

105TH CONGRESS  
1ST SESSION

# S. 1476

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.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 8, 1997

Mr. D'AMATO (for himself, Ms. MOSELEY-BRAUN, and Mr. COCHRAN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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       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) Because both the United Kingdom and the  
13 Republic of Ireland are members of the European  
14 Union (hereafter in this Act referred to as the  
15 “EU”), tariff issues relating to Northern Ireland  
16 and the border counties of the Republic of Ireland  
17 are subject to the common commercial policy pro-  
18 vided for in Article 113 of the Treaty of Rome, and  
19 any negotiations concerning them must conform to  
20 EU law and Paragraphs 5, 6, 7, and 8 of Article  
21 XXIV of the 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

1 greater social cohesion in a unique and disadvan-  
 2 tagged region, to the long-term benefit of the EU, the  
 3 United States, and the larger international commu-  
 4 nity.

5 (4) The President should be authorized to nego-  
 6 tiate such concessions in accordance with the terms  
 7 and conditions set forth in the Act.

8 **SEC. 2. FREE TRADE AGREEMENT WITH NORTHERN IRE-**  
 9 **LAND.**

10 (a) NEGOTIATIONS.—

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

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

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

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

21 (2) AGREEMENT LIMITED TO QUALIFIED AREAS  
 22 OF NORTHERN IRELAND AND THE REPUBLIC OF  
 23 IRELAND.—Notwithstanding any other provision of  
 24 law, no trade benefit shall be extended to any coun-  
 25 try 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 enactment of  
19 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 Congress a de-  
3           scription 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. DEFINITIONS.**

5       As used in this Act:

6           (1) QUALIFYING AREA.—

7           (A) IN GENERAL.—The term “qualifying  
 8       area” means a county that—

9                   (i) is contiguous to Northern Ireland;

10                   (ii) suffers from the severest form of  
 11       economic deprivation, as defined by the  
 12       United Kingdom’s report, Relative Depri-  
 13       vation in Northern Ireland, Occasional  
 14       Paper Number 28, Policy Planning and  
 15       Research Unit, September, and the Euro-  
 16       pean Union’s report, Special Support Pro-  
 17       gramme for Peace and Reconciliation  
 18       1995–1999, including—

19                   (I) in Northern Ireland, the  
 20       counties of Derry, Limavady,  
 21       Strabane, Magherafelt, Omagh,  
 22       Cookstown, Dungannon, Fermanagh,  
 23       Moyle, Newry and Mourne, Armagh,  
 24       and those parts of Belfast Urban area

1 known as “Making Belfast Work”  
 2 designated areas; and

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

7 (iii) has a rate of unemployment high-  
 8 er than the local or urban average of un-  
 9 employment in Northern Ireland; and

10 (iv) in the case of county in which  
 11 there is a history of workplace discrimina-  
 12 tion, meets the requirements of subpara-  
 13 graph (B).

14 (B) REQUIREMENTS.—A county meets the  
 15 requirements of this subparagraph if the em-  
 16 ployers in that county are in compliance with  
 17 the principles of economic justice known as the  
 18 “MacBride Principles”, which are—

19 (i) increasing the representation of in-  
 20 dividuals from underrepresented religious  
 21 groups in the workforce, including manage-  
 22 rial, supervisory, administrative, clerical,  
 23 and technical jobs;

1           (ii) providing adequate security for  
2           the protection of minority employees at the  
3           workplace;

4           (iii) banning provocative sectarian or  
5           political emblems from the workplace;

6           (iv) providing that all job openings be  
7           advertised publicly and providing that spe-  
8           cial recruitment efforts be made to attract  
9           applicants from underrepresented religious  
10          groups;

11          (v) providing that layoff, recall, and  
12          termination procedures do not favor a par-  
13          ticular religious group;

14          (vi) abolishing job reservations, ap-  
15          prenticeship restrictions, and differential  
16          employment criteria which discriminate on  
17          the basis of religion;

18          (vii) providing for the development of  
19          training programs that will prepare sub-  
20          stantial numbers of minority employees for  
21          skilled jobs, including the expansion of ex-  
22          isting programs and the creation of new  
23          programs to train, upgrade, and improve  
24          the skills of minority employees;

1                   (viii) establishing procedures to as-  
2                   sess, identify, and actively recruit minority  
3                   employees with the potential for further  
4                   advancement; and

5                   (ix) providing for the appointment of  
6                   a senior management staff member to be  
7                   responsible for the employment efforts of  
8                   the entity and, within a reasonable period  
9                   of time, the implementation of the prin-  
10                  ciples described in clauses (i) through  
11                  (viii).

12               (2) GATT 1994.—The term “GATT 1994” has  
13               the meaning given that term in section 2(1)(B) of  
14               the Uruguay Round Agreements Act (19 U.S.C.  
15               3501(1)(B)).

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