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107TH CONGRESS
1ST SESSION

S. 643

[Report No. 107-59]

To implement the agreement establishing a United States-Jordan free trade area.

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2001

Mr. BAUCUS (for himself, Mr. KERRY, Ms. LANDRIEU, Mr. INOUYE, Mr. TORRICELLI, Mr. DASCHLE, Mr. LEAHY, Mr. WYDEN, Mr. BINGAMAN, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mrs. FEINSTEIN, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

SEPTEMBER 4, 2001

Reported by Mr. BAUCUS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To implement the agreement establishing a United States-Jordan free trade area.

1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 This Act may be cited as the "United States-Jordan
3 Free Trade Area Implementation Act".

4 **SEC. 2. PURPOSES.**

5 The purposes of this Act are—

6 (1) to implement the agreement between the
7 United States and Jordan establishing a free trade
8 area;

9 (2) to strengthen and develop the economic re-
10 lations between the United States and Jordan for
11 their mutual benefit; and

12 (3) to establish free trade between the 2 nations
13 through the removal of trade barriers.

14 **SEC. 3. DEFINITIONS.**

15 For purposes of this Act:

16 (1) **AGREEMENT.**—The term "Agreement"
17 means the Agreement between the United States of
18 America and the Hashemite Kingdom of Jordan on
19 the Establishment of a Free Trade Area, entered
20 into on October 24, 2000.

21 (2) **HTS.**—The term "HTS" means the Har-
22 monized Tariff Schedule of the United States.

1 **TITLE I—TARIFF MODIFICA-**
2 **TIONS; RULES OF ORIGIN**

3 **SEC. 101. TARIFF MODIFICATIONS.**

4 (a) TARIFF MODIFICATIONS PROVIDED FOR IN THE
5 AGREEMENT.—The President may proclaim—

6 (1) such modifications or continuation of any
7 duty;

8 (2) such continuation of duty-free or excise
9 treatment, or

10 (3) such additional duties,

11 as the President determines to be necessary or appropriate
12 to carry out article 2.1 of the Agreement and the schedule
13 of duty reductions with respect to Jordan set out in Annex
14 2.1 of the Agreement.

15 (b) OTHER TARIFF MODIFICATIONS.—The President
16 may proclaim—

17 (1) such modifications or continuation of any
18 duty;

19 (2) such continuation of duty-free or excise
20 treatment, or

21 (3) such additional duties,

22 as the President determines to be necessary or appropriate
23 to maintain the general level of reciprocal and mutually
24 advantageous concessions with respect to Jordan provided
25 for by the Agreement.

1 **SEC. 102. RULES OF ORIGIN.**2 (a) **IN GENERAL.**3 (i) **ELIGIBLE ARTICLES.**

4 (A) **IN GENERAL.**—The reduction or elimi-
5 nation of any duty imposed on any article by
6 the United States provided for in the Agree-
7 ment shall apply only if—

8 (i) that article is imported directly
9 from Jordan into the customs territory of
10 the United States; and

11 (ii) that article—

12 (I) is wholly the growth, product,
13 or manufacture of Jordan; or
14 (II) is a new or different article
15 of commerce that has been grown,
16 produced, or manufactured in Jordan
17 and meets the requirements of sub-
18 paragraph (B).

19 (B) **REQUIREMENTS.**

20 (i) **GENERAL RULE.**—The require-
21 ments of this subparagraph are that with
22 respect to an article described in subpara-
23 graph (A)(ii)(II), the sum of—

24 (I) the cost or value of the mate-
25 rials produced in Jordan, plus

6 (ii) MATERIALS PRODUCED IN UNITED
7 STATES.—If the cost or value of materials
8 produced in the customs territory of the
9 United States is included with respect to
10 an article to which this paragraph applies,
11 an amount not to exceed 15 percent of the
12 appraised value of the article at the time
13 it is entered that is attributable to such
14 United States cost or value may be applied
15 toward determining the percentage re-
16 ferred to in clause (i).

(A) simple combining or packaging operations; or

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

25 (b) DIRECT COSTS OF PROCESSING OPERATIONS.—

1 (1) IN GENERAL.—As used in this section, the
2 term "direct costs of processing operations" in-
3 eludes, but is not limited to—

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

18 (A) profit; and

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

3 (e) **TEXTILE AND APPAREL ARTICLES.**—

4 (1) **IN GENERAL.**—A textile or apparel article
5 imported directly from Jordan into the customs ter-
6 ritory of the United States shall be considered to
7 meet the requirements of paragraph (1)(A) of sub-
8 section (a) only if—

9 (A) the article is wholly obtained or pro-
10 duced in Jordan;

11 (B) the article is a yarn, thread, twine,
12 cordage, rope, cable, or braiding; and—

13 (i) the constituent staple fibers are
14 spun in Jordan, or

15 (ii) the continuous filament is ex-
16 truded in Jordan;

17 (C) the article is a fabric, including a fab-
18 ric classified under chapter 59 of the HTS, and
19 the constituent fibers, filaments, or yarns are
20 woven, knitted, needled, tufted, felted, entan-
21 gled, or transformed by any other fabric-making
22 process in Jordan; or

23 (D) the article is any other textile or ap-
24 parel article that is wholly assembled in Jordan
25 from its component pieces.

