

(4) Components cut in the United States

(A) The value of a component that is cut to shape (but not to length, width, or both) in the United States from foreign fabric and exported to another country, territory, or insular possession for assembly into an article that is then returned to the United States—

(i) shall not be included in the dutiable value of such article, and

(ii) may be applied toward determining the percentage referred to in General Note 7(b)(i)(B) of the HTS, subject to the limitation provided in that note.

(B) No article (except a textile or apparel product) assembled in whole of components described in subparagraph (A), or of such components and components that are products of the United States, in a beneficiary country as defined in General Note 7(a) of the HTS shall be treated as a foreign article, or as subject to duty if—

(i) the components after exportation from the United States, and

(ii) the article itself before importation into the United States

do not enter into the commerce of any foreign country other than such a beneficiary country.

(5) Exception for United States-Israel Free Trade Agreement

This section shall not affect, for purposes of the customs laws and administration of quantitative restrictions, the status of goods that, under rulings and administrative practices in effect immediately before December 8, 1994, would have originated in, or been the growth, product, or manufacture of, a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1987. For such purposes, such rulings and administrative practices that were applied, immediately before December 8, 1994, to determine the origin of textile and apparel products covered by such agreement shall continue to apply after December 8, 1994, and on and after the effective date described in subsection (c), unless such rulings and practices are modified by the mutual consent of the parties to the agreement.

(c) Effective date

This section shall apply to goods entered, or withdrawn from warehouse, for consumption on or after July 1, 1996, except that this section shall not apply to goods if—

(1) the contract for the sale of such goods to the United States is entered into before July 20, 1994;

(2) all of the material terms of sale in such contract, including the price and quantity of the goods, are fixed and determinable before July 20, 1994;

(3) a copy of the contract is filed with the Commissioner of Customs within 60 days after December 8, 1994, together with a certification that the contract meets the requirements of paragraphs (1) and (2); and

(4) the goods are entered, or withdrawn from warehouse, for consumption on or before January 1, 1998.

The origin of goods to which this section does not apply shall be determined in accordance with the applicable rules in effect on July 20, 1994.

(Pub. L. 103-465, title III, § 334, Dec. 8, 1994, 108 Stat. 4949; Pub. L. 104-295, § 20(c)(9), Oct. 11, 1996, 110 Stat. 3528; Pub. L. 106-200, title IV, § 405(a), May 18, 2000, 114 Stat. 292.)

Editorial Notes**AMENDMENTS**

2000—Subsec. (b)(2). Pub. L. 106-200 designated existing provisions as subpar. (A), in introductory provisions substituted “Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (B) and (C)” for “Notwithstanding paragraph (1)(D)”, added subpars. (B) and (C), and redesignated former subpars. (A) and (B) as cls. (i) and (ii), respectively, of subpar. (A).

1996—Subsec. (b)(1)(B)(ii). Pub. L. 104-295 substituted “possession,” for “possession,”.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2000 AMENDMENT**

Pub. L. 106-200, title IV, § 405(b), May 18, 2000, 114 Stat. 293, provided that: “The amendments made by this section [amending this section] apply to goods entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act [May 18, 2000].”

TRANSFER OF FUNCTIONS

For transfer of functions, personnel, assets, and liabilities of the United States Customs Service of the Department of the Treasury, including functions of the Secretary of the Treasury relating thereto, to the Secretary of Homeland Security, and for treatment of related references, see sections 203(1), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6. For establishment of U.S. Customs and Border Protection in the Department of Homeland Security, treated as if included in Pub. L. 107-296 as of Nov. 25, 2002, see section 211 of Title 6, as amended generally by Pub. L. 114-125, and section 802(b) of Pub. L. 114-125, set out as a note under section 211 of Title 6.

SUBCHAPTER IV—AGRICULTURE-RELATED PROVISIONS**PART A—MARKET ACCESS****§ 3601. Administration of tariff-rate quotas****(a) Orderly marketing**

In implementing the tariff-rate quotas set out in Schedule XX for the entry, or withdrawal from warehouse, for consumption of goods in the United States, the President shall take such action as may be necessary to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States.

(b) Inadequate supply

Where imports of an agricultural product are subject to a tariff-rate quota, and where the President determines and proclaims that the supply of the same or directly competitive or substitutable agricultural product will be inadequate, because of a natural disaster, disease, or major national market disruption, to meet domestic demand at reasonable prices, the Presi-

dent may temporarily increase the quantity of imports of the agricultural product that is subject to the in-quota rate of duty established under the tariff-rate quota.

(c) Monitoring

The Secretary of Agriculture shall monitor the domestic supply of agricultural products subject to a tariff-rate quota as the Secretary considers appropriate and shall advise the President when the domestic supply of the products and substitutable products combined with the estimated imports of the products under the tariff-rate quota may be inadequate to meet domestic demand at reasonable prices.

