# H.R. 2603

#### IN THE SENATE OF THE UNITED STATES

July 31, 2001

Received; read twice and referred to the Committee on Finance

# 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.

- 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-
- lations between the United States and Jordan for
- their mutual benefit; and
- 12 (3) to establish free trade between the 2 nations
- through the removal of trade barriers.
- 14 SEC. 3. DEFINITIONS.
- 15 For purposes of this Act:
- 16 (1) AGREEMENT.—The term "Agreement"
- 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-

## **TIONS; RULES OF ORIGIN**

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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	(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

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
5	is entered.
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-
23	tion with another substance that does not mate-
24	rially 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	cludes, but is not limited to—
4	(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 allo-
12	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 merchan-
16	dise concerned, or are not costs of manufacturing
17	the product, such as—
18	(A) profit; and
19	(B) general expenses of doing business
20	which are either not allocable to the specific
21	merchandise or are not related to the growth,
22	production, manufacture, or assembly of the
23	merchandise such as administrative salaries

casualty and liability insurance, advertising,

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 manufacture of Jordan.

#### (3) Special rules.—

- (A) CERTAIN MADE-UP ARTICLES, TEXTILE ARTICLES IN THE PIECE, AND CERTAIN OTHER TEXTILES AND TEXTILE ARTICLES.—Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (C) and (D) of this paragraph, subparagraph (A), (B), or (C) of paragraph (1), as appropriate, shall determine whether a good that is classified under one of the following headings or subheadings of the HTS shall be considered to meet the requirements of paragraph (1)(A) of subsection (a): 5609, 5807, 5811, 6209.20.50.40, 6213, 6214, 6301, 6302, 6304, 6305, 6306, 6307.10, 6307.90, 6308, and 9404.90.
- (B) CERTAIN KNIT-TO-SHAPE TEXTILES AND TEXTILE ARTICLES.—Notwithstanding paragraph (1)(D) and except as provided in subparagraphs (C) and (D) of this paragraph, a textile or apparel article which is knit-to-shape in Jordan shall be considered to meet the

requirements of paragraph (1)(A) of subsection

(a).

(C) CERTAIN DYED AND PRINTED TEX-TILES AND TEXTILE ARTICLES.—Notwithstanding paragraph (1)(D), a good classified under heading 6117.10, 6213.00, 6214.00. 6302.22, 6302.29, 6302.52, 6302.53, 6302.59, 6302.92, 6302.93, 6302.99, 6303.92, 6303.99, 6304.19, 6304.93, 6304.99, 9404.90.85, or 9404.90.95 of the HTS, except for a good classified under any such heading as of cotton or of wool or consisting of fiber blends containing 16 percent or more by weight of cotton, shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) if the fabric in the good is both dyed and printed in Jordan, and such dyeing and printing is accompanied by 2 or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, 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 printing is accompanied by 2 or more of the fol-5 6 lowing finishing operations: bleaching, shrink-7 ing, fulling, napping, decating, permanent stiff-8 ening, weighting, permanent embossing, 9 moireing.

- (4) MULTICOUNTRY RULE.—If the origin of a textile or apparel article cannot be determined under paragraph (1) or (3), then that article shall be considered to meet the requirements of paragraph (1)(A) of subsection (a) if—
  - (A) the most important assembly or manufacturing 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—

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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
6	of the HTS.
7	(e) REGULATIONS.—The Secretary of the Treasury,
8	after consultation with the United States Trade Rep-
9	resentative, shall prescribe such regulations as may be
10	necessary to carry out this section.
11	TITLE II—RELIEF FROM
12	IMPORTS
13	<b>Subtitle A—General Provisions</b>
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 "Jor-
20	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	<b>Benefiting From The Agreement</b>
24	SEC. 211. COMMENCING OF ACTION FOR RELIEF.
25	(a) FILING OF PETITION.—

- (1) In General.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection 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.
  - (3) Critical circumstances.—Any allegation that critical circumstances exist shall be included in the petition.

#### (b) Investigation and Determination.—

(1) In General.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Jordanian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic

- 1 production, and under such conditions that imports
- 2 of the Jordanian article alone constitute a substan-
- 3 tial cause of serious injury or threat thereof to the
- 4 domestic industry producing an article that is like,
- 5 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
- under the Agreement if the reduction or elimination
- is a cause that contributes significantly to the in-
- crease in imports. Such cause need not be equal to
- or greater than any other cause.
- 14 (c) Applicable Provisions.—The following provi-
- 15 sions of section 202 of the Trade Act of 1974 (19 U.S.C.
- 16 2252) apply with respect to any investigation initiated
- 17 under subsection (b):
- 18 (1) Paragraphs (1)(B) and (3) of subsection
- 19 (b).
- 20 (2) Subsection (c).
- 21 (3) Subsection (d).
- 22 (d) Articles Exempt From Investigation.—No
- 23 investigation may be initiated under this section with re-
- 24 spect to any Jordanian article if import relief has been
- 25 provided under this subtitle with respect to that article.

