### 107TH CONGRESS 1ST SESSION H.R. 2603

# AN ACT

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

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

#### 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 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.

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# 1**TITLEI—TARIFFMODIFICA**-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 any7 duty,

8 (2) such continuation of duty-free or excise9 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 President16 may proclaim—

17 (1) such modifications or continuation of any18 duty,

19 (2) such continuation of duty-free or excise20 treatment, or

21 (3) such additional duties,

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

### 1 SEC. 102. RULES OF ORIGIN.

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2	(a) IN GENERAL.—
3	(1) 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

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- 1 (II) the direct costs of processing 2 operations performed in Jordan, 3 is not less than 35 percent of the ap-4 praised value of such article at the time it is entered. 5 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). 17 (2) EXCLUSIONS.—No article may be consid-18 ered to meet the requirements of paragraph (1)(A)19 by virtue of having merely undergone— 20 (A) simple combining or packaging oper-21 ations; or 22 (B) mere dilution with water or mere dilu-
- tion with another substance that does not mate-rially alter the characteristics of the article.

25 (b) Direct Costs of Processing Operations.—

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(1) IN GENERAL.—As used in this section, the
 term "direct costs of processing operations" in cludes, but is not limited to—
 (A) all actual labor costs involved in the

5 growth, production, manufacture, or assembly 6 of the specific merchandise, including fringe 7 benefits, on-the-job training, and the cost of en-8 gineering, supervisory, quality control, and 9 similar personnel; and

10 (B) dies, molds, tooling, and depreciation
11 on machinery and equipment which are allo12 cable to the specific merchandise.

13 (2) EXCLUDED COSTS.—The term "direct costs
14 of processing operations" does not include costs
15 which are not directly attributable to the merchan16 dise concerned, or are not costs of manufacturing
17 the product, such as—

18 (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,
production, manufacture, or assembly of the
merchandise, such as administrative salaries,
casualty and liability insurance, advertising,

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1	and salesmen's salaries, commissions, or ex-
2	penses.
3	(c) 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.

1	(2) DEFINITION.—For purposes of paragraph
2	(1), an article is "wholly obtained or produced in
3	Jordan" if it is wholly the growth, product, or man-
4	ufacture of Jordan.

(3) Special rules.—

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6 (A) CERTAIN MADE-UP ARTICLES, TEXTILE 7 ARTICLES IN THE PIECE, AND CERTAIN OTHER 8 TEXTILES AND TEXTILE ARTICLES.-Notwith-9 standing paragraph (1)(D) and except as pro-10 vided in subparagraphs (C) and (D) of this 11 paragraph, subparagraph (A), (B), or (C) of 12 paragraph (1), as appropriate, shall determine 13 whether a good that is classified under one of 14 the following headings or subheadings of the 15 HTS shall be considered to meet the require-16 ments of paragraph (1)(A) of subsection (a): 17 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 18 6301, 6302, 6304, 6305, 6306, 6307.10, 19 6307.90, 6308, and 9404.90.

20 (B) CERTAIN KNIT-TO-SHAPE TEXTILES
21 AND TEXTILE ARTICLES.—Notwithstanding
22 paragraph (1)(D) and except as provided in
23 subparagraphs (C) and (D) of this paragraph,
24 a textile or apparel article which is knit-to25 shape in Jordan shall be considered to meet the

requirements of paragraph (1)(A) of subsection (a).

3 (C) CERTAIN DYED AND PRINTED TEX-4 TILES AND TEXTILE ARTICLES.—Notwith-5 standing paragraph (1)(D), a good classified 6 under heading 6117.10, 6213.00, 6214.00. 7 6302.22, 6302.29, 6302.52, 6302.53, 6302.59,8 6302.92, 6302.93, 6302.99, 6303.92, 6303.99,9 6304.19, 6304.93, 6304.99, 9404.90.85, or 10 9404.90.95 of the HTS, except for a good clas-11 sified under any such heading as of cotton or 12 of wool or consisting of fiber blends containing 16 percent or more by weight of cotton, shall be 13 14 considered to meet the requirements of para-15 graph (1)(A) of subsection (a) if the fabric in 16 the good is both dyed and printed in Jordan, 17 and such dveing and printing is accompanied by 18 2 or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, 19 20 permanent stiffening, weighting, permanent em-21 bossing, or moireing.