22 (C) Notwithstanding paragraph (1)(D), a good
23 classified under heading 6117.10, 6213.00, 6214.00,
24 6302.22, 6302.29, 6302.52, 6302.53, 6302.59,
25 6302.92, 6302.93, 6302.99, 6303.92, 6303.99.

1 6304.19, 6304.93, 6304.99, 9404.90.85, or
2 9404.90.95 of the HTS, except for a good classified
3 under any such heading as of cotton or of wool or
4 consisting of fiber blends containing 16 percent or
5 more by weight of cotton, shall be considered to
6 meet the requirements of paragraph (1)(A) of sub-
7 section (a) if the fabric in the good is both dyed and
8 printed in Jordan, and such dyeing and printing is
9 accompanied by 2 or more of the following finishing
10 operations: bleaching, shrinking, fulling, napping,
11 decating, permanent stiffening, weighting, perma-
12 nent embossing, or moireing.

13 (D) Notwithstanding paragraph (1)(C), a fabric
14 classified under the HTS as of silk, cotton, man-
15 made fiber, or vegetable fiber shall be considered to
16 meet the requirements of paragraph (1)(A) of sub-
17 section (a) if the fabric is both dyed and printed in
18 Jordan, and such dyeing and printing is accom-
19 panied by 2 or more of the following finishing oper-
20 ations: bleaching, shrinking, fulling, napping,
21 decating, permanent stiffening, weighting, perma-
22 nent embossing, or moireing.

23 (4) MULTICOUNTRY RULE.—If the origin of a
24 textile or apparel article cannot be determined under
25 paragraph (1) or (3), then that article shall be con-

1 sidered to meet the requirements of paragraph
2 (1)(A) of subsection (a) if—

3 (A) the most important assembly or manu-
4 facturing process occurs in Jordan; or
5 (B) if the applicability of paragraph (1)(A)
6 of subsection (a) cannot be determined under
7 subparagraph (A), the last important assembly
8 or manufacturing occurs in Jordan.

9 (d) EXCLUSION.—A good shall not be considered to
10 meet the requirements of paragraph (1)(A) of subsection
11 (a) if the good—

12 (1) is imported into Jordan, and, at the time of
13 importation, would be classified under heading 0805
14 of the HTS; and

15 (2) is processed in Jordan into a good classified
16 under any of subheadings 2009.11 through 2009.30
17 of the HTS.

18 (e) REGULATIONS.—The Secretary of the Treasury,
19 after consultation with the United States Trade Rep-
20 resentative, shall prescribe such regulations as may be
21 necessary to carry out this section.

1 **TITLE II—RELIEF FROM**
2 **IMPORTS**

3 **Subtitle A—General Provisions**

4 **SEC. 201. DEFINITIONS.**

5 As used in this title:

6 (1) COMMISSION.—The term “Commission”
7 means the United States International Trade Com-
8 mission.

9 (2) JORDANIAN ARTICLE.—The term “Jor-
10 danian article” means an article that qualifies for
11 reduction or elimination of a duty under section 102.

12 **Subtitle B—Relief From Imports
13 Benefiting From The Agreement**

14 **SEC. 211. COMMENCING OF ACTION FOR RELIEF.**

15 (a) FILING OF PETITION.—

16 (1) IN GENERAL.—A petition requesting action
17 under this part for the purpose of adjusting to the
18 obligations of the United States under the Agree-
19 ment may be filed with the Commission by an entity,
20 including a trade association, firm, certified or rec-
21 ognized union, or group of workers that is represent-
22 ative of an industry. The Commission shall transmit
23 a copy of any petition filed under this subsection to
24 the United States Trade Representative.

8 (b) INVESTIGATION AND DETERMINATION.—

22 (2) CAUSATION.—For purposes of this part, a
23 Jordanian article is being imported into the United
24 States in increased quantities as a result of the re-
25 duction or elimination of a duty provided for under

1 the Agreement if the reduction or elimination is a
2 cause that contributes significantly to the increase in
3 imports. Such cause need not be equal to or greater
4 than any other cause.

5 (e) **APPLICABLE PROVISIONS.**—The following provi-
6 sions of section 202 of the Trade Act of 1974 (19 U.S.C.
7 2252) apply with respect to any investigation initiated
8 under subsection (b):

9 (1) Paragraphs (1)(B) and (3) of subsection
10 (b):

11 (2) Subsection (c):

12 (3) Subsection (d):

13 (d) **ARTICLES EXEMPT FROM INVESTIGATION.**—No
14 investigation may be initiated under this section with re-
15 spect to any Jordanian article if import relief has been
16 provided under this part with respect to that article.

17 **SEC. 212. COMMISSION ACTION ON PETITION.**

18 (a) **DETERMINATION.**—By no later than 120 days
19 (180 days if critical circumstances have been alleged) after
20 the date on which an investigation is initiated under sec-
21 tion 211(b) with respect to a petition, the Commission
22 shall make the determination required under that section.

