed to assist dis-*  
11          *located workers or unemployed individuals, con-*  
12          *sistent with the requirements of subsection (b)(2);*

13          “(I) *collect and transmit to the Secretary*  
14          *any data as the Secretary shall reasonably re-*  
15          *quire to assist the Secretary in assuring the ef-*  
16          *fective and efficient performance of the programs*  
17          *carried out under this chapter; and*

18          “(J) *otherwise actively cooperate with the*  
19          *Secretary and with other Federal and State*  
20          *agencies in providing payments and services*  
21          *under this chapter, including participation in*  
22          *the performance measurement system established*  
23          *by the Secretary under section 224.*

24          “(2) *the cooperating State shall—*



1           “(A) arrange for the provision of services  
2           under this chapter through the one-stop delivery  
3           system established in section 134(c) of the Work-  
4           force Investment Act of 1998 (29 U.S.C. 2864(c))  
5           where available;

6           “(B) provide to adversely affected workers  
7           statewide rapid response activities under section  
8           134(a)(2)(A) of the Workforce Investment Act of  
9           1998 (29 U.S.C. 2864(a)(2)(A)) in the same  
10          manner and to the same extent as any other  
11          worker eligible for those activities;

12          “(C) afford adversely affected workers the  
13          services provided under section 134(d) of the  
14          Workforce Investment Act of 1998 (29 U.S.C.  
15          92864(d)) in the same manner and to the same  
16          extent as any other worker eligible for those serv-  
17          ices; and

18          “(D) provide training services under this  
19          chapter using training providers approved under  
20          title I of the Workforce Investment Act of 1998  
21          (29 U.S.C. 2801 et seq.) which may include com-  
22          munity colleges, and other effective providers of  
23          training services.

24          “(c) OTHER PROVISIONS.—

1           “(1) *APPROVAL OF TRAINING PROVIDERS.*—*The*  
2           *Secretary shall ensure that the training services pro-*  
3           *vided by cooperating States are provided by organiza-*  
4           *tions approved by the Secretary to effectively assist*  
5           *workers eligible for assistance under this chapter.*

6           “(2) *AMENDMENT, SUSPENSION, OR TERMI-*  
7           *NATION OF AGREEMENTS.*—*Each agreement entered*  
8           *into under this section shall provide the terms and*  
9           *conditions upon which the agreement may be amend-*  
10          *ed, suspended, or terminated.*

11          “(3) *EFFECT ON UNEMPLOYMENT INSURANCE.*—  
12          *Each agreement entered into under this section shall*  
13          *provide that unemployment insurance otherwise pay-*  
14          *able to any adversely affected worker will not be de-*  
15          *nied or reduced for any week by reason of any right*  
16          *to payments under this chapter.*

17          “(4) *COORDINATION OF WORKFORCE INVESTMENT*  
18          *ACTIVITIES.*—*In order to promote the coordination of*  
19          *Workforce Investment Act activities in each State*  
20          *with activities carried out under this chapter, each*  
21          *agreement entered into under this section shall pro-*  
22          *vide that the State shall submit to the Secretary, in*  
23          *such form as the Secretary may require, the descrip-*  
24          *tion and information described in paragraphs (8)*

1        *and (14) of section 112(b) of the Workforce Invest-*  
2        *ment Act of 1998 (29 U.S.C. 2822(b) (8) and (14)).*

3        *“(d) REVIEW OF STATE DETERMINATIONS.—*

4                *“(1) IN GENERAL.—A determination by a co-*  
5        *operating State regarding entitlement to program*  
6        *benefits under this chapter is subject to review in the*  
7        *same manner and to the same extent as determina-*  
8        *tions under the applicable State law.*

9                *“(2) APPEAL.—A review undertaken by a cooper-*  
10        *ating State under paragraph (1) may be appealed to*  
11        *the Secretary pursuant to such regulations as the Sec-*  
12        *retary may prescribe.*

13        **“SEC. 223. ADMINISTRATION ABSENT STATE AGREEMENT.**

14                *“(a) IN GENERAL.—In any State in which there is no*  
15        *agreement in force under section 222, the Secretary shall*  
16        *arrange, under regulations prescribed by the Secretary, for*  
17        *the performance of all necessary functions under this chap-*  
18        *ter, including providing a hearing for any worker whose*  
19        *application for payment is denied.*

20                *“(b) FINALITY OF DETERMINATION.—A final deter-*  
21        *mination under subsection (a) regarding entitlement to pro-*  
22        *gram benefits under this chapter is subject to review by the*  
23        *courts in the same manner and to the same extent as is*  
24        *provided by section 205(g) of the Social Security Act (42*  
25        *U.S.C. 405(g)).*

1 **“SEC. 224. DATA COLLECTION; EVALUATIONS; REPORTS.**

2       “(a) *DATA COLLECTION.*—*The Secretary shall, pursu-*  
3 *ant to regulations prescribed by the Secretary, collect any*  
4 *data necessary to meet the requirements of this chapter.*

5       “(b) *PERFORMANCE EVALUATIONS.*—*The Secretary*  
6 *shall establish an effective performance measuring system*  
7 *to evaluate the following:*

8               “(1) *PROGRAM PERFORMANCE.*—

9                       “(A) *speed of petition processing;*

10                      “(B) *quality of petition processing;*

11                      “(C) *cost of training programs;*

12                      “(D) *coordination of programs under this*  
13 *title with programs under the Workforce Invest-*  
14 *ment Act (29 U.S.C. 2801 et seq.);*

15                      “(E) *length of time participants take to*  
16 *enter and complete training programs;*

17                      “(F) *the effectiveness of individual contrac-*  
18 *tors in providing appropriate retraining infor-*  
19 *mation;*

20                      “(G) *the effectiveness of individual approved*  
21 *training programs in helping workers obtain em-*  
22 *ployment;*

23                      “(H) *best practices related to the provision*  
24 *of benefits and retraining; and*

1           “(I) other data to evaluate how individual  
2 States are implementing the requirements of this  
3 title.

4           “(2) PARTICIPANT OUTCOMES.—

5           “(A) reemployment rates;

6           “(B) types of jobs in which displaced work-  
7 ers have been placed;

8           “(C) wage and benefit maintenance results;

9           “(D) training completion rates; and

10          “(E) other data to evaluate how effective  
11 programs under this chapter are for partici-  
12 pants, taking into consideration current eco-  
13 nomic conditions in the State.

14          “(3) PROGRAM PARTICIPATION DATA.—

15          “(A) the number of workers receiving bene-  
16 fits and the type of benefits being received;

17          “(B) the number of workers enrolled in, and  
18 the duration of, training by major types of  
19 training;

20          “(C) earnings history of workers that re-  
21 flects wages before separation and wages in any  
22 job obtained after receiving benefits under this  
23 Act;

24          “(D) the cause of dislocation identified in  
25 each certified petition;

1           “(E) the number of petitions filed and  
2 workers certified in each United States congress-  
3 sional district; and

4           “(F) the number of workers who received  
5 waivers under each category identified in section  
6 235(c)(1) and the average duration of such waiv-  
7 ers.

8           “(c) *STATE PARTICIPATION.*—The Secretary shall en-  
9 sure, to the extent practicable, through oversight and effec-  
10 tive internal control measures the following:

11           “(1) *STATE PARTICIPATION.*—Participation by  
12 each State in the performance measurement system  
13 established under subsection (b).

14           “(2) *MONITORING.*—Monitoring by each State of  
15 internal control measures with respect to performance  
16 measurement data collected by each State.

17           “(3) *RESPONSE.*—The quality and speed of the  
18 rapid response provided by each State under section  
19 134(a)(2)(A) of the Workforce Investment Act of 1998  
20 (29 U.S.C. 2864(a)(2)(A)).

21           “(d) *REPORTS.*—

22           “(1) *REPORTS BY THE SECRETARY.*—

23           “(A) *INITIAL REPORT.*—Not later than 6  
24 months after the date of enactment of the Trade  
25 Adjustment Assistance Reform Act of 2002, the

1            *Secretary shall submit to the Committee on Fi-*  
2            *nance of the Senate and the Committee on Ways*  
3            *and Means of the House of Representatives a re-*  
4            *port that—*

5                    *“(i) describes the performance measure-*  
6                    *ment system established under subsection*  
7                    *(b);*

8                    *“(ii) includes analysis of data collected*  
9                    *through the system established under sub-*  
10                   *section (b);*

11                   *“(iii) includes information identifying*  
12                   *the number of workers who received waivers*  
13                   *under section 235(c) and the average dura-*  
14                   *tion of those during the preceding year;*

15                   *“(iv) describes and analyzes State par-*  
16                   *ticipation in the system;*

17                   *“(v) analyzes the quality and speed of*  
18                   *the rapid response provided by each State*  
19                   *under section 134(a)(2)(A) of the Workforce*  
20                   *Investment Act of 1998 (29 U.S.C.*  
21                   *2864(a)(2)(A)); and*

22                   *“(vi) provides recommendations for*  
23                   *program improvements.*

24                   *“(B) ANNUAL REPORT.—Not later than 1*  
25                   *year after the date the report is submitted under*

1           subparagraph (A), and annually thereafter, the  
2           Secretary shall submit to the Committee on Fi-  
3           nance of the Senate and the Committee on Ways  
4           and Means of the House of Representatives a re-  
5           port that includes the information collected  
6           under clauses (ii) through (v) of subparagraph  
7           (A).

8           “(2) *STATE REPORTS.*—Pursuant to regulations  
9           prescribed by the Secretary, each State shall submit  
10          to the Secretary a report that details its participation  
11          in the programs established under this chapter, and  
12          that contains the data necessary to allow the Sec-  
13          retary to submit the report required under paragraph  
14          (1).

15          “(3) *PUBLICATION.*—The Secretary shall make  
16          available to each State, and other public and private  
17          organizations as determined by the Secretary, the  
18          data gathered and evaluated through the performance  
19          measurement system established under paragraph (1).

20       **“SEC. 225. STUDY BY SECRETARY OF LABOR WHEN INTER-**  
21                               **NATIONAL TRADE COMMISSION BEGINS IN-**  
22                               **VESTIGATION.**

23          “(a) *NOTIFICATION OF INVESTIGATION.*—Whenever the  
24          International Trade Commission begins an investigation  
25          under section 202 with respect to an industry, the Commis-



1 sion shall immediately notify the Secretary of that inves-  
2 tigation, and the Secretary shall immediately begin a study  
3 of—

4 “(1) the number of workers in the domestic in-  
5 dustry producing the like or directly competitive arti-  
6 cle who have been or are likely to be certified as eligi-  
7 ble for adjustment assistance under this chapter; and

8 “(2) the extent to which the adjustment of those  
9 workers to the import competition may be facilitated  
10 through the use of existing programs.

11 “(b) REPORT.—

12 “(1) IN GENERAL.—The Secretary shall provide  
13 a report based on the study conducted under sub-  
14 section (a) to the President not later than 15 days  
15 after the day on which the Commission makes its re-  
16 port under section 202(f).

17 “(2) PUBLICATION.—The Secretary shall  
18 promptly make public the report provided to the  
19 President under paragraph (1) (with the exception of  
20 information which the Secretary determines to be con-  
21 fidential) and shall have a summary of the report  
22 published in the Federal Register.

1 **“SEC. 226. REPORT BY SECRETARY OF LABOR ON LIKELY IM-**  
2 **PACT OF TRADE AGREEMENTS.**

3       “(a) *IN GENERAL.*—At least 90 calendar days before  
4 the day on which the President enters into a trade agree-  
5 ment under section 2103(b) of the Bipartisan Trade Pro-  
6 motion Authority Act of 2002, the President shall provide  
7 the Secretary with details of the agreement as it exists at  
8 that time and direct the Secretary to prepare and submit  
9 the assessment described in subsection (b). Between the time  
10 the President instructs the Secretary to prepare the assess-  
11 ment under this section and the time the Secretary submits  
12 the assessment to Congress, the President shall keep the Sec-  
13 retary current with respect to the details of the agreement.

14       “(b) *ASSESSMENT.*—Not later than 90 calendar days  
15 after the President enters into the agreement, the Secretary  
16 shall submit to the President, the Committee on Finance  
17 of the Senate, the Committee on Ways and Means of the  
18 House of Representatives, and the Committees on Appro-  
19 priations of the Senate and the House of Representatives,  
20 a report assessing the likely impact of the agreement on em-  
21 ployment in the United States economy as a whole and in  
22 specific industrial sectors, including the extent of worker  
23 dislocations likely to result from implementation of the  
24 agreement. The report shall include an estimate of the fi-  
25 nancial and administrative resources necessary to provide

1 *trade adjustment assistance to all potentially adversely af-*  
2 *ected workers.*

3 **“Subchapter B—Certifications**

4 **“SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED**  
5 **WORKERS.**

6 *“(a) ELIGIBILITY FOR CERTIFICATION.—*

7 *“(1) GENERAL RULE.—A group of workers (in-*  
8 *cluding workers in any agricultural firm or subdivi-*  
9 *sion of an agricultural firm) shall be certified by the*  
10 *Secretary as adversely affected workers and eligible*  
11 *for trade adjustment assistance benefits under this*  
12 *chapter pursuant to a petition filed under subsection*  
13 *(b) if the Secretary determines that a significant*  
14 *number or proportion of the workers in the workers’*  
15 *firm or an appropriate subdivision of the firm have*  
16 *become totally or partially separated, or are threat-*  
17 *ened to become totally or partially separated, and*  
18 *that either—*

19 *“(A)(i) the sales or production, or both, of*  
20 *such firm or subdivision have decreased abso-*  
21 *lutely;*

22 *“(ii) the value or volume of imports of arti-*  
23 *cles like or directly competitive with articles pro-*  
24 *duced by that firm or subdivision have increased;*  
25 *and*

1           “(iii) the increase in the value or volume of  
2           imports described in clause (ii) contributed im-  
3           portantly to the workers’ separation or threat of  
4           separation and to the decline in the sales or pro-  
5           duction of such firm or subdivision; or

6           “(B) there has been a shift in production by  
7           the workers’ firm or subdivision to a foreign  
8           country of articles like or directly competitive  
9           with articles which are produced by that firm or  
10          subdivision and the shift in production contrib-  
11          uted importantly to the workers’ separation or  
12          threat of separation.

13          “(2) *ADVERSELY AFFECTED SECONDARY WORK-*  
14          *ER.—A group of workers (including workers in any*  
15          *agricultural firm or subdivision of an agricultural*  
16          *firm) shall be certified by the Secretary as adversely*  
17          *affected and eligible for trade adjustment assistance*  
18          *benefits under this chapter pursuant to a petition*  
19          *filed under subsection (b) if the Secretary determines*  
20          *that—*

21                 “(A) a significant number or proportion of  
22                 the workers in the workers’ firm or an appro-  
23                 priate subdivision of the firm have become to-  
24                 tally or partially separated, or are threatened to  
25                 become totally or partially separated;

1           “(B) *the workers’ firm (or subdivision) is a*  
2           *supplier or downstream producer to a firm (or*  
3           *subdivision) that employed a group of workers*  
4           *who received a certification of eligibility under*  
5           *paragraph (1), and such supply or production is*  
6           *related to the article that was the basis for such*  
7           *certification (as defined in section 221 (11) and*  
8           *(24)); and*

9           “(C) *a loss of business by the workers’ firm*  
10           *with the firm (or subdivision) described in sub-*  
11           *paragraph (B) contributed importantly to the*  
12           *workers’ separation or threat of separation deter-*  
13           *mined under subparagraph (A).*

14           “(3) *SPECIAL RULE FOR SECONDARY WORK-*  
15           *ERS.—Notwithstanding paragraph (2), the Secretary*  
16           *may, pursuant to standards established by the Sec-*  
17           *retary and for good cause shown, certify as eligible for*  
18           *trade adjustment assistance under this chapter a*  
19           *group of workers who meet the requirements for cer-*  
20           *tification as adversely affected secondary workers in*  
21           *paragraph (2), except that the Secretary has not re-*  
22           *ceived a petition under paragraph (1) on behalf of*  
23           *workers at a firm to which the petitioning workers’*  
24           *firm is a supplier or downstream producer as defined*  
25           *in section 221 (11) and (24).*

1           “(4) *SPECIAL PROVISIONS.*—

2                 “(A) *OIL AND NATURAL GAS PRODUCERS.*—

3           *For purposes of this section, any firm, or appro-*  
4           *propriate subdivision of a firm, that engages in ex-*  
5           *ploration or drilling for oil or natural gas shall*  
6           *be considered to be a firm producing oil or nat-*  
7           *ural gas.*

8                 “(B) *OIL AND NATURAL GAS IMPORTS.*—*For*

9           *purposes of this section, any firm, or appro-*  
10          *propriate subdivision of a firm, that engages in ex-*  
11          *ploration or drilling for oil or natural gas, or*  
12          *otherwise produces oil or natural gas, shall be*  
13          *considered to be producing articles directly com-*  
14          *petitive with imports of oil and with imports of*  
15          *natural gas.*

16                “(C) *TACONITE.*—*For purposes of this sec-*

17          *tion, taconite pellets produced in the United*  
18          *States shall be considered to be an article that is*  
19          *like or directly competitive with imports of semi-*  
20          *finished steel slab.*

21                “(b) *PETITIONS.*—

22                “(1) *IN GENERAL.*—*A petition for certification of*  
23          *eligibility for trade adjustment assistance under this*  
24          *chapter for a group of adversely affected workers shall*  
25          *be filed simultaneously with the Secretary and with*

1       *the Governor of the State in which the firm or sub-*  
2       *division of the firm employing the workers is located.*

3               “(2) *PERSONS WHO MAY FILE A PETITION.*—*A*  
4       *petition under paragraph (1) may be filed by any of*  
5       *the following:*

6               “(A) *WORKERS.*—*A group of workers (in-*  
7       *cluding workers in an agricultural firm or sub-*  
8       *division of any agricultural firm).*

9               “(B) *WORKER REPRESENTATIVES.*—*The*  
10       *certified or recognized union or other duly ap-*  
11       *pointed representative of the workers.*

12               “(C) *WORKER ADJUSTMENT AND RETRAIN-*  
13       *ING NOTIFICATION.*—*Any entity to which notice*  
14       *of a plant closing or mass layoff must be given*  
15       *under section 3 of the Worker Adjustment and*  
16       *Retraining Notification Act (29 U.S.C. 2102).*

17               “(D) *OTHER.*—*Employers of workers de-*  
18       *scribed in subparagraph (A), one-stop operators*  
19       *or one-stop partners (as defined in section 101 of*  
20       *the Workforce Investment Act of 1998 (29 U.S.C.*  
21       *2801)), or State employment agencies, on behalf*  
22       *of the workers.*

23               “(E) *REQUEST TO INITIATE CERTIFI-*  
24       *CATION.*—*The President, or the Committee on*  
25       *Finance of the Senate or the Committee on Ways*

1           *and Means of the House of Representatives (by*  
2           *resolution), may petition the Secretary to ini-*  
3           *tiate a certification process under this chapter to*  
4           *determine the eligibility for trade adjustment as-*  
5           *sistance of a group of workers.*

6           “(3) *ACTIONS BY GOVERNOR.—*

7                   “(A) *COOPERATING STATE.—Upon receipt*  
8           *of a petition, the Governor of a cooperating State*  
9           *shall ensure that the requirements of the agree-*  
10           *ment entered into under section 222 are met.*

11                   “(B) *OTHER STATES.—Upon receipt of a*  
12           *petition, the Governor of a State that has not en-*  
13           *tered into an agreement under section 222 shall*  
14           *coordinate closely with the Secretary to ensure*  
15           *that workers covered by a petition are—*

16                           “(i) *provided with all available serv-*  
17                           *ices, including rapid response activities*  
18                           *under section 134 of the Workforce Invest-*  
19                           *ment Act (29 U.S.C. 2864);*

20                           “(ii) *informed of the workers’ (and in-*  
21                           *dividual member’s of the worker’s family)*  
22                           *potential eligibility for—*

23                                   “(I) *medical assistance under the*  
24                                   *medicaid program established under*



1 *title XIX of the Social Security Act (42*  
2 *U.S.C. 1396a et seq.);*

3 *“(II) child health assistance under*  
4 *the State children’s health insurance*  
5 *program established under title XXI of*  
6 *that Act (42 U.S.C. 1397aa et seq.);*

7 *“(III) child care services for*  
8 *which assistance is provided under the*  
9 *Child Care and Development Block*  
10 *Grant Act of 1990 (42 U.S.C. 9858 et*  
11 *seq.);*

12 *“(IV) the trade adjustment assist-*  
13 *ance health insurance credit under sec-*  
14 *tion 6429 of the Internal Revenue Code*  
15 *of 1986 and health care coverage assist-*  
16 *ance under funds made available to the*  
17 *State to carry out section 173(f) of the*  
18 *Workforce Investment Act of 1998; and*

19 *“(V) other Federal and State*  
20 *funded health care, child care, trans-*  
21 *portation, and assistance programs*  
22 *that the workers may be eligible for;*  
23 *and*

24 *“(iii) provided with information re-*  
25 *garding how to apply for the assistance,*

1                    *services, and programs described in clause*  
2                    *(ii).*

3                    “(c) *ACTIONS BY SECRETARY.*—

4                    “(1) *IN GENERAL.*—*As soon as possible after the*  
5                    *date on which a petition is filed under subsection (b),*  
6                    *but not later than 40 days after that date, the Sec-*  
7                    *retary shall determine whether the petitioning group*  
8                    *meets the requirements of subsection (a), and if war-*  
9                    *ranted, shall issue a certification of eligibility for*  
10                    *trade adjustment assistance pursuant to this sub-*  
11                    *chapter. In making the determination, the Secretary*  
12                    *shall consult with all petitioning entities.*

13                    “(2) *PUBLICATION OF DETERMINATION.*—*Upon*  
14                    *making a determination under paragraph (1), the*  
15                    *Secretary shall promptly publish a summary of the*  
16                    *determination in the Federal Register together with*  
17                    *the reasons for making that determination.*

18                    “(3) *DATE SPECIFIED IN CERTIFICATION.*—*Each*  
19                    *certification made under this subsection shall specify*  
20                    *the date on which the total or partial separation*  
21                    *began or threatened to begin with respect to a group*  
22                    *of certified workers.*

23                    “(4) *PROJECTED TRAINING NEEDS.*—*The Sec-*  
24                    *retary shall inform the State Workforce Investment*  
25                    *Board or equivalent agency, and other public or pri-*

1        *vate agencies, institutions, employers, and labor orga-*  
2        *nizations, as appropriate, of each certification issued*  
3        *under section 231 and of projections, if available, of*  
4        *the need for training under section 240 as a result of*  
5        *that certification.*

6        “(d) *SCOPE OF CERTIFICATION.*—

7                “(1) *IN GENERAL.*—*A certification issued under*  
8        *subsection (c) shall cover adversely affected workers in*  
9        *any group that meets the requirements of subsection*  
10        *(a), whose total or partial separation occurred on or*  
11        *after the date on which the petition was filed under*  
12        *subsection (b).*

13                “(2) *WORKERS SEPARATED PRIOR TO CERTIFI-*  
14        *CATION.*—*A certification issued under subsection (c)*  
15        *shall cover adversely affected workers whose total or*  
16        *partial separation occurred not more than 1 year*  
17        *prior to the date on which the petition was filed*  
18        *under subsection (b).*

19        “(e) *TERMINATION OF CERTIFICATION.*—

20                “(1) *IN GENERAL.*—*If the Secretary determines,*  
21        *with respect to any certification of eligibility, that*  
22        *workers separated from a firm or subdivision covered*  
23        *by a certification of eligibility are no longer adversely*  
24        *affected workers, the Secretary shall terminate the cer-*  
25        *tification.*

1           “(2) *PUBLICATION OF TERMINATION.*—*The Sec-*  
2           *retary shall promptly publish notice of any termi-*  
3           *nation made under paragraph (1) in the Federal Reg-*  
4           *ister together with the reasons for making that deter-*  
5           *mination.*

6           “(3) *APPLICATION.*—*Any determination made*  
7           *under paragraph (1) shall apply only to total or par-*  
8           *tial separations occurring after the termination date*  
9           *specified by the Secretary.*

10 **“SEC. 232. BENEFIT INFORMATION TO WORKERS.**

11           “(a) *IN GENERAL.*—*The Secretary shall, in accordance*  
12           *with the provisions of section 222 or 223, as appropriate,*  
13           *provide prompt and full information to adversely affected*  
14           *workers covered by a certification issued under section*  
15           *231(c), including information regarding—*

16           “(1) *benefit allowances, training, and other em-*  
17           *ployment services available under this chapter;*

18           “(2) *petition and application procedures under*  
19           *this chapter;*

20           “(3) *appropriate filing dates for the allowances,*  
21           *training, and services available under this chapter;*  
22           *and*

23           “(4) *procedures for applying for and receiving*  
24           *all other Federal benefits and services available to*  
25           *separated workers during a period of unemployment.*

1       “(b) *ASSISTANCE TO GROUPS OF WORKERS.*—

2               “(1) *IN GENERAL.*—*The Secretary shall provide*  
3       *any necessary assistance to enable groups of workers*  
4       *to prepare petitions or applications for program bene-*  
5       *fits.*

6               “(2) *ASSISTANCE FROM STATES.*—*The Secretary*  
7       *shall ensure that cooperating States fully comply with*  
8       *the agreements entered into under section 222 and*  
9       *shall periodically review that compliance.*

10       “(c) *NOTICE.*—

11               “(1) *IN GENERAL.*—*Not later than 15 days after*  
12       *a certification is issued under section 231 (or as soon*  
13       *as practicable after separation), the Secretary shall*  
14       *provide written notice of the benefits available under*  
15       *this chapter to each worker whom the Secretary has*  
16       *reason to believe is covered by the certification.*

17               “(2) *PUBLICATION OF NOTICE.*—*The Secretary*  
18       *shall publish notice of the benefits available under*  
19       *this chapter to workers covered by each certification*  
20       *made under section 231 in newspapers of general cir-*  
21       *ulation in the areas in which those workers reside.*

22               “(3) *NOTICE TO OTHER PARTIES AFFECTED BY*  
23       *THESE PROVISIONS REGARDING HEALTH ASSIST-*  
24       *ANCE.*—*The Secretary shall notify each provider of*  
25       *health insurance within the meaning of section 7527*

1       *of the Internal Revenue Code of 1986 of the avail-*  
2       *ability of health care coverage assistance under title*  
3       *VI of the Trade Adjustment Assistance Reform Act of*  
4       *2002 and of the temporary extension of the election*  
5       *period for COBRA continuation coverage for certain*  
6       *workers under section 603 of that Act.*

7               **“Subchapter C—Program Benefits**

8                       **“PART I—GENERAL PROVISIONS**

9       **“SEC. 234. COMPREHENSIVE ASSISTANCE.**

10           *“Workers covered by a certification issued by the Sec-*  
11       *retary under section 231 shall be eligible for the following:*

12                       *“(1) Trade adjustment allowances as described*  
13       *in sections 235 through 238.*

14                       *“(2) Employment services as described in section*  
15       *239.*

16                       *“(3) Training as described in section 240.*

17                       *“(4) Job search allowances as described in sec-*  
18       *tion 241.*

19                       *“(5) Relocation allowances as described in sec-*  
20       *tion 242.*

21                       *“(6) Supportive services and wage insurance as*  
22       *described in section 243.*

23                       *“(7) Health care coverage assistance under title*  
24       *VI of the Trade Adjustment Assistance Reform Act of*  
25       *2002.*

1     **“PART II—TRADE ADJUSTMENT ALLOWANCES**

2     **“SEC. 235. QUALIFYING REQUIREMENTS FOR WORKERS.**

3             “(a) *IN GENERAL.*—*Payment of a trade adjustment al-*  
4 *lowance shall be made to an adversely affected worker cov-*  
5 *ered by a certification under section 231 who files an appli-*  
6 *cation for the allowance for any week of unemployment that*  
7 *begins more than 60 days after the date on which the peti-*  
8 *tion that resulted in the certification was filed under section*  
9 *231, if the following conditions are met:*

10             “(1) *TIME OF TOTAL OR PARTIAL SEPARATION*  
11 *FROM EMPLOYMENT.*—*The adversely affected worker’s*  
12 *total or partial separation before the worker’s appli-*  
13 *cation under this chapter occurred—*

14                     “(A) *within the period specified in either*  
15 *section 231 (d) (1) or (2);*

16                     “(B) *before the expiration of the 2-year pe-*  
17 *riod beginning on the date on which the certifi-*  
18 *cation under section 231 was issued; and*

19                     “(C) *before the termination date (if any)*  
20 *determined pursuant to section 231(e).*

21             “(2) *EMPLOYMENT REQUIRED.*—

22                     “(A) *IN GENERAL.*—*The adversely affected*  
23 *worker had, in the 52-week period ending with*  
24 *the week in which the total or partial separation*  
25 *occurred, at least 26 weeks of employment at*

1           wages of \$30 or more a week with a single firm  
2           or subdivision of a firm.

3           “(B) *UNAVAILABILITY OF DATA.*—If data  
4           with respect to weeks of employment with a firm  
5           are not available, the worker had equivalent  
6           amounts of employment computed under regula-  
7           tions prescribed by the Secretary.

8           “(C) *WEEK OF EMPLOYMENT.*—For the pur-  
9           poses of this paragraph any week shall be treated  
10          as a week of employment at wages of \$30 or  
11          more, if an adversely affected worker—

12               “(i) is on employer-authorized leave for  
13               purposes of vacation, sickness, injury, or  
14               maternity, or inactive duty training or ac-  
15               tive duty for training in the Armed Forces  
16               of the United States;

17               “(ii) does not work because of a dis-  
18               ability that is compensable under a work-  
19               men’s compensation law or plan of a State  
20               or the United States;

21               “(iii) had employment interrupted in  
22               order to serve as a full-time representative  
23               of a labor organization in that firm or sub-  
24               division; or



1           “(iv) is on call-up for purposes of ac-  
2           tive duty in a reserve status in the Armed  
3           Forces of the United States, provided that  
4           active duty is ‘Federal service’ as defined in  
5           section 8521(a)(1) of title 5, United States  
6           Code.

7           “(D) EXCEPTIONS.—

8           “(i) In the case of weeks described in  
9           clause (i) or (iii) of subparagraph (C), or  
10          both, not more than 7 weeks may be treated  
11          as weeks of employment under subpara-  
12          graph (C).

13          “(ii) In the case of weeks described in  
14          clause (ii) or (iv) of subparagraph (C), not  
15          more than 26 weeks may be treated as weeks  
16          of employment under subparagraph (C).

17          “(3) UNEMPLOYMENT COMPENSATION.—The ad-  
18          versely affected worker meets all of the following re-  
19          quirements:

20                 “(A) ENTITLEMENT TO UNEMPLOYMENT IN-  
21                 SURANCE.—The worker was entitled to (or would  
22                 be entitled to if the worker applied for) unem-  
23                 ployment insurance for a week within the benefit  
24                 period—

1                   “(i) in which total or partial separa-  
2                   tion took place; or

3                   “(ii) which began (or would have  
4                   begun) by reason of the filing of a claim for  
5                   unemployment insurance by the worker  
6                   after total or partial separation.

7                   “(B) *EXHAUSTION OF UNEMPLOYMENT IN-*  
8                   *SURANCE.*—The worker has exhausted all rights  
9                   to any regular State unemployment insurance to  
10                  which the worker was entitled (or would be enti-  
11                  tled if the worker had applied for any regular  
12                  State unemployment insurance).

13                  “(C) *NO UNEXPIRED WAITING PERIOD.*—  
14                  The worker does not have an unexpired waiting  
15                  period applicable to the worker for any unem-  
16                  ployment insurance.

17                  “(4) *EXTENDED UNEMPLOYMENT COMPENSA-*  
18                  *TION.*—The adversely affected worker, with respect to  
19                  a week of unemployment, would not be disqualified  
20                  for extended compensation payable under the Federal-  
21                  State Extended Unemployment Compensation Act of  
22                  1970 (26 U.S.C. 3304 note) by reason of the work ac-  
23                  ceptance and job search requirements in section  
24                  202(a)(3) of that Act.

1           “(5) *TRAINING.*—*The adversely affected worker is*  
2           *enrolled in a training program approved by the Sec-*  
3           *retary under section 240(a), and the enrollment oc-*  
4           *curred not later than the latest of the periods de-*  
5           *scribed in subparagraph (A), (B), or (C).*

6           “(A) *16 WEEKS.*—*The worker enrolled not*  
7           *later than the last day of the 16th week after the*  
8           *worker’s most recent total separation that meets*  
9           *the requirements of paragraphs (1) and (2).*

10          “(B) *8 WEEKS.*—*The worker enrolled not*  
11          *later than the last day of the 8th week after the*  
12          *week in which the Secretary issues a certification*  
13          *covering the worker.*

14          “(C) *EXTENUATING CIRCUMSTANCES.*—*Not-*  
15          *withstanding subparagraphs (A) and (B), the*  
16          *adversely affected worker is eligible for trade ad-*  
17          *justment assistance if the worker enrolled not*  
18          *later than 45 days after the later of the dates*  
19          *specified in subparagraph (A) or (B), and the*  
20          *Secretary determines there are extenuating cir-*  
21          *cumstances that justify an extension in the en-*  
22          *rollment period.*

23          “(b) *FAILURE TO PARTICIPATE IN TRAINING.*—

24                 “(1) *IN GENERAL.*—*Until the adversely affected*  
25                 *worker begins or resumes participation in a training*

1        *program approved under section 240(a), no trade ad-*  
2        *justment allowance may be paid under subsection (a)*  
3        *to an adversely affected worker for any week or any*  
4        *succeeding week in which—*

5                *“(A) the Secretary determines that—*

6                        *“(i) the adversely affected worker—*

7                                *“(I) has failed to begin participa-*  
8                                *tion in a training program the enroll-*  
9                                *ment in which meets the requirement*  
10                                *of subsection (a)(5); or*

11                                *“(II) has ceased to participate in*  
12                                *such a training program before com-*  
13                                *pleting the training program; and*

14                                *“(ii) there is no justifiable cause for*  
15                                *the failure or cessation; or*

16                        *“(B) the waiver issued to that worker under*  
17                        *subsection (c)(1) is revoked under subsection*  
18                        *(c)(2).*

19                *“(2) EXCEPTION.—The provisions of subsection*  
20                *(a)(5) and paragraph (1) shall not apply with respect*  
21                *to any week of unemployment that begins before the*  
22                *first week following the week in which the certifi-*  
23                *cation is issued under section 231.*

24                *“(c) WAIVERS OF TRAINING REQUIREMENTS.—*

1           “(1) *ISSUANCE OF WAIVERS.*—*The Secretary*  
2           *may issue a written statement to an adversely af-*  
3           *ected worker waiving the requirement to be enrolled*  
4           *in training described in subsection (a) if the Sec-*  
5           *retary determines that the training requirement is*  
6           *not feasible or appropriate for the worker, because of*  
7           *1 or more of the following reasons:*

8                   “(A) *RECALL.*—*The worker has been noti-*  
9                   *fied that the worker will be recalled by the firm*  
10                   *from which the separation occurred.*

11                   “(B) *MARKETABLE SKILLS.*—*The worker*  
12                   *possesses marketable skills for suitable employ-*  
13                   *ment (as determined pursuant to an assessment*  
14                   *of the worker, which may include the profiling*  
15                   *system under section 303(j) of the Social Secu-*  
16                   *rity Act (42 U.S.C. 503(j)), carried out in ac-*  
17                   *cordance with guidelines issued by the Secretary)*  
18                   *and there is a reasonable expectation of employ-*  
19                   *ment at equivalent wages in the foreseeable fu-*  
20                   *ture.*

21                   “(C) *RETIREMENT.*—*The worker is within 2*  
22                   *years of meeting all requirements for entitlement*  
23                   *to either—*

24                           “(i) *old-age insurance benefits under*  
25                           *title II of the Social Security Act (42*

1           *U.S.C. 401 et seq.) (except for application*  
2           *therefore); or*

3                     “(ii) a private pension sponsored by  
4                     an employer or labor organization.

5                     “(D) *HEALTH.*—*The worker is unable to*  
6                     *participate in training due to the health of the*  
7                     *worker, except that a waiver under this subpara-*  
8                     *graph shall not be construed to exempt a worker*  
9                     *from requirements relating to the availability for*  
10                    *work, active search for work, or refusal to accept*  
11                    *work under Federal or State unemployment com-*  
12                    *penetration laws.*

13                    “(E) *ENROLLMENT UNAVAILABLE.*—*The*  
14                    *first available enrollment date for the approved*  
15                    *training of the worker is within 60 days after*  
16                    *the date of the determination made under this*  
17                    *paragraph, or, if later, there are extenuating cir-*  
18                    *cumstances for the delay in enrollment, as deter-*  
19                    *mined pursuant to guidelines issued by the Sec-*  
20                    *retary.*

21                    “(F) *TRAINING NOT AVAILABLE.*—*Training*  
22                    *approved by the Secretary is not reasonably*  
23                    *available to the worker from either governmental*  
24                    *agencies or private sources (which may include*  
25                    *area vocational education schools, as defined in*

1           *section 3 of the Carl D. Perkins Vocational and*  
2           *Technical Education Act of 1998 (20 U.S.C.*  
3           *2302), and employers), no training that is suit-*  
4           *able for the worker is available at a reasonable*  
5           *cost, or no training funds are available.*

6           “(G) *OTHER.—The Secretary may, at his*  
7           *discretion, issue a waiver if the Secretary deter-*  
8           *mines that a worker has set forth in writing rea-*  
9           *sons other than those provided for in subpara-*  
10          *graphs (A) through (F) justifying the grant of*  
11          *such waiver.*

12          “(2) *DURATION OF WAIVERS.—*

13           “(A) *IN GENERAL.—A waiver issued under*  
14           *paragraph (1) shall be effective for not more*  
15           *than 6 months after the date on which the wai-*  
16           *ver is issued, unless the Secretary determines oth-*  
17           *erwise.*

18           “(B) *REVOCATION.—The Secretary shall re-*  
19           *voke a waiver issued under paragraph (1) if the*  
20           *Secretary determines that the basis of a waiver*  
21           *is no longer applicable to the worker.*

22          “(3) *AMENDMENTS UNDER SECTION 222.—*

23           “(A) *ISSUANCE BY COOPERATING STATES.—*  
24           *Pursuant to an agreement under section 222, the*

1            *Secretary may authorize a cooperating State to*  
2            *issue waivers as described in paragraph (1).*

3            *“(B) SUBMISSION OF STATEMENTS.—An*  
4            *agreement under section 222 shall include a re-*  
5            *quirement that the cooperating State submit to*  
6            *the Secretary the written statements provided*  
7            *under paragraph (1) and a statement of the rea-*  
8            *sons for the waiver.*

9            **“SEC. 236. WEEKLY AMOUNTS.**

10           *“(a) IN GENERAL.—Subject to subsections (b) and (c),*  
11           *the trade adjustment allowance payable to an adversely af-*  
12           *ected worker for a week of total unemployment shall be an*  
13           *amount equal to the most recent weekly benefit amount of*  
14           *the unemployment insurance payable to the worker for a*  
15           *week of total unemployment preceding the worker’s first ex-*  
16           *haustion of unemployment insurance (as determined for*  
17           *purposes of section 235(a)(3)(B)) reduced (but not below*  
18           *zero) by—*

19           *“(1) any training allowance deductible under*  
20           *subsection (c); and*

21           *“(2) any income that is deductible from unem-*  
22           *ployment insurance under the disqualifying income*  
23           *provisions of the applicable State law or Federal un-*  
24           *employment insurance law.*



1       “(b) *ADJUSTMENT FOR WORKERS RECEIVING TRAIN-*  
2 *ING.—*

3               “(1) *IN GENERAL.—Any adversely affected work-*  
4 *er who is entitled to a trade adjustment allowance*  
5 *and who is receiving training approved by the Sec-*  
6 *retary, shall receive for each week in which the worker*  
7 *is undergoing that training, a trade adjustment al-*  
8 *lowance in an amount (computed for such week)*  
9 *equal to the greater of—*

10               “(A) *the amount computed under subsection*  
11 *(a); or*

12               “(B) *the amount of any weekly allowance*  
13 *for that training to which the worker would be*  
14 *entitled under any other Federal law for the*  
15 *training of workers, if the worker applied for*  
16 *that allowance.*

17               “(2) *ALLOWANCE PAID IN LIEU OF.—Any trade*  
18 *adjustment allowance calculated under paragraph (1)*  
19 *shall be paid in lieu of any training allowance to*  
20 *which the worker would be entitled under any other*  
21 *Federal law.*

22               “(3) *COORDINATION WITH UNEMPLOYMENT IN-*  
23 *SURANCE.—Any week in which a worker undergoing*  
24 *training approved by the Secretary receives payments*  
25 *from unemployment insurance shall be subtracted*

1       *from the total number of weeks for which a worker*  
2       *may receive trade adjustment allowance under this*  
3       *chapter.*

4       “(c) *ADJUSTMENT FOR WORKERS RECEIVING ALLOW-*  
5       *ANCES UNDER OTHER FEDERAL LAW.—*

6               “(1) *REDUCTION IN WEEKS FOR WHICH ALLOW-*  
7       *ANCE WILL BE PAID.—If a training allowance under*  
8       *any Federal law (other than this Act) is paid to an*  
9       *adversely affected worker for any week of unemploy-*  
10       *ment with respect to which the worker would be enti-*  
11       *tled (determined without regard to any disqualifica-*  
12       *tion under section 235(b)) to a trade adjustment al-*  
13       *lowance if the worker applied for that allowance, each*  
14       *week of unemployment shall be deducted from the*  
15       *total number of weeks of trade adjustment allowance*  
16       *otherwise payable to that worker under section 235(a)*  
17       *when the worker applies for a trade adjustment allow-*  
18       *ance and is determined to be entitled to the allowance.*

19               “(2) *PAYMENT OF DIFFERENCE.—If the training*  
20       *allowance paid to a worker for any week of unem-*  
21       *ployment is less than the amount of the trade adjust-*  
22       *ment allowance to which the worker would be entitled*  
23       *if the worker applied for the trade adjustment allow-*  
24       *ance, the worker shall receive, when the worker ap-*  
25       *plies for a trade adjustment allowance and is deter-*



1           “(A) *within the period that is described in*  
2           *section 235(a)(1); and*

3           “(B) *with respect to which the worker meets*  
4           *the requirements of section 235(a)(2).*

5           “(2) *SPECIAL RULES.—*

6           “(A) *BREAK IN TRAINING.—For purposes of*  
7           *this chapter, a worker shall be treated as partici-*  
8           *parting in a training program approved by the*  
9           *Secretary under section 240(a) during any week*  
10          *that is part of a break in a training that does*  
11          *not exceed 30 days if—*

12                  “(i) *the worker was participating in a*  
13                  *training program approved under section*  
14                  *240(a) before the beginning of the break in*  
15                  *training; and*

16                  “(ii) *the break is provided under the*  
17                  *training program.*

18           “(B) *ON-THE-JOB TRAINING.—No trade ad-*  
19           *justment allowance shall be paid to a worker*  
20           *under this chapter for any week during which*  
21           *the worker is receiving on-the-job training, ex-*  
22           *cept that a trade adjustment allowance shall be*  
23           *paid if a worker is enrolled in a non-paid cus-*  
24           *tomized training program.*

1           “(C) *SMALL BUSINESS ADMINISTRATION*  
2           *PILOT PROGRAM.*—*An adversely affected worker*  
3           *who is participating in a self-employment train-*  
4           *ing program established by the Director of the*  
5           *Small Business Administration pursuant to sec-*  
6           *tion 102 of the Trade Adjustment Assistance Re-*  
7           *form Act of 2002, shall not be ineligible to re-*  
8           *ceive benefits under this chapter.*

9           “(D) *ADDITIONAL WEEKS FOR REMEDIAL*  
10           *EDUCATION.*—*Notwithstanding any other provi-*  
11           *sion of this section, in order to assist an ad-*  
12           *versely affected worker to complete training ap-*  
13           *proved for the worker under section 240, if the*  
14           *program is a program of remedial education in*  
15           *accordance with regulations prescribed by the*  
16           *Secretary, payments may be made as trade ad-*  
17           *justment allowances for up to 26 additional*  
18           *weeks in the 26-week period that follows the last*  
19           *week of entitlement to trade adjustment allow-*  
20           *ances otherwise payable under this chapter.*

21           “(c) *ADJUSTMENT OF AMOUNTS PAYABLE.*—*Amounts*  
22           *payable to an adversely affected worker under this chapter*  
23           *shall be subject to adjustment on a week-to-week basis as*  
24           *may be required by section 236.*

25           “(d) *YEAR-END ADJUSTMENT.*—

1           “(1) *IN GENERAL.*—*Notwithstanding any other*  
2           *provision of this Act or any other provision of law,*  
3           *if the benefit year of a worker ends within an ex-*  
4           *tended benefit period, the number of weeks of extended*  
5           *benefits that the worker would, but for this subsection,*  
6           *be entitled to in that extended benefit period shall not*  
7           *be reduced by the number of weeks for which the*  
8           *worker was entitled, during that benefit year, to trade*  
9           *adjustment allowances under this part.*

10           “(2) *EXTENDED BENEFITS PERIOD.*—*For the*  
11           *purpose of this section the term ‘extended benefit pe-*  
12           *riod’ has the same meaning given that term in the*  
13           *Federal-State Extended Unemployment Compensation*  
14           *Act of 1970 (26 U.S.C. 3304 note).*

15           **“SEC. 238. APPLICATION OF STATE LAWS.**

16           “(a) *IN GENERAL.*—*Except where inconsistent with*  
17           *the provisions of this chapter and subject to such regulations*  
18           *as the Secretary may prescribe, the availability and dis-*  
19           *qualification provisions of the State law under which an*  
20           *adversely affected worker is entitled to unemployment in-*  
21           *surance (whether or not the worker has filed a claim for*  
22           *such insurance), or, if the worker is not so entitled to unem-*  
23           *ployment insurance, of the State in which the worker was*  
24           *totally or partially separated, shall apply to a worker that*  
25           *files an application for trade adjustment assistance.*



1           *Workforce Investment Act of 1998 (29 U.S.C.*  
2           *2861 et seq.)*;

3                     “(C) *any program of adult education*;

4                     “(D) *any training program (other than a*  
5                     *training program described in paragraph (3))*  
6                     *for which all, or any portion, of the costs of*  
7                     *training the worker are paid—*

8                             “(i) *under any Federal or State pro-*  
9                             *gram other than this chapter; or*

10                            “(ii) *from any source other than this*  
11                            *section; and*

12                            “(E) *any other training program that the*  
13                            *Secretary determines is acceptable to meet the*  
14                            *needs of an adversely affected worker.*

15           *In making the determination under subparagraph*  
16           *(E), the Secretary shall consult with interested par-*  
17           *ties.*

18                     “(2) *TRAINING AGREEMENTS.—Before approving*  
19                     *any training to which subsection (f)(1)(C) may*  
20                     *apply, the Secretary may require that the adversely*  
21                     *affected worker enter into an agreement with the Sec-*  
22                     *retary under which the Secretary will not be required*  
23                     *to pay under subsection (b) the portion of the costs of*  
24                     *the training that the worker has reason to believe will*



1 *be paid under the program, or by the source, de-*  
2 *scribed in clause (i) or (ii) of subsection (f)(1)(C).*

3 “(3) *LIMITATION ON APPROVALS.*—*The Secretary*  
4 *shall not approve a training program if all of the fol-*  
5 *lowing apply:*

6 “(A) *PAYMENT BY PLAN.*—*Any portion of*  
7 *the costs of the training program are paid under*  
8 *any nongovernmental plan or program.*

9 “(B) *RIGHT TO OBTAIN.*—*The adversely af-*  
10 *ected worker has a right to obtain training or*  
11 *funds for training under that plan or program.*

12 “(C) *REIMBURSEMENT.*—*The plan or pro-*  
13 *gram requires the worker to reimburse the plan*  
14 *or program from funds provided under this*  
15 *chapter, or from wages paid under the training*  
16 *program, for any portion of the costs of that*  
17 *training program paid under the plan or pro-*  
18 *gram.*

19 “(b) *PAYMENT OF TRAINING COSTS.*—

20 “(1) *IN GENERAL.*—*Upon approval of a training*  
21 *program under subsection (a), and subject to the limi-*  
22 *tations imposed by this section, an adversely affected*  
23 *worker covered by a certification issued under section*  
24 *231 may be eligible to have payment of the costs of*  
25 *that training, including any costs of an approved*

1        *training program incurred by a worker before a cer-*  
2        *tification was issued under section 231, made on be-*  
3        *half of the worker by the Secretary directly or through*  
4        *a voucher system.*

5            *“(2) ON-THE-JOB TRAINING AND CUSTOMIZED*  
6        *TRAINING.—*

7            *“(A) PROVISION OF TRAINING ON THE JOB*  
8        *OR CUSTOMIZED TRAINING.—If the Secretary ap-*  
9        *proves training under subsection (a), the Sec-*  
10       *retary shall, insofar as possible, provide or as-*  
11       *sure the provision of that training on the job or*  
12       *customized training, and any training on the job*  
13       *or customized training that is approved by the*  
14       *Secretary under subsection (a) shall include re-*  
15       *lated education necessary for the acquisition of*  
16       *skills needed for a position within a particular*  
17       *occupation.*

18           *“(B) MONTHLY INSTALLMENTS.—If the Sec-*  
19       *retary approves payment of any on-the-job train-*  
20       *ing or customized training under subsection (a),*  
21       *the Secretary shall pay the costs of that training*  
22       *in equal monthly installments.*

23           *“(C) LIMITATIONS.—The Secretary may*  
24       *pay the costs of on-the-job training or customized*  
25       *training only if—*

1           “(i) no employed worker is displaced  
2 by the adversely affected worker (including  
3 partial displacement such as a reduction in  
4 the hours of nonovertime work, wages, or  
5 employment benefits);

6           “(ii) the training does not impair con-  
7 tracts for services or collective bargaining  
8 agreements;

9           “(iii) in the case of training that  
10 would affect a collective bargaining agree-  
11 ment, the written concurrence of the labor  
12 organization concerned has been obtained;

13           “(iv) no other individual is on layoff  
14 from the same, or any substantially equiva-  
15 lent, job for which the adversely affected  
16 worker is being trained;

17           “(v) the employer has not terminated  
18 the employment of any regular employee or  
19 otherwise reduced the workforce of the em-  
20 ployer with the intention of filling the va-  
21 cancy so created by hiring the adversely af-  
22 fected worker;

23           “(vi) the job for which the adversely af-  
24 fected worker is being trained is not being  
25 created in a promotional line that will in-

1           *fringe in any way upon the promotional*  
2           *opportunities of employed individuals;*

3           “(vii) *the training is not for the same*  
4           *occupation from which the worker was sepa-*  
5           *rated and with respect to which the worker’s*  
6           *group was certified pursuant to section 231;*

7           “(viii) *the employer is provided reim-*  
8           *bursement of not more than 50 percent of*  
9           *the wage rate of the participant, for the cost*  
10          *of providing the training and additional*  
11          *supervision related to the training;*

12          “(ix) *the employer has not received*  
13          *payment under subsection (b)(1) with re-*  
14          *spect to any other on-the-job training pro-*  
15          *vided by the employer or customized train-*  
16          *ing that failed to meet the requirements of*  
17          *clauses (i) through (vi); and*

18          “(x) *the employer has not taken, at*  
19          *any time, any action that violated the terms*  
20          *of any certification described in clause*  
21          *(viii) made by that employer with respect to*  
22          *any other on-the-job training provided by*  
23          *the employer or customized training for*  
24          *which the Secretary has made a payment*  
25          *under paragraph (1).*

1           “(c) *CERTAIN WORKERS ELIGIBLE FOR TRAINING*  
2 *BENEFITS.*—*An adversely affected worker covered by a cer-*  
3 *tification issued under section 231, who is not qualified to*  
4 *receive a trade adjustment allowance under section 235,*  
5 *may be eligible to have payment of the costs of training*  
6 *made under this section, if the worker enters a training pro-*  
7 *gram approved by the Secretary not later than 6 months*  
8 *after the date on which the certification that covers the*  
9 *worker is issued or the Secretary determines that one of the*  
10 *following applied:*

11                   “(1) *Funding was not available at the time at*  
12           *which the adversely affected worker was required to*  
13           *enter training under paragraph (1).*

14                   “(2) *The adversely affected worker was covered*  
15           *by a waiver issued under section 235(c).*

16           “(d) *EXHAUSTION OF UNEMPLOYMENT INSURANCE*  
17 *NOT REQUIRED.*—*The Secretary may approve training,*  
18 *and pay the costs thereof, for any adversely affected worker*  
19 *who is a member of a group certified under section 231*  
20 *at any time after the date on which the group is certified,*  
21 *without regard to whether the worker has exhausted all*  
22 *rights to any unemployment insurance to which the worker*  
23 *is entitled.*

24           “(e) *SUPPLEMENTAL ASSISTANCE.*—

1           “(1) *IN GENERAL.*—Subject to paragraphs (2)  
2           and (3), when training is provided under a training  
3           program approved by the Secretary under subsection  
4           (a) in facilities that are not within commuting dis-  
5           tance of a worker’s regular place of residence, the Sec-  
6           retary may authorize supplemental assistance to de-  
7           fray reasonable transportation and subsistence ex-  
8           penses for separate maintenance.

9           “(2) *TRANSPORTATION EXPENSES.*—The Sec-  
10          retary may not authorize payments for travel ex-  
11          penses exceeding the prevailing mileage rate author-  
12          ized under the Federal travel regulations.