(d) Coverage of tariff-rate quotas

(1) Exclusions

The President may, subject to terms and conditions determined appropriate by the President, provide that the entry, or withdrawal from warehouse, for consumption in the United States of an agricultural product shall not be subject to the over-quota rate of duty established under a tariff-rate quota if the agricultural product—

(A) is imported by, or for the account of, any agency of the United States or of any foreign embassy;

(B) is imported as a sample for taking orders, for the personal use of the importer, or for the testing of equipment;

(C) is a commercial sample or is entered for exhibition, display, or sampling at a trade fair or for research; or

(D) is a blended syrup provided for in subheadings 1702.20.28, 1702.30.28, 1702.40.28, 1702.60.28, 1702.90.58, 1806.20.92, 1806.20.93, 1806.90.38, 1806.90.40, 2101.10.38, 2101.20.38, 2106.90.38, or 2106.90.67 of Schedule XX, if entered from a foreign trade zone by a foreign trade zone user whose facilities were in operation on June 1, 1990, to the extent that the annual quantity entered into the customs territory from such zone does not contain a quantity of sugar of nondomestic origin greater than the quantity authorized by the Foreign Trade Zones Board for processing in that zone during calendar year 1985.

(2) Reclassification

Subject to the consultation and layover requirements of section 3524 of this title, the President may proclaim a modification to the coverage of a tariff-rate quota for any agricultural product if the President determines the modification is necessary or appropriate to conform the tariff-rate quota to Schedule XX as a result of a reclassification of any item by the Secretary of the Treasury.

(3) Allocation

The President may allocate the in-quota quantity of a tariff-rate quota for any agricultural product among supplying countries or customs areas and may modify any allocation as determined appropriate by the President.

(4) Bilateral agreement

The President may proclaim an increase in the tariff-rate quota for beef if the President determines that an increase is necessary to implement—

(A) the March 24, 1994, agreement between the United States and Argentina; or

(B) the March 9, 1994, agreement between the United States and Uruguay.

(5) Continuation of sugar headnote

The President is authorized to proclaim additional United States note 3 to chapter 17 of the HTS, and to proclaim the modifications to the note, as determined appropriate by the President to reflect Schedule XX.

(Pub. L. 103-465, title IV, § 404, Dec. 8, 1994, 108 Stat. 4959.)

Editorial Notes

CODIFICATION

Section is comprised of section 404 of Pub. L. 103-465. Subsec. (e) of section 404 of Pub. L. 103-465 amended sections 1313, 2463, 2703, and 3203 of this title and section 1359a of Title 7, Agriculture, and enacted provisions set out as a note under section 1313 of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Pub. L. 103-465, title IV, § 451, Dec. 8, 1994, 108 Stat. 4973, provided that: "Except as otherwise provided in this title, this title [enacting this subchapter, sections 2578 to 2578b of this title, and section 1585 of Title 7, Agriculture, amending sections 1306, 1313, 2463, 2544, 2703, and 3203 of this title, sections 149, 150bb, 150cc, 154, 156, 281, 624, 1314i, 1359a, 1444-2, 1445, 1581, 1582, 1586, 1852, 2803, 5623, and 5651 of Title 7, section 713a-14 of Title 15, Commerce and Trade, and sections 104, 105, 135, 466, and 620 of Title 21, Food and Drugs, repealing sections 1585 and 1853 of Title 7, enacting provisions set out as notes under section 2135 of this title and sections 624, 1314i, 1445, and 5601 of Title 7, amending provisions set out as a note under section 1313 of this title and section 1731 of Title 7, and repealing provisions set out as a note under section 2253 of this title], and the amendments made by this title, shall take effect on the date of entry into force of the WTO Agreement with respect to the United States [Jan. 1, 1995]."

Executive Documents

DELEGATION OF AUTHORITY

Authority of President under subsec. (d)(3) of this section delegated to United States Trade Representative by par. (3) of Proc. No. 6763, Dec. 23, 1994, 60 F.R. 1010, set out as a note under section 3511 of this title.

Authority of President under this section to implement certain Memorandum of Understanding with Argentina delegated to United States Trade Representative by par. (5) of Proc. No. 6780, Mar. 23, 1995, 60 F.R. 15847, set out as a note under section 3511 of this title.

