

106TH CONGRESS  
1ST SESSION

# H. R. 1166

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 HOUSE OF REPRESENTATIVES

MARCH 17, 1999

Mr. MEEHAN (for himself, Mr. KING, Mr. CROWLEY, Mrs. McCARTHY of New York, Mr. KENNEDY of Rhode Island, Mr. PAYNE, Mr. MENENDEZ, and Mr. PASCRELL) introduced the following bill; which was referred to the Committee on Ways and Means

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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       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 succeed,  
8       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 taged 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 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-

1       tion of 3 percent ad valorem per year or a reduction  
2       of 10 percent per year of the total reduction, whichever  
3       is greater, had taken effect on the effective date  
4       of the first reduction proclaimed pursuant to sub-  
5       section (a).

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

14                    (4) ROUNDING.—If the President determines  
15       that such action will simplify the computation of re-  
16       ductions under paragraph (1) or (2), the President  
17       may round an annual reduction by an amount equal  
18       to the lesser of—

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

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

23                    (5) OTHER LIMITATIONS.—A rate of duty re-  
24       duction or increase that may not be proclaimed by  
25       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 qualifi-  
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-

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

3           (C) the sum of—

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

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

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

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

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

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

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

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

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

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

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 con-  
16 sumers.

17         **SEC. 5. CONSULTATION WITH CONGRESS BEFORE AGRE-  
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

6 (b) SCOPE.—The consultation described in subsection

7 (a) shall include consultation with respect to—

8 (1) the nature of the agreement;

## **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)—

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

## 4 SEC. 7. DEFINITIONS.

## **5 As used in this Act:**

8 (i) is contiguous to Northern Ireland;

(ii) suffers from the severest form of economic deprivation, as defined by the United Kingdom's report, Relative Deprivation in Northern Ireland, Occasional Paper Number 28, Policy Planning and Research Unit, September, and the European Union's report, Special Support Programme for Peace and Reconciliation 1995–1999, including—

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

(iii) has a rate of unemployment higher than the local or urban average of unemployment in Northern Ireland; and

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

(i) increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical positions;

(ii) providing adequate security for the election of minority employees at the workplace;

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

(iv) providing that all job openings be advertised 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 termina-  
4                 tion procedures do not favor a particular reli-  
5                 gious group;

6                 (vi) abolishing job reservations, apprenticeship  
7                 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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