

105TH CONGRESS
1ST SESSION

H. R. 1181

To authorize the President to enter into a trade agreement concerning Northern Ireland and certain border counties of the Republic of Ireland, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1997

Mr. MEEHAN (for himself, Mr. MANTON, Mr. NEAL of Massachusetts, Mr. GILMAN, Mr. WALSH, Mr. MORAN of Virginia, Mrs. KELLY, and Mr. SHAYS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To authorize the President to enter into a trade agreement concerning Northern Ireland and certain border counties of the Republic of Ireland, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress makes the following findings:

5 (1) It is in the interest of the United States
6 that the precarious peace process now underway in
7 Northern Ireland and the Republic of Ireland suc-
8 ceed, both to ensure stability for important allies

1 and friends of the United States and to assure a
2 mutually beneficial flow of trade and commerce.

3 (2) Locally sustainable economic development
4 within Northern Ireland and the border counties of
5 the Republic of Ireland creates the basis for political
6 stability and enhances the likelihood of peace.

7 (3)(A) The granting of reasonable tariff conces-
8 sions for products and goods originating in Northern
9 Ireland and the border counties of the Republic of
10 Ireland will provide an incentive for such develop-
11 ment.

12 (B) Both the United Kingdom and the Republic
13 of Ireland are members of the European Union
14 (hereafter in this Act referred to as the “EU”), tar-
15 iff issues relating to Northern Ireland and the bor-
16 der counties of the Republic of Ireland are subject
17 to the common commercial policy provided for in Ar-
18 ticle 113 of the Treaty of Rome, and any negotia-
19 tions concerning them must conform to EU law and
20 Paragraphs 5, 6, 7, and 8 of Article XXIV of the
21 GATT 1994.

22 (C) While there is no precedent in EU practice
23 for the free trade agreement contemplated in this
24 Act, the effect of such an agreement will be to sup-
25 port important on-going efforts by the EU to achieve

greater social cohesion in a unique and disadvantaged region, to the long-term benefit of the EU, the United States, and the larger international community.

(4) The President should be authorized to negotiate such concessions in accordance with the terms and conditions set forth in the Act.

SEC. 2. FREE TRADE AGREEMENT WITH NORTHERN IRELAND.

(a) NEGOTIATIONS.—

(1) IN GENERAL.—The President may enter into a trade agreement with respect to qualified areas of Northern Ireland and the Republic of Ireland which provides for—

(A) the harmonization, reduction, and elimination of trade barriers;

(B) the prohibition of or limitations on the imposition of trade barriers; and

(C) the elimination or reduction of any duty imposed by the United States.

(2) AGREEMENT LIMITED TO QUALIFIED AREAS OF NORTHERN IRELAND AND THE REPUBLIC OF IRELAND.—Notwithstanding any other provision of law, no trade benefit shall be extended to any country by reason of the extension of any trade benefit

1 to another country under a trade agreement entered
2 into under paragraph (1) with such other country.

3 (b) LIMITATIONS AND STAGING.—

4 (1) IN GENERAL.—No proclamation may be
5 made under subsection (a) that—

6 (A) reduces any rate of duty (other than a
7 rate of duty that does not exceed 5 percent ad
8 valorem on the date of enactment of this Act)
9 to a rate of duty which is less than 5 percent
10 of the rate of duty that applies on such a date
11 of enactment;

12 (B) reduces the rate of duty on an article
13 over a period greater than 10 years after the
14 first reduction that is proclaimed to carry out
15 a trade agreement with respect to such article;
16 or

17 (C) increase any rate of duty above the
18 rate that applies on the date of the enactment
19 of this Act.

20 (2) LIMITATION ON AGGREGATE REDUCTION.—

21 The aggregate reduction in the rate of duty on any
22 article which is in effect on any day pursuant to a
23 trade agreement entered into under subsection (a)
24 shall not exceed the aggregate reduction which
25 would have been in effect on such a day if a reduc-

tion of 3 percent ad valorem per year or a reduction of 10 percent per year of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed pursuant to subsection (a).

(3) EXEMPTION FROM STAGING.—No staging is required under paragraph (2) with respect to a duty reduction that is proclaimed under subsection (a) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this paragraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (1) or (2), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction or increase that may not be proclaimed by reason of paragraph (1) may take effect only if a

1 provision authorizing such reduction is included
2 within an implementing bill provided for in connec-
3 tion with the agreement authorized by this Act and
4 that bill is enacted into law.