(D) FABRICS OF SILK, COTTON, MANMADE
FIBER OR VEGETABLE FIBER.— Notwithstanding paragraph (1)(C), a fabric classified
under the HTS as of silk, cotton, man-made

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1	fiber, or vegetable fiber shall be considered to
2	meet the requirements of paragraph (1)(A) of
3	subsection (a) if the fabric is both dyed and
4	printed in Jordan, and such dyeing and print-
5	ing is accompanied by 2 or more of the fol-
6	lowing finishing operations: bleaching, shrink-
7	ing, fulling, napping, decating, permanent stiff-
8	ening, weighting, permanent embossing, or
9	moireing.
10	(4) MULTICOUNTRY RULE.—If the origin of a
11	textile or apparel article cannot be determined under
12	paragraph $(1)$ or $(3)$ , then that article shall be con-
13	sidered to meet the requirements of paragraph
14	(1)(A) of subsection (a) if—
15	(A) the most important assembly or manu-
16	facturing process occurs in Jordan; or
17	(B) if the applicability of paragraph (1)(A)
18	of subsection (a) cannot be determined under
19	subparagraph (A), the last important assembly
20	or manufacturing occurs in Jordan.
21	(d) EXCLUSION.—A good shall not be considered to
22	meet the requirements of paragraph $(1)(A)$ of subsection
23	(a) if the good—

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

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

7 (e) REGULATIONS.—The Secretary of the Treasury,
8 after consultation with the United States Trade Rep9 resentative, shall prescribe such regulations as may be
10 necessary 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 Com18 mission.

19 (2) JORDANIAN ARTICLE.—The term "Jor20 danian article" means an article that qualifies for
21 reduction 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.—

(1) IN GENERAL.—A petition requesting action 1 2 under this subtitle for the purpose of adjusting to 3 the obligations of the United States under the 4 Agreement may be filed with the Commission by an 5 entity, including a trade association, firm, certified 6 or recognized union, or group of workers that is rep-7 resentative of an industry. The Commission shall 8 transmit a copy of any petition filed under this sub-9 section to the United States Trade Representative.

(2) PROVISIONAL RELIEF.—An entity filing a
petition under this subsection may request that provisional relief be provided as if the petition had been
filed under section 202(a) of the Trade Act of 1974.

14 (3) CRITICAL CIRCUMSTANCES.—Any allegation
15 that critical circumstances exist shall be included in
16 the petition.

17 (b) INVESTIGATION AND DETERMINATION.—

18 (1) IN GENERAL.—Upon the filing of a petition 19 under subsection (a), the Commission, unless sub-20 section (d) applies, shall promptly initiate an inves-21 tigation to determine whether, as a result of the reduction or elimination of a duty provided for under 22 23 the Agreement, a Jordanian article is being im-24 ported into the United States in such increased 25 quantities, in absolute terms or relative to domestic production, and under such conditions that imports
 of the Jordanian article alone constitute a substan tial 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, 7 a Jordanian article is being imported into the 8 United States in increased quantities as a result of 9 the reduction or elimination of a duty provided for 10 under the Agreement if the reduction or elimination 11 is a cause that contributes significantly to the in-12 crease in imports. Such cause need not be equal to 13 or greater than any other cause.

(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 subsection19 (b).

- 20 (2) Subsection (c).
- 21 (3) Subsection (d).

(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.

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

2 (a) DETERMINATION.—By no later than 120 days
3 (180 days if critical circumstances have been alleged) after
4 the date on which an investigation is initiated under sec5 tion 211(b) with respect to a petition, the Commission
6 shall make the determination required under that section.

7 (b) Additional Finding and Recommendation if DETERMINATION AFFIRMATIVE.—If the determination 8 9 made by the Commission under subsection (a) with respect 10 to imports of an article is affirmative, the Commission 11 shall find, and recommend to the President in the report required under subsection (c), the amount of import relief 12 13 that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate 14 the efforts of the domestic industry to make a positive ad-15 justment to import competition. The import relief rec-16 ommended by the Commission under this subsection shall 17 be limited to that described in section 213(c). 18

(c) REPORT TO PRESIDENT.—No later than the date
that is 30 days after the date on which a determination
is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that shall include—

24 (1) a statement of the basis for the determina-25 tion;

26 (2) dissenting and separate views; and

(3) any finding made under subsection (b) re garding import relief.