13          “(3) *SUBSISTENCE EXPENSES.*—The Secretary  
14          may not authorize payments for subsistence that ex-  
15          ceed the lesser of—

16                 “(A) the actual per diem expenses for sub-  
17                 sistence of the worker; or

18                 “(B) an amount equal to 50 percent of the  
19                 prevailing per diem allowance rate authorized  
20                 under Federal travel regulations.

21          “(f) *SPECIAL PROVISIONS; LIMITATIONS.*—

22                 “(1) *LIMITATION ON MAKING PAYMENTS.*—

23                         “(A) *DISALLOWANCE OF OTHER PAY-*  
24                         *MENT.*—If the costs of training an adversely af-  
25                         fected worker are paid by the Secretary under

1            *subsection (b), no other payment for those train-*  
2            *ing costs may be made under any other provi-*  
3            *sion of Federal law.*

4            *“(B) NO PAYMENT OF REIMBURSABLE*  
5            *COSTS.—No payment for the costs of approved*  
6            *training may be made under subsection (b) if*  
7            *those costs—*

8                    *“(i) have already been paid under any*  
9                    *other provision of Federal law; or*

10                   *“(ii) are reimbursable under any other*  
11                   *provision of Federal law and a portion of*  
12                   *those costs has already been paid under that*  
13                   *other provision of Federal law.*

14            *“(C) NO PAYMENT OF COSTS PAID ELSE-*  
15            *WHERE.—The Secretary is not required to pay*  
16            *the costs of any training approved under sub-*  
17            *section (a) to the extent that those costs are paid*  
18            *under any Federal or State program other than*  
19            *this chapter.*

20            *“(D) EXCEPTION.—The provisions of this*  
21            *paragraph shall not apply to, or take into ac-*  
22            *count, any funds provided under any other pro-*  
23            *vision of Federal law that are used for any pur-*  
24            *pose other than the direct payment of the costs*  
25            *incurred in training a particular adversely af-*

1           *affected worker, even if the use of those funds has*  
2           *the effect of indirectly paying for or reducing*  
3           *any portion of the costs involved in training the*  
4           *adversely affected worker.*

5           “(2) *UNEMPLOYMENT ELIGIBILITY.*—*A worker*  
6           *may not be determined to be ineligible or disqualified*  
7           *for unemployment insurance or program benefits*  
8           *under this subchapter because the individual is in*  
9           *training approved under subsection (a), because of*  
10           *leaving work which is not suitable employment to*  
11           *enter the training, or because of the application to*  
12           *any week in training of provisions of State law or*  
13           *Federal unemployment insurance law relating to*  
14           *availability for work, active search for work, or re-*  
15           *usal to accept work.*

16           “(3) *DEFINITION.*—*For purposes of this section*  
17           *the term ‘suitable employment’ means, with respect to*  
18           *a worker, work of a substantially equal or higher skill*  
19           *level than the worker’s past adversely affected employ-*  
20           *ment, and wages for such work at not less than 80*  
21           *percent of the worker’s average weekly wage.*

22           “(4) *PAYMENTS AFTER REEMPLOYMENT.*—

23           “(A) *IN GENERAL.*—*In the case of an ad-*  
24           *versely affected worker who secures reemploy-*  
25           *ment, the Secretary may approve and pay the*



1           *costs of training (or shall continue to pay the*  
2           *costs of training previously approved) for that*  
3           *adversely affected worker, for the completion of*  
4           *the training program or up to 26 weeks, which-*  
5           *ever is less, after the date the adversely affected*  
6           *worker becomes reemployed.*

7           “(B) *TRADE ADJUSTMENT ALLOWANCE.—*  
8           *An adversely affected worker who is reemployed*  
9           *and is undergoing training approved by the Sec-*  
10           *retary pursuant to subparagraph (A) may con-*  
11           *tinue to receive a trade adjustment allowance,*  
12           *subject to the income offsets provided for in the*  
13           *worker’s State unemployment compensation law*  
14           *in accordance with the provisions of section 237.*

15           “(5) *FUNDING.—The total amount of payments*  
16           *that may be made under this section for any fiscal*  
17           *year shall not exceed \$300,000,000.*

18           **“SEC. 240A. JOB TRAINING PROGRAMS.**

19           “(a) *GRANT PROGRAM AUTHORIZED.—The Secretary*  
20           *is authorized to award grants to community colleges (as*  
21           *defined in section 202 of the Tech-Prep Education Act (20*  
22           *U.S.C. 2371)) on a competitive basis to establish job train-*  
23           *ing programs for adversely affected workers.*

24           “(b) *APPLICATION.—*

1           “(1) *SUBMISSION.*—*To receive a grant under*  
2           *this section, a community college shall submit an ap-*  
3           *plication to the Secretary at such time and in such*  
4           *manner as the Secretary shall require.*

5           “(2) *CONTENTS.*—*The application submitted*  
6           *under paragraph (1) shall provide a description of—*

7                   “(A) *the population to be served with grant*  
8                   *funds received under this section;*

9                   “(B) *how grant funds received under this*  
10                  *section will be expended; and*

11                  “(C) *the job training programs that will be*  
12                  *established with grant funds received under this*  
13                  *section, including a description of how such pro-*  
14                  *grams relate to workforce needs in the area*  
15                  *where the community college is located.*

16           “(c) *ELIGIBILITY.*—*To be eligible to receive a grant*  
17           *under this section, a community college shall be located in*  
18           *an eligible community (as defined in section 271).*

19           “(d) *DECISION ON APPLICATIONS.*—*Not later than 30*  
20           *days after submission of an application under subsection*  
21           *(b), the Secretary shall approve or disapprove the applica-*  
22           *tion.*

23           “(e) *USE OF FUNDS.*—*A community college that re-*  
24           *ceives a grant under this section shall use the grant funds*

1 *to establish job training programs for adversely affected*  
2 *workers.*

3 **“SEC. 241. JOB SEARCH ALLOWANCES.**

4 *“(a) JOB SEARCH ALLOWANCE AUTHORIZED.—*

5 *“(1) IN GENERAL.—An adversely affected worker*  
6 *covered by a certification issued under section 231*  
7 *may file an application with the Secretary for pay-*  
8 *ment of a job search allowance.*

9 *“(2) APPROVAL OF APPLICATIONS.—The Sec-*  
10 *retary may grant an allowance pursuant to an appli-*  
11 *cation filed under paragraph (1) when all of the fol-*  
12 *lowing apply:*

13 *“(A) ASSIST ADVERSELY AFFECTED WORK-*  
14 *ER.—The allowance is paid to assist an ad-*  
15 *versely affected worker who has been totally sepa-*  
16 *rated in securing a job within the United States.*

17 *“(B) LOCAL EMPLOYMENT NOT AVAIL-*  
18 *ABLE.—The Secretary determines that the work-*  
19 *er cannot reasonably be expected to secure suit-*  
20 *able employment in the commuting area in*  
21 *which the worker resides.*

22 *“(C) APPLICATION.—The worker has filed*  
23 *an application for the allowance with the Sec-*  
24 *retary before—*

25 *“(i) the later of—*

1                   “(I) the 365th day after the date  
2                   of the certification under which the  
3                   worker is certified as eligible; or

4                   “(II) the 365th day after the date  
5                   of the worker’s last total separation; or

6                   “(ii) the date that is the 182d day  
7                   after the date on which the worker con-  
8                   cluded training, unless the worker received  
9                   a waiver under section 235(c).

10                  “(b) AMOUNT OF ALLOWANCE.—

11                   “(1) IN GENERAL.—An allowance granted under  
12                   subsection (a) shall provide reimbursement to the  
13                   worker of 90 percent of the cost of necessary job search  
14                   expenses as prescribed by the Secretary in regulations.

15                   “(2) MAXIMUM ALLOWANCE.—Reimbursement  
16                   under this subsection may not exceed \$1,250 for any  
17                   worker.

18                   “(3) ALLOWANCE FOR SUBSISTENCE AND TRANS-  
19                   PORTATION.—Reimbursement under this subsection  
20                   may not be made for subsistence and transportation  
21                   expenses at levels exceeding those allowable under sec-  
22                   tion 240(e).

23                   “(c) EXCEPTION.—Notwithstanding subsection (b), the  
24                   Secretary shall reimburse any adversely affected worker for

1 *necessary expenses incurred by the worker in participating*  
2 *in a job search program approved by the Secretary.*

3 **“SEC. 242. RELOCATION ALLOWANCES.**

4 *“(a) RELOCATION ALLOWANCE AUTHORIZED.—*

5 *“(1) IN GENERAL.—Any adversely affected work-*  
6 *er covered by a certification issued under section 231*  
7 *may file an application for a relocation allowance*  
8 *with the Secretary, and the Secretary may grant the*  
9 *relocation allowance, subject to the terms and condi-*  
10 *tions of this section.*

11 *“(2) CONDITIONS FOR GRANTING ALLOWANCE.—*  
12 *A relocation allowance may be granted if all of the*  
13 *following terms and conditions are met:*

14 *“(A) ASSIST AN ADVERSELY AFFECTED*  
15 *WORKER.—The relocation allowance will assist*  
16 *an adversely affected worker in relocating within*  
17 *the United States.*

18 *“(B) LOCAL EMPLOYMENT NOT AVAIL-*  
19 *ABLE.—The Secretary determines that the work-*  
20 *er cannot reasonably be expected to secure suit-*  
21 *able employment in the commuting area in*  
22 *which the worker resides.*

23 *“(C) TOTAL SEPARATION.—The worker is*  
24 *totally separated from employment at the time*  
25 *relocation commences.*

1                   “(D) *SUITABLE EMPLOYMENT OBTAINED.*—

2                   *The worker—*

3                   “(i) *has obtained suitable employment*  
4                   *affording a reasonable expectation of long-*  
5                   *term duration in the area in which the*  
6                   *worker wishes to relocate; or*

7                   “(ii) *has obtained a bona fide offer of*  
8                   *such employment.*

9                   “(E) *APPLICATION.*—*The worker filed an*  
10                   *application with the Secretary before—*

11                   “(i) *the later of—*

12                   “(I) *the 425th day after the date*  
13                   *of the certification under section 231;*  
14                   *or*

15                   “(II) *the 425th day after the date*  
16                   *of the worker’s last total separation; or*

17                   “(ii) *the date that is the 182d day*  
18                   *after the date on which the worker con-*  
19                   *cluded training, unless the worker received*  
20                   *a waiver under section 235(c).*

21                   “(b) *AMOUNT OF ALLOWANCE.*—*The relocation allow-*  
22                   *ance granted to a worker under subsection (a) includes—*

23                   “(1) *90 percent of the reasonable and necessary*  
24                   *expenses (including, but not limited to, subsistence*  
25                   *and transportation expenses at levels not exceeding*

1 *those allowable under section 240(e)) specified in reg-*  
2 *ulations prescribed by the Secretary, incurred in*  
3 *transporting the worker, the worker's family, and*  
4 *household effects; and*

5 *“(2) a lump sum equivalent to 3 times the work-*  
6 *er's average weekly wage, up to a maximum payment*  
7 *of \$1,250.*

8 *“(c) LIMITATIONS.—A relocation allowance may not*  
9 *be granted to a worker unless—*

10 *“(1) the relocation occurs within 182 days after*  
11 *the filing of the application for relocation assistance;*  
12 *or*

13 *“(2) the relocation occurs within 182 days after*  
14 *the conclusion of training, if the worker entered a*  
15 *training program approved by the Secretary under*  
16 *section 240(a).*

17 **“SEC. 243. SUPPORTIVE SERVICES; WAGE INSURANCE.**

18 *“(a) SUPPORTIVE SERVICES.—*

19 *“(1) APPLICATION.—*

20 *“(A) IN GENERAL.—The State may, on be-*  
21 *half of any adversely affected worker or group of*  
22 *workers covered by a certification issued under*  
23 *section 231—*

24 *“(i) file an application with the Sec-*  
25 *retary for services under section 173 of the*

1            *Workforce Investment Act of 1998 (relating*  
2            *to National Emergency Grants); and*

3            *“(ii) provide other services under title*  
4            *I of the Workforce Investment Act of 1998.*

5            *“(B) SERVICES.—The services available*  
6            *under this paragraph include transportation,*  
7            *child care, and dependent care that are necessary*  
8            *to enable a worker to participate in activities*  
9            *authorized under this chapter.*

10           *“(2) CONDITIONS.—The Secretary may approve*  
11           *an application filed under paragraph (1)(A)(i) and*  
12           *provide supportive services to an adversely affected*  
13           *worker only if the Secretary determines that all of the*  
14           *following apply:*

15           *“(A) NECESSITY.—Providing services is*  
16           *necessary to enable the worker to participate in*  
17           *or complete training.*

18           *“(B) CONSISTENT WITH WORKFORCE IN-*  
19           *VESTMENT ACT.—The services are consistent with*  
20           *the supportive services provided to participants*  
21           *under the provisions relating to dislocated work-*  
22           *er employment and training activities set forth*  
23           *in chapter 5 of subtitle B of title I of the Work-*  
24           *force Investment Act of 1998 (29 U.S.C. 2861 et*  
25           *seq.).*



1       “(b) *WAGE INSURANCE PROGRAM.*—

2               “(1) *IN GENERAL.*—Not later than 1 year after  
3       the date of enactment of the Trade Adjustment Assist-  
4       ance Reform Act of 2002, the Secretary shall estab-  
5       lish, and the States shall implement, a Wage Insur-  
6       ance Program under which a State shall use the funds  
7       provided to the State for trade adjustment allowances  
8       to pay to an adversely affected worker certified under  
9       section 231 a wage subsidy of up to 50 percent of the  
10      difference between the wages received by the adversely  
11      affected worker from reemployment and the wages re-  
12      ceived by the adversely affected worker at the time of  
13      separation for a period not to exceed 2 years.

14              “(2) *AMOUNT OF PAYMENT.*—

15                      “(A) *WAGES UNDER \$40,000.*—If the wages  
16                      the worker receives from reemployment are less  
17                      than \$40,000 a year, the wage subsidy shall be  
18                      50 percent of the difference between the amount  
19                      of the wages received by the worker from reem-  
20                      ployment and the amount of the wages received  
21                      by the worker at the time of separation.

22                      “(B) *WAGES BETWEEN \$40,000 AND*  
23                      *\$50,000.*—If the wages received by the worker  
24                      from reemployment are greater than \$40,000 a  
25                      year but less than \$50,000 a year, the wage sub-

1           *sidy shall be 25 percent of the difference between*  
2           *the amount of the wages received by the worker*  
3           *from reemployment and the amount of the wages*  
4           *received by the worker at the time of separation.*

5           “(3) *ELIGIBILITY.*—*An adversely affected worker*  
6           *may be eligible to receive a wage subsidy under this*  
7           *subsection if the worker—*

8                   “(A) *enrolls in the Wage Insurance Pro-*  
9                   *gram;*

10                   “(B) *obtains reemployment not more than*  
11                   *26 weeks after the date of separation from the*  
12                   *adversely affected employment;*

13                   “(C) *is at least 50 years of age;*

14                   “(D) *earns not more than \$50,000 a year in*  
15                   *wages from reemployment;*

16                   “(E) *is employed on a full-time basis as de-*  
17                   *finied by State law in the State in which the*  
18                   *worker is employed; and*

19                   “(F) *does not return to the employment*  
20                   *from which the worker was separated.*

21           “(4) *AMOUNT OF PAYMENTS.*—*The payments*  
22           *made under paragraph (1) to an adversely affected*  
23           *worker may not exceed \$5,000 a year for each year*  
24           *of the 2-year period.*

1           “(5) *LIMITATION ON OTHER BENEFITS.*—*At the*  
2 *time a worker begins to receive a wage subsidy under*  
3 *this subsection the worker shall not be eligible to re-*  
4 *ceive any benefits under this Act other than the wage*  
5 *subsidy unless the Secretary determines, pursuant to*  
6 *standards established by the Secretary, that the work-*  
7 *er has shown circumstances that warrant eligibility*  
8 *for training benefits under section 240.*

9           “(6) *FUNDING.*—*The total amount of payments*  
10 *that may be made under this subsection for any fiscal*  
11 *year shall not exceed \$50,000,000.*

12           “(7) *TERMINATION.*—

13           “(A) *IN GENERAL.*—*Except as provided in*  
14 *subparagraph (B), no payments may be made*  
15 *under this subsection after the date that is 2*  
16 *years after the date on which the program under*  
17 *this subsection is implemented in the State*  
18 *under paragraph (1).*

19           “(B) *EXCEPTION.*—*Notwithstanding sub-*  
20 *paragraph (A), a worker receiving payments*  
21 *under this subsection on the date described in*  
22 *subparagraph (A) shall continue to receive such*  
23 *payments for as long as the worker meets the eli-*  
24 *gibility requirements of this subsection.*

1           “(c) *STUDIES OF ASSISTANCE AVAILABLE TO ECO-*  
2 *NOMICALLY DISTRESSED WORKERS.*—

3                   “(1) *STUDY BY THE GENERAL ACCOUNTING OF-*  
4 *FICE.*—

5                           “(A) *IN GENERAL.*—*The Comptroller Gen-*  
6 *eral of the United States shall conduct a study*  
7 *of all assistance provided by the Federal Govern-*  
8 *ment for workers facing job loss and economic*  
9 *distress.*

10                           “(B) *REPORT.*—*Not later than 1 year after*  
11 *the date of enactment of the Trade Adjustment*  
12 *Assistance Reform Act of 2002, the Comptroller*  
13 *General shall submit to the Committee on Fi-*  
14 *nance of the Senate and the Committee on Ways*  
15 *and Means of the House of Representatives a re-*  
16 *port on the study conducted under subparagraph*  
17 *(A). The report shall include a description of—*

18                                   “(i) *all Federal programs designed to*  
19 *assist workers facing job loss and economic*  
20 *distress, including all benefits and services;*

21                                   “(ii) *eligibility requirements for each*  
22 *of the programs; and*

23                                   “(iii) *procedures for applying for and*  
24 *receiving benefits and services under each of*  
25 *the programs.*

1           “(C) *DISTRIBUTION OF GAO REPORT.*—*The*  
2           *report described in subparagraph (B) shall be*  
3           *distributed to all one-stop partners authorized*  
4           *under the Workforce Investment Act of 1998.*

5           “(2) *STUDIES BY THE STATES.*—

6           “(A) *IN GENERAL.*—*Each State may con-*  
7           *duct a study of its assistance programs for work-*  
8           *ers facing job loss and economic distress.*

9           “(B) *GRANTS.*—*The Secretary may award*  
10          *to each State a grant, not to exceed \$50,000, to*  
11          *enable the State to conduct the study described*  
12          *in subparagraph (A). Each study shall be under-*  
13          *taken in consultation with affected parties.*

14          “(C) *REPORT.*—*Not later than 1 year after*  
15          *the date of the grant, each State that receives a*  
16          *grant under subparagraph (B) shall submit to*  
17          *the Committee on Finance of the Senate and the*  
18          *Committee on Ways and Means of the House of*  
19          *Representatives the report described in subpara-*  
20          *graph (A).*

21          “(D) *DISTRIBUTION OF STATE REPORTS.*—  
22          *A report prepared by a State under this para-*  
23          *graph shall be distributed to all the one-stop*  
24          *partners in the State.*

1     **“Subchapter D—Payment and Enforcement**  
2                                     **Provisions**

3     **“SEC. 244. PAYMENTS TO STATES.**

4             “(a) *IN GENERAL.*—*The Secretary, from time to time,*  
5 *shall certify to the Secretary of the Treasury for payment*  
6 *to each cooperating State, the sums necessary to enable that*  
7 *State as agent of the United States to make payments pro-*  
8 *vided for by this chapter.*

9             “(b) *LIMITATION ON USE OF FUNDS.*—

10                 “(1) *IN GENERAL.*—*All money paid to a cooper-*  
11 *ating State under this section shall be used solely for*  
12 *the purposes for which it is paid.*

13                 “(2) *RETURN OF FUNDS NOT SO USED.*—*Money*  
14 *paid that is not used for the purpose for which it is*  
15 *paid under subsection (a) shall be returned to the Sec-*  
16 *retary of the Treasury at the time specified in the*  
17 *agreement entered into under section 222.*

18             “(c) *SURETY BOND.*—*Any agreement under section*  
19 *222 may require any officer or employee of the cooperating*  
20 *State certifying payments or disbursing funds under the*  
21 *agreement or otherwise participating in the performance of*  
22 *the agreement, to give a surety bond to the United States*  
23 *in an amount the Secretary deems necessary, and may pro-*  
24 *vide for the payment of the cost of that bond from funds*  
25 *for carrying out the purposes of this chapter.*

1 **“SEC. 245. LIABILITIES OF CERTIFYING AND DISBURSING**  
2 **OFFICERS.**

3 “(a) *LIABILITY OF CERTIFYING OFFICIALS.*—No per-  
4 son designated by the Secretary, or designated pursuant to  
5 an agreement entered into under section 222, as a certifying  
6 officer, in the absence of gross negligence or intent to de-  
7 fraud the United States, shall be liable with respect to any  
8 payment certified by that person under this chapter.

9 “(b) *LIABILITY OF DISBURSING OFFICERS.*—No dis-  
10 burring officer, in the absence of gross negligence or intent  
11 to defraud the United States, shall be liable with respect  
12 to any payment by that officer under this chapter if the  
13 payment was based on a voucher signed by a certifying offi-  
14 cer designated according to subsection (a).

15 **“SEC. 246. FRAUD AND RECOVERY OF OVERPAYMENTS.**

16 “(a) *IN GENERAL.*—

17 “(1) *OVERPAYMENT.*—If a cooperating State, the  
18 Secretary, or a court of competent jurisdiction deter-  
19 mines that any person has received any payment  
20 under this chapter to which the person was not enti-  
21 tled, including a payment referred to in subsection  
22 (b), that person shall be liable to repay that amount  
23 to the cooperating State or the Secretary, as the case  
24 may be.

25 “(2) *EXCEPTION.*—The cooperating State or the  
26 Secretary may waive repayment if the cooperating

1       *State or the Secretary determines, in accordance with*  
2       *guidelines prescribed by the Secretary, that all of the*  
3       *following apply:*

4               “(A) *NO FAULT.*—*The payment was made*  
5               *without fault on the part of the person.*

6               “(B) *REPAYMENT CONTRARY TO EQUITY.*—  
7               *Requiring repayment would be contrary to eq-*  
8               *uity and good conscience.*

9               “(3) *PROCEDURE FOR RECOVERY.*—

10              “(A) *RECOVERY FROM OTHER ALLOWANCES*  
11              *AUTHORIZED.*—*Unless an overpayment is other-*  
12              *wise recovered or waived under paragraph (2),*  
13              *the cooperating State or the Secretary shall re-*  
14              *cover the overpayment by deductions from any*  
15              *sums payable to that person under this chapter,*  
16              *under any Federal unemployment compensation*  
17              *law administered by the cooperating State or the*  
18              *Secretary, or under any other Federal law ad-*  
19              *ministered by the cooperating State or the Sec-*  
20              *retary that provides for the payment of assist-*  
21              *ance or an allowance with respect to unemploy-*  
22              *ment.*

23              “(B) *RECOVERY FROM STATE ALLOWANCES*  
24              *AUTHORIZED.*—*Notwithstanding any other pro-*  
25              *vision of Federal or State law, the Secretary*



1           *may require a cooperating State to recover any*  
2           *overpayment under this chapter by deduction*  
3           *from any unemployment insurance payable to*  
4           *that person under State law, except that no sin-*  
5           *gle deduction under this paragraph shall exceed*  
6           *50 percent of the amount otherwise payable.*

7           “(b) *INELIGIBILITY FOR FURTHER PAYMENTS.—Any*  
8           *person, in addition to any other penalty provided by law,*  
9           *shall be ineligible for any further payments under this*  
10           *chapter if a cooperating State, the Secretary, or a court*  
11           *of competent jurisdiction determines that one of the fol-*  
12           *lowing applies:*

13                 “(1) *FALSE STATEMENT.—The person knowingly*  
14                 *made, or caused another to make, a false statement or*  
15                 *representation of a material fact, and as a result of*  
16                 *the false statement or representation, the person re-*  
17                 *ceived any payment under this chapter to which the*  
18                 *person was not entitled.*

19                 “(2) *FAILURE TO DISCLOSE.—The person know-*  
20                 *ingly failed, or caused another to fail, to disclose a*  
21                 *material fact, and as a result of the nondisclosure, the*  
22                 *person received any payment under this chapter to*  
23                 *which the person was not entitled.*

24                 “(c) *HEARING.—Except for overpayments determined*  
25                 *by a court of competent jurisdiction, no repayment may*

1 *be required, and no deduction may be made, under this sec-*  
2 *tion until a determination under subsection (a) by the co-*  
3 *operating State or the Secretary, as the case may be, has*  
4 *been made, notice of the determination and an opportunity*  
5 *for a fair hearing has been given to the person concerned,*  
6 *and the determination has become final.*

7       “(d) *RECOVERED FUNDS.*—*Any amount recovered*  
8 *under this section shall be returned to the Treasury of the*  
9 *United States.*

10 **“SEC. 247. CRIMINAL PENALTIES.**

11       “*Whoever makes a false statement of a material fact*  
12 *knowing it to be false, or knowingly fails to disclose a mate-*  
13 *rial fact, for the purpose of obtaining or increasing for that*  
14 *person or for any other person any payment authorized to*  
15 *be furnished under this chapter or pursuant to an agree-*  
16 *ment under section 222 shall be fined not more than*  
17 *\$10,000, imprisoned for not more than 1 year, or both.*

18 **“SEC. 248. AUTHORIZATION OF APPROPRIATIONS.**

19       “*There are authorized to be appropriated to the De-*  
20 *partment of Labor, for the period beginning October 1,*  
21 *2001, and ending September 30, 2007, such sums as may*  
22 *be necessary to carry out the purposes of this chapter, in-*  
23 *cluding such additional sums for administrative expenses*  
24 *as may be necessary for the department to meet the in-*  
25 *creased workload created by the Trade Adjustment Assist-*

1 *ance Reform Act of 2002, provided that funding provided*  
2 *for training services shall not be used for expenses of admin-*  
3 *istering the trade adjustment assistance for workers pro-*  
4 *gram. Amounts appropriated under this section shall re-*  
5 *main available until expended.*

6 **“SEC. 249. REGULATIONS.**

7 *“The Secretary shall prescribe such regulations as may*  
8 *be necessary to carry out the provisions of this chapter.*

9 **“SEC. 250. SUBPOENA POWER.**

10 *“(a) IN GENERAL.—The Secretary may require by*  
11 *subpoena the attendance of witnesses and the production of*  
12 *evidence necessary to make a determination under the pro-*  
13 *visions of this chapter.*

14 *“(b) COURT ORDER.—If a person refuses to obey a sub-*  
15 *poena issued under subsection (a), a competent United*  
16 *States district court, upon petition by the Secretary, may*  
17 *issue an order requiring compliance with such subpoena.”.*

18 **SEC. 112. DISPLACED WORKER SELF-EMPLOYMENT TRAIN-**  
19 **ING PILOT PROGRAM.**

20 *(a) ESTABLISHMENT.—Not later than 6 months after*  
21 *the date of enactment of this Act, the Administrator of the*  
22 *Small Business Administration (in this section referred to*  
23 *as the “Administrator”) shall establish a self-employment*  
24 *training program (in this section referred to as the “Pro-*  
25 *gram”) for adversely affected workers (as defined in chapter*

1 *2 of title II of the Trade Act of 1974), to be administered*  
2 *by the Small Business Administration.*

3 *(b) ELIGIBILITY FOR ASSISTANCE.—If an adversely af-*  
4 *ected worker seeks or receives assistance through the Pro-*  
5 *gram, such action shall not affect the eligibility of that*  
6 *worker to receive benefits under chapter 2 of title II of the*  
7 *Trade Act of 1974.*

8 *(c) TRAINING ASSISTANCE.—The Program shall in-*  
9 *clude, at a minimum, training in—*

10 *(1) pre-business startup planning;*

11 *(2) awareness of basic credit practices and credit*  
12 *requirements; and*

13 *(3) developing business plans, financial pack-*  
14 *ages, and credit applications.*

15 *(d) OUTREACH.—The Program should include out-*  
16 *reach to adversely affected workers and counseling and lend-*  
17 *ing partners of the Small Business Administration.*

18 *(e) REPORTS TO CONGRESS.—Beginning not later*  
19 *than 180 days after the date of enactment of this Act, the*  
20 *Administrator shall submit quarterly reports to the Com-*  
21 *mittee on Finance and the Committee on Small Business*  
22 *and Entrepreneurship of the Senate and the Committee on*  
23 *Ways and Means and the Committee on Small Business of*  
24 *the House of Representatives regarding the implementation*

1 of the Program, including Program delivery, staffing, and  
2 administrative expenses related to such implementation.

3 (f) *GUIDELINES.*—Not later than 180 days after the  
4 date of enactment of this Act, the Administrator shall issue  
5 such guidelines as the Administrator determines to be nec-  
6 essary to carry out the Program.

7 (g) *EFFECTIVE DATE.*—The Program shall terminate  
8 3 years after the date of final publication of guidelines  
9 under subsection (f).

## 10 **TITLE II—TRADE ADJUSTMENT** 11 **ASSISTANCE FOR FIRMS**

### 12 **SEC. 201. REAUTHORIZATION OF PROGRAM.**

13 (a) *IN GENERAL.*—Section 256(b) of chapter 3 of title  
14 II of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended  
15 to read as follows:

16 “(b) There are authorized to be appropriated to the  
17 Secretary \$16,000,000 for each of fiscal years 2002 through  
18 2007, to carry out the Secretary’s functions under this  
19 chapter in connection with furnishing adjustment assist-  
20 ance to firms. Amounts appropriated under this subsection  
21 shall remain available until expended.”.

22 (b) *ELIGIBILITY CRITERIA.*—Section 251(c) of chapter  
23 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341(c))  
24 is amended—

1           (1) *by amending paragraph (1) to read as fol-*  
2           *lows:*

3           “(1) *The Secretary shall certify a firm (includ-*  
4           *ing any agricultural firm) as eligible to apply for ad-*  
5           *justment assistance under this chapter if the Sec-*  
6           *retary determines that a significant number or pro-*  
7           *portion of the workers in such firm have become to-*  
8           *tally or partially separated, or are threatened to be-*  
9           *come totally or partially separated, and that either—*

10            “(A)(i)(I) *sales or production, or both, of*  
11            *the firm have decreased absolutely, or*

12            “(II) *sales or production, or both, of an ar-*  
13            *ticl e that accounted for not less than 25 percent*  
14            *of the total production or sales of the firm dur-*  
15            *ing the 12-month period for which data are*  
16            *available have decreased absolutely; and*

17            “(i) *increases in the value or volume of im-*  
18            *ports of articles like or directly competitive with*  
19            *articles which are produced by such firm contrib-*  
20            *uted importantly to such total or partial separa-*  
21            *tion, or threat thereof, and to such decline in*  
22            *sales or production; or*

23            “(B) *a shift in production by the workers’*  
24            *firm or subdivision to a foreign country of arti-*  
25            *cles like or directly competitive with articles*



1           “(2) *COMMUNITY*.—The term ‘community’ means  
2 a county or equivalent political subdivision of a  
3 State.

4           “(A) *RURAL COMMUNITY*.—The term ‘rural  
5 community’ means a community that has a  
6 rural-urban continuum code of 4 through 9.

7           “(B) *URBAN COMMUNITY*.—The term ‘urban  
8 community’ means a community that has a  
9 rural-urban continuum code of 0 through 3.

10          “(3) *COMMUNITY ECONOMIC DEVELOPMENT CO-*  
11 *ORDINATING COMMITTEE*.—The term ‘Community  
12 Economic Development Coordinating Committee’  
13 means a community group established under section  
14 274 that consists of major groups significantly af-  
15 fected by an increase in imports or a shift in produc-  
16 tion, including local, regional, tribal, and State gov-  
17 ernments, regional councils of governments and eco-  
18 nomic development, and business, labor, education,  
19 health, religious, and other community-based organi-  
20 zations.

21          “(4) *DIRECTOR*.—The term ‘Director’ means the  
22 Director of the Office of Community Trade Adjust-  
23 ment.



1           “(5) *ELIGIBLE COMMUNITY*.—The term ‘eligible  
2           community’ means a community certified under sec-  
3           tion 273 as eligible for assistance under this chapter.

4           “(6) *JOB LOSS*.—The term ‘job loss’ means the  
5           total or partial separation of an individual, as those  
6           terms are defined in section 221.

7           “(7) *OFFICE*.—The term ‘Office’ means the Office  
8           of Community Trade Adjustment established under  
9           section 272.

10           “(8) *RURAL-URBAN CONTINUUM CODE*.—The  
11           term ‘rural-urban continuum code’ means a code as-  
12           signed to a community according to the rural-urban  
13           continuum code system, as defined by the Economic  
14           Research Service of the Department of Agriculture.

15           “(9) *SECRETARY*.—The term ‘Secretary’ means  
16           the Secretary of Commerce.

17   **“SEC. 272. OFFICE OF COMMUNITY TRADE ADJUSTMENT.**

18           “(a) *ESTABLISHMENT*.—Within 6 months of the date  
19           of enactment of the Trade Adjustment Assistance Reform  
20           Act of 2002, there shall be established in the Office of Eco-  
21           nomic Adjustment of the Economic Development Adminis-  
22           tration of the Department of Commerce an Office of Com-  
23           munity Trade Adjustment.

1       “(b) *PERSONNEL.*—*The Office shall be headed by a Di-*  
2 *rector, and shall have such staff as may be necessary to*  
3 *carry out the responsibilities described in this chapter.*

4       “(c) *COORDINATION OF FEDERAL RESPONSE.*—*The*  
5 *Office shall—*

6               “(1) *provide leadership, support, and coordina-*  
7 *tion for a comprehensive management program to ad-*  
8 *dress economic dislocation in eligible communities;*

9               “(2) *establish an easily accessible, one-stop clear-*  
10 *inghouse for States and eligible communities to obtain*  
11 *information regarding economic development assist-*  
12 *ance available under Federal law;*

13               “(3) *coordinate the Federal response to an eligi-*  
14 *ble community—*

15                       “(A) *by identifying all Federal, State, and*  
16 *local resources that are available to assist the eli-*  
17 *gible community in recovering from economic*  
18 *distress;*

19                       “(B) *by ensuring that all Federal agencies*  
20 *offering assistance to an eligible community do*  
21 *so in a targeted, integrated manner that ensures*  
22 *that an eligible community has access to all*  
23 *available Federal assistance;*

24                       “(C) *by assuring timely consultation and*  
25 *cooperation between Federal, State, and regional*

1           *officials concerning community economic adjust-*  
2           *ment;*

3           “(D) *by identifying and strengthening exist-*  
4           *ing agency mechanisms designed to assist com-*  
5           *munities in economic adjustment and workforce*  
6           *reemployment;*

7           “(E) *by applying consistent policies, prac-*  
8           *tices, and procedures in the administration of*  
9           *Federal programs that are used to assist commu-*  
10          *nities adversely impacted by an increase in im-*  
11          *ports or a shift in production;*

12          “(F) *by creating, maintaining, and using a*  
13          *uniform economic database to analyze commu-*  
14          *nity adjustment activities; and*

15          “(G) *by assigning a community economic*  
16          *adjustment advisor to work with each eligible*  
17          *community;*

18          “(4) *provide comprehensive technical assistance*  
19          *to any eligible community in the efforts of that com-*  
20          *munity to—*

21                 “(A) *identify serious economic problems in*  
22                 *the community that result from an increase in*  
23                 *imports or shift in production;*

1           “(B) integrate the major groups and orga-  
2           nizations significantly affected by the economic  
3           adjustment;

4           “(C) organize a Community Economic De-  
5           velopment Coordinating Committee;

6           “(D) access Federal, State, and local re-  
7           sources designed to assist in economic develop-  
8           ment and trade adjustment assistance;

9           “(E) diversify and strengthen the commu-  
10          nity economy; and

11          “(F) develop a community-based strategic  
12          plan to address workforce dislocation and eco-  
13          nomic development;

14          “(5) establish specific criteria for submission and  
15          evaluation of a strategic plan submitted under section  
16          276(d);

17          “(6) administer the grant programs established  
18          under sections 276 and 277; and

19          “(7) establish an interagency Trade Adjustment  
20          Assistance Working Group, consisting of the rep-  
21          resentatives of any Federal department or agency  
22          with responsibility for economic adjustment assist-  
23          ance, including the Department of Agriculture, the  
24          Department of Defense, the Department of Education,  
25          the Department of Labor, the Department of Housing

1       *and Urban Development, the Department of Health*  
2       *and Human Services, the Small Business Adminis-*  
3       *tration, the Department of the Treasury, the Depart-*  
4       *ment of Commerce, the Office of the United States*  
5       *Trade Representative, and the National Economic*  
6       *Council.*

7       “(d) *WORKING GROUP.*—*The working group estab-*  
8       *lished under subsection (c)(7) shall examine other options*  
9       *for addressing trade impacts on communities, such as:*

10               “(1) *Seeking legislative language directing the*  
11               *Foreign Trade Zone (‘FTZ’) Board to expedite con-*  
12               *sideration of FTZ applications from communities or*  
13               *businesses that have been found eligible for trade ad-*  
14               *justment assistance.*

15               “(2) *Seeking legislative language to make new*  
16               *markets tax credits available in communities im-*  
17               *pacted by trade.*

18               “(3) *Seeking legislative language to make work*  
19               *opportunity tax credits available for hiring unem-*  
20               *ployed workers who are certified eligible for trade ad-*  
21               *justment assistance.*

22               “(4) *Examining ways to assist trade impacted*  
23               *rural communities and industries take advantage of*  
24               *the Department of Agriculture’s rural development*  
25               *program.*

1 **“SEC. 273. NOTIFICATION AND CERTIFICATION AS AN ELIGI-**  
2 **BLE COMMUNITY.**

3 “(a) *NOTIFICATION.*—*The Secretary of Labor, not later*  
4 *than 15 days after making a determination that a group*  
5 *of workers is eligible for trade adjustment assistance under*  
6 *section 231, shall notify the Governor of the State in which*  
7 *the community in which the worker’s firm is located and*  
8 *the Director, of the Secretary’s determination.*

9 “(b) *CERTIFICATION.*—*Not later than 30 days after no-*  
10 *tification by the Secretary of Labor described in subsection*  
11 *(a), the Director shall certify as eligible for assistance under*  
12 *this chapter a community in which both of the following*  
13 *conditions applies:*

14 “(1) *NUMBER OF JOB LOSSES.*—*The Director*  
15 *finds that—*

16 “(A) *in an urban community, at least 500*  
17 *workers have been certified for assistance under*  
18 *section 231 in the most recent 36-month period*  
19 *preceding the date of certification under this sec-*  
20 *tion for which data are available; or*

21 “(B) *in a rural community, at least 300*  
22 *workers have been certified for assistance under*  
23 *section 231 in the most recent 36-month period*  
24 *preceding the date of certification under this sec-*  
25 *tion for which data are available.*

1           “(2) *PERCENT OF WORKFORCE UNEMPLOYED.*—  
2           *The Director finds that the unemployment rate for the*  
3           *community is at least 1 percent greater than the na-*  
4           *tional unemployment rate for the most recent 12-*  
5           *month period for which data are available.*

6           “(c) *NOTIFICATION TO ELIGIBLE COMMUNITIES.*—*Not*  
7           *later than 15 days after the Director certifies a community*  
8           *as eligible under subsection (b), the Director shall notify*  
9           *the community—*

10           “(1) *of its determination under subsection (b);*

11           “(2) *of the provisions of this chapter;*

12           “(3) *how to access the clearinghouse established*  
13           *under section 272(c)(2); and*

14           “(4) *how to obtain technical assistance provided*  
15           *under section 272(c)(4).*

16           “**SEC. 274. COMMUNITY ECONOMIC DEVELOPMENT COORDI-**  
17           **NATING COMMITTEE.**

18           “(a) *ESTABLISHMENT.*—*In order to apply for and re-*  
19           *ceive benefits under this chapter, an eligible community*  
20           *shall establish a Community Economic Development Co-*  
21           *ordinating Committee certified by the Director as meeting*  
22           *the requirements of subsection (b)(1).*

23           “(b) *COMPOSITION OF THE COMMITTEE.*—

24           “(1) *LOCAL PARTICIPATION.*—*The Community*  
25           *Economic Development Coordinating Committee es-*

1 *tablished by an eligible community under subsection*  
2 *(a) shall include representatives of those groups sig-*  
3 *nificantly affected by economic dislocation, such as*  
4 *local, regional, tribal, and State governments, re-*  
5 *gional councils of governments and economic develop-*  
6 *ment, business, labor, education, health organizations,*  
7 *religious, and other community-based groups pro-*  
8 *viding assistance to workers, their families, and com-*  
9 *munities.*

10 “(2) *FEDERAL PARTICIPATION.*—*Pursuant to*  
11 *section 275(b)(3), the community economic adjust-*  
12 *ment advisor, assigned by the Director to assist an el-*  
13 *igible community, shall serve as an ex officio member*  
14 *of the Community Economic Development Coordi-*  
15 *nating Committee, and shall arrange for participa-*  
16 *tion by representatives of other Federal agencies on*  
17 *that Committee as necessary.*

18 “(3) *EXISTING ORGANIZATION.*—*An eligible com-*  
19 *munity may designate an existing organization in*  
20 *that community as the Community Economic Devel-*  
21 *opment Coordinating Committee if that organization*  
22 *meets the requirements of paragraph (1) for the pur-*  
23 *poses of this chapter.*

24 “(c) *DUTIES.*—*The Community Economic Develop-*  
25 *ment Coordinating Committee shall—*



1           “(1) ascertain the severity of the community eco-  
2           nomic adjustment required as a result of the increase  
3           in imports or shift in production;

4           “(2) assess the capacity of the community to re-  
5           spond to the required economic adjustment and the  
6           needs of the community as it undertakes economic ad-  
7           justment, taking into consideration such factors as the  
8           number of jobs lost, the size of the community, the di-  
9           versity of industries, the skills of the labor force, the  
10          condition of the current labor market, the availability  
11          of financial resources, the quality and availability of  
12          educational facilities, the adequacy and availability  
13          of public services, and the existence of a basic and ad-  
14          vanced infrastructure in the community;

15          “(3) facilitate a dialogue between concerned in-  
16          terests in the community, represent the impacted com-  
17          munity, and ensure all interests in the community  
18          work collaboratively toward collective goals without  
19          duplication of effort or resources;

20          “(4) oversee the development of a strategic plan  
21          for community economic development, taking into  
22          consideration the factors mentioned under paragraph  
23          (2), and consistent with the criteria established by the  
24          Secretary for the strategic plan developed under sec-  
25          tion 276;

1           “(5) create an executive council of members of  
2           the Community Economic Development Coordinating  
3           Committee to promote the strategic plan within the  
4           community and ensure coordination and cooperation  
5           among all stakeholders; and

6           “(6) apply for any grant, loan, or loan guar-  
7           antee available under Federal law to develop or im-  
8           plement the strategic plan, and be an eligible recipi-  
9           ent for funding for economic adjustment for that com-  
10          munity.

11 **“SEC. 275. COMMUNITY ECONOMIC ADJUSTMENT ADVI-**  
12 **SORS.**

13           “(a) *IN GENERAL.*—Pursuant to section 272(c)(3)(G),  
14 the Director shall assign a community economic adjustment  
15 advisor to each eligible community.

16           “(b) *DUTIES.*—The community economic adjustment  
17 advisor shall—

18           “(1) provide technical assistance to the eligible  
19 community, assist in the development and implemen-  
20 tation of a strategic plan, including applying for any  
21 grant available under this or any other Federal law  
22 to develop or implement that plan;

23           “(2) at the local and regional level, coordinate  
24 the response of all Federal agencies offering assistance  
25 to the eligible community;

1           “(3) serve as an *ex officio* member of the Com-  
2           munity Economic Development Coordinating Com-  
3           mittee established by an eligible community under  
4           section 274;

5           “(4) act as liaison between the Community Eco-  
6           nomic Development Coordinating Committee estab-  
7           lished by the eligible community and all other Federal  
8           agencies that offer assistance to eligible communities,  
9           including the Department of Agriculture, the Depart-  
10          ment of Defense, the Department of Education, the  
11          Department of Labor, the Department of Housing  
12          and Urban Development, the Department of Health  
13          and Human Services, the Small Business Adminis-  
14          tration, the Department of the Treasury, the National  
15          Economic Council, and other offices or agencies of the  
16          Department of Commerce;

17          “(5) report regularly to the Director regarding  
18          the progress of development activities in the commu-  
19          nity to which the community economic adjustment  
20          advisor is assigned; and

21          “(6) perform other duties as directed by the Sec-  
22          retary or the Director.

23   **“SEC. 276. STRATEGIC PLANS.**

24          “(a) *IN GENERAL.*—With the assistance of the commu-  
25          nity economic adjustment advisor, an eligible community

1 *may develop a strategic plan for community economic ad-*  
2 *justment and diversification.*

3 “(b) *REQUIREMENTS FOR STRATEGIC PLAN.*—A *stra-*  
4 *tegic plan shall contain, at a minimum, the following:*

5 “(1) *A description and justification of the capac-*  
6 *ity for economic adjustment, including the method of*  
7 *financing to be used, the anticipated management*  
8 *structure of the Community Economic Development*  
9 *Coordinating Committee, and the commitment of the*  
10 *community to the strategic plan over the long term.*

11 “(2) *A description of, and a plan to accomplish,*  
12 *the projects to be undertaken by the eligible commu-*  
13 *nity.*

14 “(3) *A description of how the plan and the*  
15 *projects to be undertaken by the eligible community*  
16 *will lead to job creation and job retention in the com-*  
17 *munity.*

18 “(4) *A description of any alternative develop-*  
19 *ment plans that were considered, particularly less*  
20 *costly alternatives, and why those plans were rejected*  
21 *in favor of the proposed plan.*

22 “(5) *A description of any additional steps the el-*  
23 *igible community will take to achieve economic ad-*  
24 *justment and diversification, including how the plan*  
25 *and the projects will contribute to establishing or*

1        *maintaining a level of public services necessary to at-*  
2        *tract and retain economic investment.*

3                *“(6) A description and justification for the cost*  
4        *and timing of proposed basic and advanced infra-*  
5        *structure improvements in the eligible community.*

6                *“(7) A description of the occupational and work-*  
7        *force conditions in the eligible community, including*  
8        *but not limited to existing levels of workforce skills*  
9        *and competencies, and educational programs avail-*  
10       *able for workforce training and future employment*  
11       *needs.*

12               *“(8) A description of how the plan will adapt to*  
13       *changing markets, business cycles, and other vari-*  
14       *ables.*

15               *“(9) A graduation strategy through which the el-*  
16       *igible community demonstrates that the community*  
17       *will terminate the need for Federal assistance.*

18        *“(c) GRANTS TO DEVELOP STRATEGIC PLANS.—*

19               *“(1) IN GENERAL.—The Director, upon receipt of*  
20       *an application from a Community Economic Devel-*  
21       *opment Coordinating Committee on behalf of an eligi-*  
22       *ble community, shall award a grant to that commu-*  
23       *nity to be used to develop the strategic plan.*

24               *“(2) AMOUNT.—The amount of a grant made*  
25       *under paragraph (1) shall be determined by the Sec-*

1       retary, but may not exceed \$50,000 to each commu-  
2       nity.

3               “(3) *LIMIT.*—Each community can only receive  
4       1 grant under this subsection for the purpose of devel-  
5       oping a strategic plan in any 5-year period.

6               “(d) *SUBMISSION OF PLAN.*—A strategic plan devel-  
7       oped under subsection (a) shall be submitted to the Director  
8       for evaluation and approval.

9       **“SEC. 277. GRANTS FOR ECONOMIC DEVELOPMENT.**

10              “The Director, upon receipt of an application from the  
11       Community Economic Development Coordinating Com-  
12       mittee on behalf of an eligible community, may award a  
13       grant to that community to carry out any project or pro-  
14       gram included in the strategic plan approved under section  
15       276(d) that—

16              “(1) will be located in, or will create or preserve  
17       high-wage jobs, in that eligible community; and

18              “(2) implements the strategy of that eligible com-  
19       munity to create high-wage jobs in sectors that are ex-  
20       pected to expand, including projects that—

21              “(A) encourage industries to locate in that  
22       eligible community, if such funds are not used to  
23       encourage the relocation of any employer in a  
24       manner that causes the dislocation of employees

1           *of that employer at another facility in the*  
2           *United States;*

3           “(B) *leverage resources to create or improve*  
4           *Internet or telecommunications capabilities to*  
5           *make the community more attractive for busi-*  
6           *ness;*

7           “(C) *establish a funding pool for job cre-*  
8           *ation through entrepreneurial activities;*

9           “(D) *assist existing firms in that commu-*  
10          *nity to restructure or retool to become more com-*  
11          *petitive in world markets and prevent job loss; or*

12          “(E) *assist the community in acquiring the*  
13          *resources and providing the level of public serv-*  
14          *ices necessary to meet the objectives set out in the*  
15          *strategic plan.*

16   **“SEC. 278. AUTHORIZATION OF APPROPRIATIONS.**

17          *“There are authorized to be appropriated to the De-*  
18          *partment of Commerce, for the period beginning October 1,*  
19          *2001, and ending September 30, 2007, such sums as may*  
20          *be necessary to carry out the purposes of this chapter.*

21   **“SEC. 279. GENERAL PROVISIONS.**

22          “(a) *REPORT BY THE DIRECTOR.—Not later than 6*  
23          *months after the date of enactment of the Trade Adjustment*  
24          *Assistance Reform Act of 2002, and annually thereafter, the*  
25          *Director shall submit to the Committee on Finance of the*

1 *Senate and the Committee on Ways and Means of the House*  
 2 *of Representatives a report regarding the programs estab-*  
 3 *lished under this title.*

4       “(b) *REGULATIONS.—The Secretary shall prescribe*  
 5 *such regulations as are necessary to carry out the provisions*  
 6 *of this chapter.*

7       “(c) *SUPPLEMENT NOT SUPPLANT.—Funds appro-*  
 8 *priated under this chapter shall be used to supplement and*  
 9 *not supplant other Federal, State, and local public funds*  
 10 *expended to provide economic development assistance for*  
 11 *communities.”.*

12       ***TITLE IV—TRADE ADJUSTMENT***  
 13       ***ASSISTANCE FOR FARMERS***

14       ***SEC. 401. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.***

15       “(a) *IN GENERAL.—Title II of the Trade Act of 1974*  
 16 *(19 U.S.C. 2251 et seq.) is amended by adding at the end*  
 17 *the following new chapter:*

18       ***“CHAPTER 6—ADJUSTMENT ASSISTANCE***  
 19       ***FOR FARMERS***

20       ***“SEC. 291. DEFINITIONS.***

21       *“In this chapter:*

22               “(1) *AGRICULTURAL COMMODITY.—The term ‘ag-*  
 23 *ricultural commodity’ means any agricultural com-*  
 24 *modity (including livestock), except fish as defined in*  
 25 *section 299(1) of this Act, in its raw or natural state.*



1           “(2) *AGRICULTURAL COMMODITY PRODUCER.*—  
2           *The term ‘agricultural commodity producer’ has the*  
3           *same meaning as the term ‘person’ as prescribed by*  
4           *regulations promulgated under section 1001(5) of the*  
5           *Food Security Act of 1985 (7 U.S.C. 1308(5)). The*  
6           *term does not include any person described in section*  
7           *299(2) of this Act.*

8           “(3) *CONTRIBUTED IMPORTANTLY.*—

9                   “(A) *IN GENERAL.*—*The term ‘contributed*  
10                   *importantly’ means a cause which is important*  
11                   *but not necessarily more important than any*  
12                   *other cause.*

13                   “(B) *DETERMINATION OF CONTRIBUTED IM-*  
14                   *PORTANTLY.*—*The determination of whether im-*  
15                   *ports of articles like or directly competitive with*  
16                   *an agricultural commodity with respect to which*  
17                   *a petition under this chapter was filed contrib-*  
18                   *uted importantly to a decline in the price of the*  
19                   *agricultural commodity shall be made by the*  
20                   *Secretary.*

21           “(4) *DULY AUTHORIZED REPRESENTATIVE.*—*The*  
22           *term ‘duly authorized representative’ means an asso-*  
23           *ciation of agricultural commodity producers.*

24           “(5) *NATIONAL AVERAGE PRICE.*—*The term ‘na-*  
25           *tional average price’ means the national average*

1        *price paid to an agricultural commodity producer for*  
2        *an agricultural commodity in a marketing year as*  
3        *determined by the Secretary.*

4                “(6) *SECRETARY.*—*The term ‘Secretary’ means*  
5        *the Secretary of Agriculture.*

6        **“SEC. 292. PETITIONS; GROUP ELIGIBILITY.**

7                “(a) *IN GENERAL.*—*A petition for a certification of*  
8        *eligibility to apply for adjustment assistance under this*  
9        *chapter may be filed with the Secretary by a group of agri-*  
10       *cultural commodity producers or by their duly authorized*  
11       *representative. Upon receipt of the petition, the Secretary*  
12       *shall promptly publish notice in the Federal Register that*  
13       *the Secretary has received the petition and initiated an in-*  
14       *vestigation.*

15               “(b) *HEARINGS.*—*If the petitioner, or any other person*  
16       *found by the Secretary to have a substantial interest in the*  
17       *proceedings, submits not later than 10 days after the date*  
18       *of the Secretary’s publication under subsection (a) a request*  
19       *for a hearing, the Secretary shall provide for a public hear-*  
20       *ing and afford such interested person an opportunity to be*  
21       *present, to produce evidence, and to be heard.*

22               “(c) *GROUP ELIGIBILITY REQUIREMENTS.*—*The Sec-*  
23       *retary shall certify a group of agricultural commodity pro-*  
24       *ducers as eligible to apply for adjustment assistance under*  
25       *this chapter if the Secretary determines—*

1           “(1) that the national average price for the agri-  
2           cultural commodity, or a class of goods within the agri-  
3           cultural commodity, produced by the group for the  
4           most recent marketing year for which the national av-  
5           erage price is available is less than 80 percent of the  
6           average of the national average price for such agricul-  
7           tural commodity, or such class of goods, for the 5  
8           marketing years preceding the most recent marketing  
9           year; and

10           “(2) that increases in imports of articles like or  
11           directly competitive with the agricultural commodity,  
12           or class of goods within the agricultural commodity,  
13           produced by the group contributed importantly to the  
14           decline in price described in paragraph (1).