5 **SEC. 3. CRITERIA FOR DUTY-FREE TREATMENT OF ARTI-**
6 **CLES.**

7 (a) IN GENERAL.—

8 (1) ARTICLE MUST BE GROWTH, PRODUCT, OR
9 MANUFACTURE OF QUALIFIED AREA OF NORTHERN
10 IRELAND OR THE REPUBLIC OF IRELAND.—The re-
11 duction or elimination of any duty imposed on any
12 article by the United States provided for in a trade
13 agreement entered into with a qualified area of
14 Northern Ireland or the Republic of Ireland under
15 this Act shall apply only if—

16 (A) that article is the growth, product, or
17 manufacture of a qualified area of Northern
18 Ireland or the Republic of Ireland or is a new
19 or different article of commerce that has been
20 grown, produced, or manufactured in a quali-
21 fied area of Northern Ireland or the Republic of
22 Ireland;

23 (B) that article is imported directly from a
24 qualified area of Northern Ireland or the Re-

public of Ireland into the customs territory of
the United States; and

(C) the sum of—

(i) the cost or value of the materials
produced in a qualified area of Northern
Ireland or the Republic of Ireland, plus

(ii) the direct costs of processing oper-
ations performed in a qualified area of
Northern Ireland or the Republic of Ire-
land,

is not less than 35 percent of the appraised
value of such article at the time it is entered.

If the cost or value of materials produced in the cus-
toms territory of the United States is included with
respect to an article to which this subsection applies,
an amount not to exceed 15 percent of the appraised
value of the article at the time it is entered that is
attributable to such United States cost or value may
be applied toward determining the percentage re-
ferred to in subparagraph (C).

(2) OTHER REQUIREMENTS.—No article may be
considered to meet the requirements of paragraph
(1)(A) by virtue of having merely undergone—

(A) simple combining or packaging oper-
ations; or

1 (B) mere dilution with water or mere dilu-
2 tion with another substance that does not mate-
3 rially alter the characteristics of the article.

4 (b) DIRECT COSTS.—As used in this section, the
5 term “direct costs of processing operations”—

6 (1) includes, but is not limited to—

7 (A) all actual labor costs involved in the
8 growth, production, manufacture, or assembly
9 of the specific merchandise, including fringe
10 benefits, on-the-job training, and the cost of en-
11 gineering, supervisory, quality control, and
12 similar personnel; and

13 (B) dies, molds, tooling, and depreciation
14 on machinery and equipment which are alloca-
15 ble to the specific merchandise; and

16 (2) does not include costs which are not directly
17 attributable to the merchandise concerned, or are
18 not costs of manufacturing the product, such as—

19 (A) profit; and

20 (B) general expenses of doing business
21 which are either not allocable to the specific
22 merchandise or are not related to the growth,
23 production, manufacture, or assembly of the
24 merchandise, such as administrative salaries,
25 casualty and liability insurance, advertising,

1 and salesmen's salaries, commissions, or ex-
2 penses.

3 (c) REGULATIONS.—The Secretary of the Treasury,
4 after consultation with the United States Trade Rep-
5 resentative, shall prescribe such regulations as may be
6 necessary to carry out this section.

7 **SEC. 4. ITC REPORTS.**

8 Before any reduction or elimination of any duty is
9 proclaimed with respect to any article under this Act, the
10 United States International Trade Commission shall ad-
11 vise the President regarding the probable economic effect
12 of providing duty-free treatment for such article that is
13 a product of a qualified area of Northern Ireland or the
14 Republic of Ireland on industries in the United States pro-
15 ducing like or directly competitive articles and on consum-
16 ers.

17 **SEC. 5. CONSULTATION WITH CONGRESS BEFORE AGREE-**
18 **MENT ENTERED INTO.**

19 (a) CONSULTATION.—Before entering into any trade
20 agreement under this Act, the President shall consult
21 with—

22 (1) the Committee on Ways and Means of the
23 House of Representatives and the Committee on Fi-
24 nance of the Senate; and

1 (2) each other committee of the House of Rep-
2 representatives and the Senate, and each joint commit-
3 tee of the Congress, which has jurisdiction over leg-
4 islation involving subject matters which would be af-
5 fected by the trade agreement.

6 (b) SCOPE.—The consultation described in subsection
7 (a) shall include consultation with respect to—

8 (1) the nature of the agreement;

9 (2) how the agreement related to the obliga-
10 tions of the parties; and

11 (3) all matters relating to the implementation
12 of the agreement, including whether the agreement
13 includes subject matter for which supplemental im-
14 plementing legislation may be required.