3 (d) PUBLIC NOTICE.—Upon submitting a report to 4 the 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 pub-8 lished 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. 12 1330(d)) shall be applied with respect to determinations 13 and findings made under this section as if such determina-14 tions and findings were made under section 202 of the 15 Trade Act of 1974 (19 U.S.C. 2252).

#### 16 SEC. 213. PROVISION OF RELIEF.

17 (a) IN GENERAL.—No later than the date that is 30 days after the date on which the President receives the 18 19 report 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 24 the injury found by the Commission and to facilitate the 25 efforts of the domestic industry to make a positive adjustment to import competition, unless the President deter mines that the provision of such relief is not in the na tional economic interest of the United States or, in ex traordinary circumstances, that the provision of such relief
 would cause serious harm to the national security of the
 United States.

7 (b) NATIONAL ECONOMIC INTEREST.—The President 8 may determine under subsection (a) that providing import 9 relief is not in the national economic interest of the United 10 States only if the President finds that taking such action 11 would have an adverse impact on the United States econ-12 omy clearly greater than the benefits of taking such ac-13 tion.

(c) NATURE OF RELIEF.—The import relief (including provisional relief) that the President is authorized to
provide under this subtitle with respect to imports of an
article is—

(1) the suspension of any further reduction provided for under the United States Schedule to Annex
20 2.1 of the Agreement in the duty imposed on that
article;

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

1	(A) the column 1 general rate of duty im-
2	posed under the HTS on like articles at the
3	time the import relief is provided; or
4	(B) the column 1 general rate of duty im-
5	posed under the HTS on like articles on the
6	day before the date on which the Agreement en-
7	ters into force; or
8	(3) in the case of a duty applied on a seasonal
9	basis to that article, an increase in the rate of duty
10	imposed on the article to a level that does not exceed
11	the column 1 general rate of duty imposed under the
12	HTS on the article for the corresponding season oc-
13	curring immediately before the date on which the
14	Agreement enters into force.
15	(d) PERIOD OF RELIEF.—The import relief that the
16	President is authorized to provide under this section may
17	not exceed 4 years.
18	(e) RATE AFTER TERMINATION OF IMPORT RE-
19	LIEF.—When import relief under this subtitle is termi-
20	nated with respect to an article—
21	(1) the rate of duty on that article after such
22	termination and on or before December 31 of the
23	year in which termination occurs shall be the rate
24	that, according to the United States Schedule to
25	Annex 2.1 of the Agreement for the staged elimi-

1	nation of the tariff, would have been in effect 1 year
2	after the initiation of the import relief action under
3	section 211; and
4	(2) the tariff treatment for that article after
5	December 31 of the year in which termination oc-
6	curs shall be, at the discretion of the President,
7	either—
8	(A) the rate of duty conforming to the ap-
9	plicable rate set out in the United States
10	Schedule to Annex 2.1; or
11	(B) the rate of duty resulting from the
12	elimination of the tariff in equal annual stages
13	ending on the date set out in the United States
14	Schedule to Annex 2.1 for the elimination of
15	the tariff.
16	SEC. 214. TERMINATION OF RELIEF AUTHORITY.
17	(a) GENERAL RULE.—Except as provided in sub-
18	section (b), no import relief may be provided under this
19	subtitle after the date that is 15 years after the date on
20	which the Agreement enters into force.

(b) EXCEPTION.—Import relief may be provided
under this subtitle in the case of a Jordanian article after
the date on which such relief would, but for this subsection, terminate under subsection (a), but only if the
Government of Jordan consents to such provision.

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#### 1 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.

#### 6 SEC. 216. SUBMISSION OF PETITIONS.

7 A petition for import relief may be submitted to the8 Commission under—

9 (1) this subtitle;

10 (2) chapter 1 of title II of the Trade Act of11 1974; or

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

# Subtitle C—Cases Under Title II Of The Trade Act of 1974

17 SEC. 221. FINDINGS AND ACTION ON JORDANIAN IMPORTS.

18 (a) EFFECT OF IMPORTS.—If, in any investigation 19 initiated under chapter 1 of title II of the Trade Act of 201974, the Commission makes an affirmative determination 21 (or a determination which the President may treat as an 22 affirmative determination under such chapter by reason 23 of section 330(d) of the Tariff Act of 1930), the Commis-24 sion shall also find (and report to the President at the time such injury determination is submitted to the Presi-25

1 dent) whether imports of the article from Jordan are a
 2 substantial cause of serious injury or threat thereof.