15           “(d) *SPECIAL RULE FOR QUALIFIED SUBSEQUENT*  
16 *YEARS.*—A group of agricultural commodity producers cer-  
17 *tified as eligible under section 293 shall be eligible to apply*  
18 *for assistance under this chapter in any qualified year after*  
19 *the year the group is first certified, if the Secretary deter-*  
20 *mines that—*

21           “(1) the national average price for the agricul-  
22           tural commodity, or class of goods within the agricul-  
23           tural commodity, produced by the group for the most  
24           recent marketing year for which the national average

1        *price is available is equal to or less than the price de-*  
 2        *termined under subsection (c)(1); and*

3            *“(2) the requirements of subsection (c)(2) are*  
 4        *met.*

5        *“(e) DETERMINATION OF QUALIFIED YEAR AND COM-*  
 6        *MODITY.—In this chapter:*

7            *“(1) QUALIFIED YEAR.—The term ‘qualified*  
 8        *year’, with respect to a group of agricultural com-*  
 9        *modity producers certified as eligible under section*  
 10       *293, means each consecutive year after the year in*  
 11       *which the group is certified that the Secretary makes*  
 12       *the determination under subsection (c) or (d), as the*  
 13       *case may be.*

14           *“(2) CLASSES OF GOODS WITHIN A COM-*  
 15       *MODITY.—In any case in which there are separate*  
 16       *classes of goods within an agricultural commodity,*  
 17       *the Secretary shall treat each class as a separate com-*  
 18       *modity in determining group eligibility, the national*  
 19       *average price, and level of imports under this section*  
 20       *and section 296.*

21       **“SEC. 293. DETERMINATIONS BY SECRETARY OF AGRI-**  
 22       **CULTURE.**

23           *“(a) IN GENERAL.—As soon as practicable after the*  
 24       *date on which a petition is filed under section 292, but in*  
 25       *any event not later than 40 days after that date, the Sec-*

1 *retary shall determine whether the petitioning group meets*  
2 *the requirements of section 292 (c) or (d), as the case may*  
3 *be, and shall, if the group meets the requirements, issue a*  
4 *certification of eligibility to apply for assistance under this*  
5 *chapter covering agricultural commodity producers in any*  
6 *group that meets the requirements. Each certification shall*  
7 *specify the date on which eligibility under this chapter be-*  
8 *gins.*

9       “(b) *NOTICE.*—*Upon making a determination on a pe-*  
10 *tition, the Secretary shall promptly publish a summary of*  
11 *the determination in the Federal Register, together with the*  
12 *Secretary’s reasons for making the determination.*

13       “(c) *TERMINATION OF CERTIFICATION.*—*Whenever the*  
14 *Secretary determines, with respect to any certification of*  
15 *eligibility under this chapter, that the decline in price for*  
16 *the agricultural commodity covered by the certification is*  
17 *no longer attributable to the conditions described in section*  
18 *292, the Secretary shall terminate such certification and*  
19 *promptly cause notice of such termination to be published*  
20 *in the Federal Register, together with the Secretary’s rea-*  
21 *sons for making such determination.*

1 **“SEC. 294. STUDY BY SECRETARY OF AGRICULTURE WHEN**  
2 **INTERNATIONAL TRADE COMMISSION BEGINS**  
3 **INVESTIGATION.**

4 “(a) *IN GENERAL.*—Whenever the International Trade  
5 Commission (in this chapter referred to as the ‘Commis-  
6 sion’) begins an investigation under section 202 with re-  
7 spect to an agricultural commodity, the Commission shall  
8 immediately notify the Secretary of the investigation. Upon  
9 receipt of the notification, the Secretary shall immediately  
10 conduct a study of—

11 “(1) the number of agricultural commodity pro-  
12 ducers producing a like or directly competitive agri-  
13 cultural commodity who have been or are likely to be  
14 certified as eligible for adjustment assistance under  
15 this chapter, and

16 “(2) the extent to which the adjustment of such  
17 producers to the import competition may be facili-  
18 tated through the use of existing programs.

19 “(b) *REPORT.*—Not later than 15 days after the day  
20 on which the Commission makes its report under section  
21 202(f), the Secretary shall submit a report to the President  
22 setting forth the findings of the study described in sub-  
23 section (a). Upon making the report to the President, the  
24 Secretary shall also promptly make the report public (with  
25 the exception of information which the Secretary determines

1 *to be confidential) and shall have a summary of the report*  
2 *published in the Federal Register.*

3 **“SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COM-**  
4 **MODITY PRODUCERS.**

5 *“(a) IN GENERAL.—The Secretary shall provide full*  
6 *information to producers about the benefit allowances,*  
7 *training, and other employment services available under*  
8 *this title and about the petition and application procedures,*  
9 *and the appropriate filing dates, for such allowances, train-*  
10 *ing, and services. The Secretary shall provide whatever as-*  
11 *sistance is necessary to enable groups to prepare petitions*  
12 *or applications for program benefits under this title.*

13 *“(b) NOTICE OF BENEFITS.—*

14 *“(1) IN GENERAL.—The Secretary shall mail*  
15 *written notice of the benefits available under this*  
16 *chapter to each agricultural commodity producer that*  
17 *the Secretary has reason to believe is covered by a cer-*  
18 *tification made under this chapter.*

19 *“(2) OTHER NOTICE.—The Secretary shall pub-*  
20 *lish notice of the benefits available under this chapter*  
21 *to agricultural commodity producers that are covered*  
22 *by each certification made under this chapter in*  
23 *newspapers of general circulation in the areas in*  
24 *which such producers reside.*

1           “(3) *OTHER FEDERAL ASSISTANCE.*—*The Sec-*  
2           *retary shall also provide information concerning pro-*  
3           *cedures for applying for and receiving all other Fed-*  
4           *eral assistance and services available to workers fac-*  
5           *ing economic distress.*

6   **“SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICUL-**  
7           **TURAL COMMODITY PRODUCERS.**

8           “(a) *IN GENERAL.*—

9           “(1) *REQUIREMENTS.*—*Payment of a trade ad-*  
10          *justment allowance shall be made to an adversely af-*  
11          *ected agricultural commodity producer covered by a*  
12          *certification under this chapter who files an applica-*  
13          *tion for such allowance within 90 days after the date*  
14          *on which the Secretary makes a determination and*  
15          *issues a certification of eligibility under section 293,*  
16          *if the following conditions are met:*

17                 “(A) *The producer submits to the Secretary*  
18                 *sufficient information to establish the amount of*  
19                 *agricultural commodity covered by the applica-*  
20                 *tion filed under subsection (a) that was produced*  
21                 *by the producer in the most recent year.*

22                 “(B) *The producer certifies that the pro-*  
23                 *ducer has not received cash benefits under any*  
24                 *provision of this title other than this chapter.*



1           “(C) *The producer’s net farm income (as de-*  
2 *termined by the Secretary) for the most recent*  
3 *year is less than the producer’s net farm income*  
4 *for the latest year in which no adjustment assist-*  
5 *ance was received by the producer under this*  
6 *chapter.*

7           “(D) *The producer certifies that the pro-*  
8 *ducer has met with an Extension Service em-*  
9 *ployee or agent to obtain, at no cost to the pro-*  
10 *ducer, information and technical assistance that*  
11 *will assist the producer in adjusting to import*  
12 *competition with respect to the adversely affected*  
13 *agricultural commodity, including—*

14                 “(i) *information regarding the feasi-*  
15 *bility and desirability of substituting 1 or*  
16 *more alternative commodities for the ad-*  
17 *versely affected agricultural commodity;*  
18 *and*

19                 “(ii) *technical assistance that will im-*  
20 *prove the competitiveness of the production*  
21 *and marketing of the adversely affected ag-*  
22 *ricultural commodity by the producer, in-*  
23 *cluding yield and marketing improvements.*

24           “(2) *LIMITATION.—*

1           “(A) *IN GENERAL.*—Notwithstanding any  
2           *other provision of this chapter, an agricultural*  
3           *commodity producer shall not be eligible for as-*  
4           *sistance under this chapter in any year in which*  
5           *the average adjusted gross income of the producer*  
6           *exceeds \$2,500,000.*

7           “(B) *CERTIFICATION.*—To comply with the  
8           *limitation under subparagraph (A), an indi-*  
9           *vidual or entity shall provide to the Secretary—*

10           “(i) *a certification by a certified public*  
11           *accountant or another third party that is*  
12           *acceptable to the Secretary that the average*  
13           *adjusted gross income of the producer does*  
14           *not exceed \$2,500,000; or*

15           “(ii) *information and documentation*  
16           *regarding the adjusted gross income of the*  
17           *producer through other procedures estab-*  
18           *lished by the Secretary.*

19           “(C) *DEFINITIONS.*—In this subsection:

20           “(i) *ADJUSTED GROSS INCOME.*—The  
21           *term ‘adjusted gross income’ means adjusted*  
22           *gross income of an agricultural commodity*  
23           *producer—*

24                           “(I) *as defined in section 62 of the*  
25                           *Internal Revenue Code of 1986 and*

1 *implemented in accordance with proce-*  
2 *dures established by the Secretary; and*

3 *“(II) that is earned directly or in-*  
4 *directly from all agricultural and non-*  
5 *agricultural sources of an individual*  
6 *or entity for a fiscal or corresponding*  
7 *crop year.*

8 *“(ii) AVERAGE ADJUSTED GROSS IN-*  
9 *COME.—*

10 *“(I) IN GENERAL.—The term ‘av-*  
11 *erage adjusted gross income’ means the*  
12 *average adjusted gross income of a pro-*  
13 *ducer for each of the 3 preceding tax-*  
14 *able years.*

15 *“(II) EFFECTIVE ADJUSTED*  
16 *GROSS INCOME.—In the case of a pro-*  
17 *ducer that does not have an adjusted*  
18 *gross income for each of the 3 pre-*  
19 *ceding taxable years, the Secretary*  
20 *shall establish rules that provide the*  
21 *producer with an effective adjusted*  
22 *gross income for the applicable year.*

23 *“(b) AMOUNT OF CASH BENEFITS.—*

24 *“(1) IN GENERAL.—Subject to the provisions of*  
25 *section 298, an adversely affected agricultural com-*

1 *modity producer described in subsection (a) shall be*  
2 *entitled to adjustment assistance under this chapter*  
3 *in an amount equal to the product of—*

4 *“(A) one-half of the difference between—*

5 *“(i) an amount equal to 80 percent of*  
6 *the average of the national average price of*  
7 *the agricultural commodity covered by the*  
8 *application described in subsection (a) for*  
9 *the 5 marketing years preceding the most*  
10 *recent marketing year, and*

11 *“(ii) the national average price of the*  
12 *agricultural commodity for the most recent*  
13 *marketing year, and*

14 *“(B) the amount of the agricultural com-*  
15 *modity produced by the agricultural commodity*  
16 *producer in the most recent marketing year.*

17 *“(2) SPECIAL RULE FOR SUBSEQUENT QUALI-*  
18 *FIED YEARS.—The amount of cash benefits for a*  
19 *qualified year shall be determined in the same man-*  
20 *ner as cash benefits are determined under paragraph*  
21 *(1) except that the average national price of the agri-*  
22 *cultural commodity shall be determined under para-*  
23 *graph (1)(A)(i) by using the 5-marketing-year period*  
24 *used to determine the amount of cash benefits for the*  
25 *first certification.*

1       “(c) *MAXIMUM AMOUNT OF CASH ASSISTANCE.*—The  
2 *maximum amount of cash benefits an agricultural com-*  
3 *modity producer may receive in any 12-month period shall*  
4 *not exceed \$10,000.*

5       “(d) *LIMITATIONS ON OTHER ASSISTANCE.*—An agri-  
6 *cultural commodity producer entitled to receive a cash ben-*  
7 *efit under this chapter—*

8               “(1) *shall not be eligible for any other cash ben-*  
9 *efit under this title, and*

10              “(2) *shall be entitled to employment services and*  
11 *training benefits under part III of subchapter C of*  
12 *chapter 2.*

13 **“SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.**

14       “(a) *IN GENERAL.*—

15              “(1) *REPAYMENT.*—*If the Secretary, or a court*  
16 *of competent jurisdiction, determines that any person*  
17 *has received any payment under this chapter to which*  
18 *the person was not entitled, such person shall be liable*  
19 *to repay such amount to the Secretary, except that the*  
20 *Secretary may waive such repayment if the Secretary*  
21 *determines, in accordance with guidelines prescribed*  
22 *by the Secretary, that—*

23                      “(A) *the payment was made without fault*  
24 *on the part of such person; and*

1           “(B) requiring such repayment would be  
2           contrary to equity and good conscience.

3           “(2) *RECOVERY OF OVERPAYMENT.*—Unless an  
4           overpayment is otherwise recovered, or waived under  
5           paragraph (1), the Secretary shall recover the over-  
6           payment by deductions from any sums payable to  
7           such person under this chapter.

8           “(b) *FALSE STATEMENT.*—A person shall, in addition  
9           to any other penalty provided by law, be ineligible for any  
10          further payments under this chapter—

11           “(1) if the Secretary, or a court of competent ju-  
12          risdiction, determines that the person—

13           “(A) knowingly has made, or caused an-  
14          other to make, a false statement or representation  
15          of a material fact; or

16           “(B) knowingly has failed, or caused an-  
17          other to fail, to disclose a material fact; and

18           “(2) as a result of such false statement or rep-  
19          resentation, or of such nondisclosure, such person has  
20          received any payment under this chapter to which the  
21          person was not entitled.

22           “(c) *NOTICE AND DETERMINATION.*—Except for over-  
23          payments determined by a court of competent jurisdiction,  
24          no repayment may be required, and no deduction may be  
25          made, under this section until a determination under sub-

1 *section (a)(1) by the Secretary has been made, notice of the*  
2 *determination and an opportunity for a fair hearing there-*  
3 *on has been given to the person concerned, and the deter-*  
4 *mination has become final.*

5       “(d) *PAYMENT TO TREASURY.*—*Any amount recovered*  
6 *under this section shall be returned to the Treasury of the*  
7 *United States.*

8       “(e) *PENALTIES.*—*Whoever makes a false statement of*  
9 *a material fact knowing it to be false, or knowingly fails*  
10 *to disclose a material fact, for the purpose of obtaining or*  
11 *increasing for himself or for any other person any payment*  
12 *authorized to be furnished under this chapter shall be fined*  
13 *not more than \$10,000 or imprisoned for not more than*  
14 *1 year, or both.*

15 **“SEC. 298. AUTHORIZATION OF APPROPRIATIONS.**

16       “(a) *IN GENERAL.*—*There are authorized to be appro-*  
17 *priated and there are appropriated to the Department of*  
18 *Agriculture not to exceed \$90,000,000 for each of the fiscal*  
19 *years 2002 through 2007 to carry out the purposes of this*  
20 *chapter.*

21       “(b) *PROPORTIONATE REDUCTION.*—*If in any year,*  
22 *the amount appropriated under this chapter is insufficient*  
23 *to meet the requirements for adjustment assistance payable*  
24 *under this chapter, the amount of assistance payable under*  
25 *this chapter shall be reduced proportionately.”.*





1           “(A) is engaged in commercial fishing; or

2           “(B) is a United States fish processor.

3           “(3) CONTRIBUTED IMPORTANTLY.—

4           “(A) IN GENERAL.—The term ‘contributed  
5 importantly’ means a cause which is important  
6 but not necessarily more important than any  
7 other cause.

8           “(B) DETERMINATION OF CONTRIBUTED IM-  
9 PORTANTLY.—The determination of whether im-  
10 ports of articles like or directly competitive with  
11 a fish caught through commercial fishing or  
12 processed by a United States fish processor with  
13 respect to which a petition under this chapter  
14 was filed contributed importantly to a decline in  
15 the price of the fish shall be made by the Sec-  
16 retary.

17           “(4) DULY AUTHORIZED REPRESENTATIVE.—The  
18 term ‘duly authorized representative’ means an asso-  
19 ciation of producers.

20           “(5) NATIONAL AVERAGE PRICE.—The term ‘na-  
21 tional average price’ means the national average  
22 price paid to a producer for fish in a marketing year  
23 as determined by the Secretary.

24           “(6) SECRETARY.—The term ‘Secretary’ means  
25 the Secretary of Commerce.

1           “(7) *TRADE ADJUSTMENT ASSISTANCE CEN-*  
2           *TER.—The term ‘Trade Adjustment Assistance Center’*  
3           *shall have the same meaning as such term has in sec-*  
4           *tion 253.*

5           **“SEC. 299A. PETITIONS; GROUP ELIGIBILITY.**

6           “(a) *IN GENERAL.—A petition for a certification of*  
7           *eligibility to apply for adjustment assistance under this*  
8           *chapter may be filed with the Secretary by a group of pro-*  
9           *ducers or by their duly authorized representative. Upon re-*  
10          *ceipt of the petition, the Secretary shall promptly publish*  
11          *notice in the Federal Register that the Secretary has re-*  
12          *ceived the petition and initiated an investigation.*

13          “(b) *HEARINGS.—If the petitioner, or any other person*  
14          *found by the Secretary to have a substantial interest in the*  
15          *proceedings, submits not later than 10 days after the date*  
16          *of the Secretary’s publication under subsection (a) a request*  
17          *for a hearing, the Secretary shall provide for a public hear-*  
18          *ing and afford such interested person an opportunity to be*  
19          *present, to produce evidence, and to be heard.*

20          “(c) *GROUP ELIGIBILITY REQUIREMENTS.—The Sec-*  
21          *retary shall certify a group of producers as eligible to apply*  
22          *for adjustment assistance under this chapter if the Sec-*  
23          *retary determines—*

24                  “(1) *that the national average price for the fish,*  
25                  *or a class of fish, produced by the group for the most*

1       *recent marketing year for which the national average*  
2       *price is available is less than 80 percent of the aver-*  
3       *age of the national average price for such fish, or such*  
4       *class of fish, for the 5 marketing years preceding the*  
5       *most recent marketing year; and*

6               “(2) *that increases in imports of articles like or*  
7       *directly competitive with the fish, or class of fish, pro-*  
8       *duced by the group contributed importantly to the de-*  
9       *cline in price described in paragraph (1).*

10       “(d) *SPECIAL RULE FOR QUALIFIED SUBSEQUENT*  
11       *YEARS.—A group of producers certified as eligible under*  
12       *section 299B shall be eligible to apply for assistance under*  
13       *this chapter in any qualified year after the year the group*  
14       *is first certified, if the Secretary determines that—*

15               “(1) *the national average price for the fish, or*  
16       *class of fish, produced by the group for the most re-*  
17       *cent marketing year for which the national average*  
18       *price is available is equal to or less than the price de-*  
19       *termined under subsection (c)(1); and*

20               “(2) *the requirements of subsection (c)(2) are*  
21       *met.*

22       “(e) *DETERMINATION OF QUALIFIED YEAR AND COM-*  
23       *MODITY.—In this chapter:*

24               “(1) *QUALIFIED YEAR.—The term ‘qualified*  
25       *year’, with respect to a group of producers certified*

1       *as eligible under section 299B, means each consecutive*  
2       *year after the year in which the group is certified*  
3       *that the Secretary makes the determination under*  
4       *subsection (c) or (d), as the case may be.*

5               “(2) *CLASSES OF GOODS WITHIN A COM-*  
6       *MODITY.—In any case in which there are separate*  
7       *classes of fish, the Secretary shall treat each class as*  
8       *a separate commodity in determining group eligi-*  
9       *bility, the national average price, and level of imports*  
10       *under this section and section 299E.*

11       **“SEC. 299B. DETERMINATIONS BY SECRETARY.**

12               “(a) *IN GENERAL.—As soon as practicable after the*  
13       *date on which a petition is filed under section 299A, but*  
14       *in any event not later than 40 days after that date, the*  
15       *Secretary shall determine whether the petitioning group*  
16       *meets the requirements of section 299A (c) or (d), as the*  
17       *case may be, and shall, if the group meets the requirements,*  
18       *issue a certification of eligibility to apply for assistance*  
19       *under this chapter covering producers in any group that*  
20       *meets the requirements. Each certification shall specify the*  
21       *date on which eligibility under this chapter begins.*

22               “(b) *NOTICE.—Upon making a determination on a pe-*  
23       *tition, the Secretary shall promptly publish a summary of*  
24       *the determination in the Federal Register, together with the*  
25       *Secretary’s reasons for making the determination.*



1       “(b) *REPORT.*—Not later than 15 days after the day  
2 on which the Commission makes its report under section  
3 202(f), the Secretary shall submit a report to the President  
4 setting forth the findings of the study under subsection (a).  
5 Upon making his report to the President, the Secretary  
6 shall also promptly make the report public (with the excep-  
7 tion of information which the Secretary determines to be  
8 confidential) and shall have a summary of it published in  
9 the Federal Register.

10 **“SEC. 299D. BENEFIT INFORMATION TO PRODUCERS.**

11       “(a) *IN GENERAL.*—The Secretary shall provide full  
12 information to producers about the benefit allowances,  
13 training, and other employment services available under  
14 this title and about the petition and application procedures,  
15 and the appropriate filing dates, for such allowances, train-  
16 ing, and services. The Secretary shall provide whatever as-  
17 sistance is necessary to enable groups to prepare petitions  
18 or applications for program benefits under this title.

19       “(b) *NOTICE OF BENEFITS.*—

20               “(1) *IN GENERAL.*—The Secretary shall mail  
21 written notice of the benefits available under this  
22 chapter to each producer that the Secretary has rea-  
23 son to believe is covered by a certification made under  
24 this chapter.

1           “(2) *OTHER NOTICE.*—*The Secretary shall pub-*  
2           *lish notice of the benefits available under this chapter*  
3           *to producers that are covered by each certification*  
4           *made under this chapter in newspapers of general cir-*  
5           *ulation in the areas in which such producers reside.*

6   **“SEC. 299E. QUALIFYING REQUIREMENTS FOR PRODUCERS.**

7           “(a) *IN GENERAL.*—*Payment of a trade adjustment al-*  
8           *lowance shall be made to an adversely affected producer cov-*  
9           *ered by a certification under this chapter who files an ap-*  
10           *plication for such allowance within 90 days after the date*  
11           *on which the Secretary makes a determination and issues*  
12           *a certification of eligibility under section 299B, if the fol-*  
13           *lowing conditions are met:*

14           “(1) *The producer submits to the Secretary suffi-*  
15           *cient information to establish the amount of fish cov-*  
16           *ered by the application filed under subsection (a) that*  
17           *was produced by the producer in the most recent year.*

18           “(2) *The producer certifies that the producer has*  
19           *not received cash benefits under any provision of this*  
20           *title other than this chapter.*

21           “(3) *The producer’s net fishing or processing in-*  
22           *come (as determined by the Secretary) for the most*  
23           *recent year is less than the producer’s net fishing or*  
24           *processing income for the latest year in which no ad-*

1 *justment assistance was received by the producer*  
2 *under this chapter.*

3 “(4) *The producer certifies that—*

4 “(A) *the producer has met with an employee*  
5 *or agent from a Trade Adjustment Assistance*  
6 *Center to obtain, at no cost to the producer, in-*  
7 *formation and technical assistance that will as-*  
8 *sist the producer in adjusting to import competi-*  
9 *tion with respect to the adversely affected fish,*  
10 *including—*

11 “(i) *information regarding the feasi-*  
12 *bility and desirability of substituting 1 or*  
13 *more alternative fish for the adversely af-*  
14 *ected fish; and*

15 “(ii) *technical assistance that will im-*  
16 *prove the competitiveness of the production*  
17 *and marketing of the adversely affected fish*  
18 *by the producer, including yield and mar-*  
19 *keting improvements; and*

20 “(B) *none of the benefits will be used to*  
21 *purchase, lease, or finance any new fishing ves-*  
22 *sel, add capacity to any fishery, or otherwise add*  
23 *to the overcapitalization of any fishery.*

24 “(b) *AMOUNT OF CASH BENEFITS.—*



1           “(1) *IN GENERAL.*—Subject to the provisions of  
2           *section 299G, an adversely affected producer described*  
3           *in subsection (a) shall be entitled to adjustment as-*  
4           *sistance under this chapter in an amount equal to the*  
5           *product of—*

6                   “(A) *one-half of the difference between—*

7                           “(i) *an amount equal to 80 percent of*  
8                           *the average of the national average price of*  
9                           *the fish covered by the application described*  
10                          *in subsection (a) for the 5 marketing years*  
11                          *preceding the most recent marketing year;*  
12                          *and*

13                          “(ii) *the national average price of the*  
14                          *fish for the most recent marketing year; and*

15                          “(B) *the amount of the fish produced by the*  
16                          *producer in the most recent marketing year.*

17           “(2) *SPECIAL RULE FOR SUBSEQUENT QUALI-*  
18           *FIED YEARS.*—*The amount of cash benefits for a*  
19           *qualified year shall be determined in the same man-*  
20           *ner as cash benefits are determined under paragraph*  
21           *(1) except that the average national price of the fish*  
22           *shall be determined under paragraph (1)(A)(i) by*  
23           *using the 5-marketing-year period used to determine*  
24           *the amount of cash benefits for the first certification.*  
25           *A producer shall only be eligible for benefits for subse-*

1        *quent qualified years if the Secretary or his designee*  
2        *determines that sufficient progress has been made im-*  
3        *plementing the plans developed under section*  
4        *299E(a)(4) of this title.*

5        *“(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The*  
6        *maximum amount of cash benefits a producer may receive*  
7        *in any 12-month period shall not exceed \$10,000.*

8        *“(d) LIMITATIONS ON OTHER ASSISTANCE.—A pro-*  
9        *ducer entitled to receive a cash benefit under this chapter—*  
10        *“(1) shall not be eligible for any other cash ben-*  
11        *efit under this title, and*

12        *“(2) shall be entitled to employment services and*  
13        *training benefits under part III of subchapter C of*  
14        *chapter 2.*

15        **“SEC. 299F. FRAUD AND RECOVERY OF OVERPAYMENTS.**

16        *“(a) IN GENERAL.—*

17        *“(1) REPAYMENT.—If the Secretary, or a court*  
18        *of competent jurisdiction, determines that any person*  
19        *has received any payment under this chapter to which*  
20        *the person was not entitled, such person shall be liable*  
21        *to repay such amount to the Secretary, except that the*  
22        *Secretary may waive such repayment if the Secretary*  
23        *determines, in accordance with guidelines prescribed*  
24        *by the Secretary, that—*

1           “(A) *the payment was made without fault*  
2           *on the part of such person; and*

3           “(B) *requiring such repayment would be*  
4           *contrary to equity and good conscience.*

5           “(2) *RECOVERY OF OVERPAYMENT.—Unless an*  
6           *overpayment is otherwise recovered, or waived under*  
7           *paragraph (1), the Secretary shall recover the over-*  
8           *payment by deductions from any sums payable to*  
9           *such person under this chapter.*

10          “(b) *FALSE STATEMENT.—A person shall, in addition*  
11          *to any other penalty provided by law, be ineligible for any*  
12          *further payments under this chapter—*

13                 “(1) *if the Secretary, or a court of competent ju-*  
14                 *risdiction, determines that the person—*

15                         “(A) *knowingly has made, or caused an-*  
16                         *other to make, a false statement or representation*  
17                         *of a material fact; or*

18                         “(B) *knowingly has failed, or caused an-*  
19                         *other to fail, to disclose a material fact; and*

20                         “(2) *as a result of such false statement or rep-*  
21                         *resentation, or of such nondisclosure, such person has*  
22                         *received any payment under this chapter to which the*  
23                         *person was not entitled.*

24          “(c) *NOTICE AND DETERMINATION.—Except for over-*  
25          *payments determined by a court of competent jurisdiction,*

1 *no repayment may be required, and no deduction may be*  
2 *made, under this section until a determination under sub-*  
3 *section (a)(1) by the Secretary has been made, notice of the*  
4 *determination and an opportunity for a fair hearing there-*  
5 *on has been given to the person concerned, and the deter-*  
6 *mination has become final.*

7       “(d) *PAYMENT TO TREASURY.*—*Any amount recovered*  
8 *under this section shall be returned to the Treasury of the*  
9 *United States.*

10       “(e) *PENALTIES.*—*Whoever makes a false statement of*  
11 *a material fact knowing it to be false, or knowingly fails*  
12 *to disclose a material fact, for the purpose of obtaining or*  
13 *increasing for himself or for any other person any payment*  
14 *authorized to be furnished under this chapter shall be fined*  
15 *not more than \$10,000 or imprisoned for not more than*  
16 *1 year, or both.*

17 **“SEC. 299G. AUTHORIZATION OF APPROPRIATIONS.**

18       “(a) *IN GENERAL.*—*There are authorized to be appro-*  
19 *priated and there are appropriated to the Department of*  
20 *Commerce not to exceed \$10,000,000 for each of the fiscal*  
21 *years 2002 through 2007 to carry out the purposes of this*  
22 *chapter.*

23       “(b) *PROPORTIONATE REDUCTION.*—*If in any year,*  
24 *the amount appropriated under this chapter is insufficient*  
25 *to meet the requirements for adjustment assistance payable*

1 *under this chapter, the amount of assistance payable under*  
 2 *this chapter shall be reduced proportionately.”.*

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*  
 4 *title shall take effect on the date that is 180 days after the*  
 5 *date of enactment of this Act.*

6 **TITLE VI—HEALTH CARE COV-**  
 7 **ERAGE OPTIONS FOR WORK-**  
 8 **ERS ELIGIBLE FOR TRADE AD-**  
 9 **JUSTMENT ASSISTANCE**

10 **SEC. 601. TRADE ADJUSTMENT ASSISTANCE HEALTH IN-**  
 11 **SURANCE CREDIT.**

12 (a) *IN GENERAL.*—*Subchapter B of chapter 65 of the*  
 13 *Internal Revenue Code of 1986 (relating to abatements,*  
 14 *credits, and refunds) is amended by inserting after section*  
 15 *6428 the following new section:*

16 **“SEC. 6429. TRADE ADJUSTMENT ASSISTANCE HEALTH IN-**  
 17 **SURANCE CREDIT.**

18 *“(a) IN GENERAL.*—*In the case of an individual, there*  
 19 *shall be allowed as a credit against the tax imposed by sub-*  
 20 *title A an amount equal to 70 percent of the amount paid*  
 21 *during the taxable year for coverage for the taxpayer, the*  
 22 *taxpayer’s spouse, and dependents of the taxpayer under*  
 23 *qualified health insurance during eligible coverage months.*

24 *“(b) ELIGIBLE COVERAGE MONTH.*—*For purposes of*  
 25 *this section—*

1           “(1) *IN GENERAL.*—*The term ‘eligible coverage*  
2 *month’ means any month if, as of the first day of*  
3 *such month—*

4                   “(A) *the taxpayer is an eligible individual,*

5                   “(B) *the taxpayer is covered by qualified*  
6 *health insurance,*

7                   “(C) *the premium for coverage under such*  
8 *insurance for such month is paid by the tax-*  
9 *payer, and*

10                  “(D) *the taxpayer does not have other speci-*  
11 *fied coverage.*

12           “(2) *SPECIAL RULES.*—

13                   “(A) *JOINT RETURNS.*—*In the case of a*  
14 *joint return, the requirements of paragraph (1)*  
15 *shall be treated as met if at least 1 spouse satis-*  
16 *fies such requirements.*

17                   “(B) *EXCLUSION OF MONTHS IN WHICH IN-*  
18 *DIVIDUAL IS IMPRISONED.*—*Such term shall not*  
19 *include any month with respect to an individual*  
20 *if, as of the first day of such month, such indi-*  
21 *vidual is imprisoned under Federal, State, or*  
22 *local authority.*

23                   “(3) *OTHER SPECIFIED COVERAGE.*—*For pur-*  
24 *poses of this subsection, an individual has other speci-*

1       *fied coverage for any month if, as of the first day of*  
2       *such month—*

3               “(A) *SUBSIDIZED COVERAGE.—*

4                       “(i) *IN GENERAL.—Such individual is*  
5                       *covered under any qualified health insur-*  
6                       *ance under which at least 50 percent of the*  
7                       *cost of coverage (determined under section*  
8                       *4980B) is paid or incurred by an employer*  
9                       *(or former employer) of the taxpayer or the*  
10                      *taxpayer’s spouse.*

11                      “(ii) *TREATMENT OF CAFETERIA*  
12                      *PLANS AND FLEXIBLE SPENDING AC-*  
13                      *COUNTS.—For purposes of clause (i), the*  
14                      *cost of benefits—*

15                               “(I) *which are chosen under a caf-*  
16                               *eteria plan (as defined in section*  
17                               *125(d)), or provided under a flexible*  
18                               *spending or similar arrangement, of*  
19                               *such an employer, and*

20                                       “(II) *which are not includible in*  
21                                       *gross income under section 106,*  
22                                       *shall be treated as borne by such employer.*

23                      “(B) *COVERAGE UNDER MEDICARE, MED-*  
24                      *ICAID, OR SCHIP.—Such individual—*

1           “(i) is entitled to benefits under part A  
2           of title XVIII of the Social Security Act or  
3           is enrolled under part B of such title, or

4           “(ii) is enrolled in the program under  
5           title XIX or XXI of such Act (other than  
6           under section 1928).

7           “(C) CERTAIN OTHER COVERAGE.—Such  
8           individual—

9           “(i) is enrolled in a health benefits  
10          plan under chapter 89 of title 5, United  
11          States Code,

12          “(ii) is entitled to receive benefits  
13          under chapter 55 of title 10, United States  
14          Code,

15          “(iii) is entitled to receive benefits  
16          under chapter 17 of title 38, United States  
17          Code, or

18          “(iv) is eligible for benefits under the  
19          Indian Health Care Improvement Act.

20          “(4) SPECIAL RULE.—For purposes of this sub-  
21          section, an individual does not have other specified  
22          coverage for any month if such coverage is under a  
23          qualified long-term care insurance contract (as de-  
24          fined in section 7702B(b)(1)).



1       “(c) *ELIGIBLE INDIVIDUAL*.—For purposes of this sec-  
2 tion, the term ‘eligible individual’ means an individual who  
3 is qualified to receive payment of a trade adjustment allow-  
4 ance under section 235 of the Trade Act of 1974, as amend-  
5 ed by section 111 of the Trade Adjustment Assistance Re-  
6 form Act of 2002.

7       “(d) *QUALIFIED HEALTH INSURANCE*.—For purposes  
8 of this section, the term ‘qualified health insurance’ means  
9 health insurance coverage described under section 173(f) of  
10 the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)).

11       “(e) *COORDINATION WITH ADVANCE PAYMENTS OF*  
12 *CREDIT*.—

13               “(1) *RECAPTURE OF EXCESS ADVANCE PAY-*  
14 *MENTS*.—If any payment is made by the Secretary  
15 under section 7527 during any calendar year to a  
16 provider of qualified health insurance for an indi-  
17 vidual, then the tax imposed by this chapter for the  
18 individual’s last taxable year beginning in such cal-  
19 endar year shall be increased by the aggregate  
20 amount of such payments.

21               “(2) *RECONCILIATION OF PAYMENTS ADVANCED*  
22 *AND CREDIT ALLOWED*.—Any increase in tax under  
23 paragraph (1) shall not be treated as tax imposed by  
24 this chapter for purposes of determining the amount  
25 of any credit (other than the credit allowed by sub-

1 *section (a)) allowable under part IV of subchapter A*  
2 *of chapter 1.*

3 “(f) *SPECIAL RULES.*—

4 “(1) *COORDINATION WITH OTHER DEDUC-*  
5 *TIONS.*—*Amounts taken into account under subsection*  
6 *(a) shall not be taken into account in determining*  
7 *any deduction allowed under section 162(l) or 213.*

8 “(2) *MSA DISTRIBUTIONS.*—*Amounts distributed*  
9 *from an Archer MSA (as defined in section 220(d))*  
10 *shall not be taken into account under subsection (a).*

11 “(3) *DENIAL OF CREDIT TO DEPENDENTS.*—*No*  
12 *credit shall be allowed under this section to any indi-*  
13 *vidual with respect to whom a deduction under sec-*  
14 *tion 151 is allowable to another taxpayer for a tax-*  
15 *able year beginning in the calendar year in which*  
16 *such individual’s taxable year begins.*

17 “(4) *CREDIT TREATED AS REFUNDABLE CRED-*  
18 *IT.*—*For purposes of this title, the credit allowed*  
19 *under this section shall be treated as a credit allow-*  
20 *able under subpart C of part IV of subchapter A of*  
21 *chapter 1.*

22 “(5) *EXPENSES MUST BE SUBSTANTIATED.*—*A*  
23 *payment for qualified health insurance to which sub-*  
24 *section (a) applies may be taken into account under*

1 *this section only if the taxpayer substantiates such*  
2 *payment in such form as the Secretary may prescribe.*

3 “(6) *REGULATIONS.*—*The Secretary may pre-*  
4 *scribe such regulations and other guidance as may be*  
5 *necessary or appropriate to carry out this section and*  
6 *section 7527.”.*

7 *(b) INFORMATION REPORTING.*—

8 *(1) IN GENERAL.*—*Subpart B of part III of sub-*  
9 *chapter A of chapter 61 of the Internal Revenue Code*  
10 *of 1986 (relating to information concerning trans-*  
11 *actions with other persons) is amended by inserting*  
12 *after section 6050S the following new section:*

13 **“SEC. 6050T. RETURNS RELATING TO TRADE ADJUSTMENT**  
14 **ASSISTANCE HEALTH INSURANCE CREDIT.**

15 *“(a) REQUIREMENT OF REPORTING.*—*Every person—*

16 *“(1) who, in connection with a trade or business*  
17 *conducted by such person, receives payments during*  
18 *any calendar year from any individual for coverage*  
19 *of such individual or any other individual under*  
20 *qualified health insurance (as defined in section*  
21 *6429(d)), and*

22 *“(2) who claims a reimbursement for an advance*  
23 *credit amount,*

24 *shall, at such time as the Secretary may prescribe, make*  
25 *the return described in subsection (b) with respect to each*

1 *individual from whom such payments were received or for*  
2 *whom such a reimbursement is claimed.*

3 “(b) *FORM AND MANNER OF RETURNS.*—*A return is*  
4 *described in this subsection if such return—*

5 “(1) *is in such form as the Secretary may pre-*  
6 *scribe, and*

7 “(2) *contains—*

8 “(A) *the name, address, and TIN of each*  
9 *individual referred to in subsection (a),*

10 “(B) *the aggregate of the advance credit*  
11 *amounts provided to such individual and for*  
12 *which reimbursement is claimed,*

13 “(C) *the number of months for which such*  
14 *advance credit amounts are so provided, and*

15 “(D) *such other information as the Sec-*  
16 *retary may prescribe.*

17 “(c) *STATEMENTS TO BE FURNISHED TO INDIVIDUALS*  
18 *WITH RESPECT TO WHOM INFORMATION IS REQUIRED.*—

19 *Every person required to make a return under subsection*  
20 *(a) shall furnish to each individual whose name is required*  
21 *to be set forth in such return a written statement showing—*

22 “(1) *the name and address of the person required*  
23 *to make such return and the phone number of the in-*  
24 *formation contact for such person, and*

1           “(2) the information required to be shown on the  
2           return with respect to such individual.

3           The written statement required under the preceding sen-  
4           tence shall be furnished on or before January 31 of the year  
5           following the calendar year for which the return under sub-  
6           section (a) is required to be made.

7           “(d) *ADVANCE CREDIT AMOUNT.*—For purposes of this  
8           section, the term ‘advance credit amount’ means an amount  
9           for which the person can claim a reimbursement pursuant  
10          to a program established by the Secretary under section  
11          7527.”.

12          (2) *ASSESSABLE PENALTIES.*—

13                 (A) Subparagraph (B) of section 6724(d)(1)  
14                 of such Code (relating to definitions) is amended  
15                 by redesignating clauses (xi) through (xvii) as  
16                 clauses (xii) through (xviii), respectively, and by  
17                 inserting after clause (x) the following new  
18                 clause:

19                         “(xi) section 6050T (relating to returns  
20                         relating to trade adjustment assistance  
21                         health insurance credit),”.

22                 (B) Paragraph (2) of section 6724(d) of  
23                 such Code is amended by striking “or” at the  
24                 end of subparagraph (Z), by striking the period  
25                 at the end of subparagraph (AA) and inserting

1           “, or”, and by adding after subparagraph (AA)  
2           the following new subparagraph:

3                   “(BB) section 6050T (relating to returns re-  
4           lating to trade adjustment assistance health in-  
5           surance credit).”.

6           (3) *CLERICAL AMENDMENT.*—The table of sec-  
7           tions for subpart B of part III of subchapter A of  
8           chapter 61 of such Code is amended by inserting after  
9           the item relating to section 6050S the following new  
10          item:

“Sec. 6050T. Returns relating to trade adjustment assistance health  
insurance credit.”.

11          (c) *CRIMINAL PENALTY FOR FRAUD.*—

12                   (1) *IN GENERAL.*—Subchapter B of chapter 75 of  
13           the Internal Revenue Code of 1986 (relating to other  
14           offenses) is amended by adding at the end the fol-  
15           lowing:

16          “**SEC. 7276. PENALTIES FOR OFFENSES RELATING TO**  
17                   **TRADE ADJUSTMENT ASSISTANCE HEALTH**  
18                   **INSURANCE CREDIT.**”

19                   “Any person who knowingly misuses Department of  
20           the Treasury names, symbols, titles, or initials to convey  
21           the false impression of association with, or approval or en-  
22           dorsement by, the Department of the Treasury of any insur-  
23           ance products or group health coverage in connection with  
24           the credit for trade adjustment assistance health insurance

1 *under section 6429 shall on conviction thereof be fined not*  
2 *more than \$10,000, or imprisoned not more than 1 year,*  
3 *or both.”.*

4 (2) *The table of sections for subchapter B of*  
5 *chapter 75 of such Code is amended by adding at the*  
6 *end the following:*

*“Sec. 7276. Penalties for offenses relating to trade adjustment as-*  
*istance health insurance credit.”.*

7 (d) *CONFORMING AMENDMENTS.—*

8 (1) *Paragraph (2) of section 1324(b) of title 31,*  
9 *United States Code, is amended by inserting before*  
10 *the period “, or from section 6429 of such Code”.*

11 (2) *The table of sections for subchapter B of*  
12 *chapter 65 of the Internal Revenue Code of 1986 is*  
13 *amended by adding at the end the following new item:*

*“Sec. 6429. Trade adjustment assistance health insurance credit.”.*

14 (e) *EFFECTIVE DATES.—*

15 (1) *IN GENERAL.—Except as provided in para-*  
16 *graph (2), the amendments made by this section shall*  
17 *apply to taxable years beginning after December 31,*  
18 *2001, without regard to whether final regulations to*  
19 *carry out such amendments have been promulgated by*  
20 *such date.*

21 (2) *PENALTIES.—The amendments made by sub-*  
22 *section (c) shall take effect on the date of the enact-*  
23 *ment of this Act.*

1 **SEC. 602. ADVANCE PAYMENT OF TRADE ADJUSTMENT AS-**  
2 **SISTANCE HEALTH INSURANCE CREDIT.**

3 (a) *IN GENERAL.*—Chapter 77 of the Internal Revenue  
4 Code of 1986 (relating to miscellaneous provisions) is  
5 amended by adding at the end the following new section:

6 **“SEC. 7527. ADVANCE PAYMENT OF TRADE ADJUSTMENT AS-**  
7 **SISTANCE HEALTH INSURANCE CREDIT.**

8 “(a) *GENERAL RULE.*—The Secretary shall establish  
9 a program for making payments on behalf of eligible indi-  
10 viduals (as defined in section 6429(c)) to providers of health  
11 insurance for such individuals for whom a qualified health  
12 insurance credit eligibility certificate is in effect.

13 “(b) *QUALIFIED HEALTH INSURANCE CREDIT ELIGI-*  
14 *BILITY CERTIFICATE.*—For purposes of this section, a  
15 qualified health insurance credit eligibility certificate is a  
16 statement certified by a designated local agency (as defined  
17 in section 51(d)(11)) (or by any other entity designated by  
18 the Secretary) which—

19 “(1) certifies that the individual was an eligible  
20 individual (as defined in section 6429(c)) as of the  
21 first day of any month, and

22 “(2) provides such other information as the Sec-  
23 retary may require for purposes of this section.”.

24 (b) *CLERICAL AMENDMENT.*—The table of sections for  
25 chapter 77 of the Internal Revenue Code of 1986 is amended  
26 by adding at the end the following new item:



*“Sec. 7527. Advance payment of trade adjustment assistance health insurance credit.”.*

1           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall take effect on the date of the enactment of this*  
3 *Act, without regard to whether final regulations to carry*  
4 *out such amendments have been promulgated by such date.*

5 **SEC. 603. HEALTH INSURANCE COVERAGE FOR ELIGIBLE**  
6 **INDIVIDUALS.**

7           (a) *ELIGIBILITY FOR GRANTS.*—*Section 173(a) of the*  
8 *Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is*  
9 *amended—*

10           (1) *in paragraph (2), by striking “and” at the*  
11 *end;*

12           (2) *in paragraph (3) by striking the period and*  
13 *inserting “; and”; and*

14           (3) *by adding at the end the following:*

15           “*(4) from funds appropriated under section*  
16 *174(c)—*

17           “*(A) to a State to provide the assistance de-*  
18 *scribed in subsection (f) to any eligible worker*  
19 *(as defined in subsection (f)(4)(B)); and*

20           “*(B) to a State to provide the assistance de-*  
21 *scribed in subsection (g) to any eligible worker*  
22 *(as defined in subsection (g)(5)).”.*

23           (b) *USE OF FUNDS FOR HEALTH INSURANCE COV-*  
24 *ERAGE.*—*Section 173 of the Workforce Investment Act of*

1 1998 (29 U.S.C. 2918) is amended by adding at the end  
2 the following:

3 “(f) *HEALTH INSURANCE COVERAGE ASSISTANCE FOR*  
4 *ELIGIBLE WORKERS.*—

5 “(1) *IN GENERAL.*—*Funds made available to a*  
6 *State under paragraph (4)(A) of subsection (a) may*  
7 *be used by the State for the following:*

8 “(A) *HEALTH INSURANCE COVERAGE.*—*To*  
9 *assist an eligible worker (as defined in para-*  
10 *graph (4)(B)) in enrolling in health insurance*  
11 *coverage through—*

12 “(i) *COBRA continuation coverage;*

13 “(ii) *State-based continuation coverage*  
14 *provided by the State under a State law*  
15 *that requires such coverage even though the*  
16 *coverage would not otherwise be required*  
17 *under the provisions of law referred to in*  
18 *paragraph (4)(A);*

19 “(iii) *the enrollment of the eligible*  
20 *worker and the eligible worker’s spouse and*  
21 *dependents in health insurance coverage of-*  
22 *fered through a qualified State high risk*  
23 *pool or other comparable State-based health*  
24 *insurance coverage alternative;*

1           “(iv) the enrollment of the eligible  
2 worker and the eligible worker’s spouse and  
3 dependents in the health insurance program  
4 offered for State employees;

5           “(v) the enrollment of the eligible work-  
6 er and the eligible worker’s spouse and de-  
7 pendents in a State-based health insurance  
8 program that is comparable to the health  
9 insurance program offered for State employ-  
10 ees;

11           “(vi) a direct payment arrangement  
12 entered into by the State and a group  
13 health plan (including a multiemployer  
14 plan as defined in section 3(37) of the Em-  
15 ployee Retirement Income Security Act of  
16 1974 (29 U.S.C. 1002(37))), an issuer of  
17 health insurance coverage, an adminis-  
18 trator, or an employer, as appropriate, on  
19 behalf of the eligible worker and the eligible  
20 worker’s spouse and dependents;

21           “(vii) the enrollment of the eligible  
22 worker and the eligible worker’s spouse and  
23 dependents in a State-operated, State-fund-  
24 ed health plan;

1           “(viii) the enrollment of the eligible  
2           worker and the eligible worker’s spouse and  
3           dependents in health insurance coverage of-  
4           fered through a State arrangement with a  
5           private sector health care coverage pur-  
6           chasing pool; or

7           “(ix) in the case of an eligible worker  
8           who was enrolled in individual health in-  
9           surance coverage during the 6-month period  
10          that ends on the date on which the worker  
11          became unemployed, enrollment in such in-  
12          dividual health insurance coverage.

13          “(B) *ESTABLISHMENT OF HEALTH INSUR-*  
14          *ANCE COVERAGE MECHANISMS.—To establish or*  
15          *administer—*

16          “(i) a qualified State high risk pool for  
17          the purpose of providing health insurance  
18          coverage to an eligible worker and the eligi-  
19          ble worker’s spouse and dependents;

20          “(ii) a State-based program for the  
21          purpose of providing health insurance cov-  
22          erage to an eligible worker and the eligible  
23          worker’s spouse and dependents that is com-  
24          parable to the State health insurance pro-  
25          gram for State employees; or

1                   “(iii) a program under which the State  
2                   enters into arrangements described in sub-  
3                   paragraph (A)(vi).

4                   “(C) *ADMINISTRATIVE EXPENSES.*—To pay  
5                   the administrative expenses related to the enroll-  
6                   ment of eligible workers and the eligible workers  
7                   spouses and dependents in health insurance cov-  
8                   erage described in subparagraph (A),  
9                   including—

10                   “(i) eligibility verification activities;

11                   “(ii) the notification of eligible workers  
12                   of available health insurance coverage op-  
13                   tions;

14                   “(iii) processing qualified health insur-  
15                   ance credit eligibility certificates provided  
16                   for under section 7527 of the Internal Rev-  
17                   enue Code of 1986;

18                   “(iv) providing assistance to eligible  
19                   workers in enrolling in health insurance  
20                   coverage;

21                   “(v) the development or installation of  
22                   necessary data management systems; and

23                   “(vi) any other expenses determined  
24                   appropriate by the Secretary.

1           “(2) *REQUIREMENTS RELATING TO HEALTH IN-*  
2           *SURANCE COVERAGE.*—*With respect to health insur-*  
3           *ance coverage provided to eligible workers under any*  
4           *of clauses (ii) through (viii) of paragraph (1)(A), the*  
5           *State shall ensure that—*

6                   “(A) *enrollment is guaranteed for workers*  
7                   *who provide a qualified health insurance credit*  
8                   *eligibility certificate described in section 7527 of*  
9                   *the Internal Revenue Code of 1986 and who pay*  
10                  *the remainder of the premium for such enroll-*  
11                  *ment;*

12                  “(B) *no pre-existing condition limitations*  
13                  *are imposed with respect to such eligible workers;*

14                  “(C) *the worker is not required (as a condi-*  
15                  *tion of enrollment or continued enrollment under*  
16                  *the coverage) to pay a premium or contribution*  
17                  *that is greater than the premium or contribution*  
18                  *for a similarly situated individual who is not an*  
19                  *eligible worker;*

20                  “(D) *benefits under the coverage are the*  
21                  *same as (or substantially similar to) the benefits*  
22                  *provided to similarly situated individuals who*  
23                  *are not eligible workers;*

24                  “(E) *the standard loss ratio for the coverage*  
25                  *is not less than 65 percent;*

1           “(F) in the case of coverage provided under  
2 paragraph (1)(A)(v), the premiums and benefits  
3 are comparable to the premiums and benefits ap-  
4 plicable to State employees; and

5           “(G) such coverage otherwise meets require-  
6 ments established by the Secretary.

7           “(3) AVAILABILITY OF FUNDS.—

8           “(A) EXPEDITED PROCEDURES.—With re-  
9 spect to applications submitted by States for  
10 grants under this subsection, the Secretary  
11 shall—

12           “(i) not later than 15 days after the  
13 date on which the Secretary receives a com-  
14 pleted application from a State, notify the  
15 State of the determination of the Secretary  
16 with respect to the approval or disapproval  
17 of such application;

18           “(ii) in the case of a State application  
19 that is disapproved by the Secretary, pro-  
20 vide technical assistance, at the request of  
21 the State, in a timely manner to enable the  
22 State to submit an approved application;  
23 and

1           “(iii) develop procedures to expedite  
2           the provision of funds to States with ap-  
3           proved applications.

4           “(B) AVAILABILITY AND DISTRIBUTION OF  
5           FUNDS.—The Secretary shall ensure that funds  
6           made available under section 174(c)(1)(A) to  
7           carry out subsection (a)(4)(A) are available to  
8           States throughout the period described in section  
9           174(c)(2)(A).

10          “(4) DEFINITIONS.—For purposes of this sub-  
11          section:

12                 “(A) COBRA CONTINUATION COVERAGE.—  
13                 The term ‘COBRA continuation coverage’ means  
14                 coverage under a group health plan provided by  
15                 an employer pursuant to title XXII of the Public  
16                 Health Service Act, section 4980B of the Internal  
17                 Revenue Code of 1986, part 6 of subtitle B of  
18                 title I of the Employee Retirement Income Secu-  
19                 rity Act of 1974, or section 8905a of title 5,  
20                 United States Code.