23 (b) **ADDITIONAL FINDING AND RECOMMENDATION IF
24 DETERMINATION AFFIRMATIVE.**—If the determination
25 made by the Commission under subsection (a) with respect

1 to imports of an article is affirmative, the Commission
2 shall find, and recommend to the President in the report
3 required under subsection (e), the amount of import relief
4 that is necessary to remedy or prevent the injury found
5 by the Commission in the determination and to facilitate
6 the efforts of the domestic industry to make a positive ad-
7 justment to import competition. The import relief rec-
8ommended by the Commission under this subsection shall
9 be limited to that described in section 213(e).

10 (e) REPORT TO PRESIDENT.—No later than the date
11 that is 30 days after the date on which a determination
12 is made under subsection (a) with respect to an investiga-
13 tion, the Commission shall submit to the President a re-
14 port that shall include—

15 (1) a statement of the basis for the determina-
16 tion;
17 (2) dissenting and separate views; and
18 (3) any finding made under subsection (b) re-
19 garding import relief.

20 (d) PUBLIC NOTICE.—Upon submitting a report to
21 the President under subsection (e), the Commission shall
22 promptly make public such report (with the exception of
23 information which the Commission determines to be con-
24 fidential) and shall cause a summary thereof to be pub-
25 lished in the Federal Register.

1 (e) APPLICABLE PROVISIONS.—For purposes of this
2 part, the provisions of paragraphs (1), (2), and (3) of sec-
3 tion 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d))
4 shall be applied with respect to determinations and find-
5 ings made under this section as if such determinations and
6 findings were made under section 202 of the Trade Act
7 of 1974 (19 U.S.C. 2252).

8 **SEC. 213. PROVISION OF RELIEF.**

9 (a) IN GENERAL.—No later than the date that is 30
10 days after the date on which the President receives the
11 report of the Commission containing an affirmative deter-
12 mination of the Commission under section 212(a), the
13 President shall provide relief from imports of the article
14 that is the subject of such determination to the extent that
15 the President determines necessary to prevent or remedy
16 the injury found by the Commission and to facilitate the
17 efforts of the domestic industry to make a positive adjust-
18 ment to import competition, unless the President deter-
19 mines that the provision of such relief is not in the na-
20 tional economic interest of the United States or, in ex-
21 traordinary circumstances, that the provision of such relief
22 would cause serious harm to the national security of the
23 United States.

24 (b) NATIONAL ECONOMIC INTEREST.—The President
25 may determine under subsection (a) that providing import

1 relief is not in the national economic interest of the United
2 States only if the President finds that taking such action
3 would have an adverse impact on the United States econ-
4 omy clearly greater than the benefits of taking such ac-
5 tion.

6 (e) NATURE OF RELIEF.—The import relief (includ-
7 ing provisional relief) that the President is authorized to
8 provide under this part with respect to imports of an arti-
9 cle is—

10 (1) the suspension of any further reduction pro-
11 vided for under the United States Schedule to Annex
12 2.1 of the Agreement in the duty imposed on that
13 article;

14 (2) an increase in the rate of duty imposed on
15 such article to a level that does not exceed the lesser
16 of—

17 (A) the column 1 general rate of duty im-
18 posed under the HTS on like articles at the
19 time the import relief is provided; or

20 (B) the column 1 general rate of duty im-
21 posed under the HTS on like articles on the
22 day before the date on which the Agreement en-
23 ters into force; or

24 (3) in the case of a duty applied on a seasonal
25 basis to that article, an increase in the rate of duty

1 imposed on the article to a level that does not exceed
2 the column 1 general rate of duty imposed under the
3 HTS on the article for the corresponding season oc-
4 curring immediately before the date on which the
5 Agreement enters into force.

6 (d) PERIOD OF RELIEF.—The import relief that the
7 President is authorized to provide under this section may
8 not exceed 4 years.

9 (e) RATE AFTER TERMINATION OF IMPORT RE-
10 LIEF.—When import relief under this part is terminated
11 with respect to an article—

12 (1) the rate of duty on that article after such
13 termination and on or before December 31 of the
14 year in which termination occurs shall be the rate
15 that, according to the United States Schedule to
16 Annex 2.1 of the Agreement for the staged elimi-
17 nation of the tariff, would have been in effect 1 year
18 after the initiation of the import relief action under
19 section 211; and

20 (2) the tariff treatment for that article after
21 December 31 of the year in which termination oc-
22 curs shall be, at the discretion of the President,
23 either—

4 (B) the rate of duty resulting from the
5 elimination of the tariff in equal annual stages
6 ending on the date set out in the United States
7 Schedule to Annex 2.1 for the elimination of
8 the tariff.

9 SEC. 214. TERMINATION OF RELIEF AUTHORITY.

10 (a) GENERAL RULE.—Except as provided in sub-
11 section (b), no import relief may be provided under this
12 part after the date that is 15 years after the date on which
13 the Agreement enters into force.

14 (b) EXCEPTION.—Import relief may be provided
15 under this part in the case of a Jordanian article after
16 the date on which such relief would, but for this sub-
17 section, terminate under subsection (a), but only if the
18 Government of Jordan consents to such provision.

19 SEC. 215. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 213 shall be treated as action taken under chapter 1 of title II of such Act.