#### 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 sec-
- 5 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
- 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
- 11 shall find, and recommend to the President in the report
- 12 required under subsection (c), the amount of import relief
- 13 that is necessary to remedy or prevent the injury found
- 14 by the Commission in the determination and to facilitate
- 15 the efforts of the domestic industry to make a positive ad-
- 16 justment to import competition. The import relief rec-
- 17 ommended by the Commission under this subsection shall
- 18 be limited to that described in section 213(c).
- 19 (c) Report to President.—No 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 re-
- 23 port that shall include—
- 24 (1) a statement of the basis for the determina-
- 25 tion;
- 26 (2) dissenting and separate views; and

- 1 (3) any finding made under subsection (b) re-
- 2 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
- 18 days after the date on which the President receives the
- 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 adjust-

- 1 ment to import competition, unless the President deter-
- 2 mines that the provision of such relief is not in the na-
- 3 tional economic interest of the United States or, in ex-
- 4 traordinary circumstances, that the provision of such relief
- 5 would cause serious harm to the national security of the
- 6 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.
- 14 (c) Nature of Relief.—The import relief (includ-
- 15 ing provisional relief) that the President is authorized to
- 16 provide under this subtitle with respect to imports of an
- 17 article is—
- 18 (1) the suspension of any further reduction pro-
- vided for under the United States Schedule to Annex
- 20 2.1 of the Agreement in the duty imposed on that
- 21 article;
- (2) an increase in the rate of duty imposed on
- such article to a level that does not exceed the lesser
- 24 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 (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 President is authorized to provide under this section may 16 17 not exceed 4 years. 18 (e) Rate After Termination of Import Re-LIEF.—When import relief under this subtitle is termi-19 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

Annex 2.1 of the Agreement for the staged elimi-

- nation of the tariff, would have been in effect 1 year after the initiation of the import relief action under section 211; and
- 4 (2) the tariff treatment for that article after
  5 December 31 of the year in which termination oc6 curs shall be, at the discretion of the President,
  7 either—
- 8 (A) the rate of duty conforming to the applicable 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.
- 21 (b) EXCEPTION.—Import relief may be provided 22 under this subtitle in the case of a Jordanian article after 23 the date on which such relief would, but for this sub-24 section, terminate under subsection (a), but only if the 25 Government of Jordan consents to such provision.

#### SEC. 215. COMPENSATION AUTHORITY.

- 2 For purposes of section 123 of the Trade Act of 1974
- 3 (19 U.S.C. 2133), any import relief provided by the Presi-
- 4 dent under section 213 shall be treated as action taken
- 5 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 the
- 8 Commission under—
- 9 (1) this subtitle;
- 10 (2) chapter 1 of title II of the Trade Act of
- 11 1974; or
- 12 (3) under both this subtitle and such chapter 1
- at the same time, in which case the Commission
- shall consider such petitions jointly.

## 15 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
- 20 1974, 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
- 25 time such injury determination is submitted to the Presi-

- 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
- 10 from Jordan.
- 11 SEC. 222. TECHNICAL AMENDMENT.
- 12 Section 202(a)(8) of the Trade Act of 1974 (19
- 13 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 ",
- 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.
- 21 Upon the basis of reciprocity secured by the Agree-
- 22 ment, an alien who is a national of Jordan (and any
- 23 spouse or child (as defined in section 101(b)(1) of the Im-
- 24 migration and Nationality Act (8 U.S.C. 1101(b)(1)) of
- 25 the alien, if accompanying or following to join the alien)

1	shall be considered as entitled to enter the United States
2	under and in pursuance of the provisions of the Agreement
3	as a nonimmigrant described in section 101(a)(15)(E) of
4	the Immigration and Nationality Act (8 U.S.C.
5	1101(a)(15)(E)), if the entry is solely for a purpose de-
6	scribed in clause (i) or (ii) of such section and the alien
7	is otherwise admissible to the United States as such a non-
8	immigrant.
9	TITLE IV—GENERAL
10	PROVISIONS
11	SEC. 401. RELATIONSHIP OF THE AGREEMENT TO UNITED
12	STATES AND STATE LAW.
13	(a) Relationship of Agreement to United
14	STATES LAW.—
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
23	United States, or
24	(B) to limit any authority conferred under
25	any law of the United States,

1	unless specifically provided for in this Act.
2	(b) Relationship of Agreement to State
3	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.
11	(2) Definition of State Law.—For purposes
12	of this subsection, the term "State law" includes—
13	(A) any law of a political subdivision of a
14	State; and
15	(B) any State law regulating or taxing the
16	business of insurance.
17	(c) Effect of Agreement With Respect to Pri-
18	VATE REMEDIES.—No person other than the United
19	States—
20	(1) shall have any cause of action or defense
21	under the Agreement; or
22	(2) may challenge, in any action brought under
23	any provision of law, any action or inaction by any
24	department, agency, or other instrumentality of the
25	United States, any State, or any political subdivision

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

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

- 4 There are authorized to be appropriated for each fis-
- 5 cal year after fiscal year 2001 to the Department of Com-
- 6 merce not more than \$100,000 for the payment of the
- 7 United States share of the expenses incurred in dispute
- 8 settlement proceedings under article 17 of the Agreement.

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

- 10 After the date of enactment of this Act—
- 11 (1) the President may proclaim such actions,
- 12 and
- 13 (2) other appropriate officers of the United
- 14 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 appro-
- 18 priately implemented on such date, but no such proclama-
- 19 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.

- 22 (a) Effective Dates.—Except as provided in sub-
- 23 section (b), the provisions of this Act and the amendments
- 24 made by this Act take effect on the date the Agreement
- 25 enters into force.

- 1 (b) Exceptions.—Sections 1 through 3 and this
- 2 title take effect on the date of the enactment of this Act.
- 3 (c) TERMINATION OF THE AGREEMENT.—On the
- 4 date on which the Agreement ceases to be in force, the
- 5 provisions of this Act (other than this subsection) and the
- 6 amendments made by this Act, shall cease to be effective.

Passed the House of Representatives July 31, 2001.

Attest:

JEFF TRANDAHL,

Clerk.