21                 “(B) ELIGIBLE WORKER.—The term ‘eligi-  
22                 ble worker’ means an individual who—

23                         “(i) is qualified to receive payment of  
24                         a trade adjustment allowance under section  
25                         235 of the Trade Act of 1974, as amended



1           by section 111 of the Trade Adjustment As-  
2           sistance Reform Act of 2002;

3           “(ii) does not have other specified cov-  
4           erage; and

5           “(iii) is not imprisoned under Federal,  
6           State, or local authority.

7           “(C) *OTHER SPECIFIED COVERAGE.*—With  
8           respect to any individual, the term ‘other speci-  
9           fied coverage’ means—

10           “(i) *SUBSIDIZED COVERAGE.*—

11           “(I) *IN GENERAL.*—Such indi-  
12           vidual is covered under any health in-  
13           surance coverage under which at least  
14           50 percent of the cost of coverage (de-  
15           termined under section 4980B of the  
16           Internal Revenue Code of 1986) is paid  
17           or incurred by an employer (or former  
18           employer) of the individual or the in-  
19           dividual’s spouse.

20           “(II) *TREATMENT OF CAFETERIA*  
21           *PLANS AND FLEXIBLE SPENDING AC-*  
22           *COUNTS.*—For purposes of subclause  
23           (I), the cost of benefits which are cho-  
24           sen under a cafeteria plan (as defined  
25           in section 125(d) of such Code), or pro-

1                    *vided under a flexible spending or*  
2                    *similar arrangement, of such an em-*  
3                    *ployer, and which are not includible in*  
4                    *gross income under section 106 of such*  
5                    *Code, shall be treated as borne by such*  
6                    *employer.*

7                    *“(ii) COVERAGE UNDER MEDICARE,*  
8                    *MEDICAID, OR SCHIP.—Such individual—*

9                    *“(I) is entitled to benefits under*  
10                    *part A of title XVIII of the Social Se-*  
11                    *curity Act or is enrolled under part B*  
12                    *of such title, or*

13                    *“(II) is enrolled in the program*  
14                    *under title XIX or XXI of such Act*  
15                    *(other than under section 1928).*

16                    *“(iii) CERTAIN OTHER COVERAGE.—*  
17                    *Such individual—*

18                    *“(I) is enrolled in a health bene-*  
19                    *fits plan under chapter 89 of title 5,*  
20                    *United States Code;*

21                    *“(II) is entitled to receive benefits*  
22                    *under chapter 55 of title 10, United*  
23                    *States Code;*

1                   “(III) is entitled to receive bene-  
2                   fits under chapter 17 of title 38,  
3                   United States Code; or

4                   “(IV) is eligible for benefits under  
5                   the Indian Health Care Improvement  
6                   Act.

7                   Such term does not include coverage under a  
8                   qualified long-term care insurance contract (as  
9                   defined in section 7702B(b)(1) of the Internal  
10                  Revenue Code of 1986).

11                  “(D) GROUP HEALTH PLAN.—The term  
12                  ‘group health plan’ has the meaning given that  
13                  term in section 2791(a) of the Public Health  
14                  Service Act (42 U.S.C. 300gg–91(a)), section  
15                  607(1) of the Employee Retirement Income Secu-  
16                  rity Act of 1974 (29 U.S.C. 1167(1)), and section  
17                  4980B(g)(2) of the Internal Revenue Code of  
18                  1986.

19                  “(E) HEALTH INSURANCE COVERAGE.—The  
20                  term ‘health insurance coverage’ has the meaning  
21                  given that term in section 2791(b)(1) of the Pub-  
22                  lic Health Service Act (42 U.S.C. 300gg–  
23                  91(b)(1)) (other than insurance if substantially  
24                  all of its coverage is of excepted benefits described

1           in section 2791(c) of such Act (42 U.S.C. 300gg–  
2           91(c)) .

3           “(F) *INDIVIDUAL HEALTH INSURANCE COV-*  
4           *ERAGE.*—The term ‘individual health insurance  
5           coverage’ means health insurance coverage offered  
6           to individuals other than in connection with a  
7           group health plan. Such term does not include  
8           Federal- or State-based health insurance cov-  
9           erage.

10          “(G) *QUALIFIED STATE HIGH RISK POOL.*—  
11          The term ‘qualified State high risk pool’ has the  
12          meaning given that term in section 2744(c)(2) of  
13          the Public Health Service Act.

14          “(H) *STANDARD LOSS RATIO.*—The term  
15          ‘standard loss ratio’, with respect to the pool of  
16          insured individuals under coverage described in  
17          clauses (ii) through (viii) of subparagraph (A)  
18          for a year, means—

19                  “(i) the amount of claims incurred  
20                  with respect to the pool of insured individ-  
21                  uals in each such type of coverage for such  
22                  year; divided by

23                  “(ii) the premiums paid for enrollment  
24                  in each such coverage for such year.

25          “(g) *INTERIM HEALTH AND OTHER ASSISTANCE.*—

1           “(1) *IN GENERAL.*—*Funds made available to a*  
2           *State under paragraph (4)(B) of subsection (a) may*  
3           *be used by the State to provide assistance and support*  
4           *services to eligible workers, including health care cov-*  
5           *erage, transportation, child care, dependent care, and*  
6           *income assistance.*

7           “(2) *INCOME SUPPORT.*—*With respect to any in-*  
8           *come assistance provided to an eligible worker with*  
9           *such funds, such assistance shall supplement and not*  
10           *supplant other income support or assistance provided*  
11           *under chapter 2 of title II of the Trade Act of 1974*  
12           *(19 U.S.C. 2271 et seq.) (as in effect on the day before*  
13           *the effective date of the Trade Adjustment Assistance*  
14           *Reform Act of 2002) or the unemployment compensa-*  
15           *tion laws of the State where the eligible worker re-*  
16           *sides.*

17           “(3) *HEALTH CARE COVERAGE.*—*With respect to*  
18           *any health care coverage assistance provided to an el-*  
19           *igible worker with such funds, the following rules*  
20           *shall apply:*

21                   “(A) *The State may provide assistance in*  
22                   *obtaining health care coverage to the eligible*  
23                   *worker and to the eligible worker’s spouse and*  
24                   *dependents.*

1           “(B) *Such assistance shall supplement and*  
2           *may not supplant any other State or local funds*  
3           *used to provide health care coverage and may*  
4           *not be included in determining the amount of*  
5           *non-Federal contributions required under any*  
6           *program.*

7           “(4) *AVAILABILITY OF FUNDS.—*

8           “(A) *EXPEDITED PROCEDURES.—With re-*  
9           *spect to applications submitted by States for*  
10           *grants under this subsection, the Secretary*  
11           *shall—*

12                   “(i) *not later than 15 days after the*  
13                   *date on which the Secretary receives a com-*  
14                   *pleted application from a State, notify the*  
15                   *State of the determination of the Secretary*  
16                   *with respect to the approval or disapproval*  
17                   *of such application;*

18                   “(ii) *in the case of a State application*  
19                   *that is disapproved by the Secretary, pro-*  
20                   *vide technical assistance, at the request of*  
21                   *the State, in a timely manner to enable the*  
22                   *State to submit an approved application;*  
23                   *and*

1           “(iii) develop procedures to expedite  
2           the provision of funds to States with ap-  
3           proved applications.

4           “(B) AVAILABILITY AND DISTRIBUTION OF  
5           FUNDS.—The Secretary shall ensure that funds  
6           made available under section 174(c)(1)(B) to  
7           carry out subsection (a)(4)(B) are available to  
8           States throughout the period described in section  
9           174(c)(2)(B).

10          “(5) DEFINITION OF ELIGIBLE WORKER.—In this  
11          subsection, the term ‘eligible worker’ means an indi-  
12          vidual who is a member of a group of workers cer-  
13          tified after April 1, 2002 under chapter 2 of title II  
14          of the Trade Act of 1974 (as in effect on the day be-  
15          fore the effective date of the Trade Adjustment Assist-  
16          ance Reform Act of 2002) and who is determined to  
17          be qualified to receive payment of a trade adjustment  
18          allowance under such chapter (as so in effect).”.

19          (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
20          174 of the Workforce Investment Act of 1998 (29 U.S.C.  
21          2919) is amended by adding at the end the following:

22          “(c) ASSISTANCE FOR ELIGIBLE WORKERS.—

23                  “(1) IN GENERAL.—There are authorized to be  
24                  appropriated—

1           “(A) to carry out subsection (a)(4)(A) of  
2           section 173—

3                   “(i) \$10,000,000 for fiscal year 2002;

4                   and

5                   “(ii) \$60,000,000 for each of fiscal  
6                   years 2003 through 2007; and

7           “(B) to carry out subsection (a)(4)(B) of  
8           section 173—

9                   “(i) \$50,000,000 for fiscal year 2002;

10                   “(ii) \$100,000,000 for fiscal year 2003;

11                   and

12                   “(iii) \$50,000,000 for fiscal year 2004.

13           “(2) AVAILABILITY OF FUNDS.—Funds appro-  
14           priated under—

15                   “(A) paragraph (1)(A) for each fiscal year  
16                   shall, notwithstanding section 189(g), remain  
17                   available for obligation during the pendency of  
18                   any outstanding claim under the Trade Act of  
19                   1974, as amended by the Trade Adjustment As-  
20                   sistance Reform Act of 2002; and

21                   “(B) paragraph (1)(B), for each fiscal year  
22                   shall, notwithstanding section 189(g), remain  
23                   available during the period that begins on the  
24                   date of enactment of the Trade Adjustment As-



1           *sistance Reform Act of 2002 and ends on Sep-*  
2           *tember 30, 2004.”.*

3           (d) *CONFORMING AMENDMENT.—Section 132(a)(2)(A)*  
4 *of the Workforce Investment Act of 1998 (29 U.S.C.*  
5 *2862(a)(2)(A)) is amended by inserting “, other than under*  
6 *subsection (a)(4), (f), and (g)” after “grants”.*

7           (e) *TEMPORARY EXTENSION OF COBRA ELECTION*  
8 *PERIOD FOR CERTAIN INDIVIDUALS.—*

9           (1) *IN GENERAL.—Notwithstanding any other*  
10 *provision of law, the election period for COBRA con-*  
11 *tinuation coverage (as defined in section 6429(d)(2)*  
12 *of the Internal Revenue Code of 1986) with respect to*  
13 *any eligible individual (as defined in section 6429(c)*  
14 *of such Code) for whom such period has expired as of*  
15 *the date of the enactment of this Act, shall not end*  
16 *before the date that is 60 days after the date the indi-*  
17 *vidual becomes such an eligible individual.*

18           (2) *PREEXISTING CONDITIONS.—If an individual*  
19 *becomes such an eligible individual, any period before*  
20 *the date of such eligibility shall be disregarded for*  
21 *purposes of determining the 63-day periods referred to*  
22 *in section 701(c)(2) of the Employee Retirement In-*  
23 *come Security Act of 1974 (29 U.S.C. 1181(c)(2)),*  
24 *section 2701(c)(2) of the Public Health Service Act*



1           “(1) the effectiveness of such programs in aiding  
2           workers, farmers, fishermen, firms, and communities  
3           to adjust to changed economic conditions resulting  
4           from changes in the patterns of international trade;  
5           and

6           “(2) the coordination of the administration of  
7           such programs and other Government programs which  
8           provide unemployment compensation and relief to de-  
9           pressed areas.

10          “(b) ASSISTANCE OF OTHER DEPARTMENTS AND  
11          AGENCIES.—In carrying out his responsibilities under this  
12          section, the Comptroller General shall, to the extent prac-  
13          tical, avail himself of the assistance of the Departments of  
14          Labor, Commerce, and Agriculture and the Small Business  
15          Administration. The Secretaries of Labor, Commerce, and  
16          Agriculture and the Administrator of the Small Business  
17          Administration shall make available to the Comptroller  
18          General any assistance necessary for an effective evalua-  
19          tion of the adjustment assistance programs established  
20          under this title.”.

21          (3) COORDINATION.—Section 281 of the Trade  
22          Act of 1974 (19 U.S.C. 2392) is amended by striking  
23          “Departments of Labor and Commerce” and inserting  
24          “Departments of Labor, Commerce, and Agriculture”.

1           (4) *TRADE MONITORING SYSTEM*.—Section 282 of  
2     the Trade Act of 1974 (19 U.S.C. 2393) is amended  
3     by striking “The Secretary of Commerce and the Sec-  
4     retary of Labor” and inserting “The Secretaries of  
5     Commerce, Labor, and Agriculture”.

6           (5) *JUDICIAL REVIEW*.—

7           (A) Section 284(a) of the Trade Act of 1974  
8     (19 U.S.C. 2395(a)) is amended by striking  
9     “under section 223 or section 250(c)” and all  
10    that follows through “the Secretary of Commerce  
11    under section 271” and inserting “under section  
12    231, a firm or its representative, or any other  
13    interested domestic party aggrieved by a final  
14    determination of the Secretary of Commerce  
15    under section 251, an agricultural commodity  
16    producer (as defined in section 291(2)) aggrieved  
17    by a determination of the Secretary of Agri-  
18    culture under section 293, or a producer (as de-  
19    fined in section 299(2)) aggrieved by a deter-  
20    mination of the Secretary of Commerce under  
21    section 299B”.

22           (B) Section 284 of such Trade Act of 1974  
23    is amended in the second sentence of subsection  
24    (a) and in subsections (b) and (c), by inserting

1           *“or the Secretary of Agriculture” after “Sec-*  
2           *retary of Commerce” each place it appears.*

3           (6) *TERMINATION.—Section 285 of the Trade Act*  
4           *of 1974 is amended to read as follows:*

5   **“SEC. 285. TERMINATION.**

6           **“(a) ASSISTANCE FOR WORKERS.—**

7                   **“(1) IN GENERAL.—***Except as provided in para-*  
8                   *graph (2), trade adjustment assistance, vouchers, al-*  
9                   *lowances, and other payments or benefits may not be*  
10                   *provided under chapter 2 after September 30, 2007.*

11                   **“(2) EXCEPTION.—***Notwithstanding paragraph*  
12                   *(1), a worker shall continue to receive trade adjust-*  
13                   *ment assistance benefits and other benefits under*  
14                   *chapter 2 for any week for which the worker meets the*  
15                   *eligibility requirements of that chapter, if on or before*  
16                   *September 30, 2007, the worker is—*

17                           **“(A) certified as eligible for trade adjust-**  
18                           *ment assistance benefits under section 231; and*

19                           **“(B) otherwise eligible to receive trade ad-**  
20                           *justment assistance benefits under chapter 2.*

21           **“(b) OTHER ASSISTANCE.—**

22                   **“(1) ASSISTANCE FOR FIRMS.—***Technical assist-*  
23                   *ance may not be provided under chapter 3 after Sep-*  
24                   *tember 30, 2007.*

1           “(2) *ASSISTANCE FOR COMMUNITIES.*—*Technical*  
2           *assistance and other payments may not be provided*  
3           *under chapter 4 after September 30, 2007.*

4           “(3) *ASSISTANCE FOR FARMERS AND FISHER-*  
5           *MEN.*—

6                   “(A) *IN GENERAL.*—*Except as provided in*  
7                   *subparagraph (B), adjustment assistance, vouch-*  
8                   *ers, allowances, and other payments or benefits*  
9                   *may not be provided under chapter 6 or 7 after*  
10                   *September 30, 2007.*

11                   “(B) *EXCEPTION.*—*Notwithstanding sub-*  
12                   *paragraph (A), an agricultural commodity pro-*  
13                   *ducer (as defined in section 291(2)) or producer*  
14                   *(as defined in section 299(2)), shall continue to*  
15                   *receive adjustment assistance benefits and other*  
16                   *benefits under chapter 6 or 7, whichever applies,*  
17                   *for any week for which the agricultural com-*  
18                   *modity producer or producer meets the eligibility*  
19                   *requirements of chapter 6 or 7, whichever ap-*  
20                   *plies, if on or before September 30, 2007, the ag-*  
21                   *ricultural commodity producer or producer is—*

22                           “(i) *certified as eligible for adjustment*  
23                           *assistance benefits under chapter 6 or 7,*  
24                           *whichever applies; and*

1                   “(ii) is otherwise eligible to receive ad-  
 2                   justment assistance benefits under such  
 3                   chapter 6 or 7.”.

4                   (6) TABLE OF CONTENTS.—

5                   (A) IN GENERAL.—The table of contents for  
 6                   chapters 2, 3, and 4 of title II of the Trade Act  
 7                   of 1974 is amended to read as follows:

“CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

“SUBCHAPTER A—GENERAL PROVISIONS

“Sec. 221. Definitions.

“Sec. 222. Agreements with States.

“Sec. 223. Administration absent State agreement.

“Sec. 224. Data collection; evaluations; reports.

“Sec. 225. Study by Secretary of Labor when International Trade Commis-  
 sion begins investigation.

“Sec. 226. Report by Secretary of Labor on likely impact of trade agree-  
 ments.

“SUBCHAPTER B—CERTIFICATIONS

“Sec. 231. Certification as adversely affected workers.

“Sec. 232. Benefit information to workers.

“SUBCHAPTER C—PROGRAM BENEFITS

“PART I—GENERAL PROVISIONS

“Sec. 234. Comprehensive assistance.

“PART II—TRADE ADJUSTMENT ALLOWANCES

“Sec. 235. Qualifying requirements for workers.

“Sec. 236. Weekly amounts.

“Sec. 237. Limitations on trade adjustment allowances.

“Sec. 238. Application of State laws.

“PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

“Sec. 239. Employment services.

“Sec. 240. Training.

“Sec. 240A. Job training programs.

“Sec. 241. Job search allowances.

“Sec. 242. Relocation allowances.

“Sec. 243. Supportive services; wage insurance.

“SUBCHAPTER D—PAYMENT AND ENFORCEMENT PROVISIONS

“Sec. 244. Payments to States.

“Sec. 245. Liabilities of certifying and disbursing officers.

*“Sec. 246. Fraud and recovery of overpayments.*

*“Sec. 247. Criminal penalties.*

*“Sec. 248. Authorization of appropriations.*

*“Sec. 249. Regulations.*

*“Sec. 250. Subpoena power.*

*“CHAPTER 3—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS*

*“Sec. 251. Petitions and determinations.*

*“Sec. 252. Approval of adjustment proposals.*

*“Sec. 253. Technical assistance.*

*“Sec. 254. Financial assistance.*

*“Sec. 255. Conditions for financial assistance.*

*“Sec. 256. Delegation of functions to Small Business Administration; authorization of appropriations.*

*“Sec. 257. Administration of financial assistance.*

*“Sec. 258. Protective provisions.*

*“Sec. 259. Penalties.*

*“Sec. 260. Suits.*

*“Sec. 261. Definition of firm.*

*“Sec. 262. Regulations.*

*“Sec. 264. Study by Secretary of Commerce when International Trade Commission begins investigation; action where there is affirmative finding.*

*“Sec. 265. Assistance to industries.*

*“CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT*

*“Sec. 271. Definitions.*

*“Sec. 272. Office of Community Trade Adjustment.*

*“Sec. 273. Notification and certification as an eligible community.*

*“Sec. 274. Community Economic Development Coordinating Committee.*

*“Sec. 275. Community economic adjustment advisors.*

*“Sec. 276. Strategic plans.*

*“Sec. 277. Grants for economic development.*

*“Sec. 278. Authorization of appropriations.*

*“Sec. 279. General provisions.”.*

1                    (B) CHAPTERS 6 AND 7.—The table of con-  
2                    tents for title II of the Trade Act of 1974, as  
3                    amended by subparagraph (A), is amended by  
4                    inserting after the items relating to chapter 5 the  
5                    following:

*“CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS*

*“Sec. 291. Definitions.*

*“Sec. 292. Petitions; group eligibility.*

*“Sec. 293. Determinations by Secretary of Agriculture.*

*“Sec. 294. Study by Secretary of Agriculture when International Trade Commission begins investigation.*

*“Sec. 295. Benefit information to agricultural commodity producers.*



*“Sec. 296. Qualifying requirements for agricultural commodity producers.*

*“Sec. 297. Fraud and recovery of overpayments.*

*“Sec. 298. Authorization of appropriations.*

*“CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN*

*“Sec. 299. Definitions.*

*“Sec. 299A. Petitions; group eligibility.*

*“Sec. 299B. Determinations by Secretary.*

*“Sec. 299C. Study by Secretary when International Trade Commission begins investigation.*

*“Sec. 299D. Benefit information to producers.*

*“Sec. 299E. Qualifying requirements for producers.*

*“Sec. 299F. Fraud and recovery of overpayments.*

*“Sec. 299G. Authorization of appropriations.”.*

1           **(b) INTERNAL REVENUE CODE.—**

2                   **(1) ADJUSTED GROSS INCOME.—***Section*  
 3                   *62(a)(12) of the Internal Revenue Code of 1986 (relat-*  
 4                   *ing to the definition of adjusted gross income) is*  
 5                   *amended by striking “trade readjustment allowances*  
 6                   *under section 231 or 232” and inserting “trade ad-*  
 7                   *justment allowances under section 235 or 236”.*

8                   **(2) FEDERAL UNEMPLOYMENT.—**

9                           **(A) IN GENERAL.—***Section 3304(a)(8) of the*  
 10                    *Internal Revenue Code of 1986 (relating to the*  
 11                    *approval of State unemployment insurance laws)*  
 12                    *is amended to read as follows:*

13                            *“(8) compensation shall not be denied to an in-*  
 14                    *dividual for any week because the individual is in*  
 15                    *training with the approval of the State agency, or in*  
 16                    *training approved by the Secretary of Labor pursu-*  
 17                    *ant to chapter 2 of title II of the Trade Act of 1974*  
 18                    *(or because of the application, to any such week in*

1        *training, of State law provisions relating to avail-*  
2        *ability for work, active search for work, or refusal to*  
3        *accept work);”.*

4                    (B) *EFFECTIVE DATE.—*

5                    (i) *IN GENERAL.—Except as provided*  
6                    *in clause (ii), the amendments made by this*  
7                    *paragraph shall apply in the case of com-*  
8                    *ensation paid for weeks beginning on or*  
9                    *after the date that is 90 days after the date*  
10                   *of enactment of this Act.*

11                   (ii) *MEETING OF STATE LEGISLA-*  
12                   *TURE.—*

13                   (I) *IN GENERAL.—If the Secretary*  
14                   *of Labor identifies a State as requiring*  
15                   *a change to its statutes or regulations*  
16                   *in order to comply with the amend-*  
17                   *ments made by subparagraph (A), the*  
18                   *amendments made by subparagraph*  
19                   *(A) shall apply in the case of com-*  
20                   *ensation paid for weeks beginning*  
21                   *after the earlier of—*

22                   (aa) *the date the State*  
23                   *changes its statutes or regulations*  
24                   *in order to comply with the*

1 *amendments made by this section;*

2 *or*

3 *(bb) the end of the first ses-*  
4 *sion of the State legislature which*  
5 *begins after the date of enactment*  
6 *of this Act or which began prior*  
7 *to such date and remained in ses-*  
8 *sion for at least 25 calendar days*  
9 *after such date;*

10 *except that in no case shall the amend-*  
11 *ments made by this Act apply before*  
12 *the date described in clause (i).*

13 *(II) SESSION DEFINED.—In this*  
14 *clause, the term “session” means a reg-*  
15 *ular, special, budget, or other session of*  
16 *a State legislature.*

17 *(c) AMENDMENTS TO TITLE 28.—*

18 *(1) CIVIL ACTIONS AGAINST THE UNITED*  
19 *STATES.—Section 1581(d) of title 28, United States*  
20 *Code, is amended—*

21 *(A) in paragraph (1), by striking “section*  
22 *223” and inserting “section 231”;*

23 *(B) in paragraph (2), by striking “and”;*

24 *and*

1           (C) by striking paragraph (3), and insert-  
2           ing the following:

3           “(3) any final determination of the Secretary of  
4           Agriculture under section 293 of the Trade Act of  
5           1974 with respect to the eligibility of an agricultural  
6           commodity producer (as defined in section 291(2)) for  
7           adjustment assistance under such Act; and

8           “(4) any final determination of the Secretary of  
9           Commerce under section 299B of the Trade Act of  
10          1974 with respect to the eligibility of a producer (as  
11          defined in section 299(2)) for adjustment assistance  
12          under such Act.”.

13          (2) *PERSONS ENTITLED TO COMMENCE A CIVIL*  
14          *ACTION.*—Section 2631 of title 28, United States  
15          Code, is amended—

16                 (A) by amending subsection (d)(1) to read  
17                 as follows:

18                 “(d)(1) A civil action to review any final determina-  
19                 tion of the Secretary of Labor under section 231 of the  
20                 Trade Act of 1974 with respect to the certification of work-  
21                 ers as adversely affected and eligible for trade adjustment  
22                 assistance under that Act may be commenced by a worker,  
23                 a group of workers, a certified or recognized union, or an  
24                 authorized representative of such worker or group, that peti-

1 tions for certification under that Act or is aggrieved by the  
2 final determination.”;

3 (B) by striking paragraph (3), and insert-  
4 ing the following:

5 “(3) A civil action to review any final deter-  
6 mination of the Secretary of Agriculture under sec-  
7 tion 293 of the Trade Act of 1974 with respect to the  
8 eligibility of an agricultural commodity producer for  
9 adjustment assistance may be commenced in the  
10 Court of International Trade by an agricultural com-  
11 modity producer that applies for assistance under  
12 such Act and is aggrieved by such final determina-  
13 tion, or by any other interested party that is ag-  
14 grieved by such final determination.”; and

15 (C) by adding at the end the following new  
16 paragraph:

17 “(4) A civil action to review any final deter-  
18 mination of the Secretary of Commerce under section  
19 299B of the Trade Act of 1974 with respect to the eli-  
20 gibility of an producer (as defined in section 299(2))  
21 for adjustment assistance may be commenced in the  
22 Court of International Trade by a producer that ap-  
23 plies for assistance under such Act and is aggrieved  
24 by such final determination, or by any other inter-

1 *ested party that is aggrieved by such final determina-*  
2 *tion.”.*

3 (3) *TIME FOR COMMENCEMENT OF ACTION.*—*Sec-*  
4 *tion 2636(d) of title 28, United States Code, is*  
5 *amended by striking “under section 223 of the Trade*  
6 *Act of 1974 or a final determination of the Secretary*  
7 *of Commerce under section 251 or section 271 of such*  
8 *Act” and inserting “under section 231 of the Trade*  
9 *Act of 1974, a final determination of the Secretary of*  
10 *Commerce under section 251 of that Act, a final de-*  
11 *termination of the Secretary of Agriculture under sec-*  
12 *tion 293 of that Act, or a final determination of the*  
13 *Secretary of Commerce under section 299B of that*  
14 *Act”.*

15 (4) *SCOPE AND STANDARD OF REVIEW.*—*Section*  
16 *2640(c) of title 28, United States Code, is amended by*  
17 *striking “under section 223 of the Trade Act of 1974*  
18 *or any final determination of the Secretary of Com-*  
19 *merce under section 251 or section 271 of such Act”*  
20 *and inserting “under section 231 of the Trade Act of*  
21 *1974, a final determination of the Secretary of Com-*  
22 *merce under section 251 of that Act, a final deter-*  
23 *mination of the Secretary of Agriculture under sec-*  
24 *tion 293 of that Act, or a final determination of the*

1     *Secretary of Commerce under section 299B of that*  
2     *Act”.*

3             (5) *RELIEF.*—Section 2643(c)(2) of title 28,  
4     *United States Code, is amended by striking “under*  
5     *section 223 of the Trade Act of 1974 or any final de-*  
6     *termination of the Secretary of Commerce under sec-*  
7     *tion 251 or section 271 of such Act” and inserting*  
8     *“under section 231 of the Trade Act of 1974, a final*  
9     *determination of the Secretary of Commerce under*  
10    *section 251 of that Act, a final determination of the*  
11    *Secretary of Agriculture under section 293 of that*  
12    *Act, or a final determination of the Secretary of Com-*  
13    *merce under section 299B of that Act”.*

14             (d) *AMENDMENT TO THE FOOD STAMP ACT OF 1977.*—  
15    *Section 6(o)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C.*  
16    *2015(o)(1)(B)) is amended by striking “section 236” and*  
17    *inserting “section 240”.*

18    **TITLE VIII—SAVINGS PROVI-**  
19    **SIONS AND EFFECTIVE DATE**

20    **SEC. 801. SAVINGS PROVISIONS.**

21             (a) *PROCEEDINGS NOT AFFECTED.*—

22                     (1) *IN GENERAL.*—*The provisions of this division*  
23    *shall not affect any petition for certification for bene-*  
24    *fits under chapter 2 of title II of the Trade Act of*  
25    *1974 that was in effect on September 30, 2001. Deter-*

1        *minations shall be issued, appeals shall be taken*  
2        *therefrom, and payments shall be made under those*  
3        *determinations, as if this division had not been en-*  
4        *acted, and orders issued in any proceeding shall con-*  
5        *tinue in effect until modified, terminated, superseded,*  
6        *or revoked by a duly authorized official, by a court*  
7        *of competent jurisdiction, or by operation of law.*

8                (2) *MODIFICATION OR DISCONTINUANCE.—Noth-*  
9        *ing in this subsection shall be deemed to prohibit the*  
10        *discontinuance or modification of any proceeding*  
11        *under the same terms and conditions and to the same*  
12        *extent that the proceeding could have been discon-*  
13        *tinued or modified if this division had not been en-*  
14        *acted.*

15                (b) *SUITS NOT AFFECTED.—The provisions of this di-*  
16        *vision shall not affect any suit commenced before October*  
17        *1, 2001, and in all those suits, proceedings shall be had,*  
18        *appeals taken, and judgments rendered in the same manner*  
19        *and with the same effect as if this division had not been*  
20        *enacted.*

21                (c) *NONABATEMENT OF ACTIONS.—No suit, action, or*  
22        *other proceeding commenced by or against the Federal Gov-*  
23        *ernment, or by or against any individual in the official*  
24        *capacity of that individual as an officer of the Federal Gov-*  
25        *ernment, shall abate by reason of enactment of this Act.*



1 **SEC. 802. EFFECTIVE DATE.**

2 (a) *IN GENERAL.*—*Except as otherwise provided in*  
3 *sections 401(b), 501(b), and 701(b)(2)(B), titles IX, X, and*  
4 *XI, and subsections (b), (c), and (d) of this section, the*  
5 *amendments made by this division shall apply to—*

6 (1) *petitions for certification filed under chapter*  
7 *2 or 3 of title II of the Trade Act of 1974 on or after*  
8 *the date that is 90 days after the date of enactment*  
9 *of this Act; and*

10 (2) *certifications for assistance under chapter 4*  
11 *of title II of the Trade Act of 1974 issued on or after*  
12 *the date that is 90 days after the date of enactment*  
13 *of this Act.*

14 (b) *WORKERS CERTIFIED AS ELIGIBLE BEFORE EF-*  
15 *FECTIVE DATE.*—*Notwithstanding subsection (a), a worker*  
16 *shall continue to receive (or be eligible to receive) trade ad-*  
17 *justment assistance and other benefits under chapter 2 of*  
18 *title II of the Trade Act of 1974, as in effect on September*  
19 *30, 2001, for any week for which the worker meets the eligi-*  
20 *bility requirements of such chapter 2 as in effect on such*  
21 *date, if on or before such date, the worker—*

22 (1) *was certified as eligible for trade adjustment*  
23 *assistance benefits under such chapter as in effect on*  
24 *such date; and*

1           (2) *would otherwise be eligible to receive trade*  
2 *adjustment assistance benefits under such chapter as*  
3 *in effect on such date.*

4           (c) *WORKERS WHO BECAME ELIGIBLE DURING*  
5 *QUALIFIED PERIOD.—*

6           (1) *IN GENERAL.—Notwithstanding subsection*  
7 *(a) or any other provision of law, including section*  
8 *285 of the Trade Act of 1974, any worker who would*  
9 *have been eligible to receive trade adjustment assist-*  
10 *ance or other benefits under chapter 2 of title II of*  
11 *the Trade Act of 1974 during the qualified period if*  
12 *such chapter 2 had been in effect during such period,*  
13 *shall be eligible to receive trade adjustment assistance*  
14 *and other benefits under chapter 2 of title II of the*  
15 *Trade Act of 1974, as in effect on September 30,*  
16 *2001, for any week during the qualified period for*  
17 *which the worker meets the eligibility requirements of*  
18 *such chapter 2 as in effect on September 30, 2001.*

19           (2) *QUALIFIED PERIOD.—For purposes of this*  
20 *subsection, the term “qualified period” means the pe-*  
21 *riod beginning on January 11, 2002 and ending on*  
22 *the date that is 90 days after the date of enactment*  
23 *of this Act.*

24           (d) *ADJUSTMENT ASSISTANCE FOR FIRMS.—*

1           (1) *IN GENERAL.*—Notwithstanding subsection  
2           (a) or any other provision of law, including section  
3           285 of the Trade Act of 1974, and except as provided  
4           in paragraph (2) any firm that would have been eli-  
5           gible to receive adjustment assistance under chapter 3  
6           of title II of the Trade Act of 1974 during the quali-  
7           fied period if such chapter 3 had been in effect during  
8           such period, shall be eligible to receive adjustment as-  
9           sistance under chapter 3 of title II of the Trade Act  
10          of 1974, as in effect on September 30, 2001, for any  
11          week during the qualified period for which the firm  
12          meets the eligibility requirements of such chapter 3 as  
13          in effect on September 30, 2001.

14          (2) *QUALIFIED PERIOD.*—For purposes of this  
15          subsection, the term “qualified period” means the pe-  
16          riod beginning on October 1, 2001 and ending on the  
17          date that is 90 days after the date of enactment of  
18          this Act.

## 19                           **TITLE IX—REVENUE**

### 20                                   **PROVISIONS**

#### 21   **SEC. 901. CUSTOM USER FEES.**

22          Section 13031(j)(3) of the Consolidated Omnibus  
23   Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is  
24   amended by striking “September 30, 2003” and inserting  
25   “December 31, 2010”.

1           **TITLE X—MISCELLANEOUS**  
2                           **PROVISIONS**

3   **SEC. 1001. COUNTRY OF ORIGIN LABELING OF FISH AND**  
4                           **SHELLFISH PRODUCTS.**

5           (a) *DEFINITIONS.*—*In this section:*

6                   (1) *COVERED COMMODITY.*—*The term “covered*  
7                   *commodity” means—*

8                           (A) *a perishable agricultural commodity;*

9                           *and*

10                           (B) *any fish or shellfish, and any fillet,*  
11                           *steak, nugget, or any other flesh from fish or*  
12                           *shellfish, whether fresh, chilled, frozen, canned,*  
13                           *smoked, or otherwise preserved.*

14                   (2) *FOOD SERVICE ESTABLISHMENT.*—*The term*  
15                   *“food service establishment” means a restaurant, cafe-*  
16                   *teria, lunch room, food stand, saloon, tavern, bar,*  
17                   *lounge, or other similar facility operated as an enter-*  
18                   *prise engaged in the business of selling food to the*  
19                   *public.*

20                   (3) *PERISHABLE AGRICULTURAL COMMODITY;*  
21                   *RETAILER.*—*The terms “perishable agricultural com-*  
22                   *modity” and “retailer” have the meanings given the*  
23                   *terms in section 1(b) of the Perishable Agricultural*  
24                   *Commodities Act, 1930 (7 U.S.C. 499a(b)).*

1           (4) *SECRETARY.*—*The term “Secretary” means*  
2 *the Secretary of Agriculture, acting through the Agri-*  
3 *cultural Marketing Service.*

4           (b) *NOTICE OF COUNTRY OF ORIGIN.*—

5           (1) *REQUIREMENT.*—*Except as provided in*  
6 *paragraph (3), a retailer of a covered commodity*  
7 *shall inform consumers, at the final point of sale of*  
8 *the covered commodity to consumers, of the country of*  
9 *origin of the covered commodity.*

10          (2) *UNITED STATES COUNTRY OF ORIGIN.*—*A re-*  
11 *tailer of a covered commodity may designate the cov-*  
12 *ered commodity as having a United States country of*  
13 *origin only if the covered commodity is exclusively*  
14 *harvested and processed in the United States, or in*  
15 *the case of farm-raised fish and shellfish, is hatched,*  
16 *raised, harvested, and processed in the United States.*

17          (3) *EXEMPTION FOR FOOD SERVICE ESTABLISH-*  
18 *MENTS.*—*Paragraph (1) shall not apply to a covered*  
19 *commodity if the covered commodity is prepared or*  
20 *served in a food service establishment, and—*

21                 (A) *offered for sale or sold at the food serv-*  
22                 *ice establishment in normal retail quantities; or*

23                 (B) *served to consumers at the food service*  
24                 *establishment.*

25          (c) *METHOD OF NOTIFICATION.*—

1           (1) *IN GENERAL.*—*The information required by*  
2           *subsection (b) may be provided to consumers by*  
3           *means of a label, stamp, mark, placard, or other clear*  
4           *and visible sign on the covered commodity or on the*  
5           *package, display, holding unit, or bin containing the*  
6           *covered commodity at the final point of sale to con-*  
7           *sumers.*

8           (2) *LABELED COMMODITIES.*—*If the covered*  
9           *commodity is already individually labeled for retail*  
10          *sale regarding country of origin, the retailer shall not*  
11          *be required to provide any additional information to*  
12          *comply with this section.*

13          (d) *AUDIT VERIFICATION SYSTEM.*—*The Secretary*  
14          *may require that any person that prepares, stores, handles,*  
15          *or distributes a covered commodity for retail sale maintain*  
16          *a verifiable recordkeeping audit trail that will permit the*  
17          *Secretary to ensure compliance with the regulations pro-*  
18          *mulgated under subsection (g).*

19          (e) *INFORMATION.*—*Any person engaged in the busi-*  
20          *ness of supplying a covered commodity to a retailer shall*  
21          *provide information to the retailer indicating the country*  
22          *of origin of the covered commodity.*

23          (f) *ENFORCEMENT.*—

24                  (1) *IN GENERAL.*—*Each Federal agency having*  
25                  *jurisdiction over retailers of covered commodities*

1     *shall, at such time as the necessary regulations are*  
2     *adopted under subsection (g), adopt measures in-*  
3     *tended to ensure that the requirements of this section*  
4     *are followed by affected retailers.*

5             (2) *VIOLATION.*—*A violation of subsection (b)*  
6     *shall be treated as a violation under the Agricultural*  
7     *Marketing Act of 1946 (7 U.S.C. 1621 et seq.).*

8             (3) *REGULATIONS.*—

9                 (1) *IN GENERAL.*—*The Secretary may promul-*  
10     *gate such regulations as are necessary to carry out*  
11     *this section within 1 year after the date of enactment*  
12     *of this Act.*

13                 (2) *PARTNERSHIPS WITH STATES.*—*In promul-*  
14     *gating the regulations, the Secretary shall, to the*  
15     *maximum extent practicable, enter into partnerships*  
16     *with States that have the enforcement infrastructure*  
17     *necessary to carry out this section.*

18             (4) *APPLICATION.*—*This section shall apply to the re-*  
19     *tail sale of a covered commodity beginning on the date that*  
20     *is 180 days after the date of enactment of this Act.*

21     **SEC. 1002. SUGAR POLICY.**

22             (1) *FINDINGS.*—*Congress finds that—*

23                 (1) *the tariff-rate quotas imposed on imports of*  
24     *sugar, syrups and sugar-containing products under*  
25     *chapters 17, 18, 19, and 21 of the Harmonized Tariff*

1 *Schedule of the United States are an essential element*  
2 *of United States sugar policy;*

3 (2) *circumvention of the tariff-rate quotas will,*  
4 *if unchecked, make it impossible to achieve the objec-*  
5 *tives of United States sugar policy;*

6 (3) *the tariff-rate quotas have been circumvented*  
7 *frequently, defeating the purposes of United States*  
8 *sugar policy and causing disruption to the United*  
9 *States market for sweeteners, injury to domestic grow-*  
10 *ers, refiners, and processors of sugar, and adversely*  
11 *affecting legitimate exporters of sugar to the United*  
12 *States;*

13 (4) *it is essential to United States sugar policy*  
14 *that the tariff-rate quotas be enforced and that decep-*  
15 *tive practices be prevented, including the importation*  
16 *of products with no commercial use and failure to*  
17 *disclose all relevant information to the United States*  
18 *Customs Service; and*

19 (5) *unless action is taken to prevent circumven-*  
20 *tion, circumvention of the tariff-rate quotas will con-*  
21 *tinue and will ultimately destroy United States sugar*  
22 *policy.*

23 (b) *POLICY.—It is the policy of the United States to*  
24 *maintain the integrity of the tariff-rate quotas on sugars,*  
25 *syrups, and sugar-containing products by stopping cir-*



1 *circumvention as soon as it becomes apparent. It is also the*  
2 *policy of the United States that products not used to cir-*  
3 *cumvent the tariff-rate quotas, such as molasses used for*  
4 *animal feed or for rum, not be affected by any action taken*  
5 *pursuant to this Act.*

6 (c) *IDENTIFICATION OF IMPORTS.—*

7 (1) *IDENTIFICATION.—Not later than 30 days*  
8 *after the date of enactment of this Act, and on a reg-*  
9 *ular basis thereafter, the Secretary of Agriculture*  
10 *shall—*

11 (A) *identify imports of articles that are cir-*  
12 *cumventing tariff-rate quotas on sugars, syrups,*  
13 *or sugar-containing products imposed under*  
14 *chapter 17, 18, 19, or 21 of the Harmonized Tar-*  
15 *iff Schedule of the United States; and*

16 (B) *report to the President the articles*  
17 *found to be circumventing the tariff-rate quotas.*

18 (2) *ACTION BY PRESIDENT.—Upon receiving the*  
19 *report from the Secretary of Agriculture, the Presi-*  
20 *dent shall, by proclamation, include any article iden-*  
21 *tified by the Secretary in the appropriate tariff-rate*  
22 *quota provision of the Harmonized Tariff Schedule.*

1                   **TITLE XI—CUSTOMS**  
2                   **REAUTHORIZATION**

3 **SEC. 1101. SHORT TITLE.**

4           *This title may be cited as the “Customs Border Secu-*  
5 *riety Act of 2002”.*

6           **Subtitle A—United States Customs**  
7                                   **Service**

8 **CHAPTER 1—DRUG ENFORCEMENT AND**  
9           **OTHER NONCOMMERCIAL AND COM-**  
10           **MERCIAL OPERATIONS**

11 **SEC. 1111. AUTHORIZATION OF APPROPRIATIONS FOR NON-**  
12                                   **COMMERCIAL OPERATIONS, COMMERCIAL OP-**  
13                                   **ERATIONS, AND AIR AND MARINE INTERDIC-**  
14                                   **TION.**

15           *(a) NONCOMMERCIAL OPERATIONS.—Section 301(b)(1)*  
16 *of the Customs Procedural Reform and Simplification Act*  
17 *of 1978 (19 U.S.C. 2075(b)(1)) is amended—*

18                   *(1) in subparagraph (A) to read as follows:*

19                                   *“(A) \$886,513,000 for fiscal year 2003.”;*

20                   *and*

21                   *(2) in subparagraph (B) to read as follows:*

22                                   *“(B) \$909,471,000 for fiscal year 2004.”.*

23           *(b) COMMERCIAL OPERATIONS.—*

1           (1) *IN GENERAL.*—Section 301(b)(2)(A) of the  
2 *Customs Procedural Reform and Simplification Act*  
3 *of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—*

4                   (A) *in clause (i) to read as follows:*

5                   “(i) \$1,603,482,000 for fiscal year 2003.”;

6                   *and*

7                   (B) *in clause (ii) to read as follows:*

8                   “(ii) \$1,645,009,000 for fiscal year 2004.”.

9           (2) *AUTOMATED COMMERCIAL ENVIRONMENT*  
10 *COMPUTER SYSTEM.*—*Of the amount made available*  
11 *for each of fiscal years 2003 and 2004 under section*  
12 *301(b)(2)(A) of the Customs Procedural Reform and*  
13 *Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)),*  
14 *as amended by paragraph (1), \$308,000,000 shall be*  
15 *available until expended for each such fiscal year for*  
16 *the development, establishment, and implementation*  
17 *of the Automated Commercial Environment computer*  
18 *system.*

19           (3) *REPORTS.*—*Not later than 90 days after the*  
20 *date of enactment of this Act, and not later than each*  
21 *subsequent 90-day period, the Commissioner of Cus-*  
22 *tomhs shall prepare and submit to the Committee on*  
23 *Ways and Means of the House of Representatives and*  
24 *the Committee on Finance of the Senate a report*  
25 *demonstrating that the development and establish-*

1 *ment of the Automated Commercial Environment*  
2 *computer system is being carried out in a cost-effec-*  
3 *tive manner and meets the modernization require-*  
4 *ments of title VI of the North American Free Trade*  
5 *Agreements Implementation Act.*

6 *(c) AIR AND MARINE INTERDICTION.—Section*  
7 *301(b)(3) of the Customs Procedural Reform and Sim-*  
8 *plification Act of 1978 (19 U.S.C. 2075(b)(3)) is*  
9 *amended—*

10 *(1) in subparagraph (A) to read as follows:*

11 *“(A) \$181,860,000 for fiscal year 2003.”;*

12 *and*

13 *(2) in subparagraph (B) to read as follows:*

14 *“(B) \$186,570,000 for fiscal year 2004.”.*

15 *(d) SUBMISSION OF OUT-YEAR BUDGET PROJEC-*  
16 *TIONS.—Section 301(a) of the Customs Procedural Reform*  
17 *and Simplification Act of 1978 (19 U.S.C. 2075(a)) is*  
18 *amended by adding at the end the following:*

19 *“(3) By not later than the date on which the President*  
20 *submits to Congress the budget of the United States Govern-*  
21 *ment for a fiscal year, the Commissioner of Customs shall*  
22 *submit to the Committee on Ways and Means of the House*  
23 *of Representatives and the Committee on Finance of the*  
24 *Senate the projected amount of funds for the succeeding fis-*

1 *cal year that will be necessary for the operations of the Cus-*  
2 *toms Service as provided for in subsection (b).”.*

3 **SEC. 1112. ANTITERRORIST AND ILLICIT NARCOTICS DE-**  
4 **TECTION EQUIPMENT FOR THE UNITED**  
5 **STATES-MEXICO BORDER, UNITED STATES-**  
6 **CANADA BORDER, AND FLORIDA AND THE**  
7 **GULF COAST SEAPORTS.**

8 *(a) FISCAL YEAR 2003.—Of the amounts made avail-*  
9 *able for fiscal year 2003 under section 301(b)(1)(A) of the*  
10 *Customs Procedural Reform and Simplification Act of 1978*  
11 *(19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a)*  
12 *of this title, \$90,244,000 shall be available until expended*  
13 *for acquisition and other expenses associated with imple-*  
14 *mentation and deployment of antiterrorist and illicit nar-*  
15 *cotics detection equipment along the United States-Mexico*  
16 *border, the United States-Canada border, and Florida and*  
17 *the Gulf Coast seaports, as follows:*

18 *(1) UNITED STATES-MEXICO BORDER.—For the*  
19 *United States-Mexico border, the following:*

20 *(A) \$6,000,000 for 8 Vehicle and Container*  
21 *Inspection Systems (VACIS).*

22 *(B) \$11,200,000 for 5 mobile truck x-rays*  
23 *with transmission and backscatter imaging.*

24 *(C) \$13,000,000 for the upgrade of 8 fixed-*  
25 *site truck x-rays from the present energy level of*

1           450,000 electron volts to 1,000,000 electron volts  
2           (1-MeV).

3           (D) \$7,200,000 for 8 1-MeV pallet x-rays.

4           (E) \$1,000,000 for 200 portable contraband  
5           detectors (busters) to be distributed among ports  
6           where the current allocations are inadequate.

7           (F) \$600,000 for 50 contraband detection  
8           kits to be distributed among all southwest border  
9           ports based on traffic volume.

10          (G) \$500,000 for 25 ultrasonic container in-  
11          spection units to be distributed among all ports  
12          receiving liquid-filled cargo and to ports with a  
13          hazardous material inspection facility.

14          (H) \$2,450,000 for 7 automated targeting  
15          systems.

16          (I) \$360,000 for 30 rapid tire deflator sys-  
17          tems to be distributed to those ports where port  
18          runners are a threat.

19          (J) \$480,000 for 20 portable Treasury En-  
20          forcement Communications Systems (TECS) ter-  
21          minals to be moved among ports as needed.

22          (K) \$1,000,000 for 20 remote watch surveil-  
23          lance camera systems at ports where there are  
24          suspicious activities at loading docks, vehicle  
25          queues, secondary inspection lanes, or areas

1           *where visual surveillance or observation is ob-*  
2           *scured.*

3           (L) \$1,254,000 for 57 weigh-in-motion sen-  
4           sors to be distributed among the ports with the  
5           greatest volume of outbound traffic.

6           (M) \$180,000 for 36 AM traffic information  
7           radio stations, with 1 station to be located at  
8           each border crossing.

9           (N) \$1,040,000 for 260 inbound vehicle  
10          counters to be installed at every inbound vehicle  
11          lane.

12          (O) \$950,000 for 38 spotter camera systems  
13          to counter the surveillance of customs inspection  
14          activities by persons outside the boundaries of  
15          ports where such surveillance activities are oc-  
16          curring.

17          (P) \$390,000 for 60 inbound commercial  
18          truck transponders to be distributed to all ports  
19          of entry.

20          (Q) \$1,600,000 for 40 narcotics vapor and  
21          particle detectors to be distributed to each border  
22          crossing.

23          (R) \$400,000 for license plate reader auto-  
24          matic targeting software to be installed at each  
25          port to target inbound vehicles.

1           (2) *UNITED STATES-CANADA BORDER.*—*For the*  
2 *United States-Canada border, the following:*

3           (A) *\$3,000,000 for 4 Vehicle and Container*  
4 *Inspection Systems (VACIS).*

5           (B) *\$8,800,000 for 4 mobile truck x-rays*  
6 *with transmission and backscatter imaging.*

7           (C) *\$3,600,000 for 4 1-MeV pallet x-rays.*

8           (D) *\$250,000 for 50 portable contraband de-*  
9 *tectors (busters) to be distributed among ports*  
10 *where the current allocations are inadequate.*

11           (E) *\$300,000 for 25 contraband detection*  
12 *kits to be distributed among ports based on traf-*  
13 *fic volume.*

14           (F) *\$240,000 for 10 portable Treasury En-*  
15 *forcement Communications Systems (TECS) ter-*  
16 *minals to be moved among ports as needed.*

17           (G) *\$400,000 for 10 narcotics vapor and*  
18 *particle detectors to be distributed to each border*  
19 *crossing based on traffic volume.*

20           (3) *FLORIDA AND GULF COAST SEAPORTS.*—*For*  
21 *Florida and the Gulf Coast seaports, the following:*

22           (A) *\$4,500,000 for 6 Vehicle and Container*  
23 *Inspection Systems (VACIS).*

24           (B) *\$11,800,000 for 5 mobile truck x-rays*  
25 *with transmission and backscatter imaging.*



1                   (C) \$7,200,000 for 8 1-MeV pallet x-rays.

2                   (D) \$250,000 for 50 portable contraband de-  
3                   tectors (busters) to be distributed among ports  
4                   where the current allocations are inadequate.

5                   (E) \$300,000 for 25 contraband detection  
6                   kits to be distributed among ports based on traf-  
7                   fic volume.

8           (b) *FISCAL YEAR 2004.*—Of the amounts made avail-  
9           able for fiscal year 2004 under section 301(b)(1)(B) of the  
10           *Customs Procedural Reform and Simplification Act of 1978*  
11           *(19 U.S.C. 2075(b)(1)(B))*, as amended by section 1111(a)  
12           of this title, \$9,000,000 shall be available until expended  
13           for the maintenance and support of the equipment and  
14           training of personnel to maintain and support the equip-  
15           ment described in subsection (a).

16           (c) *ACQUISITION OF TECHNOLOGICALLY SUPERIOR*  
17           *EQUIPMENT; TRANSFER OF FUNDS.*—

18                   (1) *IN GENERAL.*—The Commissioner of Customs  
19                   may use amounts made available for fiscal year 2003  
20                   under section 301(b)(1)(A) of the *Customs Procedural*  
21                   *Reform and Simplification Act of 1978 (19 U.S.C.*  
22                   *2075(b)(1)(A))*, as amended by section 1111(a) of this  
23                   title, for the acquisition of equipment other than the  
24                   equipment described in subsection (a) if such other  
25                   equipment—

1           (A)(i) is technologically superior to the  
2 equipment described in subsection (a); and

3           (ii) will achieve at least the same results at  
4 a cost that is the same or less than the equip-  
5 ment described in subsection (a); or

6           (B) can be obtained at a lower cost than the  
7 equipment described in subsection (a).

8           (2) *TRANSFER OF FUNDS.*—Notwithstanding any  
9 other provision of this section, the Commissioner of  
10 Customs may reallocate an amount not to exceed 10  
11 percent of—

12           (A) the amount specified in any of subpara-  
13 graphs (A) through (R) of subsection (a)(1) for  
14 equipment specified in any other of such sub-  
15 paragraphs (A) through (R);

16           (B) the amount specified in any of subpara-  
17 graphs (A) through (G) of subsection (a)(2) for  
18 equipment specified in any other of such sub-  
19 paragraphs (A) through (G); and

20           (C) the amount specified in any of subpara-  
21 graphs (A) through (E) of subsection (a)(3) for  
22 equipment specified in any other of such sub-  
23 paragraphs (A) through (E).