1 **SEC. 216. SUBMISSION OF PETITIONS.**

2 A petition for import relief may be submitted to the

3 Commission under—

4 (1) this part;

5 (2) chapter 1 of title H of the Trade Act of

6 1974; or

7 (3) under both this part and such chapter 1 at
8 the same time, in which case the Commission shall
9 consider such petitions jointly.10 **Subtitle C—Cases Under Title H of
11 The Trade Act of 1974**12 **SEC. 221. FINDINGS AND ACTION ON JORDANIAN IMPORTS.**13 (a) **EFFECT OF IMPORTS.**—If, in any investigation
14 initiated under chapter 1 of title H of the Trade Act of
15 1974, the Commission makes an affirmative determination
16 (or a determination which the President may treat as an
17 affirmative determination under such chapter by reason
18 of section 330(d) of the Tariff Act of 1930), the Commis-
19 sion shall also find (and report to the President at the
20 time such injury determination is submitted to the Presi-
21 dent) whether imports of the article from Jordan are a
22 substantial cause of serious injury or threat thereof.23 (b) **PRESIDENTIAL ACTION REGARDING JORDANIAN
24 IMPORTS.**—In determining the nature and extent of action
25 to be taken under chapter 1 of title H of the Trade Act
26 of 1974, the President shall determine whether imports

1 from Jordan are a substantial cause of the serious injury
2 found by the Commission and, if such determination is
3 in the negative, may exclude from such action imports
4 from Jordan.

5 **SEC. 222. TECHNICAL AMENDMENT.**

6 Section 202(a)(8) of the Trade Act of 1974 (19

7 U.S.C. 2252(a)(8)) is amended in the first sentence—

8 (1) by striking “and part 1” and inserting “,
9 part 1”; and

10 (2) by inserting before the period at the end “,
11 and title II of the United States-Jordan Free Trade
12 Area Implementation Act”.

13 **TITLE III—TEMPORARY ENTRY**

14 **SEC. 301. NONIMMIGRANT TRADERS AND INVESTORS.**

15 Upon the basis of reciprocity secured by the Agree-
16 ment, an alien who is a national of Jordan (and any
17 spouse or child (as defined in section 101(b)(1) of the Im-
18 migration and Nationality Act (8 U.S.C. 1101(b)(1)) of
19 the alien, if accompanying or following to join the alien)
20 shall be considered as entitled to enter the United States
21 under and in pursuance of the provisions of the Agreement
22 as a nonimmigrant described in section 101(a)(15)(E) of
23 the Immigration and Nationality Act (8 U.S.C.
24 1101(a)(15)(E)), if the entrance is solely for a purpose
25 described in clause (i) or (ii) of such section and the alien

1 is otherwise admissible to the United States as such a non-
2 immigrant.

3 **TITLE IV—GENERAL
4 PROVISIONS**

5 **SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED
6 STATES AND STATE LAW.**

7 (a) **RELATIONSHIP OF AGREEMENT TO UNITED
8 STATES LAW.—**

9 (1) **UNITED STATES LAW TO PREVAIL IN CON-
10 FFLICT.**—No provision of the Agreement, nor the ap-
11 plication of any such provision to any person or cir-
12 cumstance, that is inconsistent with any law of the
13 United States shall have effect.

14 (2) **CONSTRUCTION.**—Nothing in this Act shall
15 be construed—

16 (A) to amend or modify any law of the
17 United States, or

18 (B) to limit any authority conferred under
19 any law of the United States;
20 unless specifically provided for in this Act.

21 (b) **RELATIONSHIP OF AGREEMENT TO STATE
22 LAW.—**

23 (1) **LEGAL CHALLENGE.**—No State law, or the
24 application thereof, may be declared invalid as to
25 any person or circumstance on the ground that the

1 provision or application is inconsistent with the
2 Agreement, except in an action brought by the
3 United States for the purpose of declaring such law
4 or application invalid.

5 (2) DEFINITION OF STATE LAW.—For purposes
6 of this subsection, the term “State law” includes—

7 (A) any law of a political subdivision of a
8 State; and

9 (B) any State law regulating or taxing the
10 business of insurance.

11 (c) EFFECT OF AGREEMENT WITH RESPECT TO PRI-
12 VATE REMEDIES.—No person other than the United
13 States—

14 (1) shall have any cause of action or defense
15 under the Agreement; or

16 (2) may challenge, in any action brought under
17 any provision of law, any action or inaction by any
18 department, agency, or other instrumentality of the
19 United States, any State, or any political subdivision
20 of a State on the ground that such action or inaction
21 is inconsistent with the Agreement.

22 **SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

23 There are authorized to be appropriated for each fis-
24 cal year after fiscal year 2001 to the Department of Com-
25 merce not more than \$100,000 for the payment of the

1 United States share of the expenses incurred in dispute
2 settlement proceedings under article 17 of the Agreement.

3 **SEC. 403. IMPLEMENTING REGULATIONS.**

4 After the date of enactment of this Act—

5 (1) the President may proclaim such actions,
6 and

7 (2) other appropriate officers of the United
8 States may issue such regulations,

9 as may be necessary to ensure that any provision of this
10 Act, or amendment made by this Act, that takes effect
11 on the date the Agreement enters into force is appro-
12 priately implemented on such date, but no such proclama-
13 tion or regulation may have an effective date earlier than
14 the date the Agreement enters into force.