PROC. NO. 7235. TO DELEGATE AUTHORITY FOR THE ADMINISTRATION OF THE TARIFF-RATE QUOTAS ON SUGAR-CONTAINING PRODUCTS AND OTHER AGRICULTURAL PRODUCTS TO THE UNITED STATES TRADE REPRESENTATIVE AND THE SECRETARY OF AGRICULTURE

Proc. No. 7235, Oct. 7, 1999, 64 F.R. 55611, provided:

1. On April 15, 1994, the President entered into trade agreements resulting from the Uruguay Round of multilateral trade negotiations ("Uruguay Round Agreements"). As part of those agreements, the United States converted quotas on imports of beef, cotton, dairy products, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products (as defined in additional U.S. notes 2 and 3 of the Harmonized Tariff Schedule of the United States [see 19 U.S.C. 1202]) into tariff-rate quotas. In section 101(a) of the Uruguay Round Agreements Act [19 U.S.C. 3511(a)] (the "URAA")

(Public Law 103-65 [Pub. L. 103-465]; 108 Stat. 4809), Congress approved the Uruguay Round Agreements listed in section 101(d) of that Act, including the General Agreement on Tariffs and Trade 1994.

2. On December 23, 1994, the President issued Presidential Proclamation 6763 [19 U.S.C. 3511 note], implementing the Uruguay Round Agreements consistent with the URAA. Presidential Proclamation 6763 included a delegation of the President's authority under the statutes cited in the proclamation, including section 404(a) of the URAA, 19 U.S.C. 3601(a), to the Secretary of Agriculture, the Secretary of the Treasury, and the United States Trade Representative, as necessary to perform functions assigned to them to implement the proclamation. Section 404(a) directs the President to take such action as may be necessary in implementing the tariff-rate quotas set out in Schedule XX - United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994, to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States.

3. I have determined that it is necessary to delegate my authority under section 404(a) to administer the tariff-rate quotas relating to cotton, dairy products, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products to the United States Trade Representative and to delegate to the Secretary of Agriculture authority to issue licenses governing the importation of such products under the applicable tariff-rate quotas. The Secretary of Agriculture shall exercise such licensing authority in consultation with the United States Trade Representative.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 301 of title 3, United States Code, and section 404(a) of the URAA, do hereby proclaim:

(1) The United States Trade Representative is authorized to exercise my authority pursuant to section 404(a) of the URAA to take all action necessary, including the promulgation of regulations, to administer the tariff-rate quotas relating respectively, to cotton, dairy products, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products, as the latter products are defined in additional U.S. notes 2 and 3 of the Harmonized Tariff Schedule of the United States. The Secretary of Agriculture, in consultation with the United States Trade Representative, is authorized to exercise my authority pursuant to section 404(a) to issue import licenses governing the importation of such products within the applicable tariff-rate quotas.

(2) All provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this seventh day of October, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-fourth.

WILLIAM J. CLINTON.

§ 3602. Special agricultural safeguard authority

(a) Determination of trigger levels

Consistent with Article 5 as determined by the President, the President shall cause to be published in the Federal Register—

(1) the list of special safeguard agricultural goods not later than the date of entry into force of the WTO Agreement with respect to the United States; and

(2) for each special safeguard agricultural good—

(A) the trigger level specified in subparagraph 1(a) of Article 5, on an annual basis;

(B) the trigger price specified in subparagraph 1(b) of Article 5; and

(C) the relevant period.

(b) Determination of safeguard

If the President determines with respect to a special safeguard agricultural good that it is appropriate to impose—

(1) the price-based safeguard in accordance with subparagraph 1(b) of Article 5; or

(2) the volume-based safeguard in accordance with subparagraph 1(a) of Article 5,

the President shall, consistent with Article 5 as determined by the President, determine the amount of the duty to be imposed, the period such duty shall be in effect, and any other terms and conditions applicable to the duty.

(c) Imposition of safeguard

The President shall direct the Secretary of the Treasury to impose a duty on a special safeguard agricultural good entered, or withdrawn from warehouse, for consumption in the United States in accordance with a determination made under subsection (b).

(d) No simultaneous safeguard

A duty may not be in effect for a special safeguard agricultural good pursuant to this section during any period in which such good is the subject of any action proclaimed pursuant to section 2252 or 2253 of this title.

(e) Exclusion of originating goods of USMCA countries

(1) In general

The President shall exempt from any duty imposed under this section any good that qualifies as an originating good under section 4531 of this title of a USMCA country with respect to which preferential tariff treatment is provided under the USMCA.

(2) Definitions

In this subsection, the terms “preferential tariff treatment”, “USMCA”, and “USMCA country” have the meanings given those terms in section 4502 of this title.

(f) Advice of Secretary of Agriculture

The Secretary of Agriculture shall advise the President on the implementation of this section.

(g) Termination date

This section shall cease to be effective on the date, as determined by the President, that the special safeguard provisions of Article 5 are no longer in force with respect to the United States.

(h) Definitions

For purposes of this section—

(1) the term “Article 5” means Article 5 of the Agreement on Agriculture described in section 3511(d)(2) of this title;

(2) the term “relevant period” means the period determined by the President to be applicable to a special safeguard agricultural good for purposes of applying this section; and

(3) the term “special safeguard agricultural good” means an agricultural good on which an additional duty may be imposed pursuant to the special safeguard provisions of Article 5.