1 **SEC. 1113. COMPLIANCE WITH PERFORMANCE PLAN RE-**  
2 **QUIREMENTS.**

3 *As part of the annual performance plan for each of*  
4 *the fiscal years 2003 and 2004 covering each program activ-*  
5 *ity set forth in the budget of the United States Customs*  
6 *Service, as required under section 1115 of title 31, United*  
7 *States Code, the Commissioner of Customs shall establish*  
8 *performance goals, performance indicators, and comply*  
9 *with all other requirements contained in paragraphs (1)*  
10 *through (6) of subsection (a) of such section with respect*  
11 *to each of the activities to be carried out pursuant to sec-*  
12 *tions 1121 of this title.*

13 **CHAPTER 2—CHILD CYBER-SMUGGLING**  
14 **CENTER OF THE CUSTOMS SERVICE**

15 **SEC. 1121. AUTHORIZATION OF APPROPRIATIONS FOR PRO-**  
16 **GRAM TO PREVENT CHILD PORNOGRAPHY/**  
17 **CHILD SEXUAL EXPLOITATION.**

18 *(a) AUTHORIZATION OF APPROPRIATIONS.—There is*  
19 *authorized to be appropriated to the Customs Service*  
20 *\$10,000,000 for fiscal year 2003 to carry out the program*  
21 *to prevent child pornography/child sexual exploitation es-*  
22 *tablished by the Child Cyber-Smuggling Center of the cus-*  
23 *toms Service.*

24 *(b) USE OF AMOUNTS FOR CHILD PORNOGRAPHY*  
25 *CYBER TIPLINE.—Of the amount appropriated under sub-*  
26 *section (a), the Customs Service shall provide 3.75 percent*

1 *of such amount to the National Center for Missing and Ex-*  
2 *ploited Children for the operation of the child pornography*  
3 *cyber tipline of the Center and for increased public aware-*  
4 *ness of the tipline.*

5                   **CHAPTER 3—MISCELLANEOUS**  
6                   **PROVISIONS**

7 **SEC. 1131. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR**  
8                   **UNITED STATES-CANADA BORDER.**

9           *Of the amount made available for fiscal year 2003*  
10 *under paragraphs (1) and (2)(A) of section 301(b) of the*  
11 *Customs Procedural Reform and Simplification Act of 1978*  
12 *(19 U.S.C. 2075(b)), as amended by section 1111 of this*  
13 *title, \$25,000,000 shall be available until expended for the*  
14 *Customs Service to hire approximately 285 additional Cus-*  
15 *toms Service officers to address the needs of the offices and*  
16 *ports along the United States-Canada border.*

17 **SEC. 1132. STUDY AND REPORT RELATING TO PERSONNEL**  
18                   **PRACTICES OF THE CUSTOMS SERVICE.**

19           *(a) STUDY.—The Commissioner of Customs shall con-*  
20 *duct a study of current personnel practices of the Customs*  
21 *Service, including an overview of performance standards*  
22 *and the effect and impact of the collective bargaining proc-*  
23 *ess on drug interdiction efforts of the Customs Service and*  
24 *a comparison of duty rotation policies of the Customs Serv-*

1 *ice and other Federal agencies that employ similarly-situ-*  
2 *ated personnel.*

3 *(b) REPORT.—Not later than 120 days after the date*  
4 *of enactment of this Act, the Commissioner of Customs shall*  
5 *submit to the Committee on Ways and Means of the House*  
6 *of Representatives and the Committee on Finance of the*  
7 *Senate a report containing the results of the study con-*  
8 *ducted under subsection (a).*

9 **SEC. 1133. STUDY AND REPORT RELATING TO ACCOUNTING**  
10 **AND AUDITING PROCEDURES OF THE CUS-**  
11 **TOMS SERVICE.**

12 *(a) STUDY.—(1) The Commissioner of Customs shall*  
13 *conduct a study of actions by the Customs Service to ensure*  
14 *that appropriate training is being provided to Customs*  
15 *Service personnel who are responsible for financial auditing*  
16 *of importers.*

17 *(2) In conducting the study, the Commissioner—*

18 *(A) shall specifically identify those actions taken*  
19 *to comply with provisions of law that protect the pri-*  
20 *vacancy and trade secrets of importers, such as section*  
21 *552(b) of title 5, United States Code, and section*  
22 *1905 of title 18, United States Code; and*

23 *(B) shall provide for public notice and comment*  
24 *relating to verification of the actions described in sub-*  
25 *paragraph (A).*

1       **(b) REPORT.**—Not later than 6 months after the date  
2 of enactment of this Act, the Commissioner of Customs shall  
3 submit to the Committee on Ways and Means of the House  
4 of Representatives and the Committee on Finance of the  
5 Senate a report containing the results of the study con-  
6 ducted under subsection (a).

7 **SEC. 1134. ESTABLISHMENT AND IMPLEMENTATION OF**  
8                   **COST ACCOUNTING SYSTEM; REPORTS.**

9       **(a) ESTABLISHMENT AND IMPLEMENTATION.**—

10           **(1) IN GENERAL.**—Not later than September 30,  
11 2003, the Commissioner of Customs shall, in accord-  
12 ance with the audit of the Customs Service's fiscal  
13 years 2000 and 1999 financial statements (as con-  
14 tained in the report of the Office of the Inspector Gen-  
15 eral of the Department of the Treasury issued on Feb-  
16 ruary 23, 2001), establish and implement a cost ac-  
17 counting system for expenses incurred in both com-  
18 mercial and noncommercial operations of the Customs  
19 Service.

20           **(2) ADDITIONAL REQUIREMENT.**—The cost ac-  
21 counting system described in paragraph (1) shall pro-  
22 vide for an identification of expenses based on the  
23 type of operation, the port at which the operation  
24 took place, the amount of time spent on the operation  
25 by personnel of the Customs Service, and an identi-



1           (c) *DEFINITION.*—*In this section, the term “prospective ruling” means a ruling that is requested by an im-*  
2 *porter on goods that are proposed to be imported into the*  
3 *United States and that relates to the proper classification,*  
4 *valuation, or marking of such goods.*

6 **SEC. 1136. STUDY AND REPORT RELATING TO CUSTOMS**  
7 **USER FEES.**

8           (a) *STUDY.*—*The Comptroller General shall conduct a*  
9 *study on the extent to which the amount of each customs*  
10 *user fee imposed under section 13031(a) of the Consolidated*  
11 *Omnibus Budget Reconciliation Act of 1985 (19 U.S.C.*  
12 *58c(a)) is commensurate with the level of services provided*  
13 *by the Customs Service relating to the fee so imposed.*

14           (b) *REPORT.*—*Not later than 120 days after the date*  
15 *of enactment of this Act, the Comptroller General shall sub-*  
16 *mit to the Committee on Ways and Means of the House*  
17 *of Representatives and the Committee on Finance of the*  
18 *Senate a report in classified form containing—*

19                   (1) *the results of the study conducted under sub-*  
20 *section (a); and*

21                   (2) *recommendations for the appropriate amount*  
22 *of the customs user fees if such results indicate that*  
23 *the fees are not commensurate with the level of serv-*  
24 *ices provided by the Customs Service.*



1 **SEC. 1137. AUTHORIZATION OF APPROPRIATIONS FOR CUS-**  
2 **TOMS STAFFING.**

3 *There are authorized to be appropriated to the Depart-*  
4 *ment of Treasury such sums as may be necessary to provide*  
5 *an increase in the annual rate of basic pay—*

6 *(1) for all journeyman Customs inspectors and*  
7 *Canine Enforcement Officers who have completed at*  
8 *least one year's service and are receiving an annual*  
9 *rate of basic pay for positions at GS-9 of the General*  
10 *Schedule under section 5332 of title 5, United States*  
11 *Code, from the annual rate of basic pay payable for*  
12 *positions at GS-9 of the General Schedule under sec-*  
13 *tion 5332, to an annual rate of basic pay payable for*  
14 *positions at GS-11 of the General Schedule under*  
15 *such section 5332; and*

16 *(2) for the support staff associated with the per-*  
17 *sonnel described in subparagraph (A), at the appro-*  
18 *priate GS level of the General Schedule under such*  
19 *section 5332.*

20 **CHAPTER 4—ANTITERRORISM**  
21 **PROVISIONS**

22 **SEC. 1141. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS**  
23 **OF ENTRY, OR STAFFING OF THE CUSTOMS**  
24 **SERVICE.**

25 *Section 318 of the Tariff Act of 1930 (19 U.S.C. 1318)*  
26 *is amended—*

1           (1) by striking “Whenever the President” and in-  
2           serting “(a) Whenever the President”; and

3           (2) by adding at the end the following:

4           “(b)(1) Notwithstanding any other provision of law,  
5           the Secretary of the Treasury, when necessary to respond  
6           to a national emergency declared under the National Emer-  
7           gencies Act (50 U.S.C. 1601 et seq.) or to a specific threat  
8           to human life or national interests, is authorized to take  
9           the following actions on a temporary basis:

10           “(A) Eliminate, consolidate, or relocate any of-  
11           fice or port of entry of the Customs Service.

12           “(B) Modify hours of service, alter services ren-  
13           dered at any location, or reduce the number of em-  
14           ployees at any location.

15           “(C) Take any other action that may be nec-  
16           essary to directly respond to the national emergency  
17           or specific threat.

18           “(2) Notwithstanding any other provision of law, the  
19           Commissioner of Customs, when necessary to respond to a  
20           specific threat to human life or national interests, is author-  
21           ized to close temporarily any Customs office or port of entry  
22           or take any other lesser action that may be necessary to  
23           respond to the specific threat.

24           “(3) The Secretary of the Treasury or the Commis-  
25           sioner of Customs, as the case may be, shall notify the Com-

1 *mittee on Ways and Means of the House of Representatives*  
2 *and the Committee on Finance of the Senate not later than*  
3 *72 hours after taking any action under paragraph (1) or*  
4 *(2).”.*

5 **SEC. 1142. MANDATORY ADVANCED ELECTRONIC INFORMA-**  
6 **TION FOR CARGO AND PASSENGERS.**

7 *(a) CARGO INFORMATION.—*

8 *(1) IN GENERAL.—Section 431(b) of the Tariff*  
9 *Act of 1930 (19 U.S.C. 1431(b)) is amended—*

10 *(A) in the first sentence, by striking “Any*  
11 *manifest” and inserting “(1) Any manifest”;*  
12 *and*

13 *(B) by adding at the end the following:*

14 *“(2) In addition to any other requirement under this*  
15 *section, for each land, air, or vessel carrier required to make*  
16 *entry or obtain clearance under the customs laws of the*  
17 *United States, the pilot, the master, operator, or owner of*  
18 *such carrier (or the authorized agent of such operator or*  
19 *owner) shall provide by electronic transmission cargo mani-*  
20 *fest information in advance of such entry or clearance in*  
21 *such manner, time, and form as prescribed under regula-*  
22 *tions by the Secretary. The Secretary may exclude any class*  
23 *of land, air, or vessel carrier for which the Secretary con-*  
24 *cludes the requirements of this subparagraph are not nec-*  
25 *essary.”.*

1           (2) *CONFORMING AMENDMENTS.*—*Subparagraphs*  
2           *(A) and (C) of section 431(d)(1) of such Act are each*  
3           *amended by inserting before the semicolon “or sub-*  
4           *section (b)(2)”.*

5           ***(b) PASSENGER INFORMATION.***—*Part II of title IV of*  
6           *the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended*  
7           *by inserting after section 431 the following:*

8           **“SEC. 432. PASSENGER AND CREW MANIFEST INFORMATION**  
9                           **REQUIRED FOR LAND, AIR, OR VESSEL CAR-**  
10                           **RIERS.**

11           **“(a) IN GENERAL.**—*For every person arriving or de-*  
12           *parting on a land, air, or vessel carrier required to make*  
13           *entry or obtain clearance under the customs laws of the*  
14           *United States, the pilot, the master, operator, or owner of*  
15           *such carrier (or the authorized agent of such operator or*  
16           *owner) shall provide by electronic transmission manifest in-*  
17           *formation described in subsection (b) in advance of such*  
18           *entry or clearance in such manner, time, and form as pre-*  
19           *scribed under regulations by the Secretary.*

20           **“(b) INFORMATION DESCRIBED.**—*The information de-*  
21           *scribed in this subsection shall include for each person de-*  
22           *scribed in subsection (a), the person’s—*

23                   **“(1) full name;**

24                   **“(2) date of birth and citizenship;**

25                   **“(3) gender;**



1           “(1) *IN GENERAL.*—*For purposes of ensuring*  
2 *compliance with the Customs laws of the United*  
3 *States and other laws enforced by the Customs Serv-*  
4 *ice, including the provisions of law described in para-*  
5 *graph (2), a Customs officer may, subject to the provi-*  
6 *sions of this section, stop and search at the border,*  
7 *without a search warrant, mail of domestic origin*  
8 *transmitted for export by the United States Postal*  
9 *Service and foreign mail transiting the United States*  
10 *that is being imported or exported by the United*  
11 *States Postal Service.*

12           “(2) *PROVISIONS OF LAW DESCRIBED.*—*The pro-*  
13 *visions of law described in this paragraph are the fol-*  
14 *lowing:*

15           “(A) *Section 5316 of title 31, United States*  
16 *Code (relating to reports on exporting and im-*  
17 *porting monetary instruments).*

18           “(B) *Sections 1461, 1463, 1465, and 1466,*  
19 *and chapter 110 of title 18, United States Code*  
20 *(relating to obscenity and child pornography).*

21           “(C) *Section 1003 of the Controlled Sub-*  
22 *stances Import and Export Act (relating to ex-*  
23 *portation of controlled substances) (21 U.S.C.*  
24 *953).*

1           “(D) *The Export Administration Act of*  
2           *1979 (50 U.S.C. App. 2401 et seq.).*

3           “(E) *Section 38 of the Arms Export Control*  
4           *Act (22 U.S.C. 2778).*

5           “(F) *The International Emergency Eco-*  
6           *nomics Powers Act (50 U.S.C. 1701 et seq.).*

7           “(b) *SEARCH OF MAIL NOT SEALED AGAINST INSPEC-*  
8           *TION AND OTHER MAIL.—Mail not sealed against inspec-*  
9           *tion under the postal laws and regulations of the United*  
10           *States, mail which bears a Customs declaration, and mail*  
11           *with respect to which the sender or addressee has consented*  
12           *in writing to search, may be searched by a Customs officer.*

13           “(c) *SEARCH OF MAIL SEALED AGAINST INSPECTION*  
14           *WEIGHING IN EXCESS OF 16 OUNCES.—*

15           “(1) *IN GENERAL.—Mail weighing in excess of 16*  
16           *ounces sealed against inspection under the postal laws and*  
17           *regulations of the United States may be searched by a Cus-*  
18           *toms officer, subject to paragraph (2), if there is reasonable*  
19           *cause to suspect that such mail contains one or more of*  
20           *the following:*

21           “(A) *Monetary instruments, as defined in section*  
22           *1956 of title 18, United States Code.*

23           “(B) *A weapon of mass destruction, as defined*  
24           *in section 2332a(b) of title 18, United States Code.*

1           “(C) A drug or other substance listed in schedule  
2           I, II, III, or IV in section 202 of the Controlled Sub-  
3           stances Act (21 U.S.C. 812).

4           “(D) National defense and related information  
5           transmitted in violation of any of sections 793  
6           through 798 of title 18, United States Code.

7           “(E) Merchandise mailed in violation of section  
8           1715 or 1716 of title 18, United States Code.

9           “(F) Merchandise mailed in violation of any  
10          provision of chapter 71 (relating to obscenity) or  
11          chapter 110 (relating to sexual exploitation and other  
12          abuse of children) of title 18, United States Code.

13          “(G) Merchandise mailed in violation of the Ex-  
14          port Administration Act of 1979 (50 U.S.C. App.  
15          2401 et seq.).

16          “(H) Merchandise mailed in violation of section  
17          38 of the Arms Export Control Act (22 U.S.C. 2778).

18          “(I) Merchandise mailed in violation of the  
19          International Emergency Economic Powers Act (50  
20          U.S.C. 1701 et seq.).

21          “(J) Merchandise mailed in violation of the  
22          Trading with the Enemy Act (50 U.S.C. App. 1 et  
23          seq.).

24          “(K) Merchandise subject to any other law en-  
25          forced by the Customs Service.



1           “(2) *LIMITATION.*—No person acting under the  
2           *authority of paragraph (1) shall read, or authorize*  
3           *any other person to read, any correspondence con-*  
4           *tained in mail sealed against inspection unless prior*  
5           *to so reading—*

6                   “(A) *a search warrant has been issued pur-*  
7                   *suant to rule 41 of the Federal Rules of Criminal*  
8                   *Procedure; or*

9                   “(B) *the sender or addressee has given writ-*  
10                  *ten authorization for such reading.*

11           “(d) *SEARCH OF MAIL SEALED AGAINST INSPECTION*  
12           *WEIGHING 16 OUNCES OR LESS.*—Notwithstanding any  
13           *other provision of this section, subsection (a)(1) shall not*  
14           *apply to mail weighing 16 ounces or less sealed against in-*  
15           *spection under the postal laws and regulations of the United*  
16           *States.”.*

17           “(b) *CERTIFICATION BY SECRETARY.*—Not later than 3  
18           *months after the date of enactment of this section, the Sec-*  
19           *retary of State shall determine whether the application of*  
20           *section 583 of the Tariff Act of 1930 to foreign mail*  
21           *transiting the United States that is imported or exported*  
22           *by the United States Postal Service is being handled in a*  
23           *manner consistent with international law and any inter-*  
24           *national obligation of the United States. Section 583 of such*  
25           *Act shall not apply to such foreign mail unless the Sec-*

1 *retary certifies to Congress that the application of such sec-*  
2 *tion 583 is consistent with international law and any inter-*  
3 *national obligation of the United States.*

4 *(c) EFFECTIVE DATE.—*

5 *(1) IN GENERAL.—Except as provided in para-*  
6 *graph (2), this section and the amendments made by*  
7 *this section shall take effect on the date of enactment*  
8 *of this Act.*

9 *(2) CERTIFICATION WITH RESPECT TO FOREIGN*  
10 *MAIL.—The provisions of section 583 of the Tariff Act*  
11 *of 1930 relating to foreign mail transiting the United*  
12 *States that is imported or exported by the United*  
13 *States Postal Service shall not take effect until the*  
14 *Secretary of State certifies to Congress, pursuant to*  
15 *subsection (b), that the application of such section*  
16 *583 is consistent with international law and any*  
17 *international obligation of the United States.*

18 **SEC. 1144. AUTHORIZATION OF APPROPRIATIONS FOR RE-**  
19 **ESTABLISHMENT OF CUSTOMS OPERATIONS**  
20 **IN NEW YORK CITY.**

21 *(a) AUTHORIZATION OF APPROPRIATIONS.—*

22 *(1) IN GENERAL.—There is authorized to be ap-*  
23 *propriated for the reestablishment of operations of the*  
24 *Customs Service in New York, New York, such sums*  
25 *as may be necessary for fiscal year 2003.*

1           (2) *OPERATIONS DESCRIBED.*—*The operations*  
2           *referred to in paragraph (1) include, but are not lim-*  
3           *ited to, the following:*

4                   (A) *Operations relating to the Port Director*  
5                   *of New York City, the New York Customs Man-*  
6                   *agement Center (including the Director of Field*  
7                   *Operations), and the Special Agent-In-Charge*  
8                   *for New York.*

9                   (B) *Commercial operations, including tex-*  
10                  *tile enforcement operations and salaries and ex-*  
11                  *penses of—*

12                          (i) *trade specialists who determine the*  
13                          *origin and value of merchandise;*

14                          (ii) *analysts who monitor the entry*  
15                          *data into the United States of textiles and*  
16                          *textile products; and*

17                          (iii) *Customs officials who work with*  
18                          *foreign governments to examine textile mak-*  
19                          *ers and verify entry information.*

20           (b) *AVAILABILITY.*—*Amounts appropriated pursuant*  
21           *to the authorization of appropriations under subsection (a)*  
22           *are authorized to remain available until expended.*

1     **CHAPTER 5—TEXTILE TRANSSHIPMENT**  
2                                     **PROVISIONS**

3     **SEC. 1151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONI-**  
4                                     **TORING BY CUSTOMS SERVICE.**

5             (a) *GAO AUDIT.*—*The Comptroller General of the*  
6     *United States shall conduct an audit of the system estab-*  
7     *lished and carried out by the Customs Service to monitor*  
8     *textile transshipment.*

9             (b) *REPORT.*—*Not later than 9 months after the date*  
10    *of enactment of this Act, the Comptroller General shall sub-*  
11    *mit to the Committee on Ways and Means of the House*  
12    *of Representatives and Committee on Finance of the Senate*  
13    *a report that contains the results of the study conducted*  
14    *under subsection (a), including recommendations for im-*  
15    *provements to the transshipment monitoring system if ap-*  
16    *plicable.*

17            (c) *TRANSSHIPMENT DESCRIBED.*—*Transshipment*  
18    *within the meaning of this section has occurred when pref-*  
19    *erential treatment under any provision of law has been*  
20    *claimed for a textile or apparel article on the basis of mate-*  
21    *rial false information concerning the country of origin,*  
22    *manufacture, processing, or assembly of the article or any*  
23    *of its components. For purposes of the preceding sentence,*  
24    *false information is material if disclosure of the true infor-*  
25    *mation would mean or would have meant that the article*

1 *is or was ineligible for preferential treatment under the pro-*  
2 *vision of law in question.*

3 **SEC. 1152. AUTHORIZATION OF APPROPRIATIONS FOR TEX-**  
4 **TILE TRANSSHIPMENT ENFORCEMENT OPER-**  
5 **ATIONS.**

6 (a) *AUTHORIZATION OF APPROPRIATIONS.—*

7 (1) *IN GENERAL.—There is authorized to be ap-*  
8 *propriated for textile transshipment enforcement oper-*  
9 *ations of the Customs Service \$9,500,000 for fiscal*  
10 *year 2003.*

11 (2) *AVAILABILITY.—Amounts appropriated pur-*  
12 *suant to the authorization of appropriations under*  
13 *paragraph (1) are authorized to remain available*  
14 *until expended.*

15 (b) *USE OF FUNDS.—Of the amount appropriated*  
16 *pursuant to the authorization of appropriations under sub-*  
17 *section (a), the following amounts are authorized to be made*  
18 *available for the following purposes:*

19 (1) *IMPORT SPECIALISTS.—\$1,463,000 for 21*  
20 *Customs import specialists to be assigned to selected*  
21 *ports for documentation review to support detentions*  
22 *and exclusions and 1 additional Customs import spe-*  
23 *cialist assigned to the Customs headquarters textile*  
24 *program to administer the program and provide over-*  
25 *sight.*

1           (2) *INSPECTORS.*—\$652,080 for 10 Customs in-  
2           spectors to be assigned to selected ports to examine  
3           targeted high-risk shipments.

4           (3) *INVESTIGATORS.*—(A) \$1,165,380 for 10 in-  
5           vestigators to be assigned to selected ports to inves-  
6           tigate instances of smuggling, quota and trade agree-  
7           ment circumvention, and use of counterfeit visas to  
8           enter inadmissible goods.

9           (B) \$149,603 for 1 investigator to be assigned to  
10          Customs headquarters textile program to coordinate  
11          and ensure implementation of textile production  
12          verification team results from an investigation per-  
13          spective.

14          (4) *INTERNATIONAL TRADE SPECIALISTS.*—  
15          \$226,500 for 3 international trade specialists to be  
16          assigned to Customs headquarters to be dedicated to  
17          illegal textile transshipment policy issues and other  
18          free trade agreement enforcement issues.

19          (5) *PERMANENT IMPORT SPECIALISTS FOR HONG*  
20          *KONG.*—\$500,000 for 2 permanent import specialist  
21          positions and \$500,000 for 2 investigators to be as-  
22          signed to Hong Kong to work with Hong Kong and  
23          other government authorities in Southeast Asia to as-  
24          sist such authorities pursue proactive enforcement of  
25          bilateral trade agreements.

1           (6) *VARIOUS PERMANENT TRADE POSITIONS.—*  
2           *\$3,500,000 for the following:*

3                   (A) *2 permanent positions to be assigned to*  
4                   *the Customs attaché office in Central America to*  
5                   *address trade enforcement issues for that region.*

6                   (B) *2 permanent positions to be assigned to*  
7                   *the Customs attaché office in South Africa to ad-*  
8                   *dress trade enforcement issues pursuant to the*  
9                   *African Growth and Opportunity Act (title I of*  
10                   *Public Law 106–200).*

11                   (C) *4 permanent positions to be assigned to*  
12                   *the Customs attaché office in Mexico to address*  
13                   *the threat of illegal textile transshipment through*  
14                   *Mexico and other related issues under the North*  
15                   *American Free Trade Agreement Act.*

16                   (D) *2 permanent positions to be assigned to*  
17                   *the Customs attaché office in Seoul, South Korea,*  
18                   *to address the trade issues in the geographic re-*  
19                   *gion.*

20                   (E) *2 permanent positions to be assigned to*  
21                   *the proposed Customs attaché office in New*  
22                   *Delhi, India, to address the threat of illegal tex-*  
23                   *tile transshipment and other trade enforcement*  
24                   *issues.*

1           (F) 2 permanent positions to be assigned to  
2           the Customs attaché office in Rome, Italy, to ad-  
3           dress trade enforcement issues in the geographic  
4           region, including issues under free trade agree-  
5           ments with Jordan and Israel.

6           (7) ATTORNEYS.—\$179,886 for 2 attorneys for  
7           the Office of the Chief Counsel of the Customs Service  
8           to pursue cases regarding illegal textile trans-  
9           shipment.

10          (8) AUDITORS.—\$510,000 for 6 Customs audi-  
11          tors to perform internal control reviews and document  
12          and record reviews of suspect importers.

13          (9) ADDITIONAL TRAVEL FUNDS.—\$250,000 for  
14          deployment of additional textile production  
15          verification teams to sub-Saharan Africa.

16          (10) TRAINING.—(A) \$75,000 for training of  
17          Customs personnel.

18          (B) \$200,000 for training for foreign counter-  
19          parts in risk management analytical techniques and  
20          for teaching factory inspection techniques, model law  
21          Development, and enforcement techniques.

22          (11) OUTREACH.—\$60,000 for outreach efforts to  
23          United States importers.



1 **SEC. 1153. IMPLEMENTATION OF THE AFRICAN GROWTH**  
2 **AND OPPORTUNITY ACT.**

3 *Of the amount made available for fiscal year 2003*  
4 *under section 301(b)(2)(A) of the Customs Procedural Re-*  
5 *form and Simplification Act of 1978 (19 U.S.C.*  
6 *2075(b)(2)(A)), as amended by section 1111(b)(1) of this*  
7 *title, \$1,317,000 shall be available until expended for the*  
8 *Customs Service to provide technical assistance to help sub-*  
9 *Saharan Africa countries develop and implement effective*  
10 *visa and anti-transshipment systems as required by the Af-*  
11 *rican Growth and Opportunity Act (title I of Public Law*  
12 *106–200), as follows:*

13 (1) *TRAVEL FUNDS.*—\$600,000 for import spe-  
14 *cialists, special agents, and other qualified Customs*  
15 *personnel to travel to sub-Saharan Africa countries to*  
16 *provide technical assistance in developing and imple-*  
17 *menting effective visa and anti-transshipment sys-*  
18 *tems.*

19 (2) *IMPORT SPECIALISTS.*—\$266,000 for 4 im-  
20 *port specialists to be assigned to Customs head-*  
21 *quarters to be dedicated to providing technical assist-*  
22 *ance to sub-Saharan African countries for developing*  
23 *and implementing effective visa and anti-trans-*  
24 *shipment systems.*

1           (3) *DATA RECONCILIATION ANALYSTS.*—\$151,000  
2           for 2 data reconciliation analysts to review apparel  
3           shipments.

4           (4) *SPECIAL AGENTS.*—\$300,000 for 2 special  
5           agents to be assigned to Customs headquarters to be  
6           available to provide technical assistance to sub-Saha-  
7           ran African countries in the performance of investiga-  
8           tions and other enforcement initiatives.

9           ***Subtitle B—Office of the United***  
10           ***States Trade Representative***

11       ***SEC. 1161. AUTHORIZATION OF APPROPRIATIONS.***

12           (a) *IN GENERAL.*—Section 141(g)(1) of the Trade Act  
13       of 1974 (19 U.S.C. 2171(g)(1)) is amended—

14           (1) in subparagraph (A)—

15                   (A) in the matter preceding clause (i), by  
16                   striking “not to exceed”;

17                   (B) in clause (i) to read as follows:

18                   “(i) \$30,000,000 for fiscal year 2003.”; and

19                   (C) in clause (ii) to read as follows:

20                   “(ii) \$31,000,000 for fiscal year 2004.”; and

21           (2) in subparagraph (B)—

22                   (A) in clause (i), by adding “and” at the  
23                   end;

24                   (B) by striking clause (ii); and

1                   (C) by redesignating clause (iii) as clause  
2                   (ii).

3           (b) *SUBMISSION OF OUT-YEAR BUDGET PROJEC-*  
4 *TIONS.—Section 141(g) of the Trade Act of 1974 (19 U.S.C.*  
5 *2171(g)) is amended by adding at the end the following:*

6           “(3) *By not later than the date on which the President*  
7 *submits to Congress the budget of the United States Govern-*  
8 *ment for a fiscal year, the United States Trade Representa-*  
9 *tive shall submit to the Committee on Ways and Means of*  
10 *the House of Representatives and the Committee on Finance*  
11 *of the Senate the projected amount of funds for the suc-*  
12 *ceeding fiscal year that will be necessary for the Office to*  
13 *carry out its functions.”.*

14           (c) *ADDITIONAL STAFF FOR OFFICE OF ASSISTANT*  
15 *U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AF-*  
16 *FAIRS.—*

17           (1) *IN GENERAL.—There is authorized to be ap-*  
18 *propriated such sums as may be necessary for fiscal*  
19 *year 2003 for the salaries and expenses of two addi-*  
20 *tional legislative specialist employee positions within*  
21 *the Office of the Assistant United States Trade Rep-*  
22 *resentative for Congressional Affairs.*

23           (2) *AVAILABILITY.—Amounts appropriated pur-*  
24 *suant to the authorization of appropriations under*

1 paragraph (1) are authorized to remain available  
2 until expended.

3 **Subtitle C—United States**  
4 **International Trade Commission**

5 **SEC. 1171. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) *IN GENERAL.*—Section 330(e)(2)(A) of the Tariff  
7 Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

8 (1) in clause (i) to read as follows:

9 “(i) \$51,400,000 for fiscal year 2003.”; and

10 (2) in clause (ii) to read as follows:

11 “(ii) \$53,400,000 for fiscal year 2004.”.

12 (b) *SUBMISSION OF OUT-YEAR BUDGET PROJEC-*  
13 *TIONS.*—Section 330(e) of the Tariff Act of 1930 (19 U.S.C.  
14 1330(e)(2)) is amended by adding at the end the following:

15 “(4) By not later than the date on which the President  
16 submits to Congress the budget of the United States Govern-  
17 ment for a fiscal year, the Commission shall submit to the  
18 Committee on Ways and Means of the House of Representa-  
19 tives and the Committee on Finance of the Senate the pro-  
20 jected amount of funds for the succeeding fiscal year that  
21 will be necessary for the Commission to carry out its func-  
22 tions.”.

1 ***Subtitle D—Other Trade Provisions***

2 ***SEC. 1181. INCREASE IN AGGREGATE VALUE OF ARTICLES***  
3 ***EXEMPT FROM DUTY ACQUIRED ABROAD BY***  
4 ***UNITED STATES RESIDENTS.***

5 (a) *IN GENERAL.*—Subheading 9804.00.65 of the Har-  
6 monized Tariff Schedule of the United States is amended  
7 in the article description column by striking “\$400” and  
8 inserting “\$800”.

9 (b) *EFFECTIVE DATE.*—The amendment made by sub-  
10 section (a) shall take effect 90 days after the date of enact-  
11 ment of this Act.

12 ***SEC. 1182. REGULATORY AUDIT PROCEDURES.***

13 Section 509(b) of the Tariff Act of 1930 (19 U.S.C.  
14 1509(b)) is amended by adding at the end the following:

15 “(6)(A) If during the course of any audit con-  
16 cluded under this subsection, the Customs Service  
17 identifies overpayments of duties or fees or over-dec-  
18 larations of quantities or values that are within the  
19 time period and scope of the audit that the Customs  
20 Service has defined, then in calculating the loss of  
21 revenue or monetary penalties under section 592, the  
22 Customs Service shall treat the overpayments or over-  
23 declarations on finally liquidated entries as an offset  
24 to any underpayments or underdeclarations also  
25 identified on finally liquidated entries if such over-

1        *payments or over-declarations were not made by the*  
2        *person being audited for the purpose of violating any*  
3        *provision of law.*

4                *“(B) Nothing in this paragraph shall be con-*  
5        *strued to authorize a refund not otherwise authorized*  
6        *under section 520.”.*

## 7                ***Subtitle E—Sense of Senate***

### 8        ***SEC. 1191. SENSE OF SENATE.***

9                *It is the sense of the Senate that fees collected for cer-*  
10        *tain customs services (commonly referred to as “customs*  
11        *user fees”) provided for in section 13031 of the Consolidated*  
12        *Omnibus Budget Reconciliation Act of 1985 (19 U.S.C.*  
13        *58c) may be used only for the operations and programs of*  
14        *the United States Customs Service.*

## 15        ***DIVISION B—BIPARTISAN TRADE*** 16        ***PROMOTION AUTHORITY*** 17        ***TITLE XXI—TRADE PROMOTION*** 18        ***AUTHORITY***

### 19        ***SEC. 2101. SHORT TITLE; FINDINGS.***

20                *(a) SHORT TITLE.—This title may be cited as the “Bi-*  
21        *partisan Trade Promotion Authority Act of 2002”.*

22                *(b) FINDINGS.—Congress makes the following findings:*

23                        *(1) The expansion of international trade is vital*  
24        *to the national security of the United States. Trade*  
25        *is critical to the economic growth and strength of the*

1 *United States and to its leadership in the world. Sta-*  
2 *ble trading relationships promote security and pros-*  
3 *perity. Trade agreements today serve the same pur-*  
4 *poses that security pacts played during the Cold War,*  
5 *binding nations together through a series of mutual*  
6 *rights and obligations. Leadership by the United*  
7 *States in international trade fosters open markets, de-*  
8 *mocracy, and peace throughout the world.*

9 (2) *The national security of the United States*  
10 *depends on its economic security, which in turn is*  
11 *founded upon a vibrant and growing industrial base.*  
12 *Trade expansion has been the engine of economic*  
13 *growth. Trade agreements maximize opportunities for*  
14 *the critical sectors and building blocks of the economy*  
15 *of the United States, such as information technology,*  
16 *telecommunications and other leading technologies,*  
17 *basic industries, capital equipment, medical equip-*  
18 *ment, services, agriculture, environmental technology,*  
19 *and intellectual property. Trade will create new op-*  
20 *portunities for the United States and preserve the un-*  
21 *paralleled strength of the United States in economic,*  
22 *political, and military affairs. The United States, se-*  
23 *cured by expanding trade and economic opportuni-*  
24 *ties, will meet the challenges of the twenty-first cen-*  
25 *tury.*

1           (3) *Support for continued trade expansion re-*  
2           *quires that dispute settlement procedures under inter-*  
3           *national trade agreements not add to or diminish the*  
4           *rights and obligations provided in such agreements.*  
5           *Nevertheless, in several cases, dispute settlement pan-*  
6           *els and the WTO Appellate Body have added to obli-*  
7           *gations and diminished rights of the United States*  
8           *under WTO Agreements. In particular, dispute settle-*  
9           *ment panels and the Appellate Body have—*

10                   (A) *given insufficient deference to the exper-*  
11                   *tise and fact-finding of the Department of Com-*  
12                   *merce and the United States International Trade*  
13                   *Commission;*

14                   (B) *imposed an obligation concerning the*  
15                   *causal relationship between increased imports*  
16                   *into the United States and serious injury to do-*  
17                   *mestic industry necessary to support a safeguard*  
18                   *measure that is different from the obligation set*  
19                   *forth in the applicable WTO Agreements;*

20                   (C) *imposed an obligation concerning the*  
21                   *exclusion from safeguards measures of products*  
22                   *imported from countries party to a free trade*  
23                   *agreement that is different from the obligation*  
24                   *set forth in the applicable WTO Agreements;*



1           (D) imposed obligations on the Department  
2 of Commerce with respect to the use of facts  
3 available in antidumping investigations that are  
4 different from the obligations set forth in the ap-  
5 plicable WTO Agreements; and

6           (E) accorded insufficient deference to the  
7 Department of Commerce's methodology for ad-  
8 justing countervailing duties following the pri-  
9 vatization of a subsidized foreign producer.

10 **SEC. 2102. TRADE NEGOTIATING OBJECTIVES.**

11       (a) *OVERALL TRADE NEGOTIATING OBJECTIVES.*—The  
12 overall trade negotiating objectives of the United States for  
13 agreements subject to the provisions of section 2103 are—

14           (1) to obtain more open, equitable, and recip-  
15 rocal market access;

16           (2) to obtain the reduction or elimination of bar-  
17 riers and distortions that are directly related to trade  
18 and that decrease market opportunities for United  
19 States exports or otherwise distort United States  
20 trade;

21           (3) to further strengthen the system of inter-  
22 national trading disciplines and procedures, includ-  
23 ing dispute settlement;

1           (4) to foster economic growth, raise living stand-  
2           ards, and promote full employment in the United  
3           States and to enhance the global economy;

4           (5) to ensure that trade and environmental poli-  
5           cies are mutually supportive and to seek to protect  
6           and preserve the environment and enhance the inter-  
7           national means of doing so, while optimizing the use  
8           of the world's resources;

9           (6) to promote respect for worker rights and the  
10          rights of children consistent with core labor standards  
11          of the International Labor Organization (as defined  
12          in section 2113(2)) and an understanding of the rela-  
13          tionship between trade and worker rights;

14          (7) to seek provisions in trade agreements under  
15          which parties to those agreements strive to ensure that  
16          they do not weaken or reduce the protections afforded  
17          in domestic environmental and labor laws as an en-  
18          couragement for trade; and

19          (8) to ensure that trade agreements afford small  
20          businesses equal access to international markets, equi-  
21          table trade benefits, expanded export market opportu-  
22          nities, and provide for the reduction or elimination of  
23          trade barriers that disproportionately impact small  
24          business.

25          (b) *PRINCIPAL TRADE NEGOTIATING OBJECTIVES.*—

1           (1) *TRADE BARRIERS AND DISTORTIONS.*—*The*  
2           *principal negotiating objectives of the United States*  
3           *regarding trade barriers and other trade distortions*  
4           *are—*

5                     *(A) to expand competitive market opportu-*  
6                     *nities for United States exports including motor*  
7                     *vehicles and vehicle parts and to obtain fairer*  
8                     *and more open conditions of trade by reducing*  
9                     *or eliminating tariff and nontariff barriers and*  
10                    *policies and practices of foreign governments di-*  
11                    *rectly related to trade that decrease market op-*  
12                    *portunities for United States exports or other-*  
13                    *wise distort United States trade; and*

14                    *(B) to obtain reciprocal tariff and nontariff*  
15                    *barrier elimination agreements, with particular*  
16                    *attention to those tariff categories covered in sec-*  
17                    *tion 111(b) of the Uruguay Round Agreements*  
18                    *Act (19 U.S.C. 3521(b)).*

19           (2) *TRADE IN SERVICES.*—*The principal negoti-*  
20           *ating objective of the United States regarding trade in*  
21           *services is to reduce or eliminate barriers to inter-*  
22           *national trade in services, including regulatory and*  
23           *other barriers that deny national treatment and mar-*  
24           *ket access or unreasonably restrict the establishment*  
25           *or operations of service suppliers.*

1           (3) *FOREIGN INVESTMENT.*—*Recognizing that*  
2           *United States law on the whole provides a high level*  
3           *of protection for investment, consistent with or great-*  
4           *er than the level required by international law, the*  
5           *principal negotiating objectives of the United States*  
6           *regarding foreign investment are to reduce or elimi-*  
7           *nate artificial or trade-distorting barriers to trade-re-*  
8           *lated foreign investment, while ensuring that foreign*  
9           *investors in the United States are not accorded great-*  
10          *er rights than United States investors in the United*  
11          *States, and to secure for investors important rights*  
12          *comparable to those that would be available under*  
13          *United States legal principles and practice, by—*

14                   (A) *reducing or eliminating exceptions to*  
15                   *the principle of national treatment;*

16                   (B) *freeing the transfer of funds relating to*  
17                   *investments;*

18                   (C) *reducing or eliminating performance re-*  
19                   *quirements, forced technology transfers, and*  
20                   *other unreasonable barriers to the establishment*  
21                   *and operation of investments;*

22                   (D) *seeking to establish standards for expro-*  
23                   *priation and compensation for expropriation,*  
24                   *consistent with United States legal principles*  
25                   *and practice;*

1           (E) seeking to establish standards for fair  
2           and equitable treatment consistent with United  
3           States legal principles and practice, including  
4           the principle of due process;

5           (F) providing meaningful procedures for re-  
6           solving investment disputes;

7           (G) seeking to improve mechanisms used to  
8           resolve disputes between an investor and a gov-  
9           ernment through—

10           (i) mechanisms to eliminate frivolous  
11           claims and to deter the filing of frivolous  
12           claims;

13           (ii) procedures to ensure the efficient  
14           selection of arbitrators and the expeditious  
15           disposition of claims;

16           (iii) procedures to enhance opportuni-  
17           ties for public input into the formulation of  
18           government positions; and

19           (iv) establishment of a single appellate  
20           body to review decisions in investor-to-gov-  
21           ernment disputes and thereby provide coher-  
22           ence to the interpretations of investment  
23           provisions in trade agreements; and

24           (H) ensuring the fullest measure of trans-  
25           parency in the dispute settlement mechanism, to

1           *the extent consistent with the need to protect in-*  
2           *formation that is classified or business confiden-*  
3           *tial, by—*

4                     *(i) ensuring that all requests for dis-*  
5                     *pute settlement are promptly made public;*

6                     *(ii) ensuring that—*

7                             *(I) all proceedings, submissions,*  
8                             *findings, and decisions are promptly*  
9                             *made public;*

10                            *(II) all hearings are open to the*  
11                            *public; and*

12                            *(iii) establishing a mechanism for ac-*  
13                            *ceptance of amicus curiae submissions from*  
14                            *businesses, unions, and nongovernmental or-*  
15                            *ganizations.*

16           (4) *INTELLECTUAL PROPERTY.—The principal*  
17           *negotiating objectives of the United States regarding*  
18           *trade-related intellectual property are—*

19                     *(A) to further promote adequate and effec-*  
20                     *tive protection of intellectual property rights, in-*  
21                     *cluding through—*

22                            *(i)(I) ensuring accelerated and full im-*  
23                            *plementation of the Agreement on Trade-Re-*  
24                            *lated Aspects of Intellectual Property Rights*  
25                            *referred to in section 101(d)(15) of the Uru-*

1            *guay Round Agreements Act (19 U.S.C.*  
2            *3511(d)(15)), particularly with respect to*  
3            *meeting enforcement obligations under that*  
4            *agreement; and*

5            *(II) ensuring that the provisions of*  
6            *any multilateral or bilateral trade agree-*  
7            *ment governing intellectual property rights*  
8            *that is entered into by the United States re-*  
9            *fect a standard of protection similar to*  
10           *that found in United States law;*

11           *(ii) providing strong protection for*  
12           *new and emerging technologies and new*  
13           *methods of transmitting and distributing*  
14           *products embodying intellectual property;*

15           *(iii) preventing or eliminating dis-*  
16           *crimination with respect to matters affect-*  
17           *ing the availability, acquisition, scope,*  
18           *maintenance, use, and enforcement of intel-*  
19           *lectual property rights;*

20           *(iv) ensuring that standards of protec-*  
21           *tion and enforcement keep pace with techno-*  
22           *logical developments, and in particular en-*  
23           *sureing that rightholders have the legal and*  
24           *technological means to control the use of*  
25           *their works through the Internet and other*

1           *global communication media, and to pre-*  
2           *vent the unauthorized use of their works;*  
3           *and*

4                     *(v) providing strong enforcement of in-*  
5           *tellectual property rights, including through*  
6           *accessible, expeditious, and effective civil,*  
7           *administrative, and criminal enforcement*  
8           *mechanisms;*

9           *(B) to secure fair, equitable, and non-*  
10          *discriminatory market access opportunities for*  
11          *United States persons that rely upon intellectual*  
12          *property protection; and*

13                    *(C) to respect the Declaration on the TRIPS*  
14          *Agreement and Public Health, adopted by the*  
15          *World Trade Organization at the Fourth Min-*  
16          *isterial Conference at Doha, Qatar on November*  
17          *14, 2001.*

18           (5) *TRANSPARENCY.—The principal negotiating*  
19          *objective of the United States with respect to trans-*  
20          *parency is to obtain wider and broader application*  
21          *of the principle of transparency through—*

22                    *(A) increased and more timely public access*  
23          *to information regarding trade issues and the ac-*  
24          *tivities of international trade institutions;*



1           (B) increased openness at the WTO and  
2           other international trade fora by increasing pub-  
3           lic access to appropriate meetings, proceedings,  
4           and submissions, including with regard to dis-  
5           pute settlement and investment; and

6           (C) increased and more timely public access  
7           to all notifications and supporting documenta-  
8           tion submitted by parties to the WTO.

9           (6) ANTI-CORRUPTION.—The principal negoti-  
10          ating objectives of the United States with respect to  
11          the use of money or other things of value to influence  
12          acts, decisions, or omissions of foreign governments or  
13          officials or to secure any improper advantage in a  
14          manner affecting trade are—

15          (A) to obtain high standards and appro-  
16          priate domestic enforcement mechanisms appli-  
17          cable to persons from all countries participating  
18          in the applicable trade agreement that prohibit  
19          such attempts to influence acts, decisions, or  
20          omissions of foreign governments; and

21          (B) to ensure that such standards do not  
22          place United States persons at a competitive dis-  
23          advantage in international trade.

24          (7) IMPROVEMENT OF THE WTO AND MULTILAT-  
25          ERAL TRADE AGREEMENTS.—The principal negoti-

1 *ating objectives of the United States regarding the im-*  
2 *provement of the World Trade Organization, the Uru-*  
3 *guay Round Agreements, and other multilateral and*  
4 *bilateral trade agreements are—*

5 *(A) to achieve full implementation and ex-*  
6 *tend the coverage of the World Trade Organiza-*  
7 *tion and such agreements to products, sectors,*  
8 *and conditions of trade not adequately covered;*  
9 *and*

10 *(B) to expand country participation in and*  
11 *enhancement of the Information Technology*  
12 *Agreement and other trade agreements.*

13 *(8) REGULATORY PRACTICES.—The principal ne-*  
14 *gotiating objectives of the United States regarding the*  
15 *use of government regulation or other practices by for-*  
16 *ign governments to provide a competitive advantage*  
17 *to their domestic producers, service providers, or in-*  
18 *vestors and thereby reduce market access for United*  
19 *States goods, services, and investments are—*

20 *(A) to achieve increased transparency and*  
21 *opportunity for the participation of affected par-*  
22 *ties in the development of regulations;*

23 *(B) to require that proposed regulations be*  
24 *based on sound science, cost-benefit analysis, risk*  
25 *assessment, or other objective evidence;*

1           (C) to establish consultative mechanisms  
2 among parties to trade agreements to promote  
3 increased transparency in developing guidelines,  
4 rules, regulations, and laws for government pro-  
5 curement and other regulatory regimes; and

6           (D) to achieve the elimination of govern-  
7 ment measures such as price controls and ref-  
8 erence pricing which deny full market access for  
9 United States products.

10          (9) *ELECTRONIC COMMERCE.*—The principal ne-  
11 gotiating objectives of the United States with respect  
12 to electronic commerce are—

13           (A) to ensure that current obligations, rules,  
14 disciplines, and commitments under the World  
15 Trade Organization apply to electronic com-  
16 merce;

17           (B) to ensure that—

18           (i) electronically delivered goods and  
19 services receive no less favorable treatment  
20 under trade rules and commitments than  
21 like products delivered in physical form;  
22 and

23           (ii) the classification of such goods and  
24 services ensures the most liberal trade treat-  
25 ment possible;

1           (C) to ensure that governments refrain from  
2           implementing trade-related measures that im-  
3           pede electronic commerce;

4           (D) where legitimate policy objectives re-  
5           quire domestic regulations that affect electronic  
6           commerce, to obtain commitments that any such  
7           regulations are the least restrictive on trade,  
8           nondiscriminatory, and transparent, and pro-  
9           mote an open market environment; and

10          (E) to extend the moratorium of the World  
11          Trade Organization on duties on electronic  
12          transmissions.