15 **SEC. 404. EFFECTIVE DATES; EFFECT OF TERMINATION.**

16 (a) **EFFECTIVE DATES.**—Except as provided in sub-
17 section (b), the provisions of this Act and the amendments
18 made by this Act take effect on the date the Agreement
19 enters into force.

20 (b) **EXCEPTIONS.**—Sections 1 through 3 and this
21 title take effect on the date of the enactment of this Act.

22 (c) **TERMINATION OF THE AGREEMENT.**—On the
23 date on which the Agreement ceases to be in force, the
24 provisions of this Act (other than this subsection) and the
25 amendments made by this Act, shall cease to have effect.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “United States-Jordan
3 Free Trade Area Implementation Act”.*

4 **SEC. 2. PURPOSES.**

5 *The purposes of this Act are—*

6 *(1) to implement the agreement between the
7 United States and Jordan establishing a free trade
8 area;*

9 *(2) to strengthen and develop the economic rela-
10 tions between the United States and Jordan for their
11 mutual benefit; and*

12 *(3) to establish free trade between the 2 nations
13 through the removal of trade barriers.*

14 **SEC. 3. DEFINITIONS.**

15 *For purposes of this Act:*

16 *(1) AGREEMENT.—The term “Agreement” means
17 the Agreement between the United States of America
18 and the Hashemite Kingdom of Jordan on the Estab-
19 lishment of a Free Trade Area, entered into on Octo-
20 ber 24, 2000.*

21 *(2) HTS.—The term “HTS” means the Har-
22 monized Tariff Schedule of the United States.*

23 **SEC. 4. APPROVAL OF AGREEMENT.**

24 *Congress approves the Agreement between the United
25 States of America and the Hashemite Kingdom of Jordan
26 on the establishment of a free trade area, entered into on*

1 *October 24, 2000, and submitted to Congress on January*
2 *6, 2001.*

3 **TITLE I—TARIFF MODIFICA-**
4 **TIONS; RULES OF ORIGIN**

5 **SEC. 101. TARIFF MODIFICATIONS.**

6 (a) *TARIFF MODIFICATIONS PROVIDED FOR IN THE*

7 *AGREEMENT.—The President may proclaim—*

8 (1) *such modifications or continuation of any*
9 *duty,*

10 (2) *such continuation of duty-free or excise treat-*
11 *ment, or*

12 (3) *such additional duties,*

13 *as the President determines to be necessary or appropriate*
14 *to carry out article 2.1 of the Agreement and the schedule*
15 *of duty reductions with respect to Jordan set out in Annex*
16 *2.1 of the Agreement.*

17 (b) *OTHER TARIFF MODIFICATIONS.—The President*
18 *may proclaim—*

19 (1) *such modifications or continuation of any*
20 *duty,*

21 (2) *such continuation of duty-free or excise treat-*
22 *ment, or*

23 (3) *such additional duties,*

24 *as the President determines to be necessary or appropriate*
25 *to maintain the general level of reciprocal and mutually*

1 *advantageous concessions with respect to Jordan provided*
2 *for by the Agreement.*

3 **SEC. 102. RULES OF ORIGIN.**

4 (a) *IN GENERAL.*—

5 (1) *ELIGIBLE ARTICLES.*—

6 (A) *IN GENERAL.*—*The reduction or elimi-*
7 *nation of any duty imposed on any article by*
8 *the United States provided for in the Agreement*
9 *shall apply only if—*

10 (i) *that article is imported directly*
11 *from Jordan into the customs territory of*
12 *the United States; and*

13 (ii) *that article—*

14 (I) *is wholly the growth, product,*
15 *or manufacture of Jordan; or*

16 (II) *is a new or different article of*
17 *commerce that has been grown, pro-*
18 *duced, or manufactured in Jordan and*
19 *meets the requirements of subpara-*
20 *graph (B).*

21 (B) *REQUIREMENTS.*—

22 (i) *GENERAL RULE.*—*The requirements*
23 *of this subparagraph are that with respect*
24 *to an article described in subparagraph*
25 *(A)(ii)(II), the sum of—*

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

4 (b) DIRECT COSTS OF PROCESSING OPERATIONS.—

22 (A) profit; and

(B) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, pro-

1 *duction, manufacture, or assembly of the mer-*
2 *chandise, such as administrative salaries, cas-*
3 *uality and liability insurance, advertising, and*
4 *salesmen's salaries, commissions, or expenses.*

5 (c) *TEXTILE AND APPAREL ARTICLES.*—

6 (1) *IN GENERAL.*—A textile or apparel article
7 imported directly from Jordan into the customs terri-
8 tory of the United States shall be considered to meet
9 the requirements of paragraph (1)(A) of subsection (a)
10 only if—

11 (A) the article is wholly obtained or pro-
12 duced in Jordan;

13 (B) the article is a yarn, thread, twine,
14 cordage, rope, cable, or braiding, and—

15 (i) the constituent staple fibers are
16 spun in Jordan, or

17 (ii) the continuous filament is extruded
18 in Jordan;

19 (C) the article is a fabric, including a fab-
20 ric classified under chapter 59 of the HTS, and
21 the constituent fibers, filaments, or yarns are
22 woven, knitted, needled, tufted, felted, entangled,
23 or transformed by any other fabric-making proc-
24 ess in Jordan; or

(D) the article is any other textile or apparel article that is wholly assembled in Jordan from its component pieces.