3 (b) Presidential Action Regarding Jordanian 4 IMPORTS.—In determining the nature and extent of action 5 to be taken under chapter 1 of title II of the Trade Act 6 of 1974, the President shall determine whether imports 7 from Jordan are a substantial cause of the serious injury 8 found by the Commission and, if such determination is 9 in the negative, may exclude from such action imports from Jordan. 10

#### 11 SEC. 222. TECHNICAL AMENDMENT.

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

14 (1) by striking "and part 1" and inserting ",15 part 1"; and

16 (2) by inserting before the period at the end ",
17 and title II of the United States-Jordan Free Trade
18 Area Implementation Act".

### 19 TITLE III—TEMPORARY ENTRY

#### 20 SEC. 301. NONIMMIGRANT TRADERS AND INVESTORS.

Upon the basis of reciprocity secured by the Agreement, an alien who is a national of Jordan (and any spouse or child (as defined in section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)) of the alien, if accompanying or following to join the alien)

2 under and in pursuance of the provisions of the Agreement as a nonimmigrant described in section 101(a)(15)(E) of 3 4 the Immigration and Nationality Act (8) U.S.C. 5 1101(a)(15)(E), if the entry is solely for a purpose described in clause (i) or (ii) of such section and the alien 6 7 is otherwise admissible to the United States as such a non-8 immigrant. TITLE IV—GENERAL 9 PROVISIONS 10 11 SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED 12 STATES AND STATE LAW. 13 (a) Relationship of Agreement to United STATES LAW.— 14 15 (1) UNITED STATES LAW TO PREVAIL IN CON-16 FLICT.—No provision of the Agreement, nor the ap-17 plication of any such provision to any person or cir-18 cumstance, that is inconsistent with any law of the 19 United States shall have effect. 20 (2) CONSTRUCTION.—Nothing in this Act shall 21 be construed— 22 (A) to amend or modify any law of the United States, or 23 24 (B) to limit any authority conferred under 25 any law of the United States,

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shall be considered as entitled to enter the United States

1 unless specifically provided for in this Act.

2 (b) Relationship of Agreement to State3 Law.—

4 (1) LEGAL CHALLENGE.—No State law, or the 5 application thereof, may be declared invalid as to 6 any person or circumstance on the ground that the 7 provision or application is inconsistent with the 8 Agreement, except in an action brought by the 9 United States for the purpose of declaring such law 10 or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes
of this subsection, the term "State law" includes—
(A) any law of a political subdivision of a
State; and

15 (B) any State law regulating or taxing the16 business of insurance.

17 (c) EFFECT OF AGREEMENT WITH RESPECT TO PRI18 VATE REMEDIES.—No person other than the United
19 States—

20 (1) shall have any cause of action or defense21 under the Agreement; or

(2) may challenge, in any action brought under
any provision of law, any action or inaction by any
department, agency, or other instrumentality of the
United States, any State, or any political subdivision

of a State on the ground that such action or inaction
 is inconsistent with the Agreement.

#### 3 SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year after fiscal year 2001 to the Department of Commerce not more than \$100,000 for the payment of the United States share of the expenses incurred in dispute settlement proceedings under article 17 of the Agreement.

#### 9 SEC. 403. IMPLEMENTING REGULATIONS.

10 After the date of enactment of this Act—

(1) the President may proclaim such actions,and

13 (2) other appropriate officers of the United14 States may issue such regulations,

15 as may be necessary to ensure that any provision of this
16 Act, or amendment made by this Act, that takes effect
17 on the date the Agreement enters into force is appro18 priately implemented on such date, but no such proclama19 tion or regulation may have an effective date earlier than
20 the date the Agreement enters into force.

#### 21 SEC. 404. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments
made by this Act take effect on the date the Agreement
enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this
 title take effect on the date of the enactment of this Act.
 (c) TERMINATION OF THE AGREEMENT.—On the
 date on which the Agreement ceases to be in force, the
 provisions of this Act (other than this subsection) and the
 amendments made by this Act, shall cease to be effective.
 Passed the House of Representatives July 31, 2001.
 Attest:

Clerk.



## AN ACT

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