13          (10) *RECIPROCAL TRADE IN AGRICULTURE.*—

14           (A) *IN GENERAL.*—*The principal negoti-*  
15           *ating objective of the United States with respect*  
16           *to agriculture is to obtain competitive opportuni-*  
17           *ties for United States exports of agricultural*  
18           *commodities in foreign markets substantially*  
19           *equivalent to the competitive opportunities af-*  
20           *forded foreign exports in United States markets*  
21           *and to achieve fairer and more open conditions*  
22           *of trade in bulk, specialty crop, and value-added*  
23           *commodities by—*

24                   (i) *reducing or eliminating, by a date*  
25                   *certain, tariffs or other charges that de-*

1           crease market opportunities for United  
2           States exports—

3                   (I) giving priority to those prod-  
4                   ucts that are subject to significantly  
5                   higher tariffs or subsidy regimes of  
6                   major producing countries; and

7                   (II) providing reasonable adjust-  
8                   ment periods for United States import-  
9                   sensitive products, in close consultation  
10                  with the Congress on such products be-  
11                  fore initiating tariff reduction negotia-  
12                  tions;

13                  (ii) reducing tariffs to levels that are  
14                  the same as or lower than those in the  
15                  United States;

16                  (iii) seeking to eliminate all export  
17                  subsidies on agricultural commodities while  
18                  maintaining bona fide food aid and pre-  
19                  serving United States agricultural market  
20                  development and export credit programs  
21                  that allow the United States to compete  
22                  with other foreign export promotion efforts;

23                  (iv) allowing the preservation of pro-  
24                  grams that support family farms and rural  
25                  communities but do not distort trade;

1           (v) *developing disciplines for domestic*  
2           *support programs, so that production that*  
3           *is in excess of domestic food security needs*  
4           *is sold at world prices;*

5           (vi) *eliminating Government policies*  
6           *that create price-depressing surpluses;*

7           (vii) *eliminating state trading enter-*  
8           *prises whenever possible;*

9           (viii) *developing, strengthening, and*  
10           *clarifying rules and effective dispute settle-*  
11           *ment mechanisms to eliminate practices*  
12           *that unfairly decrease United States market*  
13           *access opportunities or distort agricultural*  
14           *markets to the detriment of the United*  
15           *States, particularly with respect to import-*  
16           *sensitive products, including—*

17                   (I) *unfair or trade-distorting ac-*  
18                   *tivities of state trading enterprises and*  
19                   *other administrative mechanisms, with*  
20                   *emphasis on requiring price trans-*  
21                   *parency in the operation of state trad-*  
22                   *ing enterprises and such other mecha-*  
23                   *nisms in order to end cross subsidiza-*  
24                   *tion, price discrimination, and price*  
25                   *undercutting;*

1                   (II) *unjustified trade restrictions*  
2                   *or commercial requirements, such as*  
3                   *labeling, that affect new technologies,*  
4                   *including biotechnology;*

5                   (III) *unjustified sanitary or*  
6                   *phytosanitary restrictions, including*  
7                   *those not based on scientific principles*  
8                   *in contravention of the Uruguay*  
9                   *Round Agreements;*

10                  (IV) *other unjustified technical*  
11                  *barriers to trade; and*

12                  (V) *restrictive rules in the admin-*  
13                  *istration of tariff rate quotas;*

14                  (ix) *eliminating practices that ad-*  
15                  *versely affect trade in perishable or cyclical*  
16                  *products, while improving import relief*  
17                  *mechanisms to recognize the unique charac-*  
18                  *teristics of perishable and cyclical agri-*  
19                  *culture;*

20                  (x) *ensuring that the use of import re-*  
21                  *lief mechanisms for perishable and cyclical*  
22                  *agriculture are as accessible and timely to*  
23                  *growers in the United States as those mech-*  
24                  *anisms that are used by other countries;*

1           *(xi) taking into account whether a*  
2           *party to the negotiations has failed to ad-*  
3           *here to the provisions of already existing*  
4           *trade agreements with the United States or*  
5           *has circumvented obligations under those*  
6           *agreements;*

7           *(xii) taking into account whether a*  
8           *product is subject to market distortions by*  
9           *reason of a failure of a major producing*  
10          *country to adhere to the provisions of al-*  
11          *ready existing trade agreements with the*  
12          *United States or by the circumvention by*  
13          *that country of its obligations under those*  
14          *agreements;*

15          *(xiii) otherwise ensuring that countries*  
16          *that accede to the World Trade Organiza-*  
17          *tion have made meaningful market liberal-*  
18          *ization commitments in agriculture;*

19          *(xiv) taking into account the impact*  
20          *that agreements covering agriculture to*  
21          *which the United States is a party, includ-*  
22          *ing the North American Free Trade Agree-*  
23          *ment, have on the United States agricul-*  
24          *tural industry;*



1           *(xv) maintaining bona fide food assist-*  
2           *ance programs and preserving United*  
3           *States market development and export cred-*  
4           *it programs; and*

5           *(xvi) strive to complete a general mul-*  
6           *tilateral round in the World Trade Organi-*  
7           *zation by January 1, 2005, and seek the*  
8           *broadest market access possible in multilat-*  
9           *eral, regional, and bilateral negotiations,*  
10          *recognizing the effect that simultaneous sets*  
11          *of negotiations may have on United States*  
12          *import-sensitive commodities (including*  
13          *those subject to tariff-rate quotas).*

14          *(B) CONSULTATION.—*

15           *(i) BEFORE COMMENCING NEGOTIA-*  
16           *TIONS.—Before commencing negotiations*  
17           *with respect to agriculture, the United*  
18           *States Trade Representative, in consulta-*  
19           *tion with the Congress, shall seek to develop*  
20           *a position on the treatment of seasonal and*  
21           *perishable agricultural products to be em-*  
22           *ployed in the negotiations in order to de-*  
23           *velop an international consensus on the*  
24           *treatment of seasonal or perishable agricul-*  
25           *tural products in investigations relating to*

1           *dumping and safeguards and in any other*  
2           *relevant area.*

3           (ii) *DURING NEGOTIATIONS.*—*During*  
4           *any negotiations on agricultural subsidies,*  
5           *the United States Trade Representative*  
6           *shall seek to establish the common base year*  
7           *for calculating the Aggregated Measurement*  
8           *of Support (as defined in the Agreement on*  
9           *Agriculture) as the end of each country's*  
10           *Uruguay Round implementation period, as*  
11           *reported in each country's Uruguay Round*  
12           *market access schedule.*

13           (iii) *SCOPE OF OBJECTIVE.*—*The nego-*  
14           *tiating objective provided in subparagraph*  
15           *(A) applies with respect to agricultural*  
16           *matters to be addressed in any trade agree-*  
17           *ment entered into under section 2103 (a) or*  
18           *(b), including any trade agreement entered*  
19           *into under section 2103 (a) or (b) that pro-*  
20           *vides for accession to a trade agreement to*  
21           *which the United States is already a party,*  
22           *such as the North American Free Trade*  
23           *Agreement and the United States-Canada*  
24           *Free Trade Agreement.*

1           (11) *LABOR AND THE ENVIRONMENT.*—*The prin-*  
2           *cipal negotiating objectives of the United States with*  
3           *respect to labor and the environment are—*

4                   (A) *to ensure that a party to a trade agree-*  
5                   *ment with the United States does not fail to ef-*  
6                   *fectively enforce its environmental or labor laws,*  
7                   *through a sustained or recurring course of action*  
8                   *or inaction, in a manner affecting trade between*  
9                   *the United States and that party after entry into*  
10                  *force of a trade agreement between those coun-*  
11                  *tries;*

12                  (B) *to recognize that parties to a trade*  
13                  *agreement retain the right to exercise discretion*  
14                  *with respect to investigatory, prosecutorial, regu-*  
15                  *latory, and compliance matters and to make de-*  
16                  *isions regarding the allocation of resources to*  
17                  *enforcement with respect to other labor or envi-*  
18                  *ronmental matters determined to have higher*  
19                  *priorities, and to recognize that a country is ef-*  
20                  *fectively enforcing its laws if a course of action*  
21                  *or inaction reflects a reasonable exercise of such*  
22                  *discretion, or results from a bona fide decision*  
23                  *regarding the allocation of resources and no re-*  
24                  *taliation may be authorized based on the exercise*  
25                  *of these rights or the right to establish domestic*

1           *labor standards and levels of environmental pro-*  
2           *tection;*

3           (C) *to strengthen the capacity of United*  
4           *States trading partners to promote respect for*  
5           *core labor standards (as defined in section*  
6           *2113(2));*

7           (D) *to strengthen the capacity of United*  
8           *States trading partners to protect the environ-*  
9           *ment through the promotion of sustainable devel-*  
10          *opment;*

11          (E) *to reduce or eliminate government prac-*  
12          *tices or policies that unduly threaten sustainable*  
13          *development;*

14          (F) *to seek market access, through the elimi-*  
15          *nation of tariffs and nontariff barriers, for*  
16          *United States environmental technologies, goods,*  
17          *and services; and*

18          (G) *to ensure that labor, environmental,*  
19          *health, or safety policies and practices of the*  
20          *parties to trade agreements with the United*  
21          *States do not arbitrarily or unjustifiably dis-*  
22          *criminate against United States exports or serve*  
23          *as disguised barriers to trade.*

24          (12) *HUMAN RIGHTS AND DEMOCRACY.—The*  
25          *principal negotiating objective regarding human*

1 *rights and democracy is to obtain provisions in trade*  
2 *agreements that require parties to those agreements to*  
3 *strive to protect internationally recognized civil, po-*  
4 *litical, and human rights.*

5 (13) *DISPUTE SETTLEMENT AND ENFORCE-*  
6 *MENT.—The principal negotiating objectives of the*  
7 *United States with respect to dispute settlement and*  
8 *enforcement of trade agreements are—*

9 (A) *to seek provisions in trade agreements*  
10 *providing for resolution of disputes between gov-*  
11 *ernments under those trade agreements in an ef-*  
12 *fective, timely, transparent, equitable, and rea-*  
13 *soned manner, requiring determinations based*  
14 *on facts and the principles of the agreements,*  
15 *with the goal of increasing compliance with the*  
16 *agreements;*

17 (B) *to seek to strengthen the capacity of the*  
18 *Trade Policy Review Mechanism of the World*  
19 *Trade Organization to review compliance with*  
20 *commitments;*

21 (C) *to seek improved adherence by panels*  
22 *convened under the WTO Understanding on*  
23 *Rules and Procedures Governing the Settlement*  
24 *of Disputes and by the WTO Appellate Body to*  
25 *the standard of review applicable under the*

1            *WTO Agreement involved in the dispute, includ-*  
2            *ing greater deference, where appropriate, to the*  
3            *fact finding and technical expertise of national*  
4            *investigating authorities;*

5            *(D) to seek provisions encouraging the early*  
6            *identification and settlement of disputes through*  
7            *consultation;*

8            *(E) to seek provisions to encourage the pro-*  
9            *vision of trade-expanding compensation if a*  
10           *party to a dispute under the agreement does not*  
11           *come into compliance with its obligations under*  
12           *the agreement;*

13           *(F) to seek provisions to impose a penalty*  
14           *upon a party to a dispute under the agreement*  
15           *that—*

16                    *(i) encourages compliance with the ob-*  
17                    *ligations of the agreement;*

18                    *(ii) is appropriate to the parties, na-*  
19                    *ture, subject matter, and scope of the viola-*  
20                    *tion; and*

21                    *(iii) has the aim of not adversely af-*  
22                    *fecting parties or interests not party to the*  
23                    *dispute while maintaining the effectiveness*  
24                    *of the enforcement mechanism; and*

1           (G) to seek provisions that treat United  
2 States principal negotiating objectives equally  
3 with respect to—

4           (i) the ability to resort to dispute set-  
5 tlement under the applicable agreement;

6           (ii) the availability of equivalent dis-  
7 pute settlement procedures; and

8           (iii) the availability of equivalent rem-  
9 edies.

10           (14) *BORDER TAXES.*—The principal negotiating  
11 objective of the United States regarding border taxes  
12 is to obtain a revision of the WTO rules with respect  
13 to the treatment of border adjustments for internal  
14 taxes to redress the disadvantage to countries relying  
15 primarily on direct taxes for revenue rather than in-  
16 direct taxes.

17           (15) *WTO EXTENDED NEGOTIATIONS.*—The  
18 principal negotiating objectives of the United States  
19 regarding trade in civil aircraft are those set forth in  
20 section 135(c) of the Uruguay Round Agreements Act  
21 (19 U.S.C. 3355(c)) and regarding rules of origin are  
22 the conclusion of an agreement described in section  
23 132 of that Act (19 U.S.C. 3552).

24           (16) *TEXTILE NEGOTIATIONS.*—

1           (A) *IN GENERAL.*—*The principal negoti-*  
2 *ating objectives of the United States with respect*  
3 *to trade in textiles and apparel articles is to ob-*  
4 *tain competitive opportunities for United States*  
5 *exports of textiles and apparel in foreign markets*  
6 *substantially equivalent to the competitive op-*  
7 *portunities afforded foreign exports in United*  
8 *States markets and to achieve fairer and more*  
9 *open conditions of trade in textiles and apparel*  
10 *by—*

11                   (i) *reducing to levels that are the same*  
12 *as, or lower than, those in the United*  
13 *States, or eliminating, by a date certain,*  
14 *tariffs or other charges that decrease market*  
15 *opportunities for United States exports of*  
16 *textiles and apparel;*

17                   (ii) *eliminating by a date certain non-*  
18 *tariff barriers that decrease market opportu-*  
19 *nities for United States textile and apparel*  
20 *articles;*

21                   (iii) *reducing or eliminating subsidies*  
22 *that decrease market opportunities for*  
23 *United States exports or unfairly distort*  
24 *textile and apparel markets to the detriment*  
25 *of the United States;*



1           (iv) *developing, strengthening, and*  
2           *clarifying rules to eliminate practices that*  
3           *unfairly decrease United States market ac-*  
4           *cess opportunities or distort textile and ap-*  
5           *parel markets to the detriment of the United*  
6           *States;*

7           (v) *taking into account whether a*  
8           *party to the negotiations has failed to ad-*  
9           *here to the provisions of already existing*  
10          *trade agreements with the United States or*  
11          *has circumvented obligations under those*  
12          *agreements;*

13          (vi) *taking into account whether a*  
14          *product is subject to market distortions by*  
15          *reason of a failure of a major producing*  
16          *country to adhere to the provisions of al-*  
17          *ready existing trade agreements with the*  
18          *United States or by the circumvention by*  
19          *that country of its obligations under those*  
20          *agreements;*

21          (vii) *otherwise ensuring that countries*  
22          *that accede to the World Trade Organiza-*  
23          *tion have made meaningful market liberal-*  
24          *ization commitments in textiles and ap-*  
25          *parel; and*

1                   *(viii) taking into account the impact*  
2                   *that agreements covering textiles and ap-*  
3                   *parel trade to which the United States is al-*  
4                   *ready a party are having on the United*  
5                   *States textile and apparel industry.*

6                   *(B) SCOPE OF OBJECTIVE.—The negotiating*  
7                   *objectives set forth in subparagraph (A) apply*  
8                   *with respect to trade in textile and apparel arti-*  
9                   *cles to be addressed in any trade agreement en-*  
10                  *tered into under section 2103 (a) or (b), includ-*  
11                  *ing any trade agreement entered under section*  
12                  *2103 (a) or (b) that provides for accession to a*  
13                  *trade agreement to which the United States is al-*  
14                  *ready a party.*

15                  *(17) WORST FORMS OF CHILD LABOR.—The*  
16                  *principal negotiating objectives of the United States*  
17                  *regarding the trade-related aspects of the worst forms*  
18                  *of child labor are—*

19                         *(A) to prevent distortions in the conduct of*  
20                         *international trade caused by the use of the*  
21                         *worst forms of child labor, in whole or in part,*  
22                         *in the production of goods for export in inter-*  
23                         *national commerce; and*

24                         *(B) to redress unfair and illegitimate com-*  
25                         *petition based upon the use of the worst forms of*

1            *child labor, in whole or in part, in the produc-*  
2            *tion of goods for export in international com-*  
3            *merce, including through—*

4                    *(i) promoting universal ratification*  
5                    *and full compliance by all trading nations*  
6                    *with ILO Convention No. 182 Concerning*  
7                    *the Prohibition and Immediate Action for*  
8                    *the Elimination of the Worst Forms of*  
9                    *Child Labor, particularly with respect to*  
10                   *meeting enforcement obligations under that*  
11                   *Convention and related international agree-*  
12                   *ments;*

13                   *(ii) pursuing action under Article XX*  
14                   *of GATT 1994 to allow WTO members to*  
15                   *restrict imports of goods found to be pro-*  
16                   *duced with the worst forms of child labor;*

17                   *(iii) seeking commitments by parties to*  
18                   *any multilateral or bilateral trade agree-*  
19                   *ment that is entered into by the United*  
20                   *States to ensure that national laws reflect*  
21                   *international standards regarding preven-*  
22                   *tion of the use of the worst forms of child*  
23                   *labor, especially in the conduct of inter-*  
24                   *national trade; and*

1                   (iv) seeking commitments by trade  
2                   agreement parties to vigorously enforce laws  
3                   prohibiting the use of the worst forms of  
4                   child labor, especially in the conduct of  
5                   international trade, through accessible, ex-  
6                   peditious, and effective civil, administra-  
7                   tive, and criminal enforcement mechanisms.

8           (c) *PROMOTION OF CERTAIN PRIORITIES.*—In order to  
9 address and maintain United States competitiveness in the  
10 global economy, the President shall—

11                   (1) seek greater cooperation between the WTO  
12                   and the ILO;

13                   (2) seek to establish consultative mechanisms  
14                   among parties to trade agreements to strengthen the  
15                   capacity of United States trading partners to promote  
16                   respect for core labor standards (as defined in section  
17                   2113(2)), and report to the Committee on Ways and  
18                   Means of the House of Representatives and the Com-  
19                   mittee on Finance of the Senate on the content and  
20                   operation of such mechanisms;

21                   (3) seek to establish consultative mechanisms  
22                   among parties to trade agreements to strengthen the  
23                   capacity of United States trading partners to develop  
24                   and implement standards for the protection of the en-  
25                   vironment and human health based on sound science,

1       *and report to the Committee on Ways and Means of*  
2       *the House of Representatives and the Committee on*  
3       *Finance of the Senate on the content and operation*  
4       *of such mechanisms;*

5           (4) *conduct environmental reviews of future*  
6       *trade and investment agreements, consistent with Ex-*  
7       *ecutive Order 13141 of November 16, 1999 and the*  
8       *relevant guidelines, and report to the Committee on*  
9       *Ways and Means of the House of Representatives and*  
10       *the Committee on Finance of the Senate on such re-*  
11       *views;*

12           (5) *review the impact of future trade agreements*  
13       *on United States employment, modeled after Execu-*  
14       *tive Order 13141, taking into account the impact on*  
15       *job security, the level of compensation of new jobs and*  
16       *existing jobs, the displacement of employment, and the*  
17       *regional distribution of employment, utilizing experi-*  
18       *ence from previous trade agreements and alternative*  
19       *models of employment analysis, report to the Com-*  
20       *mittee on Ways and Means of the House of Represent-*  
21       *atives and the Committee on Finance of the Senate on*  
22       *such review, and make that report available to the*  
23       *public;*

24           (6) *take into account other legitimate United*  
25       *States domestic objectives including, but not limited*

1       to, the protection of legitimate health or safety, essen-  
2       tial security, and consumer interests and the law and  
3       regulations related thereto;

4               (7) have the Secretary of Labor consult with any  
5       country seeking a trade agreement with the United  
6       States concerning that country's labor laws and pro-  
7       vide technical assistance to that country if needed;

8               (8) in connection with any trade negotiations  
9       entered into under this Act, the President shall submit  
10      to the Committee on Ways and Means of the House  
11      of Representatives and the Committee on Finance of  
12      the Senate a meaningful labor rights report of the  
13      country, or countries, with respect to which the Presi-  
14      dent is negotiating, on a time frame determined in  
15      accordance with section 2107(b)(2)(E);

16              (9)(A) preserve the ability of the United States  
17      to enforce rigorously its trade laws, including the  
18      antidumping, countervailing duty, and safeguard  
19      laws, and avoid agreements that lessen the effective-  
20      ness of domestic and international disciplines on un-  
21      fair trade, especially dumping and subsidies, or that  
22      lessen the effectiveness of domestic and international  
23      safeguard provisions, in order to ensure that United  
24      States workers, agricultural producers, and firms can

1 *compete fully on fair terms and enjoy the benefits of*  
2 *reciprocal trade concessions; and*

3 *(B) address and remedy market distortions that*  
4 *lead to dumping and subsidization, including over-*  
5 *capacity, cartelization, and market-access barriers.*

6 *(10) continue to promote consideration of multi-*  
7 *lateral environmental agreements and consult with*  
8 *parties to such agreements regarding the consistency*  
9 *of any such agreement that includes trade measures*  
10 *with existing environmental exceptions under Article*  
11 *XX of the GATT 1994;*

12 *(11) report to the Committee on Ways and*  
13 *Means of the House of Representatives and the Com-*  
14 *mittee on Finance of the Senate, not later than 12*  
15 *months after the imposition of a penalty or remedy*  
16 *by the United States permitted by a trade agreement*  
17 *to which this title applies, on the effectiveness of the*  
18 *penalty or remedy applied under United States law*  
19 *in enforcing United States rights under the trade*  
20 *agreement; and*

21 *(12) seek to establish consultative mechanisms*  
22 *among parties to trade agreements to examine the*  
23 *trade consequences of significant and unanticipated*  
24 *currency movements and to scrutinize whether a for-*  
25 *foreign government engaged in a pattern of manipu-*

1        *lating its currency to promote a competitive advan-*  
2        *tage in international trade.*

3        *The report required under paragraph (11) shall address*  
4        *whether the penalty or remedy was effective in changing*  
5        *the behavior of the targeted party and whether the penalty*  
6        *or remedy had any adverse impact on parties or interests*  
7        *not party to the dispute.*

8        *(d) CONSULTATIONS.—*

9                *(1) CONSULTATIONS WITH CONGRESSIONAL AD-*  
10              *VISERS.—In the course of negotiations conducted*  
11              *under this title, the United States Trade Representa-*  
12              *tive shall consult closely and on a timely basis with,*  
13              *and keep fully apprised of the negotiations, the Con-*  
14              *gressional Oversight Group convened under section*  
15              *2107 and all committees of the House of Representa-*  
16              *tives and the Senate with jurisdiction over laws that*  
17              *would be affected by a trade agreement resulting from*  
18              *the negotiations.*

19              *(2) CONSULTATION BEFORE AGREEMENT INI-*  
20              *TIALED.—In the course of negotiations conducted*  
21              *under this title, the United States Trade Representa-*  
22              *tive shall—*

23                      *(A) consult closely and on a timely basis*  
24                      *(including immediately before initialing an*  
25                      *agreement) with, and keep fully apprised of the*



1           *negotiations, the congressional advisers for trade*  
2           *policy and negotiations appointed under section*  
3           *161 of the Trade Act of 1974 (19 U.S.C. 2211),*  
4           *the Committee on Ways and Means of the House*  
5           *of Representatives, the Committee on Finance of*  
6           *the Senate, and the Congressional Oversight*  
7           *Group convened under section 2107; and*

8           *(B) with regard to any negotiations and*  
9           *agreement relating to agricultural trade, also*  
10          *consult closely and on a timely basis (including*  
11          *immediately before initialing an agreement)*  
12          *with, and keep fully apprised of the negotiations,*  
13          *the Committee on Agriculture of the House of*  
14          *Representatives and the Committee on Agri-*  
15          *culture, Nutrition, and Forestry of the Senate.*

16          *(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY*  
17          *ROUND AGREEMENTS.—In determining whether to enter*  
18          *into negotiations with a particular country, the President*  
19          *shall take into account the extent to which that country has*  
20          *implemented, or has accelerated the implementation of, its*  
21          *obligations under the Uruguay Round Agreements.*

22          **SEC. 2103. TRADE AGREEMENTS AUTHORITY.**

23          *(a) AGREEMENTS REGARDING TARIFF BARRIERS.—*

24                  *(1) IN GENERAL.—Whenever the President deter-*  
25          *mines that one or more existing duties or other im-*

1 *port restrictions of any foreign country or the United*  
2 *States are unduly burdening and restricting the for-*  
3 *ign trade of the United States and that the purposes,*  
4 *policies, priorities, and objectives of this title will be*  
5 *promoted thereby, the President—*

6 *(A) may enter into trade agreements with*  
7 *foreign countries before—*

8 *(i) June 1, 2005; or*

9 *(ii) June 1, 2007, if trade authorities*  
10 *procedures are extended under subsection*  
11 *(c); and*

12 *(B) may, subject to paragraphs (2) and (3),*  
13 *proclaim—*

14 *(i) such modification or continuance of*  
15 *any existing duty,*

16 *(ii) such continuance of existing duty-*  
17 *free or excise treatment, or*

18 *(iii) such additional duties,*

19 *as the President determines to be required or ap-*  
20 *propriate to carry out any such trade agreement.*

21 *The President shall notify the Congress of the Presi-*  
22 *dent's intention to enter into an agreement under this*  
23 *subsection.*

24 *(2) LIMITATIONS.—No proclamation may be*  
25 *made under paragraph (1) that—*

1           (A) reduces any rate of duty (other than a  
2           rate of duty that does not exceed 5 percent *ad va-*  
3           *lorem* on the date of the enactment of this Act)  
4           to a rate of duty which is less than 50 percent  
5           of the rate of such duty that applies on such date  
6           of enactment;

7           (B) reduces the rate of duty below that ap-  
8           plicable under the Uruguay Round Agreements,  
9           on any import sensitive agricultural product; or

10          (C) increases any rate of duty above the  
11          rate that applied on the date of the enactment of  
12          this Act.

13          (3) *AGGREGATE REDUCTION; EXEMPTION FROM*  
14          *STAGING.*—

15               (A) *AGGREGATE REDUCTION.*—*Except as*  
16               *provided in subparagraph (B), the aggregate re-*  
17               *duction in the rate of duty on any article which*  
18               *is in effect on any day pursuant to a trade*  
19               *agreement entered into under paragraph (1)*  
20               *shall not exceed the aggregate reduction which*  
21               *would have been in effect on such day if—*

22                       (i) a reduction of 3 percent *ad valorem*  
23                       or a reduction of one-tenth of the total re-  
24                       duction, whichever is greater, had taken ef-  
25                       fect on the effective date of the first reduc-

1            *tion proclaimed under paragraph (1) to*  
2            *carry out such agreement with respect to*  
3            *such article; and*

4            *(ii) a reduction equal to the amount*  
5            *applicable under clause (i) had taken effect*  
6            *at 1-year intervals after the effective date of*  
7            *such first reduction.*

8            *(B) EXEMPTION FROM STAGING.—No stag-*  
9            *ing is required under subparagraph (A) with re-*  
10           *spect to a duty reduction that is proclaimed*  
11           *under paragraph (1) for an article of a kind*  
12           *that is not produced in the United States. The*  
13           *United States International Trade Commission*  
14           *shall advise the President of the identity of arti-*  
15           *cles that may be exempted from staging under*  
16           *this subparagraph.*

17           *(4) ROUNDING.—If the President determines that*  
18           *such action will simplify the computation of reduc-*  
19           *tions under paragraph (3), the President may round*  
20           *an annual reduction by an amount equal to the lesser*  
21           *of—*

22           *(A) the difference between the reduction*  
23           *without regard to this paragraph and the next*  
24           *lower whole number; or*

25           *(B) one-half of 1 percent ad valorem.*

1           (5) *OTHER LIMITATIONS.*—A rate of duty reduc-  
2           tion that may not be proclaimed by reason of para-  
3           graph (2) may take effect only if a provision author-  
4           izing such reduction is included within an imple-  
5           menting bill provided for under section 2105 and that  
6           bill is enacted into law.

7           (6) *OTHER TARIFF MODIFICATIONS.*—Notwith-  
8           standing paragraphs (1)(B), (2)(A), (2)(C), and (3)  
9           through (5), and subject to the consultation and lay-  
10          over requirements of section 115 of the Uruguay  
11          Round Agreements Act, the President may proclaim  
12          the modification of any duty or staged rate reduction  
13          of any duty set forth in Schedule XX, as defined in  
14          section 2102(5) of that Act, if the United States  
15          agrees to such modification or staged rate reduction  
16          in a negotiation for the reciprocal elimination or har-  
17          monization of duties under the auspices of the World  
18          Trade Organization.

19          (7) *AUTHORITY UNDER URUGUAY ROUND AGREE-*  
20          *MENTS ACT NOT AFFECTED.*—Nothing in this sub-  
21          section shall limit the authority provided to the Presi-  
22          dent under section 111(b) of the Uruguay Round  
23          Agreements Act (19 U.S.C. 3521(b)).

24          (b) *AGREEMENTS REGARDING TARIFF AND NONTARIFF*  
25          *BARRIERS.*—

1 (1) *IN GENERAL.*—

2 (A) *DETERMINATION BY PRESIDENT.*—

3 *Whenever the President determines that—*

4 (i) *one or more existing duties or any*  
5 *other import restriction of any foreign*  
6 *country or the United States or any other*  
7 *barrier to, or other distortion of, inter-*  
8 *national trade unduly burdens or restricts*  
9 *the foreign trade of the United States or ad-*  
10 *versely affects the United States economy; or*

11 (ii) *the imposition of any such barrier*  
12 *or distortion is likely to result in such a*  
13 *burden, restriction, or effect;*

14 *and that the purposes, policies, priorities, and*  
15 *objectives of this title will be promoted thereby,*  
16 *the President may enter into a trade agreement*  
17 *described in subparagraph (B) during the period*  
18 *described in subparagraph (C).*

19 (B) *AGREEMENT TO REDUCE OR ELIMINATE*  
20 *CERTAIN DISTORTION.*—*The President may enter*  
21 *into a trade agreement under subparagraph (A)*  
22 *with foreign countries providing for—*

23 (i) *the reduction or elimination of a*  
24 *duty, restriction, barrier, or other distortion*  
25 *described in subparagraph (A), or*

1                   (ii) the prohibition of, or limitation on  
2                   the imposition of, such barrier or other dis-  
3                   tortion.

4                   (C) *TIME PERIOD.*—The President may  
5                   enter into a trade agreement under this para-  
6                   graph before—

7                               (i) June 1, 2005; or

8                               (ii) June 1, 2007, if trade authorities  
9                   procedures are extended under subsection  
10                   (c).

11                   (2) *CONDITIONS.*—A trade agreement may be en-  
12                   tered into under this subsection only if such agree-  
13                   ment makes progress in meeting the applicable objec-  
14                   tives described in section 2102 (a) and (b) and the  
15                   President satisfies the conditions set forth in section  
16                   2104.

17                   (3) *BILLS QUALIFYING FOR TRADE AUTHORITIES*  
18                   *PROCEDURES.*—

19                               (A) *APPLICATION OF EXPEDITED PROCE-*  
20                   *DURES.*—The provisions of section 151 of the  
21                   Trade Act of 1974 (in this title referred to as  
22                   “trade authorities procedures”) apply to a bill of  
23                   either House of Congress which contains provi-  
24                   sions described in subparagraph (B) to the same  
25                   extent as such section 151 applies to imple-

1           *menting bills under that section. A bill to which*  
2           *this paragraph applies shall hereafter in this*  
3           *title be referred to as an “implementing bill”.*

4           *(B) PROVISIONS DESCRIBED.—The provi-*  
5           *sions referred to in subparagraph (A) are—*

6                   *(i) a provision approving a trade*  
7                   *agreement entered into under this subsection*  
8                   *and approving the statement of administra-*  
9                   *tive action, if any, proposed to implement*  
10                  *such trade agreement; and*

11                  *(ii) if changes in existing laws or new*  
12                  *statutory authority are required to imple-*  
13                  *ment such trade agreement or agreements,*  
14                  *provisions, necessary or appropriate to im-*  
15                  *plement such trade agreement or agree-*  
16                  *ments, either repealing or amending exist-*  
17                  *ing laws or providing new statutory author-*  
18                  *ity.*

19           *(4) LIMITATIONS ON TRADE AUTHORITIES PRO-*  
20           *CEDURES.—*

21                  *(A) IN GENERAL.—Notwithstanding any*  
22                  *other provision of law, the provisions of section*  
23                  *151 of the Trade Act of 1974 (trade authorities*  
24                  *procedures) shall not apply to any provision in*  
25                  *an implementing bill being considered by the*



1           *Senate that modifies or amends, or requires a*  
2           *modification of, or an amendment to, any law of*  
3           *the United States that provides safeguards from*  
4           *unfair foreign trade practices to United States*  
5           *businesses or workers, including—*

6                     *(i) imposition of countervailing and*  
7                     *antidumping duties (title VII of the Tariff*  
8                     *Act of 1930; 19 U.S.C. 1671 et seq.);*

9                     *(ii) protection from unfair methods of*  
10                    *competition and unfair acts in the importa-*  
11                    *tion of articles (section 337 of the Tariff Act*  
12                    *of 1930; 19 U.S.C. 1337);*

13                    *(iii) relief from injury caused by im-*  
14                    *port competition (title II of the Trade Act*  
15                    *of 1974; 19 U.S.C. 2251 et seq.);*

16                    *(iv) relief from unfair trade practices*  
17                    *(title III of the Trade Act of 1974; 19*  
18                    *U.S.C. 2411 et seq.); or*

19                    *(v) national security import restric-*  
20                    *tions (section 232 of the Trade Expansion*  
21                    *Act of 1962; 19 U.S.C. 1862).*

22            *(B) POINT OF ORDER IN SENATE.—*

23                    *(i) IN GENERAL.—When the Senate is*  
24                    *considering an implementing bill, upon a*  
25                    *point of order being made by any Senator*

1           *against any part of the implementing bill*  
2           *that contains material in violation of sub-*  
3           *paragraph (A), and the point of order is*  
4           *sustained by the Presiding Officer, the part*  
5           *of the implementing bill against which the*  
6           *point of order is sustained shall be stricken*  
7           *from the bill.*

8           (ii) *WAIVERS AND APPEALS.—*

9           (I) *WAIVERS.—Before the Pre-*  
10          *siding Officer rules on a point of order*  
11          *described in clause (i), any Senator*  
12          *may move to waive the point of order*  
13          *and the motion to waive shall not be*  
14          *subject to amendment. A point of order*  
15          *described in clause (i) is waived only*  
16          *by the affirmative vote of a majority of*  
17          *the Members of the Senate, duly chosen*  
18          *and sworn.*

19          (II) *APPEALS.—After the Pre-*  
20          *siding Officer rules on a point of order*  
21          *under this subparagraph, any Senator*  
22          *may appeal the ruling of the Presiding*  
23          *Officer on the point of order as it ap-*  
24          *plies to some or all of the provisions on*  
25          *which the Presiding Officer ruled. A*

1            *ruling of the Presiding Officer on a*  
2            *point of order described in clause (i) is*  
3            *sustained unless a majority of the*  
4            *Members of the Senate, duly chosen*  
5            *and sworn, vote not to sustain the rul-*  
6            *ing.*

7            (III) *DEBATE.*—*Debate on a mo-*  
8            *tion to waive under subclause (I) or on*  
9            *an appeal of the ruling of the Pre-*  
10           *siding Officer under subclause (II)*  
11           *shall be limited to 1 hour. The time*  
12           *shall be equally divided between, and*  
13           *controlled by, the majority leader and*  
14           *the minority leader, or their designees.*

15           (c) *EXTENSION DISAPPROVAL PROCESS FOR CONGRES-*  
16           *SIONAL TRADE AUTHORITIES PROCEDURES.*—

17           (1) *IN GENERAL.*—*Except as provided in section*  
18           *2105(b)—*

19           (A) *the trade authorities procedures apply*  
20           *to implementing bills submitted with respect to*  
21           *trade agreements entered into under subsection*  
22           *(b) before July 1, 2005; and*

23           (B) *the trade authorities procedures shall be*  
24           *extended to implementing bills submitted with*  
25           *respect to trade agreements entered into under*

1            *subsection (b) after June 30, 2005, and before*  
2            *July 1, 2007, if (and only if)—*

3                    *(i) the President requests such exten-*  
4                    *sion under paragraph (2); and*

5                    *(ii) neither House of the Congress*  
6                    *adopts an extension disapproval resolution*  
7                    *under paragraph (5) before June 1, 2005.*

8            *(2) REPORT TO CONGRESS BY THE PRESI-*  
9            *DENT.—If the President is of the opinion that the*  
10           *trade authorities procedures should be extended to im-*  
11           *plementing bills described in paragraph (1)(B), the*  
12           *President shall submit to the Congress, not later than*  
13           *March 1, 2005, a written report that contains a re-*  
14           *quest for such extension, together with—*

15                    *(A) a description of all trade agreements*  
16                    *that have been negotiated under subsection (b)*  
17                    *and the anticipated schedule for submitting such*  
18                    *agreements to the Congress for approval;*

19                    *(B) a description of the progress that has*  
20                    *been made in negotiations to achieve the pur-*  
21                    *poses, policies, priorities, and objectives of this*  
22                    *title, and a statement that such progress justifies*  
23                    *the continuation of negotiations; and*

24                    *(C) a statement of the reasons why the ex-*  
25                    *tension is needed to complete the negotiations.*

1           (3) *OTHER REPORTS TO CONGRESS.*—

2                   (A) *REPORT BY THE ADVISORY COM-*  
3                   *MITTEE.*—*The President shall promptly inform*  
4                   *the Advisory Committee for Trade Policy and*  
5                   *Negotiations established under section 135 of the*  
6                   *Trade Act of 1974 (19 U.S.C. 2155) of the Presi-*  
7                   *dent’s decision to submit a report to the Congress*  
8                   *under paragraph (2). The Advisory Committee*  
9                   *shall submit to the Congress as soon as prac-*  
10                   *ticable, but not later than May 1, 2005, a writ-*  
11                   *ten report that contains—*

12                           (i) *its views regarding the progress*  
13                           *that has been made in negotiations to*  
14                           *achieve the purposes, policies, priorities,*  
15                           *and objectives of this title; and*

16                           (ii) *a statement of its views, and the*  
17                           *reasons therefor, regarding whether the ex-*  
18                           *ension requested under paragraph (2)*  
19                           *should be approved or disapproved.*

20                   (B) *REPORT BY ITC.*—*The President shall*  
21                   *promptly inform the International Trade Com-*  
22                   *mission of the President’s decision to submit a*  
23                   *report to the Congress under paragraph (2). The*  
24                   *International Trade Commission shall submit to*  
25                   *the Congress as soon as practicable, but not later*

1           *than May 1, 2005, a written report that contains*  
2           *a review and analysis of the economic impact on*  
3           *the United States of all trade agreements imple-*  
4           *mented between the date of enactment of this Act*  
5           *and the date on which the President decides to*  
6           *seek an extension requested under paragraph (2).*

7           (4) *STATUS OF REPORTS.*—*The reports sub-*  
8           *mitted to the Congress under paragraphs (2) and (3),*  
9           *or any portion of such reports, may be classified to*  
10          *the extent the President determines appropriate.*

11          (5) *EXTENSION DISAPPROVAL RESOLUTIONS.*—

12                (A) *DEFINITION.*—*For purposes of para-*  
13                *graph (1), the term “extension disapproval reso-*  
14                *lution” means a resolution of either House of the*  
15                *Congress, the sole matter after the resolving*  
16                *clause of which is as follows: “That the*  
17                \_\_\_\_\_ *disapproves the request of the Presi-*  
18                *dent for the extension, under section*  
19                *2103(c)(1)(B)(i) of the Bipartisan Trade Pro-*  
20                *motion Authority Act of 2002, of the trade au-*  
21                *thorities procedures under that Act to any imple-*  
22                *menting bill submitted with respect to any trade*  
23                *agreement entered into under section 2103(b) of*  
24                *that Act after June 30, 2005.”, with the blank*

1           *space being filled with the name of the resolving*  
2           *House of the Congress.*

3           (B)     INTRODUCTION.—*Extension*     dis-  
4           *approval resolutions—*

5                     *(i) may be introduced in either House*  
6                     *of the Congress by any member of such*  
7                     *House; and*

8                     *(ii) shall be referred, in the House of*  
9                     *Representatives, to the Committee on Ways*  
10                    *and Means and, in addition, to the Com-*  
11                    *mittee on Rules.*

12           (C)     APPLICATION OF SECTION 152 OF THE  
13            TRADE ACT OF 1974.—*The provisions of section*  
14            *152 (d) and (e) of the Trade Act of 1974 (19*  
15            *U.S.C. 2192 (d) and (e)) (relating to the floor*  
16            *consideration of certain resolutions in the House*  
17            *and Senate) apply to extension disapproval reso-*  
18            *lutions.*

19           (D)     LIMITATIONS.—*It is not in order for—*

20                     *(i) the Senate to consider any exten-*  
21                     *sion disapproval resolution not reported by*  
22                     *the Committee on Finance;*

23                     *(ii) the House of Representatives to*  
24                     *consider any extension disapproval resolu-*  
25                     *tion not reported by the Committee on Ways*

1                    *and Means and, in addition, by the Com-*  
2                    *mittee on Rules; or*

3                    *(iii) either House of the Congress to*  
4                    *consider an extension disapproval resolution*  
5                    *after June 30, 2005.*

6            *(d) COMMENCEMENT OF NEGOTIATIONS.—In order to*  
7            *contribute to the continued economic expansion of the*  
8            *United States, the President shall commence negotiations*  
9            *covering tariff and nontariff barriers affecting any indus-*  
10           *try, product, or service sector, and expand existing sectoral*  
11           *agreements to countries that are not parties to those agree-*  
12           *ments, in cases where the President determines that such*  
13           *negotiations are feasible and timely and would benefit the*  
14           *United States. Such sectors include agriculture, commercial*  
15           *services, intellectual property rights, industrial and capital*  
16           *goods, government procurement, information technology*  
17           *products, environmental technology and services, medical*  
18           *equipment and services, civil aircraft, and infrastructure*  
19           *products. In so doing, the President shall take into account*  
20           *all of the principal negotiating objectives set forth in section*  
21           *2102(b).*

22    **SEC. 2104. CONSULTATIONS AND ASSESSMENT.**

23            *(a) NOTICE AND CONSULTATION BEFORE NEGOTIA-*  
24            *TION.—The President, with respect to any agreement that*  
25            *is subject to the provisions of section 2103(b), shall—*



1           (1) *provide, at least 90 calendar days before ini-*  
2 *tiating negotiations, written notice to the Congress of*  
3 *the President's intention to enter into the negotiations*  
4 *and set forth therein the date the President intends to*  
5 *initiate such negotiations, the specific United States*  
6 *objectives for the negotiations, and whether the Presi-*  
7 *dent intends to seek an agreement, or changes to an*  
8 *existing agreement;*

9           (2) *before and after submission of the notice, con-*  
10 *sult regarding the negotiations with the Committee on*  
11 *Finance of the Senate and the Committee on Ways*  
12 *and Means of the House of Representatives, such other*  
13 *committees of the House and Senate as the President*  
14 *deems appropriate, and the Congressional Oversight*  
15 *group convened under section 2107; and*

16           (3) *upon the request of a majority of the mem-*  
17 *bers of the Congressional Oversight Group under sec-*  
18 *tion 2107(c), meet with the Congressional Oversight*  
19 *Group before initiating the negotiations or at any*  
20 *other time concerning the negotiations.*

21           (b) *NEGOTIATIONS REGARDING AGRICULTURE AND*  
22 *FISHING INDUSTRY.—*

23           (1) *IN GENERAL.—Before initiating or con-*  
24 *tinuing negotiations the subject matter of which is di-*  
25 *rectly related to the subject matter under section*

1       2102(b)(10)(A)(i) with any country, the President  
2       shall assess whether United States tariffs on agricul-  
3       tural products that were bound under the Uruguay  
4       Round Agreements are lower than the tariffs bound  
5       by that country. In addition, the President shall con-  
6       sider whether the tariff levels bound and applied  
7       throughout the world with respect to imports from the  
8       United States are higher than United States tariffs  
9       and whether the negotiation provides an opportunity  
10      to address any such disparity. The President shall  
11      consult with the Committee on Ways and Means and  
12      the Committee on Agriculture of the House of Rep-  
13      resentatives and the Committee on Finance and the  
14      Committee on Agriculture, Nutrition, and Forestry of  
15      the Senate concerning the results of the assessment,  
16      whether it is appropriate for the United States to  
17      agree to further tariff reductions based on the conclu-  
18      sions reached in the assessment, and how all applica-  
19      ble negotiating objectives will be met.

20               (2) SPECIAL CONSULTATIONS ON IMPORT SEN-  
21      SITIVE PRODUCTS.—

22                       (A) IN GENERAL.—Before initiating nego-  
23      tations with regard to agriculture, and, with re-  
24      spect to the Free Trade Area for the Americas  
25      and negotiations with regard to agriculture

1           *under the auspices of the World Trade Organiza-*  
2           *tion, as soon as practicable after the enactment*  
3           *of this Act, the United States Trade Representa-*  
4           *tive shall—*

5                     *(i) identify those agricultural products*  
6                     *subject to tariff-rate quotas on the date of*  
7                     *enactment of this Act, and agricultural*  
8                     *products subject to tariff reductions by the*  
9                     *United States as a result of the Uruguay*  
10                    *Round Agreements, for which the rate of*  
11                    *duty was reduced on January 1, 1995, to a*  
12                    *rate which was not less than 97.5 percent of*  
13                    *the rate of duty that applied to such article*  
14                    *on December 31, 1994;*

15                    *(ii) consult with the Committee on*  
16                    *Ways and Means and the Committee on Ag-*  
17                    *riculture of the House of Representatives*  
18                    *and the Committee on Finance and the*  
19                    *Committee on Agriculture, Nutrition, and*  
20                    *Forestry of the Senate concerning—*

21                             *(I) whether any further tariff re-*  
22                             *ductions on the products identified*  
23                             *under clause (i) should be appropriate,*  
24                             *taking into account the impact of any*  
25                             *such tariff reduction on the United*

1                   *States industry producing the product*  
2                   *concerned;*

3                   (II) *whether the products so iden-*  
4                   *tified face unjustified sanitary or*  
5                   *phytosanitary restrictions, including*  
6                   *those not based on scientific principles*  
7                   *in contravention of the Uruguay*  
8                   *Round Agreements; and*

9                   (III) *whether the countries par-*  
10                  *ticipating in the negotiations maintain*  
11                  *export subsidies or other programs,*  
12                  *policies, or practices that distort world*  
13                  *trade in such products and the impact*  
14                  *of such programs, policies, and prac-*  
15                  *tices on United States producers of the*  
16                  *products;*

17                  (iii) *request that the International*  
18                  *Trade Commission prepare an assessment of*  
19                  *the probable economic effects of any such*  
20                  *tariff reduction on the United States indus-*  
21                  *try producing the product concerned and on*  
22                  *the United States economy as a whole; and*

23                  (iv) *upon complying with clauses (i),*  
24                  *(ii), and (iii), notify the Committee on*  
25                  *Ways and Means and the Committee on Ag-*

1            *riculture of the House of Representatives*  
2            *and the Committee on Finance and the*  
3            *Committee on Agriculture, Nutrition, and*  
4            *Forestry of the Senate of those products*  
5            *identified under clause (i) for which the*  
6            *Trade Representative intends to seek tariff*  
7            *liberalization in the negotiations and the*  
8            *reasons for seeking such tariff liberalization.*

9            *(B) IDENTIFICATION OF ADDITIONAL AGRI-*  
10          *CULTURAL PRODUCTS.—If, after negotiations de-*  
11          *scribed in subparagraph (A) are commenced—*

12                  *(i) the United States Trade Represent-*  
13                  *ative identifies any additional agricultural*  
14                  *product described in subparagraph (A)(i)*  
15                  *for tariff reductions which were not the sub-*  
16                  *ject of a notification under subparagraph*  
17                  *(A)(iv), or*

18                  *(ii) any additional agricultural prod-*  
19                  *uct described in subparagraph (A)(i) is the*  
20                  *subject of a request for tariff reductions by*  
21                  *a party to the negotiations,*

22          *the Trade Representative shall, as soon as prac-*  
23          *ticable, notify the committees referred to in sub-*  
24          *paragraph (A)(iv) of those products and the rea-*  
25          *sons for seeking such tariff reductions.*

1           (3) *NEGOTIATIONS REGARDING THE FISHING IN-*  
2           *DUSTRY.*—*Before initiating, or continuing, negotia-*  
3           *tions which directly relate to fish or shellfish trade*  
4           *with any country, the President shall consult with the*  
5           *Committee on Ways and Means and the Committee*  
6           *on Resources of the House of Representatives, and the*  
7           *Committee on Finance and the Committee on Com-*  
8           *merce, Science, and Transportation of the Senate,*  
9           *and shall keep the Committees apprised of negotia-*  
10          *tions on an ongoing and timely basis.*

11          (c) *NEGOTIATIONS REGARDING TEXTILES.*—*Before*  
12          *initiating or continuing negotiations the subject matter of*  
13          *which is directly related to textiles and apparel products*  
14          *with any country, the President shall assess whether United*  
15          *States tariffs on textile and apparel products that were*  
16          *bound under the Uruguay Round Agreements are lower*  
17          *than the tariffs bound by that country and whether the ne-*  
18          *gotiation provides an opportunity to address any such dis-*  
19          *parity. The President shall consult with the Committee on*  
20          *Ways and Means of the House of Representatives and the*  
21          *Committee on Finance of the Senate concerning the results*  
22          *of the assessment, whether it is appropriate for the United*  
23          *States to agree to further tariff reductions based on the con-*  
24          *clusions reached in the assessment, and how all applicable*  
25          *negotiating objectives will be met.*

1           (d) *CONSULTATION WITH CONGRESS BEFORE AGREE-*  
2 *MENTS ENTERED INTO.—*

3           (1) *CONSULTATION.—Before entering into any*  
4 *trade agreement under section 2103(b), the President*  
5 *shall consult with—*

6                   (A) *the Committee on Ways and Means of*  
7 *the House of Representatives and the Committee*  
8 *on Finance of the Senate;*

9                   (B) *each other committee of the House and*  
10 *the Senate, and each joint committee of the Con-*  
11 *gress, which has jurisdiction over legislation in-*  
12 *volving subject matters which would be affected*  
13 *by the trade agreement; and*

14                   (C) *the Congressional Oversight Group con-*  
15 *vened under section 2107.*

16           (2) *SCOPE.—The consultation described in para-*  
17 *graph (1) shall include consultation with respect to—*

18                   (A) *the nature of the agreement;*

19                   (B) *how and to what extent the agreement*  
20 *will achieve the applicable purposes, policies,*  
21 *priorities, and objectives of this title; and*

22                   (C) *the implementation of the agreement*  
23 *under section 2105, including the general effect*  
24 *of the agreement on existing laws.*

1           (3) *REPORT REGARDING UNITED STATES TRADE*  
2       *REMEDY LAWS.—*

3           (A) *CHANGES IN CERTAIN TRADE LAWS.—*

4       *The President, at least 90 calendar days before*  
5       *the day on which the President enters into a*  
6       *trade agreement, shall notify the Committee on*  
7       *Ways and Means of the House of Representatives*  
8       *and the Committee on Finance of the Senate in*  
9       *writing of any amendments to title VII of the*  
10       *Tariff Act of 1930 or chapter 1 of title II of the*  
11       *Trade Act of 1974 that the President proposes to*  
12       *include in a bill implementing such trade agree-*  
13       *ment.*

14           (B) *EXPLANATION.—On the date that the*  
15       *President transmits the notification, the Presi-*  
16       *dent also shall transmit to the Committees a re-*  
17       *port explaining—*

18           (i) *the President's reasons for believing*  
19       *that amendments to title VII of the Tariff*  
20       *Act of 1930 or to chapter 1 of title II of the*  
21       *Trade Act of 1974 are necessary to imple-*  
22       *ment the trade agreement; and*

23           (ii) *the President's reasons for believ-*  
24       *ing that such amendments are consistent*



1           *with the purposes, policies, and objectives*  
2           *described in section 2102(c)(9).*

3           (C) *REPORT TO HOUSE.*—*Not later than 60*  
4           *calendar days after the date on which the Presi-*  
5           *dent transmits the notification described in sub-*  
6           *paragraph (A), the Chairman and ranking mem-*  
7           *ber of the Ways and Means Committee of the*  
8           *House of Representatives, based on consultations*  
9           *with the members of that Committee, shall issue*  
10           *to the House of Representatives a report stating*  
11           *whether the proposed amendments described in*  
12           *the President’s notification are consistent with*  
13           *the purposes, policies, and objectives described in*  
14           *section 2102(c)(9). In the event that the Chair-*  
15           *man and ranking member disagree with respect*  
16           *to one or more conclusions, the report shall con-*  
17           *tain the separate views of the Chairman and*  
18           *ranking member.*

19           (D) *REPORT TO SENATE.*—*Not later than*  
20           *60 calendar days after the date on which the*  
21           *President transmits the notification described in*  
22           *subparagraph (A), the Chairman and ranking*  
23           *member of the Finance Committee of the Senate,*  
24           *based on consultations with the members of that*  
25           *Committee, shall issue to the Senate a report*

1           *stating whether the proposed amendments de-*  
2           *scribed in the President’s report are consistent*  
3           *with the purposes, policies, and objectives de-*  
4           *scribed in section 2102(c)(9). In the event that*  
5           *the Chairman and ranking member disagree*  
6           *with respect to one or more conclusions, the re-*  
7           *port shall contain the separate views of the*  
8           *Chairman and ranking member.*

9           *(e) ADVISORY COMMITTEE REPORTS.—The report re-*  
10          *quired under section 135(e)(1) of the Trade Act of 1974 re-*  
11          *garding any trade agreement entered into under section*  
12          *2103 (a) or (b) of this title shall be provided to the Presi-*  
13          *dent, the Congress, and the United States Trade Represent-*  
14          *ative not later than 30 days after the date on which the*  
15          *President notifies the Congress under section 2103(a)(1) or*  
16          *2105(a)(1)(A) of the President’s intention to enter into the*  
17          *agreement.*

18          *(f) ITC ASSESSMENT.—*

19                 *(1) IN GENERAL.—The President, at least 90 cal-*  
20                 *endar days before the day on which the President en-*  
21                 *ters into a trade agreement under section 2103(b),*  
22                 *shall provide the International Trade Commission*  
23                 *(referred to in this subsection as “the Commission”)*  
24                 *with the details of the agreement as it exists at that*  
25                 *time and request the Commission to prepare and sub-*

1        *mit an assessment of the agreement as described in*  
2        *paragraph (2). Between the time the President makes*  
3        *the request under this paragraph and the time the*  
4        *Commission submits the assessment, the President*  
5        *shall keep the Commission current with respect to the*  
6        *details of the agreement.*

7            (2) *ITC ASSESSMENT.*—*Not later than 90 cal-*  
8        *endar days after the President enters into the agree-*  
9        *ment, the Commission shall submit to the President*  
10       *and the Congress a report assessing the likely impact*  
11       *of the agreement on the United States economy as a*  
12       *whole and on specific industry sectors, including the*  
13       *impact the agreement will have on the gross domestic*  
14       *product, exports and imports, aggregate employment*  
15       *and employment opportunities, the production, em-*  
16       *ployment, and competitive position of industries like-*  
17       *ly to be significantly affected by the agreement, and*  
18       *the interests of United States consumers.*

19            (3) *REVIEW OF EMPIRICAL LITERATURE.*—*In*  
20       *preparing the assessment, the Commission shall re-*  
21       *view available economic assessments regarding the*  
22       *agreement, including literature regarding any sub-*  
23       *stantially equivalent proposed agreement, and shall*  
24       *provide in its assessment a description of the analyses*  
25       *used and conclusions drawn in such literature, and a*

1 *discussion of areas of consensus and divergence be-*  
2 *tween the various analyses and conclusions, including*  
3 *those of the Commission regarding the agreement.*

4 **SEC. 2105. IMPLEMENTATION OF TRADE AGREEMENTS.**

5 *(a) IN GENERAL.—*

6 *(1) NOTIFICATION AND SUBMISSION.—Any agree-*  
7 *ment entered into under section 2103(b) shall enter*  
8 *into force with respect to the United States if (and*  
9 *only if)—*

10 *(A) the President, at least 90 calendar days*  
11 *before the day on which the President enters into*  
12 *an agreement—*

13 *(i) notifies the House of Representa-*  
14 *tives and the Senate of the President's in-*  
15 *tention to enter into the agreement, and*  
16 *promptly thereafter publishes notice of such*  
17 *intention in the Federal Register; and*

18 *(ii) transmits to the Committee on*  
19 *Ways and Means of the House of Represent-*  
20 *atives and the Committee on Finance of the*  
21 *Senate the notification and report described*  
22 *in section 2104(d)(3) (A) and (B);*

23 *(B) within 60 days after entering into the*  
24 *agreement, the President submits to the Congress*  
25 *a description of those changes to existing laws*

1           that the President considers would be required in  
2           order to bring the United States into compliance  
3           with the agreement;

4           (C) after entering into the agreement, the  
5           President submits to the Congress, on a day on  
6           which both Houses of Congress are in session, a  
7           copy of the final legal text of the agreement, to-  
8           gether with—

9                   (i) a draft of an implementing bill de-  
10                   scribed in section 2103(b)(3);

11                   (ii) a statement of any administrative  
12                   action proposed to implement the trade  
13                   agreement; and

14                   (iii) the supporting information de-  
15                   scribed in paragraph (2); and

16           (D) the implementing bill is enacted into  
17           law.