8 (3) *SPECIAL RULES.*—

23 (B) CERTAIN KNIT-TO-SHAPE TEXTILES AND
24 TEXTILE ARTICLES.—Notwithstanding para-
25 graph (1)(D) and except as provided in subparagraph

1 *graphs (C) and (D) of this paragraph, a textile*
2 *or apparel article which is knit-to-shape in Jor-*
3 *dan shall be considered to meet the requirements*
4 *of paragraph (1)(A) of subsection (a).*

5 **(C) CERTAIN DYED AND PRINTED TEXTILES**
6 **AND TEXTILE ARTICLES.**—*Notwithstanding*
7 *paragraph (1)(D), a good classified under sub-*
8 *heading 6117.10, 6213.00, 6214.00, 6302.22,*
9 *6302.29, 6302.52, 6302.53, 6302.59, 6302.92,*
10 *6302.93, 6302.99, 6303.92, 6303.99, 6304.19,*
11 *6304.93, 6304.99, 9404.90.85, or 9404.90.95 of*
12 *the HTS, except for a good classified under any*
13 *such subheading as of cotton or of wool or con-*
14 *sisting of fiber blends containing 16 percent or*
15 *more by weight of cotton, shall be considered to*
16 *meet the requirements of paragraph (1)(A) of*
17 *subsection (a) if the fabric in the good is both*
18 *dyed and printed in Jordan, and such dyeing*
19 *and printing is accompanied by 2 or more of the*
20 *following finishing operations: bleaching, shrink-*
21 *ing, fulling, napping, decating, permanent stiff-*
22 *ening, weighting, permanent embossing, or*
23 *moireing.*

24 **(D) FABRICS OF SILK, COTTON, MANMADE**
25 **FIBER OR VEGETABLE FIBER.**—*Notwithstanding*

1 paragraph (1)(C), a fabric classified under the
2 HTS as of silk, cotton, man-made fiber, or vege-
3 table fiber shall be considered to meet the re-
4 quirements of paragraph (1)(A) of subsection (a)
5 if the fabric is both dyed and printed in Jordan,
6 and such dyeing and printing is accompanied by
7 2 or more of the following finishing operations:
8 bleaching, shrinking, fulling, napping, decating,
9 permanent stiffening, weighting, permanent em-
10 bossing, or moireing.

11 (4) *MULTICOUNTRY RULE*.—If the origin of a
12 textile or apparel article cannot be determined under
13 paragraph (1) or (3), then that article shall be consid-
14 ered to meet the requirements of paragraph (1)(A) of
15 subsection (a) if—

16 (A) the most important assembly or manu-
17 facturing process occurs in Jordan; or

18 (B) if the applicability of paragraph (1)(A)
19 of subsection (a) cannot be determined under
20 subparagraph (A), the last important assembly
21 or manufacturing occurs in Jordan.

22 (d) *EXCLUSION*.—A good shall not be considered to
23 meet the requirements of paragraph (1)(A) of subsection (a)
24 if the good—

1 (1) is imported into Jordan, and, at the time of
2 importation, would be classified under heading 0805
3 of the HTS; and

4 (2) is processed in Jordan into a good classified
5 under any of subheadings 2009.11 through 2009.30 of
6 the HTS.

7 (e) *REGULATIONS.*—The Secretary of the Treasury,
8 after consultation with the United States Trade Representa-
9 tive, shall prescribe such regulations as may be necessary
10 to carry out this section.

11 **TITLE II—RELIEF FROM
12 IMPORTS**

13 **Subtitle A—General Provisions**

14 **SEC. 201. DEFINITIONS.**

15 As used in this title:

16 (1) *COMMISSION.*—The term “Commission”
17 means the United States International Trade Com-
18 mission.

19 (2) *JORDANIAN ARTICLE.*—The term “Jordanian
20 article” means an article that qualifies for reduction
21 or elimination of a duty under section 102.

22 **Subtitle B—Relief From Imports
23 Benefiting From The Agreement**

24 **SEC. 211. COMMENCING OF ACTION FOR RELIEF.**

25 (a) *FILING OF PETITION.*—

17 (b) INVESTIGATION AND DETERMINATION.—

1 *and under such conditions that imports of the Jordanian article alone constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.*

6 *(2) CAUSATION.—For purposes of this subtitle, a Jordanian article is being imported into the United States in increased quantities as a result of the reduction or elimination of a duty provided for under the Agreement if the reduction or elimination is a cause that contributes significantly to the increase in imports. Such cause need not be equal to or greater than any other cause.*

14 *(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):*

- 18 *(1) Paragraphs (1)(B) and (3) of subsection (b).*
- 19 *(2) Subsection (c).*
- 20 *(3) Subsection (d).*

21 *(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Jordanian article if import relief has been provided under this subtitle with respect to that article.*

1 **SEC. 212. COMMISSION ACTION ON PETITION.**

2 (a) *DETERMINATION.*—*By no later than 120 days (180*
3 *days if critical circumstances have been alleged) after the*
4 *date on which an investigation is initiated under section*
5 *211(b) with respect to a petition, the Commission shall*
6 *make the determination required under that section.*