15 **SEC. 6. IMPLEMENTATION OF TRADE AGREEMENTS.**

16 (a) NOTIFICATION AND SUBMISSION.—Any agree-
17 ment entered into under this Act shall enter into force
18 with respect to the United States if (and only if)—

19 (1) the President, at least 90 calendar days be-
20 fore the day on which the President enters into the
21 trade agreement, notifies the House of Representa-
22 tives and the Senate of the President's intention to
23 enter into the agreement, and promptly thereafter
24 publishes notice of such intention in the Federal
25 Register;

1 (2) within 60 days after entering into the
2 agreement, the President submits to the Congress a
3 description of those changes to existing laws that the
4 President considers would be required in order to
5 bring the United States into compliance with the
6 agreement;

7 (3) after entering into the agreement, the Presi-
8 dent submits a copy of the final text of the agree-
9 ment, together with—

10 (A) a draft of an implementing bill, if nec-
11 essary;

12 (B) a statement of any administrative ac-
13 tion proposed to implement the trade agree-
14 ment; and

15 (C) the supporting information described
16 in paragraph (2); and

17 (4) the implementing bill, if necessary, is en-
18 acted into law.

19 (b) SUPPORTING INFORMATION.—The supporting in-
20 formation required under subsection (a)(3)(C) consists
21 of—

22 (1) an explanation as to how the implementing
23 bill and proposed administrative action will change
24 or affect existing law; and

1 (2) a statement setting forth the reasons of the
2 President regarding how the agreement serves the
3 interest of United States commerce.

4 **SEC. 7. DEFINITION OF QUALIFYING AREA.**

5 As used in this Act:

6 (1) QUALIFYING AREA.—(A) The term “qualify-
7 ing area” means a county that—

8 (i) is contiguous to Northern Ireland;

9 (ii) suffers from the severest form of eco-
10 nomic deprivation, as defined by the United
11 Kingdom’s report, Relative Deprivation in
12 Northern Ireland, Occasional Paper Number
13 28, Policy Planning and Research Unit, Sep-
14 tember, and the European Union’s report, Spe-
15 cial Support Programme for Peace and Rec-
16 onciliation 1995–1999, including—

17 (I) in Northern Ireland, the counties
18 of Derry, Limavady, Strabane,
19 Magherafelt, Omagh, Cookstown,
20 Dungannon, Fermanagh, Moyle, Newry
21 and Mourne, Armagh, and those parts of
22 Belfast Urban area known as “Making
23 Belfast Work” designated areas; and

1 (II) in the Republic of Ireland, the
2 border counties of Donegal, Sligo, Leitrim,
3 Cavan, Monaghan and Louth;

4 (iii) has a rate of unemployment higher
5 than the local or urban average of unemploy-
6 ment in Northern Ireland; and

7 (iv) in the case of county in which there is
8 a history of workplace discrimination, meets the
9 requirements of subparagraph (B).

10 (B) A county meets the requirements of this
11 subparagraph if the employers in that county are in
12 compliance with the principles of economic justice
13 known as the “MacBride Principles”, which are—

14 (i) increasing the representation of individ-
15 uals from underrepresented religious groups in
16 the workforce, including managerial, super-
17 visory, administrative, clerical, and technical
18 jobs;

19 (ii) providing adequate security for the
20 protection of minority employees at the work-
21 place;

22 (iii) banning provocative sectarian or politi-
23 cal emblems from the workplace;

24 (iv) providing that all job openings be ad-
25 vertised publicly and providing that special re-

1 cruitment efforts be made to attract applicants
2 from underrepresented religious groups;

3 (v) providing that layoff, recall, and termi-
4 nation procedures do not favor a particular reli-
5 gious group;

6 (vi) abolishing job reservations, apprentice-
7 ship restrictions, and differential employment
8 criteria which discriminate on the basis of reli-
9 gion;

10 (vii) providing for the development of
11 training programs that will prepare substantial
12 numbers of minority employees for skilled jobs,
13 including the expansion of existing programs
14 and the creation of new programs to train, up-
15 grade, and improve the skills of minority em-
16 ployees;

17 (viii) establishing procedures to assess,
18 identify, and actively recruit minority employees
19 with the potential for further advancement; and

20 (ix) providing for the appointment of a
21 senior management staff member to be respon-
22 sible for the employment efforts of the entity
23 and, within a reasonable period of time, the im-
24 plementation of the principles described in
25 clauses (i) through (viii).

1 (2) GATT 1994.—The term “GATT 1994” has
2 the meaning given that term in section 2(1)(B) of
3 the Uruguay Round Agreements Act (19 U.S.C.
4 3501(1)(B)).

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