18           (2) *SUPPORTING INFORMATION.*—*The supporting*  
19           *information required under paragraph (1)(C)(iii)*  
20           *consists of—*

21                   (A) an explanation as to how the imple-  
22                   menting bill and proposed administrative action  
23                   will change or affect existing law; and

24                   (B) a statement—

1           (i) asserting that the agreement makes  
2 progress in achieving the applicable pur-  
3 poses, policies, priorities, and objectives of  
4 this title; and

5           (ii) setting forth the reasons of the  
6 President regarding—

7           (I) how and to what extent the  
8 agreement makes progress in achieving  
9 the applicable purposes, policies, and  
10 objectives referred to in clause (i);

11           (II) whether and how the agree-  
12 ment changes provisions of an agree-  
13 ment previously negotiated;

14           (III) how the agreement serves the  
15 interests of United States commerce;

16           (IV) how the implementing bill  
17 meets the standards set forth in section  
18 2103(b)(3);

19           (V) how and to what extent the  
20 agreement makes progress in achieving  
21 the applicable purposes, policies, and  
22 objectives referred to in section 2102(c)  
23 regarding the promotion of certain pri-  
24 orities; and

1                   (VI) *in the event that the reports*  
2                   *described in section 2104(b)(3) (C) and*  
3                   *(D) contain any findings that the pro-*  
4                   *posed amendments are inconsistent*  
5                   *with the purposes, policies, and objec-*  
6                   *tives described in section 2102(c)(9),*  
7                   *an explanation as to why the President*  
8                   *believes such findings to be incorrect.*

9                   (3) *RECIPROCAL BENEFITS.—In order to ensure*  
10                  *that a foreign country that is not a party to a trade*  
11                  *agreement entered into under section 2103(b) does not*  
12                  *receive benefits under the agreement unless the coun-*  
13                  *try is also subject to the obligations under the agree-*  
14                  *ment, the implementing bill submitted with respect to*  
15                  *the agreement shall provide that the benefits and obli-*  
16                  *gations under the agreement apply only to the parties*  
17                  *to the agreement, if such application is consistent*  
18                  *with the terms of the agreement. The implementing*  
19                  *bill may also provide that the benefits and obligations*  
20                  *under the agreement do not apply uniformly to all*  
21                  *parties to the agreement, if such application is con-*  
22                  *sistent with the terms of the agreement.*

23                  (4) *DISCLOSURE OF COMMITMENTS.—Any agree-*  
24                  *ment or other understanding with a foreign govern-*

1 *ment or governments (whether oral or in writing)*  
2 *that—*

3 *(A) relates to a trade agreement with re-*  
4 *spect to which Congress enacts implementing leg-*  
5 *islation under trade authorities procedures, and*

6 *(B) is not disclosed to Congress before legis-*  
7 *lation implementing that agreement is intro-*  
8 *duced in either House of Congress,*

9 *shall not be considered to be part of the agreement ap-*  
10 *proved by Congress and shall have no force and effect*  
11 *under United States law or in any dispute settlement*  
12 *body.*

13 *(b) LIMITATIONS ON TRADE AUTHORITIES PROCE-*  
14 *DURES.—*

15 *(1) FOR LACK OF NOTICE OR CONSULTATIONS.—*

16 *(A) IN GENERAL.—The trade authorities*  
17 *procedures shall not apply to any implementing*  
18 *bill submitted with respect to a trade agreement*  
19 *or trade agreements entered into under section*  
20 *2103(b) if during the 60-day period beginning*  
21 *on the date that one House of Congress agrees to*  
22 *a procedural disapproval resolution for lack of*  
23 *notice or consultations with respect to such trade*  
24 *agreement or agreements, the other House sepa-*  
25 *rately agrees to a procedural disapproval resolu-*



1            *tion with respect to such trade agreement or*  
2            *agreements.*

3            (B) *PROCEDURAL DISAPPROVAL RESOLU-*  
4            *TION.—(i) For purposes of this paragraph, the*  
5            *term “procedural disapproval resolution” means*  
6            *a resolution of either House of Congress, the sole*  
7            *matter after the resolving clause of which is as*  
8            *follows: “That the President has failed or refused*  
9            *to notify or consult in accordance with the Bi-*  
10           *partisan Trade Promotion Authority Act of 2002*  
11           *on negotiations with respect to \_\_\_\_\_*  
12           *and, therefore, the trade authorities procedures*  
13           *under that Act shall not apply to any imple-*  
14           *menting bill submitted with respect to such trade*  
15           *agreement or agreements.”, with the blank space*  
16           *being filled with a description of the trade agree-*  
17           *ment or agreements with respect to which the*  
18           *President is considered to have failed or refused*  
19           *to notify or consult.*

20           (ii) *For purposes of clause (i), the President*  
21           *has “failed or refused to notify or consult in ac-*  
22           *cordance with the Bipartisan Trade Promotion*  
23           *Authority Act of 2002” on negotiations with re-*  
24           *spect to a trade agreement or trade agreements*  
25           *if—*

1           (I) *the President has failed or refused*  
2           *to consult (as the case may be) in accord-*  
3           *ance with section 2104 or 2105 with respect*  
4           *to the negotiations, agreement, or agree-*  
5           *ments;*

6           (II) *guidelines under section 2107(b)*  
7           *have not been developed or met with respect*  
8           *to the negotiations, agreement, or agree-*  
9           *ments;*

10          (III) *the President has not met with*  
11          *the Congressional Oversight Group pursu-*  
12          *ant to a request made under section 2107(c)*  
13          *with respect to the negotiations, agreement,*  
14          *or agreements; or*

15          (IV) *the agreement or agreements fail*  
16          *to make progress in achieving the purposes,*  
17          *policies, priorities, and objectives of this*  
18          *title.*

19          (C) *PROCEDURES FOR CONSIDERING RESO-*  
20          *LUTIONS.—(i) Procedural disapproval*  
21          *resolutions—*

22                 (I) *in the House of Representatives—*

23                         (aa) *may be introduced by any*  
24                         *Member of the House;*

1                    *(bb) shall be referred to the Com-*  
2                    *mittee on Ways and Means and, in ad-*  
3                    *dition, to the Committee on Rules; and*

4                    *(cc) may not be amended by ei-*  
5                    *ther Committee; and*

6                    *(II) in the Senate—*

7                    *(aa) may be introduced by any*  
8                    *Member of the Senate.*

9                    *(bb) shall be referred to the Com-*  
10                    *mittee on Finance; and*

11                    *(cc) may not be amended.*

12                    *(ii) The provisions of section 152 (d) and*  
13                    *(e) of the Trade Act of 1974 (19 U.S.C. 2192 (d)*  
14                    *and (e)) (relating to the floor consideration of*  
15                    *certain resolutions in the House and Senate)*  
16                    *apply to a procedural disapproval resolution in-*  
17                    *troduced with respect to a trade agreement if no*  
18                    *other procedural disapproval resolution with re-*  
19                    *spect to that trade agreement has previously been*  
20                    *considered under such provisions of section 152*  
21                    *of the Trade Act of 1974 in that House of Con-*  
22                    *gress during that Congress.*

23                    *(iii) It is not in order for the House of Rep-*  
24                    *resentatives to consider any procedural dis-*  
25                    *approval resolution not reported by the Com-*

1            *mittee on Ways and Means and, in addition, by*  
2            *the Committee on Rules.*

3            *(iv) It is not in order for the Senate to con-*  
4            *sider any procedural disapproval resolution not*  
5            *reported by the Committee on Finance.*

6            *(2) FOR FAILURE TO MEET OTHER REQUIRE-*  
7            *MENTS.—Prior to December 31, 2002, the Secretary of*  
8            *Commerce shall transmit to Congress a report setting*  
9            *forth the strategy of the United States for correcting*  
10           *instances in which dispute settlement panels and the*  
11           *Appellate Body of the WTO have added to obligations*  
12           *or diminished rights of the United States, as de-*  
13           *scribed in section 2101(b)(3). Trade authorities proce-*  
14           *dures shall not apply to any implementing bill with*  
15           *respect to an agreement negotiated under the auspices*  
16           *of the WTO, unless the Secretary of Commerce has*  
17           *issued such report in a timely manner.*

18           *(c) RULES OF HOUSE OF REPRESENTATIVES AND SEN-*  
19           *ATE.—Subsection (b) of this section and section 2103(c) are*  
20           *enacted by the Congress—*

21           *(1) as an exercise of the rulemaking power of the*  
22           *House of Representatives and the Senate, respectively,*  
23           *and as such are deemed a part of the rules of each*  
24           *House, respectively, and such procedures supersede*

1        *other rules only to the extent that they are incon-*  
2        *sistent with such other rules; and*

3            (2) *with the full recognition of the constitutional*  
4        *right of either House to change the rules (so far as re-*  
5        *lating to the procedures of that House) at any time,*  
6        *in the same manner, and to the same extent as any*  
7        *other rule of that House.*

8        **SEC. 2106. TREATMENT OF CERTAIN TRADE AGREEMENTS**

9                            **FOR WHICH NEGOTIATIONS HAVE ALREADY**  
10                           **BEGUN.**

11        (a) *CERTAIN AGREEMENTS.*—*Notwithstanding the*  
12        *prenegotiation notification and consultation requirement*  
13        *described in section 2104(a), if an agreement to which sec-*  
14        *tion 2103(b) applies—*

15            (1) *is entered into under the auspices of the*  
16        *World Trade Organization,*

17            (2) *is entered into with Chile,*

18            (3) *is entered into with Singapore, or*

19            (4) *establishes a Free Trade Area for the Amer-*  
20        *icas,*

21        *and results from negotiations that were commenced before*  
22        *the date of the enactment of this Act, subsection (b) shall*  
23        *apply.*

24        (b) *TREATMENT OF AGREEMENTS.*—*In the case of any*  
25        *agreement to which subsection (a) applies—*

1           (1) *the applicability of the trade authorities pro-*  
2 *cedures to implementing bills shall be determined*  
3 *without regard to the requirements of section 2104(a)*  
4 *(relating only to 90 days notice prior to initiating*  
5 *negotiations), and any procedural disapproval resolu-*  
6 *tion under section 2105(b)(1)(B) shall not be in order*  
7 *on the basis of a failure or refusal to comply with the*  
8 *provisions of section 2104(a); and*

9           (2) *the President shall, as soon as feasible after*  
10 *the enactment of this Act—*

11                 (A) *notify the Congress of the negotiations*  
12 *described in subsection (a), the specific United*  
13 *States objectives in the negotiations, and whether*  
14 *the President is seeking a new agreement or*  
15 *changes to an existing agreement; and*

16                 (B) *before and after submission of the no-*  
17 *tice, consult regarding the negotiations with the*  
18 *committees referred to in section 2104(a)(2) and*  
19 *the Congressional Oversight Group.*

20 **SEC. 2107. CONGRESSIONAL OVERSIGHT GROUP.**

21           (a) **MEMBERS AND FUNCTIONS.**—

22                 (1) **IN GENERAL.**—*By not later than 60 days*  
23 *after the date of the enactment of this Act, and not*  
24 *later than 30 days after the convening of each Con-*  
25 *gress, the chairman of the Committee on Ways and*

1       *Means of the House of Representatives and the chair-*  
2       *man of the Committee on Finance of the Senate shall*  
3       *convene the Congressional Oversight Group.*

4               (2) *MEMBERSHIP FROM THE HOUSE.—In each*  
5       *Congress, the Congressional Oversight Group shall be*  
6       *comprised of the following Members of the House of*  
7       *Representatives:*

8                       (A) *The chairman and ranking member of*  
9       *the Committee on Ways and Means, and 3 addi-*  
10      *tional members of such Committee (not more*  
11      *than 2 of whom are members of the same polit-*  
12      *ical party).*

13                      (B) *The chairman and ranking member, or*  
14      *their designees, of the committees of the House of*  
15      *Representatives which would have, under the*  
16      *Rules of the House of Representatives, jurisdic-*  
17      *tion over provisions of law affected by a trade*  
18      *agreement negotiations for which are conducted*  
19      *at any time during that Congress and to which*  
20      *this title would apply.*

21               (3) *MEMBERSHIP FROM THE SENATE.—In each*  
22      *Congress, the Congressional Oversight Group shall*  
23      *also be comprised of the following members of the Sen-*  
24      *ate:*

1           (A) *The chairman and ranking Member of*  
2           *the Committee on Finance and 3 additional*  
3           *members of such Committee (not more than 2 of*  
4           *whom are members of the same political party).*

5           (B) *The chairman and ranking member, or*  
6           *their designees, of the committees of the Senate*  
7           *which would have, under the Rules of the Senate,*  
8           *jurisdiction over provisions of law affected by a*  
9           *trade agreement negotiations for which are con-*  
10          *ducted at any time during that Congress and to*  
11          *which this title would apply.*

12          (4) *ACCREDITATION.—Each member of the Con-*  
13          *gressional Oversight Group described in paragraph*  
14          *(2)(A) and (3)(A) shall be accredited by the United*  
15          *States Trade Representative on behalf of the President*  
16          *as official advisers to the United States delegation in*  
17          *negotiations for any trade agreement to which this*  
18          *title applies. Each member of the Congressional Over-*  
19          *sight Group described in paragraph (2)(B) and*  
20          *(3)(B) shall be accredited by the United States Trade*  
21          *Representative on behalf of the President as official*  
22          *advisers to the United States delegation in the nego-*  
23          *tiations by reason of which the member is in the Con-*  
24          *gressional Oversight Group. The Congressional Over-*  
25          *sight Group shall consult with and provide advice to*



1        *the Trade Representative regarding the formulation of*  
2        *specific objectives, negotiating strategies and posi-*  
3        *tions, the development of the applicable trade agree-*  
4        *ment, and compliance and enforcement of the nego-*  
5        *tiated commitments under the trade agreement.*

6            (5) *CHAIR.—The Congressional Oversight Group*  
7        *shall be chaired by the Chairman of the Committee on*  
8        *Ways and Means of the House of Representatives and*  
9        *the Chairman of the Committee on Finance of the*  
10       *Senate.*

11       (b) *GUIDELINES.—*

12            (1) *PURPOSE AND REVISION.—The United States*  
13       *Trade Representative, in consultation with the chair-*  
14       *men and ranking minority members of the Committee*  
15       *on Ways and Means of the House of Representatives*  
16       *and the Committee on Finance of the Senate—*

17            (A) *shall, within 120 days after the date of*  
18       *the enactment of this Act, develop written guide-*  
19       *lines to facilitate the useful and timely exchange*  
20       *of information between the Trade Representative*  
21       *and the Congressional Oversight Group estab-*  
22       *lished under this section; and*

23            (B) *may make such revisions to the guide-*  
24       *lines as may be necessary from time to time.*

1           (2) *CONTENT.*—*The guidelines developed under*  
2 *paragraph (1) shall provide for, among other*  
3 *things—*

4           (A) *regular, detailed briefings of the Con-*  
5 *gressional Oversight Group regarding negoti-*  
6 *ating objectives, including the promotion of cer-*  
7 *tain priorities referred to in section 2102(c), and*  
8 *positions and the status of the applicable nego-*  
9 *tiations, beginning as soon as practicable after*  
10 *the Congressional Oversight Group is convened,*  
11 *with more frequent briefings as trade negotia-*  
12 *tions enter the final stage;*

13           (B) *access by members of the Congressional*  
14 *Oversight Group, and staff with proper security*  
15 *clearances, to pertinent documents relating to the*  
16 *negotiations, including classified materials;*

17           (C) *the closest practicable coordination be-*  
18 *tween the Trade Representative and the Congres-*  
19 *sional Oversight Group at all critical periods*  
20 *during the negotiations, including at negotiation*  
21 *sites;*

22           (D) *after the applicable trade agreement is*  
23 *concluded, consultation regarding ongoing com-*  
24 *pliance and enforcement of negotiated commit-*  
25 *ments under the trade agreement; and*

1                   (E) the time frame for submitting the report  
2                   required under section 2102(c)(8).

3           (c) *REQUEST FOR MEETING.*—Upon the request of a  
4 majority of the Congressional Oversight Group, the Presi-  
5 dent shall meet with the Congressional Oversight Group be-  
6 fore initiating negotiations with respect to a trade agree-  
7 ment, or at any other time concerning the negotiations.

8 **SEC. 2108. ADDITIONAL IMPLEMENTATION AND ENFORCE-**  
9 **MENT REQUIREMENTS.**

10           (a) *IN GENERAL.*—At the time the President submits  
11 to the Congress the final text of an agreement pursuant to  
12 section 2105(a)(1)(C), the President shall also submit a  
13 plan for implementing and enforcing the agreement. The  
14 implementation and enforcement plan shall include the fol-  
15 lowing:

16                   (1) *BORDER PERSONNEL REQUIREMENTS.*—A de-  
17 scription of additional personnel required at border  
18 entry points, including a list of additional customs  
19 and agricultural inspectors.

20                   (2) *AGENCY STAFFING REQUIREMENTS.*—A de-  
21 scription of additional personnel required by Federal  
22 agencies responsible for monitoring and implementing  
23 the trade agreement, including personnel required by  
24 the Office of the United States Trade Representative,  
25 the Department of Commerce, the Department of Ag-

1        *riculture (including additional personnel required to*  
2        *implement sanitary and phytosanitary measures in*  
3        *order to obtain market access for United States ex-*  
4        *ports), the Department of the Treasury, and such*  
5        *other agencies as may be necessary.*

6            (3) *CUSTOMS INFRASTRUCTURE REQUIRE-*  
7        *MENTS.—A description of the additional equipment*  
8        *and facilities needed by the United States Customs*  
9        *Service.*

10           (4) *IMPACT ON STATE AND LOCAL GOVERN-*  
11        *MENTS.—A description of the impact the trade agree-*  
12        *ment will have on State and local governments as a*  
13        *result of increases in trade.*

14           (5) *COST ANALYSIS.—An analysis of the costs as-*  
15        *sociated with each of the items listed in paragraphs*  
16        *(1) through (4).*

17           (b) *BUDGET SUBMISSION.—The President shall in-*  
18        *clude a request for the resources necessary to support the*  
19        *plan described in subsection (a) in the first budget that the*  
20        *President submits to the Congress after the submission of*  
21        *the plan.*

22        **SEC. 2109. COMMITTEE STAFF.**

23           *The grant of trade promotion authority under this title*  
24        *is likely to increase the activities of the primary committees*  
25        *of jurisdiction in the area of international trade. In addi-*

1 *tion, the creation of the Congressional Oversight Group*  
2 *under section 2107 will increase the participation of a*  
3 *broader number of Members of Congress in the formulation*  
4 *of United States trade policy and oversight of the inter-*  
5 *national trade agenda for the United States. The primary*  
6 *committees of jurisdiction should have adequate staff to ac-*  
7 *commodate these increases in activities.*

8 **SEC. 2110. CONFORMING AMENDMENTS.**

9 *(a) IN GENERAL.—Title I of the Trade Act of 1974*  
10 *(19 U.S.C. 2111 et seq.) is amended as follows:*

11 *(1) IMPLEMENTING BILL.—*

12 *(A) Section 151(b)(1) (19 U.S.C.*  
13 *2191(b)(1)) is amended by striking “section*  
14 *1103(a)(1) of the Omnibus Trade and Competi-*  
15 *tiveness Act of 1988, or section 282 of the Uru-*  
16 *guay Round Agreements Act” and inserting “sec-*  
17 *tion 282 of the Uruguay Round Agreements Act,*  
18 *or section 2105(a)(1) of the Bipartisan Trade*  
19 *Promotion Authority Act of 2002”.*

20 *(B) Section 151(c)(1) (19 U.S.C.*  
21 *2191(c)(1)) is amended by striking “or section*  
22 *282 of the Uruguay Round Agreements Act” and*  
23 *inserting “, section 282 of the Uruguay Round*  
24 *Agreements Act, or section 2105(a)(1) of the Bi-*

1           *partisan Trade Promotion Authority Act of*  
2           *2002”.*

3           (2) *ADVICE FROM INTERNATIONAL TRADE COM-*  
4           *MISSION.—Section 131 (19 U.S.C. 2151) is*  
5           *amended—*

6                   (A) *in subsection (a)—*

7                           (i) *in paragraph (1), by striking “sec-*  
8                           *tion 123 of this Act or section 1102 (a) or*  
9                           *(c) of the Omnibus Trade and Competitive-*  
10                           *ness Act of 1988,” and inserting “section*  
11                           *123 of this Act or section 2103 (a) or (b) of*  
12                           *the Bipartisan Trade Promotion Authority*  
13                           *Act of 2002,”; and*

14                           (ii) *in paragraph (2), by striking “sec-*  
15                           *tion 1102 (b) or (c) of the Omnibus Trade*  
16                           *and Competitiveness Act of 1988” and in-*  
17                           *serting “section 2103(b) of the Bipartisan*  
18                           *Trade Promotion Authority Act of 2002”;*

19                           (B) *in subsection (b), by striking “section*  
20                           *1102(a)(3)(A)” and inserting “section*  
21                           *2103(a)(3)(A) of the Bipartisan Trade Pro-*  
22                           *motion Authority Act of 2002”; and*

23                           (C) *in subsection (c), by striking “section*  
24                           *1102 of the Omnibus Trade and Competitiveness*  
25                           *Act of 1988,” and inserting “section 2103 of the*

1           *Bipartisan Trade Promotion Authority Act of*  
2           *2002,”.*

3           (3) *HEARINGS AND ADVICE.*—Sections 132,  
4           133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and  
5           2154(a)) are each amended by striking “section 1102  
6           of the Omnibus Trade and Competitiveness Act of  
7           1988,” each place it appears and inserting “section  
8           2103 of the Bipartisan Trade Promotion Authority  
9           Act of 2002,”.

10          (4) *PREREQUISITES FOR OFFERS.*—Section  
11          134(b) (19 U.S.C. 2154(b)) is amended by striking  
12          “section 1102 of the Omnibus Trade and Competitive-  
13          ness Act of 1988” and inserting “section 2103 of the  
14          Bipartisan Trade Promotion Authority Act of 2002”.

15          (5) *ADVICE FROM PRIVATE AND PUBLIC SEC-*  
16          *TORS.*—Section 135 (19 U.S.C. 2155) is amended—

17                 (A) in subsection (a)(1)(A), by striking  
18                 “section 1102 of the Omnibus Trade and Com-  
19                 petitiveness Act of 1988” and inserting “section  
20                 2103 of the Bipartisan Trade Promotion Author-  
21                 ity Act of 2002”;

22                 (B) in subsection (e)(1)—

23                         (i) by striking “section 1102 of the  
24                         Omnibus Trade and Competitiveness Act of  
25                         1988” each place it appears and inserting

1           “section 2103 of the Bipartisan Trade Pro-  
2           motion Authority Act of 2002”; and

3           (ii) by striking “not later than the  
4           date on which the President notifies the  
5           Congress under section 1103(a)(1)(A) of  
6           such Act of 1988 of his intention to enter  
7           into that agreement” and inserting “not  
8           later than the date that is 30 days after the  
9           date on which the President notifies the  
10          Congress under section 5(a)(1)(A) of the Bi-  
11          partisan Trade Promotion Authority Act of  
12          2002 of the President’s intention to enter  
13          into that agreement”; and

14          (C) in subsection (e)(2), by striking “section  
15          1101 of the Omnibus Trade and Competitiveness  
16          Act of 1988” and inserting “section 2102 of the  
17          Bipartisan Trade Promotion Authority Act of  
18          2002”.

19          (6) *TRANSMISSION OF AGREEMENTS TO CON-*  
20          *GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is*  
21          *amended by striking “or under section 1102 of the*  
22          *Omnibus Trade and Competitiveness Act of 1988”*  
23          *and inserting “or under section 2103 of the Bipar-*  
24          *tisan Trade Promotion Authority Act of 2002”.*



1       (b) *APPLICATION OF CERTAIN PROVISIONS.*—For pur-  
2 poses of applying sections 125, 126, and 127 of the Trade  
3 Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

4           (1) any trade agreement entered into under sec-  
5 tion 2103 shall be treated as an agreement entered  
6 into under section 101 or 102, as appropriate, of the  
7 Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

8           (2) any proclamation or Executive order issued  
9 pursuant to a trade agreement entered into under sec-  
10 tion 2103 shall be treated as a proclamation or Exec-  
11 utive order issued pursuant to a trade agreement en-  
12 tered into under section 102 of the Trade Act of 1974.

13 **SEC. 2111. REPORT ON IMPACT OF TRADE PROMOTION AU-**  
14 **THORITY.**

15       (a) *IN GENERAL.*—Not later than 1 year after the date  
16 of enactment of this Act, the International Trade Commis-  
17 sion shall report to the Committee on Finance of the Senate  
18 and the Committee on Ways and Means of the House of  
19 Representatives regarding the economic impact on the  
20 United States of the trade agreements described in sub-  
21 section (b).

22       (b) *AGREEMENTS.*—The trade agreements described in  
23 this subsection are:

24           (1) *The United States-Israel Free Trade Agree-*  
25 *ment.*

1           (2) *The United States-Canada Free Trade Agree-*  
2           *ment.*

3           (3) *The North American Free Trade Agreement.*

4           (4) *The Uruguay Round Agreements.*

5           (5) *The Tokyo Round of Multilateral Trade Ne-*  
6           *gotiations.*

7   **SEC. 2112. IDENTIFICATION OF SMALL BUSINESS ADVOCATE AT WTO.**  
8

9           (a) *IN GENERAL.*—*The United States Trade Rep-*  
10          *resentative shall pursue the identification of a small busi-*  
11          *ness advocate at the World Trade Organization Secretariat*  
12          *to examine the impact of WTO agreements on the interests*  
13          *of small- and medium-sized enterprises, address the con-*  
14          *cerns of small- and medium-sized enterprises, and rec-*  
15          *ommend ways to address those interests in trade negotia-*  
16          *tions involving the World Trade Organization.*

17          (b) *ASSISTANT TRADE REPRESENTATIVE.*—*The Assist-*  
18          *ant United States Trade Representative for Industry and*  
19          *Telecommunications shall be responsible for ensuring that*  
20          *the interests of small business are considered in all trade*  
21          *negotiations in accordance with the objective described in*  
22          *section 2102(a)(8). It is the sense of Congress that the small*  
23          *business functions should be reflected in the title of the As-*  
24          *stant United States Trade Representative assigned the re-*  
25          *sponsibility for small business.*

1           (c) *REPORT.*—Not later than 1 year after the date of  
2 enactment of this Act, and annually thereafter, the United  
3 States Trade Representative shall prepare and submit a re-  
4 port to the Committee on Finance of the Senate and the  
5 Committee on Ways and Means of the House of Representa-  
6 tives on the steps taken by the United States Trade Rep-  
7 resentative to pursue the identification of a small business  
8 advocate at the World Trade Organization.

9 **SEC. 2113. DEFINITIONS.**

10           *In this title:*

11           (1) *AGREEMENT ON AGRICULTURE.*—The term  
12 “Agreement on Agriculture” means the agreement re-  
13 ferred to in section 101(d)(2) of the Uruguay Round  
14 Agreements Act (19 U.S.C. 3511(d)(2)).

15           (2) *CORE LABOR STANDARDS.*—The term “core  
16 labor standards” means—

17                   (A) *the right of association;*

18                   (B) *the right to organize and bargain collec-*  
19 *tively;*

20                   (C) *a prohibition on the use of any form of*  
21 *forced or compulsory labor;*

22                   (D) *a minimum age for the employment of*  
23 *children; and*

1           (E) acceptable conditions of work with re-  
2           spect to minimum wages, hours of work, and oc-  
3           cupational safety and health.

4           (3) *GATT 1994*.—The term “GATT 1994” has  
5           the meaning given that term in section 2 of the Uru-  
6           guay Round Agreements Act (19 U.S.C. 3501).

7           (4) *ILO*.—The term “ILO” means the Inter-  
8           national Labor Organization.

9           (5) *IMPORT SENSITIVE AGRICULTURAL PROD-*  
10          *UCT*.—The term “import sensitive agricultural prod-  
11          uct” means an agricultural product with respect to  
12          which, as a result of the Uruguay Round  
13          Agreements—

14                (A) the rate of duty was the subject of tariff  
15                reductions by the United States, and pursuant to  
16                such Agreements, was reduced on January 1,  
17                1995, to a rate which was not less than 97.5 per-  
18                cent of the rate of duty that applied to such arti-  
19                cle on December 31, 1994; or

20                (B) became subject to a tariff-rate quota on  
21                or after January 1, 1995.

22          (6) *UNITED STATES PERSON*.—The term “United  
23          States person” means—

24                (A) a United States citizen;

1           (B) a partnership, corporation, or other  
2           legal entity organized under the laws of the  
3           United States; and

4           (C) a partnership, corporation, or other  
5           legal entity that is organized under the laws of  
6           a foreign country and is controlled by entities  
7           described in subparagraph (B) or United States  
8           citizens, or both.

9           (7) *URUGUAY ROUND AGREEMENTS*.—The term  
10          “Uruguay Round Agreements” has the meaning given  
11          that term in section 2(7) of the Uruguay Round  
12          Agreements Act (19 U.S.C. 3501(7)).

13          (8) *WORLD TRADE ORGANIZATION; WTO*.—The  
14          terms “World Trade Organization” and “WTO”  
15          mean the organization established pursuant to the  
16          WTO Agreement.

17          (9) *WTO AGREEMENT*.—The term “WTO Agree-  
18          ment” means the Agreement Establishing the World  
19          Trade Organization entered into on April 15, 1994.

1       ***DIVISION C—ANDEAN TRADE***  
2                   ***PREFERENCE ACT***  
3       ***TITLE XXXI—ANDEAN TRADE***  
4                   ***PREFERENCE***

5       ***SEC. 3101. SHORT TITLE; FINDINGS.***

6           (a) *SHORT TITLE.*—*This title may be cited as the “An-*  
7 *dean Trade Preference Expansion Act”.*

8           (b) *FINDINGS.*—*Congress makes the following findings:*

9                   (1) *Since the Andean Trade Preference Act was*  
10 *enacted in 1991, it has had a positive impact on*  
11 *United States trade with Bolivia, Colombia, Ecuador,*  
12 *and Peru. Two-way trade has doubled, with the*  
13 *United States serving as the leading source of imports*  
14 *and leading export market for each of the Andean*  
15 *beneficiary countries. This has resulted in increased*  
16 *jobs and expanded export opportunities in both the*  
17 *United States and the Andean region.*

18                   (2) *The Andean Trade Preference Act has been a*  
19 *key element in the United States counternarcotics*  
20 *strategy in the Andean region, promoting export di-*  
21 *versification and broad-based economic development*  
22 *that provides sustainable economic alternatives to*  
23 *drug-crop production, strengthening the legitimate*  
24 *economies of Andean countries and creating viable al-*  
25 *ternatives to illicit trade in coca.*

1           (3) *Notwithstanding the success of the Andean*  
2           *Trade Preference Act, the Andean region remains*  
3           *threatened by political and economic instability and*  
4           *fragility, vulnerable to the consequences of the drug*  
5           *war and fierce global competition for its legitimate*  
6           *trade.*

7           (4) *The continuing instability in the Andean re-*  
8           *gion poses a threat to the security interests of the*  
9           *United States and the world. This problem has been*  
10          *partially addressed through foreign aid, such as Plan*  
11          *Colombia, enacted by Congress in 2000. However, for-*  
12          *eign aid alone is not sufficient. Enhancement of le-*  
13          *gitimate trade with the United States provides an al-*  
14          *ternative means for reviving and stabilizing the*  
15          *economies in the Andean region.*

16          (5) *The Andean Trade Preference Act constitutes*  
17          *a tangible commitment by the United States to the*  
18          *promotion of prosperity, stability, and democracy in*  
19          *the beneficiary countries.*

20          (6) *Renewal and enhancement of the Andean*  
21          *Trade Preference Act will bolster the confidence of do-*  
22          *mestic private enterprise and foreign investors in the*  
23          *economic prospects of the region, ensuring that legiti-*  
24          *mate private enterprise can be the engine of economic*  
25          *development and political stability in the region.*

1           (7) *Each of the Andean beneficiary countries is*  
2           *committed to conclude negotiation of a Free Trade*  
3           *Area of the Americas by the year 2005, as a means*  
4           *of enhancing the economic security of the region.*

5           (8) *Temporarily enhancing trade benefits for An-*  
6           *dean beneficiaries countries will promote the growth*  
7           *of free enterprise and economic opportunity in these*  
8           *countries and serve the security interests of the*  
9           *United States, the region, and the world.*

10 **SEC. 3102. TEMPORARY PROVISIONS.**

11           (a) *IN GENERAL.*—*Section 204(b) of the Andean Trade*  
12 *Preference Act (19 U.S.C. 3203(b)) is amended to read as*  
13 *follows:*

14           “(b) *IMPORT-SENSITIVE ARTICLES.*—

15           “(1) *IN GENERAL.*—*Subject to paragraphs (2)*  
16 *through (5), the duty-free treatment provided under*  
17 *this title does not apply to—*

18           “(A) *textile and apparel articles which were*  
19 *not eligible articles for purposes of this title on*  
20 *January 1, 1994, as this title was in effect on*  
21 *that date;*

22           “(B) *footwear not designated at the time of*  
23 *the effective date of this title as eligible articles*  
24 *for the purpose of the generalized system of pref-*  
25 *erences under title V of the Trade Act of 1974;*



1           “(C) *tuna, prepared or preserved in any*  
2           *manner, in airtight containers;*

3           “(D) *petroleum, or any product derived*  
4           *from petroleum, provided for in headings 2709*  
5           *and 2710 of the HTS;*

6           “(E) *watches and watch parts (including*  
7           *cases, bracelets, and straps), of whatever type in-*  
8           *cluding, but not limited to, mechanical, quartz*  
9           *digital, or quartz analog, if such watches or*  
10          *watch parts contain any material which is the*  
11          *product of any country with respect to which*  
12          *HTS column 2 rates of duty apply;*

13          “(F) *articles to which reduced rates of duty*  
14          *apply under subsection (c);*

15          “(G) *sugars, syrups, and sugar containing*  
16          *products subject to tariff-rate quotas; or*

17          “(H) *rum and tafia classified in sub-*  
18          *heading 2208.40 of the HTS.*

19          “(2) *TRANSITION PERIOD TREATMENT OF CER-*  
20          *TAIN TEXTILE AND APPAREL ARTICLES.—*

21                 “(A) *ARTICLES COVERED.—During the*  
22                 *transition period, the preferential treatment de-*  
23                 *scribed in subparagraph (B) shall apply to the*  
24                 *following articles imported directly into the cus-*

1            *toms territory of the United States from an*  
2            *ATPEA beneficiary country:*

3                    “(i) *APPAREL ARTICLES ASSEMBLED*  
4                    *FROM PRODUCTS OF THE UNITED STATES*  
5                    *AND ATPEA BENEFICIARY COUNTRIES OR*  
6                    *PRODUCTS NOT AVAILABLE IN COMMERCIAL*  
7                    *QUANTITIES.—Apparel articles sewn or oth-*  
8                    *erwise assembled in 1 or more ATPEA ben-*  
9                    *eficiary countries, or the United States, or*  
10                   *both, exclusively from any one or any com-*  
11                   *bination of the following:*

12                            “(I) *Fabrics or fabric components*  
13                            *formed, or components knit-to-shape,*  
14                            *in the United States, from yarns whol-*  
15                            *ly formed in the United States (includ-*  
16                            *ing fabrics not formed from yarns, if*  
17                            *such fabrics are classifiable under*  
18                            *heading 5602 or 5603 of the HTS and*  
19                            *are formed in the United States), pro-*  
20                            *vided that apparel articles sewn or oth-*  
21                            *erwise assembled from materials de-*  
22                            *scribed in this subclause are assembled*  
23                            *with thread formed in the United*  
24                            *States.*

1           “(II) *Fabric components knit-to-*  
2 *shape in the United States from yarns*  
3 *wholly formed in the United States*  
4 *and fabric components knit-to-shape in*  
5 *1 or more ATPEA beneficiary coun-*  
6 *tries from yarns wholly formed in the*  
7 *United States.*

8           “(III) *Fabrics or fabric compo-*  
9 *nents formed or components knit-to-*  
10 *shape, in 1 or more ATPEA bene-*  
11 *ficiary countries, from yarns wholly*  
12 *formed in 1 or more ATPEA bene-*  
13 *ficiary countries, if such fabrics (in-*  
14 *cluding fabrics not formed from yarns,*  
15 *if such fabrics are classifiable under*  
16 *heading 5602 or 5603 of the HTS and*  
17 *are formed in 1 or more ATPEA bene-*  
18 *ficiary countries) or components are in*  
19 *chief weight of llama, or alpaca.*

20           “(IV) *Fabrics or yarns that are*  
21 *not formed in the United States or in*  
22 *1 or more ATPEA beneficiary coun-*  
23 *tries, to the extent such fabrics or*  
24 *yarns are considered not to be widely*  
25 *available in commercial quantities for*

1                    *purposes of determining the eligibility*  
2                    *of such apparel articles for preferential*  
3                    *treatment under Annex 401 of the*  
4                    *NAFTA.*

5                    “(ii) *KNIT-TO-SHAPE APPAREL ARTI-*  
6                    *CLES.—Apparel articles knit-to-shape (other*  
7                    *than socks provided for in heading 6115 of*  
8                    *the HTS) in 1 or more ATPEA beneficiary*  
9                    *countries from yarns wholly formed in the*  
10                   *United States.*

11                   “(iii) *REGIONAL FABRIC.—*

12                   “(I) *GENERAL RULE.—Knit ap-*  
13                   *parel articles wholly assembled in 1 or*  
14                   *more ATPEA beneficiary countries ex-*  
15                   *clusively from fabric formed, or fabric*  
16                   *components formed, or components*  
17                   *knit-to-shape, or any combination*  
18                   *thereof, in 1 or more ATPEA bene-*  
19                   *ficiary countries from yarns wholly*  
20                   *formed in the United States, in an*  
21                   *amount not exceeding the amount set*  
22                   *forth in subclause (II).*

23                   “(II) *LIMITATION.—The amount*  
24                   *referred to in subclause (I) is*  
25                   *70,000,000 square meter equivalents*

1           *during the 1-year period beginning on*  
2           *March 1, 2002, increased by 16 per-*  
3           *cent, compounded annually, in each*  
4           *succeeding 1-year period through Feb-*  
5           *ruary 28, 2006.*

6           “(iv) *CERTAIN OTHER APPAREL ARTI-*  
7           *CLES.—*

8                     “(I) *GENERAL RULE.—Subject to*  
9                     *subclause (II), any apparel article*  
10                    *classifiable under subheading 6212.10*  
11                    *of the HTS, if the article is both cut*  
12                    *and sewn or otherwise assembled in the*  
13                    *United States, or one or more of the*  
14                    *ATPEA beneficiary countries, or both.*

15                    “(II) *LIMITATION.—During the 1-*  
16                    *year period beginning on March 1,*  
17                    *2003, and during each of the 2 suc-*  
18                    *ceeding 1-year periods, apparel articles*  
19                    *described in subclause (I) of a producer*  
20                    *or an entity controlling production*  
21                    *shall be eligible for preferential treat-*  
22                    *ment under subparagraph (B) only if*  
23                    *the aggregate cost of fabric components*  
24                    *formed in the United States that are*  
25                    *used in the production of all such arti-*

1 *cles of that producer or entity that are*  
2 *entered during the preceding 1-year pe-*  
3 *riod is at least 75 percent of the aggre-*  
4 *gate declared customs value of the fab-*  
5 *ric contained in all such articles of*  
6 *that producer or entity that are en-*  
7 *tered during the preceding 1-year pe-*  
8 *riod.*

9 *“(III) DEVELOPMENT OF PROCE-*  
10 *DURE TO ENSURE COMPLIANCE.—The*  
11 *United States Customs Service shall*  
12 *develop and implement methods and*  
13 *procedures to ensure ongoing compli-*  
14 *ance with the requirement set forth in*  
15 *subclause (II). If the Customs Service*  
16 *finds that a producer or an entity con-*  
17 *trolling production has not satisfied*  
18 *such requirement in a 1-year period,*  
19 *then apparel articles described in sub-*  
20 *clause (I) of that producer or entity*  
21 *shall be ineligible for preferential treat-*  
22 *ment under subparagraph (B) during*  
23 *any succeeding 1-year period until the*  
24 *aggregate cost of fabric components*  
25 *formed in the United States used in*

1           *the production of such articles of that*  
2           *producer or entity that are entered*  
3           *during the preceding 1-year period is*  
4           *at least 85 percent of the aggregate de-*  
5           *clared customs value of the fabric con-*  
6           *tained in all such articles of that pro-*  
7           *ducer or entity that are entered during*  
8           *the preceding 1-year period.*

9           “(v) *APPAREL ARTICLES ASSEMBLED*  
10           *FROM FABRICS OR YARN NOT WIDELY AVAIL-*  
11           *ABLE IN COMMERCIAL QUANTITIES.—At the*  
12           *request of any interested party, the Presi-*  
13           *dent is authorized to proclaim additional*  
14           *fabrics and yarn as eligible for preferential*  
15           *treatment under clause (i)(IV) if—*

16                   “(I) *the President determines that*  
17                   *such fabrics or yarn cannot be sup-*  
18                   *plied by the domestic industry in com-*  
19                   *mercial quantities in a timely manner;*

20                   “(II) *the President has obtained*  
21                   *advice regarding the proposed action*  
22                   *from the appropriate advisory com-*  
23                   *mittee established under section 135 of*  
24                   *the Trade Act of 1974 (19 U.S.C.*

1           2155) and the United States Inter-  
2           national Trade Commission;

3           “(III) within 60 days after the re-  
4           quest, the President has submitted a re-  
5           port to the Committee on Ways and  
6           Means of the House of Representatives  
7           and the Committee on Finance of the  
8           Senate that sets forth the action pro-  
9           posed to be proclaimed and the reasons  
10          for such actions, and the advice ob-  
11          tained under subclause (II);

12          “(IV) a period of 60 calendar  
13          days, beginning with the first day on  
14          which the President has met the re-  
15          quirements of subclause (III), has ex-  
16          pired; and

17          “(V) the President has consulted  
18          with such committees regarding the  
19          proposed action during the period re-  
20          ferred to in subclause (III).

21          “(vi) *HANDLOOMED, HANDMADE, AND*  
22          *FOLKLORE ARTICLES.*—A handloomed,  
23          handmade, or folklore article of an *ATPEA*  
24          beneficiary country identified under sub-  
25          paragraph (C) that is certified as such by



1           *the competent authority of such beneficiary*  
2           *country.*

3           “(vii) *SPECIAL RULES.—*

4                   “(I) *EXCEPTION FOR FINDINGS*  
5                   *AND TRIMMINGS.—(aa) An article oth-*  
6                   *erwise eligible for preferential treat-*  
7                   *ment under this paragraph shall not be*  
8                   *ineligible for such treatment because*  
9                   *the article contains findings or trim-*  
10                   *mings of foreign origin, if such find-*  
11                   *ings and trimmings do not exceed 25*  
12                   *percent of the cost of the components of*  
13                   *the assembled product. Examples of*  
14                   *findings and trimmings are sewing*  
15                   *thread, hooks and eyes, snaps, buttons,*  
16                   *‘bow buds’, decorative lace, trim, elas-*  
17                   *tic strips, zippers, including zipper*  
18                   *tapes and labels, and other similar*  
19                   *products. Elastic strips are considered*  
20                   *findings or trimmings only if they are*  
21                   *each less than 1 inch in width and are*  
22                   *used in the production of brassieres.*

23                   “(bb) *In the case of an article de-*  
24                   *scribed in clause (i)(I) of this subpara-*  
25                   *graph, sewing thread shall not be treat-*

1 *ed as findings or trimmings under this*  
2 *subclause.*

3 *“(II) CERTAIN INTERLININGS.—*

4 *(aa) An article otherwise eligible for*  
5 *preferential treatment under this para-*  
6 *graph shall not be ineligible for such*  
7 *treatment because the article contains*  
8 *certain interlinings of foreign origin, if*  
9 *the value of such interlinings (and any*  
10 *findings and trimmings) does not ex-*  
11 *ceed 25 percent of the cost of the com-*  
12 *ponents of the assembled article.*

13 *“(bb) Interlinings eligible for the*  
14 *treatment described in division (aa)*  
15 *include only a chest type plate, ‘hymo’*  
16 *piece, or ‘sleeve header’, of woven or*  
17 *weft-inserted warp knit construction*  
18 *and of coarse animal hair or man-*  
19 *made filaments.*

20 *“(cc) The treatment described in*  
21 *this subclause shall terminate if the*  
22 *President makes a determination that*  
23 *United States manufacturers are pro-*  
24 *ducing such interlinings in the United*  
25 *States in commercial quantities.*

1                   “(III) *DE MINIMIS RULE*.—An ar-  
2                   ticle that would otherwise be ineligible  
3                   for preferential treatment under this  
4                   paragraph because the article contains  
5                   yarns not wholly formed in the United  
6                   States or in 1 or more *ATPEA* bene-  
7                   ficiary countries shall not be ineligible  
8                   for such treatment if the total weight of  
9                   all such yarns is not more than 7 per-  
10                  cent of the total weight of the good.  
11                  Notwithstanding the preceding sen-  
12                  tence, an apparel article containing  
13                  elastomeric yarns shall be eligible for  
14                  preferential treatment under this para-  
15                  graph only if such yarns are wholly  
16                  formed in the United States.

17                  “(IV) *SPECIAL ORIGIN RULE*.—An  
18                  article otherwise eligible for pref-  
19                  erential treatment under clause (i) of  
20                  this subparagraph shall not be ineli-  
21                  gible for such treatment because the ar-  
22                  ticle contains nylon filament yarn  
23                  (other than elastomeric yarn) that is  
24                  classifiable under subheading  
25                  5402.10.30, 5402.10.60, 5402.31.30,

1 5402.31.60, 5402.32.30, 5402.32.60,  
2 5402.41.10, 5402.41.90, 5402.51.00, or  
3 5402.61.00 of the HTS duty-free from  
4 a country that is a party to an agree-  
5 ment with the United States estab-  
6 lishing a free trade area, which entered  
7 into force before January 1, 1995.

8 “(V) CLARIFICATION OF CERTAIN  
9 KNIT APPAREL ARTICLES.—Notwith-  
10 standing any other provision of law,  
11 an article otherwise eligible for pref-  
12 erential treatment under clause (iii)(I)  
13 of this subparagraph, shall not be in-  
14 eligible for such treatment because the  
15 article, or a component thereof, con-  
16 tains fabric formed in the United  
17 States from yarns wholly formed in the  
18 United States.

19 “(viii) TEXTILE LUGGAGE.—Textile  
20 luggage—

21 “(I) assembled in an ATPEA ben-  
22 eficiary country from fabric wholly  
23 formed and cut in the United States,  
24 from yarns wholly formed in the

1                    *United States, that is entered under*  
2                    *subheading 9802.00.80 of the HTS; or*

3                    *“(II) assembled from fabric cut in*  
4                    *an ATPEA beneficiary country from*  
5                    *fabric wholly formed in the United*  
6                    *States from yarns wholly formed in the*  
7                    *United States.*

8                    *“(B) PREFERENTIAL TREATMENT.—Except*  
9                    *as provided in subparagraph (E), during the*  
10                   *transition period, the articles to which subpara-*  
11                   *graph (A) applies shall enter the United States*  
12                   *free of duty and free of any quantitative restric-*  
13                   *tions, limitations, or consultation levels.*

14                   *“(C) HANDLOOMED, HANDMADE, AND FOLK-*  
15                   *LORE ARTICLES.—For purposes of subparagraph*  
16                   *(A)(vi), the President shall consult with rep-*  
17                   *resentatives of the ATPEA beneficiary countries*  
18                   *concerned for the purpose of identifying par-*  
19                   *ticular textile and apparel goods that are mutu-*  
20                   *ally agreed upon as being handloomed, hand-*  
21                   *made, or folklore goods of a kind described in*  
22                   *section 2.3(a), (b), or (c) of the Annex or Appen-*  
23                   *dix 3.1.B.11 of the Annex.*

24                   *“(D) PENALTIES FOR TRANSSHIPMENTS.—*

1           “(i) *PENALTIES FOR EXPORTERS.*—If  
2           *the President determines, based on sufficient*  
3           *evidence, that an exporter has engaged in*  
4           *transshipment with respect to textile or ap-*  
5           *parel articles from an ATPEA beneficiary*  
6           *country, then the President shall deny all*  
7           *benefits under this title to such exporter,*  
8           *and any successor of such exporter, for a pe-*  
9           *riod of 2 years.*

10           “(ii) *PENALTIES FOR COUNTRIES.*—  
11           *Whenever the President finds, based on suf-*  
12           *ficient evidence, that transshipment has oc-*  
13           *curred, the President shall request that the*  
14           *ATPEA beneficiary country or countries*  
15           *through whose territory the transshipment*  
16           *has occurred take all necessary and appro-*  
17           *priate actions to prevent such trans-*  
18           *shipment. If the President determines that a*  
19           *country is not taking such actions, the*  
20           *President shall reduce the quantities of tex-*  
21           *tile and apparel articles that may be im-*  
22           *ported into the United States from such*  
23           *country by the quantity of the transshipped*  
24           *articles multiplied by 3, to the extent con-*

1                    *sistent with the obligations of the United*  
2                    *States under the WTO.*

3                    “(iii) *TRANSSHIPMENT DESCRIBED.—*  
4                    *Transshipment within the meaning of this*  
5                    *subparagraph has occurred when pref-*  
6                    *erential treatment under subparagraph (B)*  
7                    *has been claimed for a textile or apparel ar-*  
8                    *ticle on the basis of material false informa-*  
9                    *tion concerning the country of origin, man-*  
10                    *ufacture, processing, or assembly of the arti-*  
11                    *cle or any of its components. For purposes*  
12                    *of this clause, false information is material*  
13                    *if disclosure of the true information would*  
14                    *mean or would have meant that the article*  
15                    *is or was ineligible for preferential treat-*  
16                    *ment under subparagraph (B).*

17                    “(E) *BILATERAL EMERGENCY ACTIONS.—*

18                    “(i) *IN GENERAL.—The President may*  
19                    *take bilateral emergency tariff actions of a*  
20                    *kind described in section 4 of the Annex*  
21                    *with respect to any apparel article im-*  
22                    *ported from an ATPEA beneficiary country*  
23                    *if the application of tariff treatment under*  
24                    *subparagraph (B) to such article results in*  
25                    *conditions that would be cause for the tak-*

1            *ing of such actions under such section 4*  
2            *with respect to a like article described in the*  
3            *same 8-digit subheading of the HTS that is*  
4            *imported from Mexico.*

5            *“(ii) RULES RELATING TO BILATERAL*  
6            *EMERGENCY ACTION.—For purposes of ap-*  
7            *plying bilateral emergency action under*  
8            *this subparagraph—*

9            *“(I) the requirements of para-*  
10           *graph (5) of section 4 of the Annex (re-*  
11           *lating to providing compensation)*  
12           *shall not apply;*

13           *“(II) the term ‘transition period’*  
14           *in section 4 of the Annex shall have the*  
15           *meaning given that term in paragraph*  
16           *(5)(D) of this subsection; and*

17           *“(III) the requirements to consult*  
18           *specified in section 4 of the Annex*  
19           *shall be treated as satisfied if the*  
20           *President requests consultations with*  
21           *the ATPEA beneficiary country in*  
22           *question and the country does not*  
23           *agree to consult within the time period*  
24           *specified under section 4.*



1           “(3) *TRANSITION PERIOD TREATMENT OF CER-*  
2           *TAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY*  
3           *COUNTRIES.—*

4           “(A) *EQUIVALENT TARIFF TREATMENT.—*

5           “(i) *IN GENERAL.—Subject to clauses*  
6           *(ii) and (iii), the tariff treatment accorded*  
7           *at any time during the transition period to*  
8           *any article referred to in any of subpara-*  
9           *graphs (B), (D) through (F), or (H) of*  
10           *paragraph (1) that is an ATPEA origi-*  
11           *nating good, imported directly into the cus-*  
12           *toms territory of the United States from an*  
13           *ATPEA beneficiary country, shall be iden-*  
14           *tical to the tariff treatment that is accorded*  
15           *at such time under Annex 302.2 of the*  
16           *NAFTA to an article described in the same*  
17           *8-digit subheading of the HTS that is a*  
18           *good of Mexico and is imported into the*  
19           *United States.*

20           “(ii) *EXCEPTION.—Clause (i) does not*  
21           *apply to any article accorded duty-free*  
22           *treatment under U.S. Note 2(b) to sub-*  
23           *chapter II of chapter 98 of the HTS.*

24           “(iii) *CERTAIN FOOTWEAR.—*

1                   “(I) *IN GENERAL.*—*Duties on any*  
 2                   *article described in subclause (II), that*  
 3                   *is an ATPEA originating good im-*  
 4                   *ported directly into the customs terri-*  
 5                   *tory of the United States from an*  
 6                   *ATPEA beneficiary country, shall be*  
 7                   *reduced by 1/15 a year beginning on*  
 8                   *the date of enactment of the Andean*  
 9                   *Trade Preference Expansion Act.*

10                   “(II) *ARTICLES DESCRIBED.*—*An*  
 11                   *article described in this subclause*  
 12                   *means an article described in sub-*  
 13                   *heading     6401.10.00,     6401.91.00,*  
 14                   *6401.92.90,   6401.99.30,   6401.99.60,*  
 15                   *6401.99.90,   6402.30.50,   6402.30.70,*  
 16                   *6402.30.80,   6402.91.50,   6402.91.80,*  
 17                   *6402.91.90,   6402.99.20,   6402.99.30,*  
 18                   *6402.99.80,   6402.99.90,   6403.91.60,*  
 19                   *6404.11.50,   6404.11.60,   6404.11.70,*  
 20                   *6404.11.80,   6404.11.90,   6404.19.20,*  
 21                   *6404.19.35, 6404.19.50, or 6404.19.70*  
 22                   *of the HTS.*

23                   “(B) *RELATIONSHIP TO SUBSECTION (C)*  
 24                   *DUTY REDUCTIONS.*—*If at any time during the*  
 25                   *transition period the rate of duty that would*

1           *(but for action taken under subparagraph (A)(i)*  
2           *in regard to such period) apply with respect to*  
3           *any article under subsection (c) is a rate of duty*  
4           *that is lower than the rate of duty resulting from*  
5           *such action, then such lower rate of duty shall be*  
6           *applied for the purposes of implementing such*  
7           *action.*

8           “(C) *SPECIAL RULE FOR SUGARS, SYRUPS,*  
9           *AND SUGAR CONTAINING PRODUCTS.—Duty-free*  
10           *treatment under this Act shall not be extended to*  
11           *sugars, syrups, and sugar-containing products*  
12           *subject to over-quota duty rates under applicable*  
13           *tariff-rate quotas.*

14           “(D) *SPECIAL RULE FOR CERTAIN TUNA*  
15           *PRODUCTS.—*

16           “(i) *IN GENERAL.—The President may*  
17           *proclaim duty-free treatment under this Act*  
18           *for tuna that is harvested by United States*  
19           *vessels or ATPEA beneficiary country ves-*  
20           *sels, and is prepared or preserved in any*  
21           *manner, in airtight containers in an*  
22           *ATPEA beneficiary country. Such duty-free*  
23           *treatment may be proclaimed in any cal-*  
24           *endar year for a quantity of such tuna that*  
25           *does not exceed 20 percent of the domestic*

1            *United States tuna pack in the preceding*  
2            *calendar year. As used in the preceding sen-*  
3            *tence, the term ‘tuna pack’ means tuna pack*  
4            *as defined by the National Marine Fisheries*  
5            *Service of the United States Department of*  
6            *Commerce for purposes of subheading*  
7            *1604.14.20 of the HTS as in effect on the*  
8            *date of enactment of the Andean Trade*  
9            *Preference Expansion Act.*

10            “(ii) *UNITED STATES VESSEL.*—*For*  
11            *purposes of this subparagraph, a ‘United*  
12            *States vessel’ is a vessel having a certificate*  
13            *of documentation with a fishery endorse-*  
14            *ment under chapter 121 of title 46, United*  
15            *States Code.*

16            “(iii) *ATPEA VESSEL.*—*For purposes*  
17            *of this subparagraph, an ‘ATPEA vessel’ is*  
18            *a vessel—*

19                    “(I) *which is registered or re-*  
20                    *corded in an ATPEA beneficiary coun-*  
21                    *try;*

22                    “(II) *which sails under the flag of*  
23                    *an ATPEA beneficiary country;*

24                    “(III) *which is at least 75 percent*  
25                    *owned by nationals of an ATPEA ben-*

1            *eficiary country or by a company hav-*  
2            *ing its principal place of business in*  
3            *an ATPEA beneficiary country, of*  
4            *which the manager or managers, chair-*  
5            *man of the board of directors or of the*  
6            *supervisory board, and the majority of*  
7            *the members of such boards are nation-*  
8            *als of an ATPEA beneficiary country*  
9            *and of which, in the case of a com-*  
10           *pany, at least 50 percent of the capital*  
11           *is owned by an ATPEA beneficiary*  
12           *country or by public bodies or nation-*  
13           *als of an ATPEA beneficiary country;*

14                    *“(IV) of which the master and of-*  
15                    *ficers are nationals of an ATPEA ben-*  
16                    *eficiary country; and*

17                    *“(V) of which at least 75 percent*  
18                    *of the crew are nationals of an ATPEA*  
19                    *beneficiary country.*

20            *“(4) CUSTOMS PROCEDURES.—*

21                    *“(A) IN GENERAL.—*

22                    *“(i) REGULATIONS.—Any importer*  
23                    *that claims preferential treatment under*  
24                    *paragraph (2) or (3) shall comply with cus-*  
25                    *tom procedures similar in all material re-*

1           *spects to the requirements of Article 502(1)*  
2           *of the NAFTA as implemented pursuant to*  
3           *United States law, in accordance with regu-*  
4           *lations promulgated by the Secretary of the*  
5           *Treasury.*

6           “(ii) *DETERMINATION.*—

7                   “(I) *IN GENERAL.*—*In order to*  
8                   *qualify for the preferential treatment*  
9                   *under paragraph (2) or (3) and for a*  
10                   *Certificate of Origin to be valid with*  
11                   *respect to any article for which such*  
12                   *treatment is claimed, there shall be in*  
13                   *effect a determination by the President*  
14                   *that each country described in sub-*  
15                   *clause (II)—*

16                           “(aa) *has implemented and*  
17                           *follows; or*

18                           “(bb) *is making substantial*  
19                           *progress toward implementing*  
20                           *and following, procedures and re-*  
21                           *quirements similar in all material*  
22                           *respects to the relevant procedures*  
23                           *and requirements under chapter 5*  
24                           *of the NAFTA.*

1                   “(II) COUNTRY DESCRIBED.—A  
2                   country is described in this subclause if  
3                   it is an ATPEA beneficiary country—

4                   “(aa) from which the article  
5                   is exported; or

6                   “(bb) in which materials  
7                   used in the production of the arti-  
8                   cle originate or in which the arti-  
9                   cle or such materials undergo pro-  
10                  duction that contributes to a  
11                  claim that the article is eligible  
12                  for preferential treatment under  
13                  paragraph (2) or (3).