7 (b) *ADDITIONAL FINDING AND RECOMMENDATION IF*
8 *DETERMINATION AFFIRMATIVE.*—*If the determination*
9 *made by the Commission under subsection (a) with respect*
10 *to imports of an article is affirmative, the Commission shall*
11 *find, and recommend to the President in the report required*
12 *under subsection (c), the amount of import relief that is*
13 *necessary to remedy or prevent the injury found by the*
14 *Commission in the determination and to facilitate the ef-*
15 *forts of the domestic industry to make a positive adjustment*
16 *to import competition. The import relief recommended by*
17 *the Commission under this subsection shall be limited to*
18 *that described in section 213(c).*

19 (c) *REPORT TO PRESIDENT.*—*Not later than the date*
20 *that is 30 days after the date on which a determination*
21 *is made under subsection (a) with respect to an investiga-*
22 *tion, the Commission shall submit to the President a report*
23 *that shall include—*

24 (1) *a statement of the basis for the determina-*
25 *tion;*
26 (2) *dissenting and separate views; and*

3 (d) PUBLIC NOTICE.—Upon submitting a report to the
4 President under subsection (c), the Commission shall
5 promptly make public such report (with the exception of
6 information which the Commission determines to be con-
7 fidential) and shall cause a summary thereof to be published
8 in the Federal Register.

9 (e) APPLICABLE PROVISIONS.—For purposes of this
10 subtitle, the provisions of paragraphs (1), (2), and (3) of
11 section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d))
12 shall apply with respect to determinations and findings
13 made under this section as if such determinations and find-
14 ings were made under section 202 of the Trade Act of 1974
15 (19 U.S.C. 2252).

16 SEC. 213. PROVISION OF RELIEF.

17 (a) *IN GENERAL.*—Not later than the date that is 30
18 days after the date on which the President receives the re-
19 port of the Commission containing an affirmative deter-
20 mination of the Commission under section 212(a), the
21 President shall provide relief from imports of the article
22 that is the subject of such determination to the extent that
23 the President determines necessary to prevent or remedy the
24 injury found by the Commission and to facilitate the efforts
25 of the domestic industry to make a positive adjustment to

1 import competition, unless the President determines that
2 the provision of such relief is not in the national economic
3 interest of the United States or, in extraordinary cir-
4 cumstances, that the provision of such relief would cause
5 serious harm to the national security of the United States.

6 (b) NATIONAL ECONOMIC INTEREST.—The President
7 may determine under subsection (a) that providing import
8 relief is not in the national economic interest of the United
9 States only if the President finds that taking such action
10 would have an adverse impact on the United States econ-
11 omy clearly greater than the benefits of taking such action.

12 (c) NATURE OF RELIEF.—The import relief (including
13 provisional relief) that the President is authorized to pro-
14 vide under this subtitle with respect to imports of an article
15 is—

16 (1) the suspension of any further reduction pro-
17 vided for under the United States Schedule to Annex
18 2.1 of the Agreement in the duty imposed on that ar-
19 ticle;

20 (2) an increase in the rate of duty imposed on
21 such article to a level that does not exceed the lesser
22 of—

23 (A) the column 1 general rate of duty im-
24 posed under the HTS on like articles at the time
25 the import relief is provided; or

12 (d) *PERIOD OF RELIEF.*—The import relief that the
13 President is authorized to provide under this section may
14 not exceed 4 years.

12 SEC. 214. TERMINATION OF RELIEF AUTHORITY.

13 (a) *GENERAL RULE.*—Except as provided in sub-
14 section (b), no import relief may be provided under this
15 subtitle after the date that is 15 years after the date on
16 which the *Agreement* enters into force.

17 (b) *EXCEPTION.*—Import relief may be provided under
18 this subtitle in the case of a Jordanian article after the date
19 on which such relief would, but for this subsection, termi-
20 nate under subsection (a), but only if the Government of
21 Jordan consents to such provision.

22 SEC. 215. COMPENSATION AUTHORITY.

23 *For purposes of section 123 of the Trade Act of 1974*
24 (19 U.S.C. 2133), any import relief provided by the Presi-

1 dent under section 213 shall be treated as action taken
2 under chapter 1 of title II of such Act.

3 **SEC. 216. SUBMISSION OF PETITIONS.**

4 A petition for import relief may be submitted to the
5 Commission under—

6 (1) this subtitle;

7 (2) chapter 1 of title II of the Trade Act of 1974;

8 or

9 (3) under both this subtitle and such chapter 1
10 at the same time, in which case the Commission shall
11 consider such petitions jointly.

12 **Subtitle C—Cases Under Title II of
13 The Trade Act of 1974**

14 **SEC. 221. FINDINGS AND ACTION ON JORDANIAN IMPORTS.**

15 (a) *EFFECT OF IMPORTS.—If, in any investigation
16 initiated under chapter 1 of title II of the Trade Act of
17 1974, the Commission makes an affirmative determination
18 (or a determination which the President may treat as an
19 affirmative determination under such chapter by reason of
20 section 330(d) of the Tariff Act of 1930), the Commission
21 shall also find (and report to the President at the time such
22 injury determination is submitted to the President) whether
23 imports of the article from Jordan are a substantial cause
24 of serious injury or threat thereof.*

1 (b) *PRESIDENTIAL ACTION REGARDING JORDANIAN*
2 *IMPORTS.—In determining the nature and extent of action*
3 *to be taken under chapter 1 of title II of the Trade Act*
4 *of 1974, the President shall determine whether imports from*
5 *Jordan are a substantial cause of the serious injury found*
6 *by the Commission and, if such determination is in the neg-*
7 *ative, may exclude from such action imports from Jordan.*

8 **SEC. 222. TECHNICAL AMENDMENT.**

9 *Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C.*
10 *2252(a)(8)) is amended in the first sentence—*

11 *(1) by striking “and part 1” and inserting “,*
12 *part 1”; and*

13 *(2) by inserting before the period at the end “,*
14 *and title II of the United States-Jordan Free Trade*
15 *Area Implementation Act”.*

16 **TITLE III—TEMPORARY ENTRY**

17 **SEC. 301. NONIMMIGRANT TRADERS AND INVESTORS.**

18 *Upon the basis of reciprocity as provided for by the*
19 *Agreement, an alien who is a national of Jordan (and any*
20 *spouse or child (as defined in section 101(b)(1) of the Immi-*
21 *gration and Nationality Act (8 U.S.C. 1101(b)(1)) of the*
22 *alien, if accompanying or following to join the alien) shall*
23 *be considered to be entitled to enter the United States under*
24 *and in pursuance of the provisions of the Agreement as a*
25 *nonimmigrant described in section 101(a)(15)(E) of the Im-*

1 *migration and Nationality Act (8 U.S.C. 1101(a)(15)(E)),*
2 *if the entry is solely for a purpose described in clause (i)*
3 *or (ii) of such section and the alien is otherwise admissible*
4 *to the United States as such a nonimmigrant.*

5 **TITLE IV—GENERAL PROVISIONS**

6 **SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED**

7 **STATES AND STATE LAW.**

8 (a) *RELATIONSHIP OF AGREEMENT TO UNITED*
9 *STATES LAW.—*

10 (1) *UNITED STATES LAW TO PREVAIL IN CON-*
11 *FLICT.—No provision of the Agreement, nor the appli-*
12 *cation of any such provision to any person or cir-*
13 *cumstance, that is inconsistent with any law of the*
14 *United States shall have effect.*

15 (2) *CONSTRUCTION.—Nothing in this Act shall*
16 *be construed—*

17 (A) *to amend or modify any law of the*
18 *United States, or*

19 (B) *to limit any authority conferred under*
20 *any law of the United States,*

21 *unless specifically provided for in this Act.*

22 (b) *RELATIONSHIP OF AGREEMENT TO STATE LAW.—*

23 (1) *LEGAL CHALLENGE.—No State law, or the*
24 *application thereof, may be declared invalid as to any*
25 *person or circumstance on the ground that the provi-*

1 *sion or application is inconsistent with the Agree-
2 ment, except in an action brought by the United
3 States for the purpose of declaring such law or appli-
4 cation invalid.*

5 *(2) DEFINITION OF STATE LAW.—For purposes of
6 this subsection, the term “State law” includes—*

7 *(A) any law of a political subdivision of a
8 State; and*

9 *(B) any State law regulating or taxing the
10 business of insurance.*

11 *(c) EFFECT OF AGREEMENT WITH RESPECT TO PRI-
12 VATE REMEDIES.—No person other than the United
13 States—*

14 *(1) shall have any cause of action or defense
15 under the Agreement; or*

16 *(2) may challenge, in any action brought under
17 any provision of law, any action or inaction by any
18 department, agency, or other instrumentality of the
19 United States, any State, or any political subdivision
20 of a State on the ground that such action or inaction
21 is inconsistent with the Agreement.*

22 **SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

23 *There are authorized to be appropriated for each fiscal
24 year after fiscal year 2001 to the Department of Commerce
25 not more than \$100,000 for the payment of the United*

1 States share of the expenses incurred in dispute settlement
2 proceedings under article 17 of the Agreement.

3 **SEC. 403. IMPLEMENTING REGULATIONS.**

4 After the date of enactment of this Act—
5 (1) the President may proclaim such actions,
6 and
7 (2) other appropriate officers of the United
8 States may issue such regulations,
9 as may be necessary to ensure that any provision of this
10 Act, or amendment made by this Act, that takes effect on
11 the date the Agreement enters into force is appropriately
12 implemented on such date, but no such proclamation or reg-
13 ulation may have an effective date earlier than the date
14 the Agreement enters into force.

15 **SEC. 404. EFFECTIVE DATES; EFFECT OF TERMINATION.**

16 (a) **EFFECTIVE DATES.**—Except as provided in sub-
17 section (b), the provisions of this Act and the amendments
18 made by this Act take effect on the date the Agreement enters
19 into force.

20 (b) **EXCEPTIONS.**—Sections 1 through 4 and this title
21 take effect on the date of enactment of this Act.

22 (c) **TERMINATION OF THE AGREEMENT.**—On the date
23 on which the Agreement ceases to be in force, the provisions
24 of this Act (other than this subsection) and the amendments
25 made by this Act, shall cease to have effect.

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S. 643

[Report No. 107-59]

A BILL

To implement the agreement establishing a United
States-Jordan free trade area.

SEPTEMBER 4, 2001

Reported with an amendment