14                  “(B) CERTIFICATE OF ORIGIN.—The Certifi-  
15                  cate of Origin that otherwise would be required  
16                  pursuant to the provisions of subparagraph (A)  
17                  shall not be required in the case of an article im-  
18                  ported under paragraph (2) or (3) if such Cer-  
19                  tificate of Origin would not be required under  
20                  Article 503 of the NAFTA (as implemented pur-  
21                  suant to United States law), if the article were  
22                  imported from Mexico.

23                  “(C) REPORT BY USTR ON COOPERATION OF  
24                  OTHER COUNTRIES CONCERNING CIRCUMVEN-  
25                  TION.—The United States Commissioner of Cus-

1            *toms shall conduct a study analyzing the extent*  
2            *to which each ATPEA beneficiary country—*

3                    *“(i) has cooperated fully with the*  
4                    *United States, consistent with its domestic*  
5                    *laws and procedures, in instances of cir-*  
6                    *cumvention or alleged circumvention of ex-*  
7                    *isting quotas on imports of textile and ap-*  
8                    *parel goods, to establish necessary relevant*  
9                    *facts in the places of import, export, and,*  
10                   *where applicable, transshipment, including*  
11                   *investigation of circumvention practices, ex-*  
12                   *changes of documents, correspondence, re-*  
13                   *ports, and other relevant information, to the*  
14                   *extent such information is available;*

15                   *“(ii) has taken appropriate measures,*  
16                   *consistent with its domestic laws and proce-*  
17                   *dures, against exporters and importers in-*  
18                   *involved in instances of false declaration con-*  
19                   *cerning fiber content, quantities, descrip-*  
20                   *tion, classification, or origin of textile and*  
21                   *apparel goods; and*

22                   *“(iii) has penalized the individuals*  
23                   *and entities involved in any such cir-*  
24                   *cumvention, consistent with its domestic*  
25                   *laws and procedures, and has worked closely*



1           to seek the cooperation of any third country  
2           to prevent such circumvention from taking  
3           place in that third country.

4           The Trade Representative shall submit to Con-  
5           gress, not later than October 1, 2002, a report on  
6           the study conducted under this subparagraph.

7           “(5) *DEFINITIONS AND SPECIAL RULES.*—For  
8           purposes of this subsection—

9                   “(A) *ANNEX.*—The term ‘the Annex’ means  
10                  Annex 300–B of the NAFTA.

11                   “(B) *ATPEA BENEFICIARY COUNTRY.*—The  
12                  term ‘ATPEA beneficiary country’ means any  
13                  ‘beneficiary country’, as defined in section  
14                  203(a)(1) of this title, which the President des-  
15                  ignates as an ATPEA beneficiary country, tak-  
16                  ing into account the criteria contained in sub-  
17                  sections (c) and (d) of section 203 and other ap-  
18                  propriate criteria, including the following:

19                           “(i) Whether the beneficiary country  
20                          has demonstrated a commitment to—

21                                   “(I) undertake its obligations  
22                                   under the WTO, including those agree-  
23                                   ments listed in section 101(d) of the  
24                                   Uruguay Round Agreements Act, on or  
25                                   ahead of schedule; and

1                   “(II) participate in negotiations  
2                   toward the completion of the FTAA or  
3                   another free trade agreement.

4                   “(ii) The extent to which the country  
5                   provides protection of intellectual property  
6                   rights consistent with or greater than the  
7                   protection afforded under the Agreement on  
8                   Trade-Related Aspects of Intellectual Prop-  
9                   erty Rights described in section 101(d)(15)  
10                  of the Uruguay Round Agreements Act.

11                  “(iii) The extent to which the country  
12                  provides internationally recognized worker  
13                  rights, including—

14                         “(I) the right of association;

15                         “(II) the right to organize and  
16                         bargain collectively;

17                         “(III) a prohibition on the use of  
18                         any form of forced or compulsory  
19                         labor;

20                         “(IV) a minimum age for the em-  
21                         ployment of children; and

22                         “(V) acceptable conditions of work  
23                         with respect to minimum wages, hours  
24                         of work, and occupational safety and  
25                         health.

1           “(iv) *Whether the country has imple-*  
2           *mented its commitments to eliminate the*  
3           *worst forms of child labor, as defined in sec-*  
4           *tion 507(6) of the Trade Act of 1974.*

5           “(v) *The extent to which the country*  
6           *has met the counter-narcotics certification*  
7           *criteria set forth in section 490 of the For-*  
8           *ign Assistance Act of 1961 (22 U.S.C.*  
9           *2291j) for eligibility for United States as-*  
10          *sistance.*

11          “(vi) *The extent to which the country*  
12          *has taken steps to become a party to and*  
13          *implements the Inter-American Convention*  
14          *Against Corruption.*

15          “(vii) *The extent to which the*  
16          *country—*

17                 “(I) *applies transparent, non-*  
18                 *discriminatory, and competitive proce-*  
19                 *dures in government procurement*  
20                 *equivalent to those contained in the*  
21                 *Agreement on Government Procure-*  
22                 *ment described in section 101(d)(17) of*  
23                 *the Uruguay Round Agreements Act;*  
24                 *and*

1                   “(II) contributes to efforts in  
2                   international fora to develop and im-  
3                   plement international rules in trans-  
4                   parency in government procurement.

5                   “(viii) The extent to which the country  
6                   has taken steps to support the efforts of the  
7                   United States to combat terrorism.

8                   “(C) ATPEA ORIGINATING GOOD.—

9                   “(i) IN GENERAL.—The term ‘ATPEA  
10                  originating good’ means a good that meets  
11                  the rules of origin for a good set forth in  
12                  chapter 4 of the NAFTA as implemented  
13                  pursuant to United States law.

14                  “(ii) APPLICATION OF CHAPTER 4.—In  
15                  applying chapter 4 of the NAFTA with re-  
16                  spect to an ATPEA beneficiary country for  
17                  purposes of this subsection—

18                         “(I) no country other than the  
19                         United States and an ATPEA bene-  
20                         ficiary country may be treated as  
21                         being a party to the NAFTA;

22                         “(II) any reference to trade be-  
23                         tween the United States and Mexico  
24                         shall be deemed to refer to trade be-

1                    *tween the United States and an*  
2                    *ATPEA beneficiary country;*

3                    *“(III) any reference to a party*  
4                    *shall be deemed to refer to an ATPEA*  
5                    *beneficiary country or the United*  
6                    *States; and*

7                    *“(IV) any reference to parties*  
8                    *shall be deemed to refer to any com-*  
9                    *bination of ATPEA beneficiary coun-*  
10                   *tries or to the United States and one*  
11                   *or more ATPEA beneficiary countries*  
12                   *(or any combination thereof).*

13                   *“(D) TRANSITION PERIOD.—The term ‘tran-*  
14                   *sition period’ means, with respect to an ATPEA*  
15                   *beneficiary country, the period that begins on the*  
16                   *date of enactment, and ends on the earlier of—*

17                   *“(i) February 28, 2006; or*

18                   *“(ii) the date on which the FTAA or*  
19                   *another free trade agreement that makes*  
20                   *substantial progress in achieving the negoti-*  
21                   *ating objectives set forth in section*  
22                   *108(b)(5) of Public Law 103–182 (19*  
23                   *U.S.C. 3317(b)(5)) enters into force with re-*  
24                   *spect to the United States and the ATPEA*  
25                   *beneficiary country.*

1                   “(E) *ATPEA*.—The term ‘*ATPEA*’ means  
2                   the *Andean Trade Preference Expansion Act*.

3                   “(F) *FTAA*.—The term ‘*FTAA*’ means the  
4                   *Free Trade Area of the Americas*.”.

5                   (b) *DETERMINATION REGARDING RETENTION OF DES-*  
6 *IGNATION*.—Section 203(e) of the *Andean Trade Preference*  
7 *Act* (19 U.S.C. 3202(e)) is amended—

8                   (1) in paragraph (1)—

9                   (A) by redesignating subparagraphs (A)  
10                  and (B) as clauses (i) and (ii), respectively;

11                  (B) by inserting “(A)” after “(1)”; and

12                  (C) by adding at the end the following:

13                  “(B) The President may, after the requirements of  
14                  paragraph (2) have been met—

15                  “(i) withdraw or suspend the designation of any  
16                  country as an *ATPEA* beneficiary country; or

17                  “(ii) withdraw, suspend, or limit the application  
18                  of preferential treatment under section 204(b) (2) and

19                  (3) to any article of any country;

20 if, after such designation, the President determines that, as  
21 a result of changed circumstances, the performance of such  
22 country is not satisfactory under the criteria set forth in  
23 section 204(b)(5)(B).”;

24                  (2) by adding after paragraph (2) the following  
25                  new paragraph:

1       “(3) If preferential treatment under section 204(b) (2)  
2 and (3) is withdrawn, suspended, or limited with respect  
3 to an ATPEA beneficiary country, such country shall not  
4 be deemed to be a ‘party’ for the purposes of applying sec-  
5 tion 204(b)(5)(C) to imports of articles for which pref-  
6 erential treatment has been withdrawn, suspended, or lim-  
7 ited with respect to such country.”.

8       (c) *REPORTING REQUIREMENTS.*—Section 203(f) of  
9 the Andean Trade Preference Act (19 U.S.C. 3202(f)) is  
10 amended to read as follows:

11       “(f) *REPORTING REQUIREMENTS.*—

12               “(1) *IN GENERAL.*—Not later than December 31,  
13 2002, and every 2 years thereafter during the period  
14 this title is in effect, the United States Trade Rep-  
15 resentative shall submit to Congress a report regard-  
16 ing the operation of this title, including—

17                       “(A) with respect to subsections (c) and (d),  
18 the results of a general review of beneficiary  
19 countries based on the considerations described  
20 in such subsections; and

21                       “(B) the performance of each beneficiary  
22 country or ATPEA beneficiary country, as the  
23 case may be, under the criteria set forth in sec-  
24 tion 204(b)(5)(B).

1           “(2) *PUBLIC COMMENT.*—*Before submitting the*  
2           *report described in paragraph (1), the United States*  
3           *Trade Representative shall publish a notice in the*  
4           *Federal Register requesting public comments on*  
5           *whether beneficiary countries are meeting the criteria*  
6           *listed in section 204(b)(5)(B).”.*

7           (d) *CONFORMING AMENDMENTS.*—

8           (1) *IN GENERAL.*—

9           (A) *Section 202 of the Andean Trade Pref-*  
10           *erence Act (19 U.S.C. 3201) is amended by in-*  
11           *serting “(or other preferential treatment)” after*  
12           *“treatment”.*

13           (B) *Section 204(a)(1) of the Andean Trade*  
14           *Preference Act (19 U.S.C. 3203(a)(1)) is amend-*  
15           *ed by inserting “(or otherwise provided for)”*  
16           *after “eligibility”.*

17           (C) *Section 204(a)(1) of the Andean Trade*  
18           *Preference Act (19 U.S.C. 3203(a)(1)) is amend-*  
19           *ed by inserting “(or preferential treatment)”*  
20           *after “duty-free treatment”.*

21           (2) *DEFINITIONS.*—*Section 203(a) of the Andean*  
22           *Trade Preference Act (19 U.S.C. 3202(a)) is amended*  
23           *by adding at the end the following new paragraphs:*

24           “(4) *The term “NAFTA” means the North Amer-*  
25           *ican Free Trade Agreement entered into between the*



1 *United States, Mexico, and Canada on December 17,*  
2 *1992.*

3 “(5) *The terms ‘WTO’ and ‘WTO member’ have*  
4 *the meanings given those terms in section 2 of the*  
5 *Uruguay Round Agreements Act (19 U.S.C. 3501).”.*

6 *(e) PETITIONS FOR REVIEW.—*

7 *(1) IN GENERAL.—Not later than 120 days after*  
8 *the date of enactment of this Act, the President shall*  
9 *promulgate regulations regarding the review of eligi-*  
10 *bility of articles and countries under the Andean*  
11 *Trade Preference Act, consistent with section 203(e) of*  
12 *such Act, as amended by this title.*

13 *(2) CONTENT OF REGULATIONS.—The regulations*  
14 *shall be similar to the regulations regarding eligi-*  
15 *bility under the Generalized System of Preferences*  
16 *with respect to the timetable for reviews and content,*  
17 *and shall include procedures for requesting with-*  
18 *drawal, suspension, or limitations of preferential*  
19 *duty treatment under the Act, conducting reviews of*  
20 *such requests, and implementing the results of the re-*  
21 *views.*

22 **SEC. 3103. TERMINATION.**

23 *(a) IN GENERAL.—Section 208(b) of the Andean Trade*  
24 *Preference Act (19 U.S.C. 3206(b)) is amended to read as*  
25 *follows:*

1       “(b) *TERMINATION OF PREFERENTIAL TREATMENT.*—  
2 *No preferential duty treatment extended to beneficiary*  
3 *countries under this Act shall remain in effect after Feb-*  
4 *ruary 28, 2006.”.*

5       (b) *RETROACTIVE APPLICATION FOR CERTAIN LIQ-*  
6 *UIDATIONS AND RELIQUIDATIONS.*—

7           (1) *IN GENERAL.*—*Notwithstanding section 514*  
8 *of the Tariff Act of 1930 or any other provision of*  
9 *law, and subject to paragraph (3), the entry—*

10                   (A) *of any article to which duty-free treat-*  
11 *ment (or preferential treatment) under the Ande-*  
12 *an Trade Preference Act (19 U.S.C. 3201 et seq.)*  
13 *would have applied if the entry had been made*  
14 *on December 4, 2001,*

15                   (B) *that was made after December 4, 2001,*  
16 *and before the date of the enactment of this Act,*  
17 *and*

18                   (C) *to which duty-free treatment (or pref-*  
19 *erential treatment) under the Andean Trade*  
20 *Preference Act did not apply,*  
21 *shall be liquidated or reliquidated as if such duty-free*  
22 *treatment (or preferential treatment) applied, and the*  
23 *Secretary of the Treasury shall refund any duty paid*  
24 *with respect to such entry.*

1           (2) *ENTRY*.—As used in this subsection, the term  
2           “entry” includes a withdrawal from warehouse for  
3           consumption.

4           (3) *REQUESTS*.—Liquidation or reliquidation  
5           may be made under paragraph (1) with respect to an  
6           entry only if a request therefor is filed with the Cus-  
7           toms Service, within 180 days after the date of the en-  
8           actment of this Act, that contains sufficient informa-  
9           tion to enable the Customs Service—

10                   (A) to locate the entry; or

11                   (B) to reconstruct the entry if it cannot be  
12           located.

13           ***TITLE XXXII—MISCELLANEOUS***  
14           ***TRADE BENEFITS***

15           ***SEC. 3201. WOOL PROVISIONS.***

16           (a) *SHORT TITLE*.—This section may be cited as the  
17           “Wool Manufacturer Payment Clarification and Technical  
18           Corrections Act”.

19           (b) *CLARIFICATION OF TEMPORARY DUTY SUSPEN-*  
20           *SION*.—Heading 9902.51.13 of the Harmonized Tariff  
21           Schedule of the United States is amended by inserting “av-  
22           erage” before “diameters”.

23           (c) *PAYMENTS TO MANUFACTURERS OF CERTAIN*  
24           *WOOL PRODUCTS*.—

1           (1) *PAYMENTS.*—Section 505 of the Trade and  
2           *Development Act of 2000 (Public Law 106–200; 114*  
3           *Stat. 303) is amended as follows:*

4           (A) *Subsection (a) is amended—*

5                   (i) *by striking “In each of the calendar*  
6                   *years” and inserting “For each of the cal-*  
7                   *endar years”; and*

8                   (ii) *by striking “for a refund of duties”*  
9                   *and all that follows through the end of the*  
10                   *subsection and inserting “for a payment*  
11                   *equal to an amount determined pursuant to*  
12                   *subsection (d)(1).”.*

13           (B) *Subsection (b) is amended to read as*  
14           *follows:*

15           “(b) *WOOL YARN.*—

16                   “(1) *IMPORTING MANUFACTURERS.*—*For each of*  
17                   *the calendar years 2000, 2001, and 2002, a manufac-*  
18                   *turer of worsted wool fabrics who imports wool yarn*  
19                   *of the kind described in heading 9902.51.13 of the*  
20                   *Harmonized Tariff Schedule of the United States*  
21                   *shall be eligible for a payment equal to an amount*  
22                   *determined pursuant to subsection (d)(2).*

23                   “(2) *NONIMPORTING MANUFACTURERS.*—*For*  
24                   *each of the calendar years 2001 and 2002, any other*  
25                   *manufacturer of worsted wool fabrics of imported*

1 *wool yarn of the kind described in heading 9902.51.13*  
2 *of the Harmonized Tariff Schedule of the United*  
3 *States shall be eligible for a payment equal to an*  
4 *amount determined pursuant to subsection (d)(2).”.*

5 *(C) Subsection (c) is amended to read as*  
6 *follows:*

7 *“(c) WOOL FIBER AND WOOL TOP.—*

8 *“(1) IMPORTING MANUFACTURERS.—For each of*  
9 *the calendar years 2000, 2001, and 2002, a manufac-*  
10 *turer of wool yarn or wool fabric who imports wool*  
11 *fiber or wool top of the kind described in heading*  
12 *9902.51.14 of the Harmonized Tariff Schedule of the*  
13 *United States shall be eligible for a payment equal to*  
14 *an amount determined pursuant to subsection (d)(3).*

15 *“(2) NONIMPORTING MANUFACTURERS.—For*  
16 *each of the calendar years 2001 and 2002, any other*  
17 *manufacturer of wool yarn or wool fabric of imported*  
18 *wool fiber or wool top of the kind described in head-*  
19 *ing 9902.51.14 of the Harmonized Tariff Schedule of*  
20 *the United States shall be eligible for a payment*  
21 *equal to an amount determined pursuant to sub-*  
22 *section (d)(3).”.*

23 *(D) Section 505 is further amended by*  
24 *striking subsection (d) and inserting the fol-*  
25 *lowing new subsections:*

1       “(d) *AMOUNT OF ANNUAL PAYMENTS TO MANUFAC-*  
2 *TURERS.—*—

3               “(1) *MANUFACTURERS OF MEN’S SUITS, ETC. OF*  
4 *IMPORTED WORSTED WOOL FABRICS.—*

5                       “(A) *ELIGIBLE TO RECEIVE MORE THAN*  
6 *\$5,000.—Each annual payment to manufacturers*  
7 *described in subsection (a) who, according to the*  
8 *records of the Customs Service as of September*  
9 *11, 2001, are eligible to receive more than \$5,000*  
10 *for each of the calendar years 2000, 2001, and*  
11 *2002, shall be in an amount equal to one-third*  
12 *of the amount determined by multiplying*  
13 *\$30,124,000 by a fraction—*

14                               “(i) *the numerator of which is the*  
15 *amount attributable to the duties paid on*  
16 *eligible wool products imported in calendar*  
17 *year 1999 by the manufacturer making the*  
18 *claim, and*

19                               “(ii) *the denominator of which is the*  
20 *total amount attributable to the duties paid*  
21 *on eligible wool products imported in cal-*  
22 *endar year 1999 by all the manufacturers*  
23 *described in subsection (a) who, according*  
24 *to the records of the Customs Service as of*  
25 *September 11, 2001, are eligible to receive*

1           *more than \$5,000 for each such calendar*  
2           *year under this section as it was in effect*  
3           *on that date.*

4           “(B) *ELIGIBLE WOOL PRODUCTS.*—*For pur-*  
5           *poses of subparagraph (A), the term ‘eligible*  
6           *wool products’ refers to imported worsted wool*  
7           *fabrics described in subsection (a).*

8           “(C) *OTHERS.*—*All manufacturers described*  
9           *in subsection (a), other than the manufacturers*  
10          *to which subparagraph (A) applies, shall each*  
11          *receive an annual payment in an amount equal*  
12          *to one-third of the amount determined by divid-*  
13          *ing \$1,665,000 by the number of all such other*  
14          *manufacturers.*

15          “(2) *MANUFACTURERS OF WORSTED WOOL FAB-*  
16          *RICS OF IMPORTED WOOL YARN.*—

17                 “(A) *IMPORTING MANUFACTURERS.*—*Each*  
18                 *annual payment to an importing manufacturer*  
19                 *described in subsection (b)(1) shall be in an*  
20                 *amount equal to one-third of the amount deter-*  
21                 *mined by multiplying \$2,202,000 by a*  
22                 *fraction—*

23                         “(i) *the numerator of which is the*  
24                         *amount attributable to the duties paid on*  
25                         *eligible wool products imported in calendar*

1           year 1999 by the importing manufacturer  
2           making the claim, and

3           “(ii) the denominator of which is the  
4           total amount attributable to the duties paid  
5           on eligible wool products imported in cal-  
6           endar year 1999 by all the importing man-  
7           ufacturers described in subsection (b)(1).

8           “(B) *ELIGIBLE WOOL PRODUCTS.*—For pur-  
9           poses of subparagraph (A), the term ‘eligible  
10          wool products’ refers to imported wool yarn de-  
11          scribed in subsection (b)(1).

12          “(C) *NONIMPORTING MANUFACTURERS.*—  
13          Each annual payment to a nonimporting manu-  
14          facturer described in subsection (b)(2) shall be in  
15          an amount equal to one-half of the amount deter-  
16          mined by multiplying \$141,000 by a fraction—

17          “(i) the numerator of which is the  
18          amount attributable to the purchases of im-  
19          ported eligible wool products in calendar  
20          year 1999 by the nonimporting manufac-  
21          turer making the claim, and

22          “(ii) the denominator of which is the  
23          total amount attributable to the purchases  
24          of imported eligible wool products in cal-  
25          endar year 1999 by all the nonimporting



1                    *manufacturers described in subsection*  
2                    *(b)(2).*

3                    *“(3) MANUFACTURERS OF WOOL YARN OR WOOL*  
4                    *FABRIC OF IMPORTED WOOL FIBER OR WOOL TOP.—*

5                    *“(A) IMPORTING MANUFACTURERS.—Each*  
6                    *annual payment to an importing manufacturer*  
7                    *described in subsection (c)(1) shall be in an*  
8                    *amount equal to one-third of the amount deter-*  
9                    *mined by multiplying \$1,522,000 by a*  
10                    *fraction—*

11                    *“(i) the numerator of which is the*  
12                    *amount attributable to the duties paid on*  
13                    *eligible wool products imported in calendar*  
14                    *year 1999 by the importing manufacturer*  
15                    *making the claim, and*

16                    *“(ii) the denominator of which is the*  
17                    *total amount attributable to the duties paid*  
18                    *on eligible wool products imported in cal-*  
19                    *endar year 1999 by all the importing man-*  
20                    *ufacturers described in subsection (c)(1).*

21                    *“(B) ELIGIBLE WOOL PRODUCTS.—For pur-*  
22                    *poses of subparagraph (A), the term ‘eligible*  
23                    *wool products’ refers to imported wool fiber or*  
24                    *wool top described in subsection (c)(1).*

1           “(C) *NONIMPORTING MANUFACTURERS.*—

2           *Each annual payment to a nonimporting manu-*  
3           *facturer described in subsection (c)(2) shall be in*  
4           *an amount equal to one-half of the amount deter-*  
5           *mined by multiplying \$597,000 by a fraction—*

6                     “(i) *the numerator of which is the*  
7                     *amount attributable to the purchases of im-*  
8                     *ported eligible wool products in calendar*  
9                     *year 1999 by the nonimporting manufac-*  
10                    *turer making the claim, and*

11                   “(ii) *the denominator of which is the*  
12                    *amount attributable to the purchases of im-*  
13                    *ported eligible wool products in calendar*  
14                    *year 1999 by all the nonimporting manu-*  
15                    *facturers described in subsection (c)(2).*

16           “(4) *LETTERS OF INTENT.*—*Except for the non-*  
17            *importing manufacturers described in subsections*  
18            *(b)(2) and (c)(2) who may make claims under this*  
19            *section by virtue of the enactment of the Wool Manu-*  
20            *facturer Payment Clarification and Technical Correc-*  
21            *tions Act, only manufacturers who, according to the*  
22            *records of the Customs Service, filed with the Customs*  
23            *Service before September 11, 2001, letters of intent to*  
24            *establish eligibility to be claimants are eligible to*  
25            *make a claim for a payment under this section.*

1           “(5) *AMOUNT ATTRIBUTABLE TO PURCHASES BY*  
2           *NONIMPORTING MANUFACTURERS.*—

3           “(A) *AMOUNT ATTRIBUTABLE.*—*For pur-*  
4           *poses of paragraphs (2)(C) and (3)(C), the*  
5           *amount attributable to the purchases of imported*  
6           *eligible wool products in calendar year 1999 by*  
7           *a nonimporting manufacturer shall be the*  
8           *amount the nonimporting manufacturer paid for*  
9           *eligible wool products in calendar year 1999, as*  
10           *evidenced by invoices. The nonimporting manu-*  
11           *facturer shall make such calculation and submit*  
12           *the resulting amount to the Customs Service,*  
13           *within 45 days after the date of enactment of the*  
14           *Wool Manufacturer Payment Clarification and*  
15           *Technical Corrections Act, in a signed affidavit*  
16           *that attests that the information contained there-*  
17           *in is true and accurate to the best of the affiant’s*  
18           *belief and knowledge. The nonimporting manu-*  
19           *facturer shall retain the records upon which the*  
20           *calculation is based for a period of five years be-*  
21           *ginning on the date the affidavit is submitted to*  
22           *the Customs Service.*

23           “(B) *ELIGIBLE WOOL PRODUCT.*—*For pur-*  
24           *poses of subparagraph (A)*—

1           “(i) the eligible wool product for non-  
2           importing manufacturers of worsted wool  
3           fabrics is wool yarn of the kind described in  
4           heading 9902.51.13 of the Harmonized Tar-  
5           iff Schedule of the United States purchased  
6           in calendar year 1999; and

7           “(ii) the eligible wool products for non-  
8           importing manufacturers of wool yarn or  
9           wool fabric are wool fiber or wool top of the  
10          kind described in heading 9902.51.14 of  
11          such Schedule purchased in calendar year  
12          1999.

13          “(6) AMOUNT ATTRIBUTABLE TO DUTIES PAID.—  
14          For purposes of paragraphs (1), (2)(A), and (3)(A),  
15          the amount attributable to the duties paid by a man-  
16          ufacturer shall be the amount shown on the records of  
17          the Customs Service as of September 11, 2001, under  
18          this section as then in effect.

19          “(7) SCHEDULE OF PAYMENTS; REALLOCA-  
20          TIONS.—

21                 “(A) SCHEDULE.—Of the payments de-  
22                 scribed in paragraphs (1), (2)(A), and (3)(A),  
23                 the Customs Service shall make the first and sec-  
24                 ond installments on or before the date that is 45  
25                 days after the date of enactment of the Wool

1            *Manufacturer Payment Clarification and Tech-*  
2            *nical Corrections Act, and the third installment*  
3            *on or before April 15, 2003. Of the payments de-*  
4            *scribed in paragraphs (2)(C) and (3)(C), the*  
5            *Customs Service shall make the first installment*  
6            *on or before the date that is 45 days after the*  
7            *date of enactment of the Wool Manufacturer*  
8            *Payment Clarification and Technical Correc-*  
9            *tions Act, and the second installment on or be-*  
10           *fore April 15, 2003.*

11            *“(B) REALLOCATIONS.—In the event that a*  
12            *manufacturer that would have received payment*  
13            *under subparagraph (A) or (C) of paragraph*  
14            *(1), (2), or (3) ceases to be qualified for such*  
15            *payment as such a manufacturer, the amounts*  
16            *otherwise payable to the remaining manufactur-*  
17            *ers under such subparagraph shall be increased*  
18            *on a pro rata basis by the amount of the pay-*  
19            *ment such manufacturer would have received.*

20            *“(8) REFERENCE.—For purposes of paragraphs*  
21            *(1)(A) and (6), the ‘records of the Customs Service as*  
22            *of September 11, 2001’ are the records of the Wool*  
23            *Duty Unit of the Customs Service on September 11,*  
24            *2001, as adjusted by the Customs Service to the extent*  
25            *necessary to carry out this section. The amounts so*

1 *adjusted are not subject to administrative or judicial*  
2 *review.*

3 *“(e) AFFIDAVITS BY MANUFACTURERS.—*

4 *“(1) AFFIDAVIT REQUIRED.—A manufacturer*  
5 *may not receive a payment under this section for cal-*  
6 *endar year 2000, 2001, or 2002, as the case may be,*  
7 *unless that manufacturer has submitted to the Cus-*  
8 *tom Service for that calendar year a signed affidavit*  
9 *that attests that, during that calendar year, the affi-*  
10 *ant was a manufacturer in the United States de-*  
11 *scribed in subsection (a), (b), or (c).*

12 *“(2) TIMING.—An affidavit under paragraph (1)*  
13 *shall be valid—*

14 *“(A) in the case of a manufacturer de-*  
15 *scribed in paragraph (1), (2)(A), or (3)(A) of*  
16 *subsection (d) filing a claim for a payment for*  
17 *calendar year 2000 or 2001, or both, only if the*  
18 *affidavit is postmarked no later than 15 days*  
19 *after the date of enactment of the Wool Manufac-*  
20 *turer Payment Clarification and Technical Cor-*  
21 *rections Act; and*

22 *“(B) in the case of a claim for a payment*  
23 *for calendar year 2002, only if the affidavit is*  
24 *postmarked no later than March 1, 2003.*

1       “(f) *OFFSETS.*—Notwithstanding any other provision  
2 of this section, any amount otherwise payable under sub-  
3 section (d) to a manufacturer in calendar year 2001 and,  
4 where applicable, in calendar years 2002 and 2003, shall  
5 be reduced by the amount of any payment received by that  
6 manufacturer under this section before the enactment of the  
7 *Wool Manufacturer Payment Clarification and Technical*  
8 *Corrections Act.*

9       “(g) *DEFINITION.*—For purposes of this section, the  
10 manufacturer is the party that owns—

11               “(1) imported worsted wool fabric, of the kind  
12 described in heading 9902.51.11 or 9902.51.12 of the  
13 *Harmonized Tariff Schedule of the United States*, at  
14 the time the fabric is cut and sewn in the United  
15 States into men’s or boys’ suits, suit-type jackets, or  
16 trousers;

17               “(2) imported wool yarn, of the kind described  
18 in heading 9902.51.13 of such Schedule, at the time  
19 the yarn is processed in the United States into wor-  
20 sted wool fabric; or

21               “(3) imported wool fiber or wool top, of the kind  
22 described in heading 9902.51.14 of such Schedule, at  
23 the time the wool fiber or wool top is processed in the  
24 United States into wool yarn.”.

1           (2) *FUNDING.*—*There is authorized to be appro-*  
2           *priated and is appropriated, out of amounts in the*  
3           *General Fund of the Treasury not otherwise appro-*  
4           *priated, \$36,251,000 to carry out the amendments*  
5           *made by paragraph (1).*

6 **SEC. 3202. DUTY SUSPENSION ON WOOL.**

7           (a) *EXTENSION OF TEMPORARY DUTY REDUCTIONS.*—

8                 (1) *HEADING 9902.51.11.*—*Heading 9902.51.11 of*  
9                 *the Harmonized Tariff Schedule of the United States*  
10                *is amended by striking “2003” and inserting “2005”.*

11               (2) *HEADING 9902.51.12.*—*Heading 9902.51.12 of*  
12                *the Harmonized Tariff Schedule of the United States*  
13                *is amended—*

14                     (A) *by striking “2003” and inserting*  
15                     *“2005”; and*

16                     (B) *by striking “6%” and inserting “Free”.*

17               (3) *HEADING 9902.51.13.*—*Heading 9902.51.13 of*  
18                *the Harmonized Tariff Schedule of the United States*  
19                *is amended by striking “2003” and inserting “2005”.*

20               (4) *HEADING 9902.51.14.*—*Heading 9902.51.14 of*  
21                *the Harmonized Tariff Schedule of the United States*  
22                *is amended by striking “2003” and inserting “2005”.*

23           (b) *LIMITATION ON QUANTITY OF IMPORTS.*—



1           (1) *NOTE 15.*—U.S. Note 15 to subchapter II of  
2           *chapter 99 of the Harmonized Tariff Schedule of the*  
3           *United States is amended—*

4                   (A) *by striking “from January 1 to Decem-*  
5                   *ber 31 of each year, inclusive”; and*

6                   (B) *by striking “, or such other” and insert-*  
7                   *ing the following: “in calendar year 2001,*  
8                   *3,500,000 square meter equivalents in calendar*  
9                   *year 2002, and 4,500,000 square meter equiva-*  
10                   *lents in calendar year 2003 and each calendar*  
11                   *year thereafter, or such greater”.*

12           (2) *NOTE 16.*—U.S. Note 16 to subchapter II of  
13           *chapter 99 of the Harmonized Tariff Schedule of the*  
14           *United States is amended—*

15                   (A) *by striking “from January 1 to Decem-*  
16                   *ber 31 of each year, inclusive”; and*

17                   (B) *by striking “, or such other” and insert-*  
18                   *ing the following: “in calendar year 2001,*  
19                   *2,500,000 square meter equivalents in calendar*  
20                   *year 2002, and 3,500,000 square meter equiva-*  
21                   *lents in calendar year 2003 and each calendar*  
22                   *year thereafter, or such greater”.*

23           (c) *EXTENSION OF DUTY REFUNDS AND WOOL RE-*  
24           *SEARCH TRUST FUND.—*

1           (1) *IN GENERAL.*—*The United States Customs*  
2           *Service shall pay each manufacturer that receives a*  
3           *payment under section 505 of the Trade and Develop-*  
4           *ment Act of 2000 (Public Law 106–200) for calendar*  
5           *year 2002, and that provides an affidavit that it re-*  
6           *mainains a manufacturer in the United States as of*  
7           *January 1 of the year of the payment, 2 additional*  
8           *payments, each payment equal to the payment re-*  
9           *ceived for calendar year 2002 as follows:*

10                   (A) *The first payment to be made after*  
11                   *January 1, 2004, but on or before April 15,*  
12                   *2004.*

13                   (B) *The second payment to be made after*  
14                   *January 1, 2005, but on or before April 15,*  
15                   *2005.*

16           (2) *CONFORMING AMENDMENT.*—*Section 506(f)*  
17           *of the Trade and Development Act of 2000 (Public*  
18           *Law 106–200) is amended by striking “2004” and*  
19           *inserting “2006”.*

20           (3) *AUTHORIZATION.*—*There is authorized to be*  
21           *appropriated and is appropriated out of amounts in*  
22           *the general fund of the Treasury not otherwise appro-*  
23           *propriated such sums as are necessary to carry out the*  
24           *provisions of this subsection.*

1           (d) *EFFECTIVE DATE.*—*The amendment made by sub-*  
2 *section (a)(2)(B) applies to goods entered, or withdrawn*  
3 *from warehouse for consumption, on or after January 1,*  
4 *2002.*

5 **SEC. 3203. CEILING FANS.**

6           (a) *IN GENERAL.*—*Notwithstanding any other provi-*  
7 *sion of law, ceiling fans classified under subheading*  
8 *8414.51.00 of the Harmonized Tariff Schedule of the United*  
9 *States imported from Thailand shall enter duty-free and*  
10 *without any quantitative limitations, if duty-free treatment*  
11 *under title V of the Trade Act of 1974 (19 U.S.C. 2461*  
12 *et seq.) would have applied to such entry had the competi-*  
13 *tive need limitation been waived under section 503(d) of*  
14 *such Act.*

15           (b) *APPLICABILITY.*—*The provisions of this section*  
16 *shall apply to ceiling fans described in subsection (a) that*  
17 *are entered, or withdrawn from warehouse for*  
18 *consumption—*

19                   (1) *on or after the date that is 15 days after the*  
20 *date of enactment of this Act; and*

21                   (2) *before July 30, 2002.*

22 **SEC. 3204. CERTAIN STEAM OR OTHER VAPOR GENERATING**  
23 **BOILERS USED IN NUCLEAR FACILITIES.**

24           (a) *IN GENERAL.*—*Subheading 9902.84.02 of the Har-*  
25 *monized Tariff Schedule of the United States is amended—*

1           (1) *by striking “4.9%” and inserting “Free”;*  
2           *and*

3           (2) *by striking “12/31/2003” and inserting “12/*  
4           *31/2006”.*

5           ***(b) EFFECTIVE DATE.—***

6           (1) *IN GENERAL.—The amendments made by*  
7           *subsection (a) shall apply to goods entered, or with-*  
8           *drawn from warehouse for consumption, on or after*  
9           *January 1, 2002.*

10          (2) *RETROACTIVE APPLICATION.—Notwith-*  
11          *standing section 514 of the Tariff Act of 1930 or any*  
12          *other provision of law, and subject to paragraph (4),*  
13          *the entry of any article—*

14                 (A) *that was made on or after January 1,*  
15                 *2002, and*

16                 (B) *to which duty-free treatment would*  
17                 *have applied if the amendment made by this sec-*  
18                 *tion had been in effect on the date of such entry,*  
19                 *shall be liquidated or reliquidated as if such duty-free*  
20                 *treatment applied, and the Secretary of the Treasury*  
21                 *shall refund any duty paid with respect to such entry.*

22          (3) *ENTRY.—As used in this subsection, the term*  
23          *“entry” includes a withdrawal from warehouse for*  
24          *consumption.*

1           (4) *REQUESTS.*—*Liquidation or reliquidation*  
 2           *may be made under paragraph (2) with respect to an*  
 3           *entry only if a request therefor is filed with the Cus-*  
 4           *tom Service, within 180 days after the date of the en-*  
 5           *actment of this Act, that contains sufficient informa-*  
 6           *tion to enable the Customs Service—*

7                     (A) *to locate the entry; or*

8                     (B) *to reconstruct the entry if it cannot be*  
 9                     *located.*

10 ***DIVISION D—EXTENSION OF***  
 11 ***CERTAIN PREFERENTIAL***  
 12 ***TRADE TREATMENT AND***  
 13 ***OTHER PROVISIONS***  
 14 ***TITLE XLI—EXTENSION OF GEN-***  
 15 ***ERALIZED SYSTEM OF PREF-***  
 16 ***ERENCES***

17 ***SEC. 4101. GENERALIZED SYSTEM OF PREFERENCES.***

18           (a) *EXTENSION OF DUTY-FREE TREATMENT UNDER*  
 19 *SYSTEM.*—*Section 505 of the Trade Act of 1974 (19 U.S.C.*  
 20 *2465) is amended by striking “September 30, 2001” and*  
 21 *inserting “December 31, 2006”.*

22           (b) *EFFECTIVE DATE.*—*The amendment made by sub-*  
 23 *section (a) shall take effect on the date of enactment of this*  
 24 *Act.*

1           (c) *RETROACTIVE APPLICATION FOR CERTAIN LIQ-*  
2 *UIDATIONS AND RELIQUIDATIONS.*—

3           (1) *IN GENERAL.*—

4           (A) *ENTRY OF CERTAIN ARTICLES.*—*Not-*  
5 *withstanding section 514 of the Tariff Act of*  
6 *1930 or any other provision of law, and subject*  
7 *to paragraph (2), the entry—*

8           (i) *of any article to which duty-free*  
9 *treatment under title V of the Trade Act of*  
10 *1974 would have applied if the entry had*  
11 *been made on September 30, 2001;*

12           (ii) *that was made after September 30,*  
13 *2001, and before the date of enactment of*  
14 *this Act; and*

15           (iii) *to which duty-free treatment*  
16 *under title V of that Act did not apply,*  
17 *shall be liquidated or reliquidated as free of*  
18 *duty, and the Secretary of the Treasury shall re-*  
19 *fund any duty paid with respect to such entry.*

20           (B) *ENTRY.*—*In this subsection, the term*  
21 *“entry” includes a withdrawal from warehouse*  
22 *for consumption.*

23           (2) *REQUESTS.*—*Liquidation or reliquidation*  
24 *may be made under paragraph (1) with respect to an*  
25 *entry only if a request therefor is filed with the Cus-*

1 *toms Service, within 180 days after the date of enact-*  
2 *ment of this Act, that contains sufficient information*  
3 *to enable the Customs Service—*

4 *(A) to locate the entry; or*

5 *(B) to reconstruct the entry if it cannot be*  
6 *located.*

7 **SEC. 4102. AMENDMENTS TO GENERALIZED SYSTEM OF**  
8 **PREFERENCES.**

9 *(a) ELIGIBILITY FOR GENERALIZED SYSTEM OF PREF-*  
10 *ERENCES.—Section 502(b)(2)(F) of the Trade Act of 1974*  
11 *(19 U.S.C. 2462(b)(2)(F)) is amended by striking the pe-*  
12 *riod at the end and inserting “or such country has not*  
13 *taken steps to support the efforts of the United States to*  
14 *combat terrorism.”.*

15 *(b) DEFINITION OF INTERNATIONALLY RECOGNIZED*  
16 *WORKER RIGHTS.—Section 507(4) of the Trade Act of 1974*  
17 *(19 U.S.C. 2467(4)) is amended—*

18 *(1) by striking “and” at the end of subpara-*  
19 *graph (D);*

20 *(2) by striking the period at the end of subpara-*  
21 *graph (E) and inserting “; and”;*

22 *(3) by adding at the end the following new sub-*  
23 *paragraph:*

24 *“(F) a prohibition on discrimination with*  
25 *respect to employment and occupation.”; and*

1           (4) by amending subparagraph (D) to read as  
2 follows:

3                   “(D) a minimum age for the employment of  
4 children, and a prohibition on the worst forms of  
5 child labor, as defined in paragraph (6);”.

## 6 **TITLE XLII—OTHER PROVISIONS**

### 7 **SEC. 4201. TRANSPARENCY IN NAFTA TRIBUNALS.**

8           (a) *FINDINGS.*—Congress makes the following findings:

9                   (1) Chapter Eleven of the North American Free  
10 Trade Agreement (NAFTA) allows foreign investors to  
11 file claims against signatory countries that directly or  
12 indirectly nationalize or expropriate an investment,  
13 or take measures “tantamount to nationalization or  
14 expropriation” of such an investment.

15                   (2) Foreign investors have filed several claims  
16 against the United States, arguing that regulatory ac-  
17 tivity has been “tantamount to nationalization or ex-  
18 propriation”. Most notably, a Canadian chemical  
19 company claimed \$970,000,000 in damages allegedly  
20 resulting from a California State regulation banning  
21 the use of a gasoline additive produced by that com-  
22 pany.

23                   (3) A claim under Chapter Eleven of the NAFTA  
24 is adjudicated by a three-member panel, whose delib-  
25 erations are largely secret.



1           (4) *While it may be necessary to protect the con-*  
2           *fidentiality of business sensitive information, the gen-*  
3           *eral lack of transparency of these proceedings has been*  
4           *excessive.*

5           (b) *PURPOSE.*—*The purpose of this amendment is to*  
6           *ensure that the proceedings of the NAFTA investor protec-*  
7           *tion tribunals are as transparent as possible, consistent*  
8           *with the need to protect the confidentiality of business sen-*  
9           *sitive information.*

10          (c) *CHAPTER 11 OF NAFTA.*—*The President shall ne-*  
11          *gotiate with Canada and Mexico an amendment to Chapter*  
12          *Eleven of the NAFTA to ensure the fullest transparency pos-*  
13          *sible with respect to the dispute settlement mechanism in*  
14          *that Chapter, consistent with the need to protect informa-*  
15          *tion that is classified or confidential, by—*

16               (1) *ensuring that all requests for dispute settle-*  
17               *ment under Chapter Eleven are promptly made pub-*  
18               *lic;*

19               (2) *ensuring that with respect to Chapter*  
20               *Eleven—*

21                     (A) *all proceedings, submissions, findings,*  
22                     *and decisions are promptly made public; and*

23                     (B) *all hearings are open to the public; and*

24               (3) *establishing a mechanism under that Chapter*  
25               *for acceptance of amicus curiae submissions from*

1 *businesses, unions, and nongovernmental organiza-*  
2 *tions.*

3 *(d) CERTIFICATION REQUIREMENTS.—Within one*  
4 *year of the date of enactment of this Act, the U.S. Trade*  
5 *Representative shall certify to Congress that the President*  
6 *has fulfilled the requirements set forth in subsection (c).*

7 **SEC. 4202. EXPRESSION OF SOLIDARITY WITH ISRAEL IN**  
8 **ITS FIGHT AGAINST TERRORISM.**

9 *(a) FINDINGS.—Congress makes the following findings:*

10 *(1) The United States and Israel are now en-*  
11 *gaged in a common struggle against terrorism and*  
12 *are on the frontlines of a conflict thrust upon them*  
13 *against their will.*

14 *(2) President George W. Bush declared on No-*  
15 *vember 21, 2001, “We fight the terrorists and we fight*  
16 *all of those who give them aid. America has a message*  
17 *for the nations of the world: If you harbor terrorists,*  
18 *you are terrorists. If you train or arm a terrorist,*  
19 *you are a terrorist. If you feed a terrorist or fund a*  
20 *terrorist, you are a terrorist, and you will be held ac-*  
21 *countable by the United States and our friends.”.*

22 *(3) The United States has committed to provide*  
23 *resources to states on the frontline in the war against*  
24 *terrorism.*

25 *(b) SENSE OF CONGRESS.—The Congress—*

1           (1) *stands in solidarity with Israel, a frontline*  
2           *state in the war against terrorism, as it takes nec-*  
3           *essary steps to provide security to its people by dis-*  
4           *mantling the terrorist infrastructure in the Pales-*  
5           *tinian areas;*

6           (2) *remains committed to Israel's right to self-de-*  
7           *fense;*

8           (3) *will continue to assist Israel in strengthening*  
9           *its homeland defenses;*

10          (4) *condemns Palestinian suicide bombings;*

11          (5) *demands that the Palestinian Authority ful-*  
12          *fill its commitment to dismantle the terrorist infra-*  
13          *structure in the Palestinian areas;*

14          (6) *urges all Arab states, particularly the United*  
15          *States allies, Egypt and Saudi Arabia, to declare*  
16          *their unqualified opposition to all forms of terrorism,*  
17          *particularly suicide bombing, and to act in concert*  
18          *with the United States to stop the violence; and*

19          (7) *urges all parties in the region to pursue vig-*  
20          *orously efforts to establish a just, lasting, and com-*  
21          *prehensive peace in the Middle East.*

22 **SEC. 4203. LIMITATION ON USE OF CERTAIN REVENUE.**

23          *Notwithstanding any other provision of law, any rev-*  
24          *enue generated from custom user fees imposed pursuant to*  
25          *Section 13031(j)(3) of the Consolidated Omnibus Budget*

1 *Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) may be*  
2 *used only to fund the operations of the United States Cus-*  
3 *toms Service.*

4 **SEC. 4204. SENSE OF THE SENATE REGARDING THE UNITED**  
5 **STATES-RUSSIAN FEDERATION SUMMIT**  
6 **MEETING, MAY 2002.**

7 *(a) FINDINGS.—The Senate finds that—*

8 *(1) President George W. Bush will visit the Rus-*  
9 *sian Federation May 23-25, 2002, to meet with his*  
10 *Russian counterpart, President Vladimir V. Putin;*

11 *(2) the President and President Putin, and the*  
12 *United States and Russian governments, continue to*  
13 *cooperate closely in the fight against international*  
14 *terrorism;*

15 *(3) the President seeks Russian cooperation in*  
16 *containing the war-making capabilities of Iraq, in-*  
17 *cluding that country's ongoing program to develop*  
18 *and deploy weapons of mass destruction;*

19 *(4) during his visit, the President expects to sign*  
20 *a treaty to significantly reduce deployed American*  
21 *and Russian nuclear weapons by 2012;*

22 *(5) the President and his NATO partners have*  
23 *further institutionalized United States-Russian secu-*  
24 *rity cooperation through establishment of the NATO-*

1 *Russia Council, which meets for the first time on May*  
2 *28, 2002, in Rome, Italy;*

3 *(6) during his visit, the President will continue*  
4 *to address religious freedom and human rights con-*  
5 *cerns through open and candid discussions with*  
6 *President Putin, with leading Russian activists, and*  
7 *with representatives of Russia's revitalized and di-*  
8 *verse Jewish community; and*

9 *(7) recognizing Russia's progress on religious*  
10 *freedom and a broad range of other mechanisms to*  
11 *address remaining concerns, the President has asked*  
12 *the Congress to terminate application to Russian of*  
13 *title IV of the Trade Act of 1974 (commonly known*  
14 *as the "Jackson-Vanik Amendment") and authorize*  
15 *the extension of normal trade relations to the products*  
16 *of Russia.*

17 *(b) SENSE OF THE SENATE.—The Senate—*

18 *(1) supports the President's efforts to deepen the*  
19 *friendship between the American and Russian peo-*  
20 *ples;*

21 *(2) further supports the policy objectives of the*  
22 *President mentioned in this section with respect to*  
23 *the Russian Federation;*

1           (3) supports terminating the application of title  
2       IV of the Trade Act of 1974 to Russia in an appro-  
3       priate and timely manner; and

4           (4) looks forward to learning the results of the  
5       President's discussions with President Putin and  
6       other representatives of the Russian government and  
7       Russian society.

8       **SEC. 4205. NO APPROPRIATIONS.**

9       Notwithstanding any other provision of this Act, no  
10      direct appropriation may be made under this Act.

Attest:

Secretary.

107TH CONGRESS  
2D SESSION

**H. R. 3009**

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**AMENDMENT**