

108TH CONGRESS
2D SESSION

H. R. 4842

AN ACT

To implement the United States-Morocco Free
Trade Agreement.

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To implement the United States-Morocco Free Trade
Agreement.

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; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “United States-Morocco Free Trade Agreement Imple-
 4 mentation Act”.

5 (b) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING
TO, THE AGREEMENT

- Sec. 101. Approval and entry into force of the Agreement.
- Sec. 102. Relationship of the Agreement to United States and State law.
- Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.
- Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.
- Sec. 105. Administration of dispute settlement proceedings.
- Sec. 106. Arbitration of claims.
- Sec. 107. Effective dates; effect of termination.

TITLE II—CUSTOMS PROVISIONS

- Sec. 201. Tariff modifications.
- Sec. 202. Additional duties on certain agricultural goods.
- Sec. 203. Rules of origin.
- Sec. 204. Enforcement relating to trade in textile and apparel goods.
- Sec. 205. Regulations.

TITLE III—RELIEF FROM IMPORTS

- Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefiting From the Agreement

- Sec. 311. Commencing of action for relief.
- Sec. 312. Commission action on petition.
- Sec. 313. Provision of relief.
- Sec. 314. Termination of relief authority.
- Sec. 315. Compensation authority.
- Sec. 316. Confidential business information.

Subtitle B—Textile and Apparel Safeguard Measures

- Sec. 321. Commencement of action for relief.
- Sec. 322. Determination and provision of relief.
- Sec. 323. Period of relief.
- Sec. 324. Articles exempt from relief.
- Sec. 325. Rate after termination of import relief.

Sec. 326. Termination of relief authority.
Sec. 327. Compensation authority.
Sec. 328. Business confidential information.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

3 (1) to approve and implement the Free Trade
4 Agreement between the United States and Morocco
5 entered into under the authority of section 2103(b)
6 of the Bipartisan Trade Promotion Authority Act of
7 2002 (19 U.S.C. 3803(b));

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

11 (3) to establish free trade between the 2 nations
12 through the reduction and elimination of barriers to
13 trade in goods and services and to investment; and

14 (4) to lay the foundation for further coopera-
15 tion to expand and enhance the benefits of such
16 Agreement.

17 **SEC. 3. DEFINITIONS.**

18 In this Act:

19 (1) AGREEMENT.—The term “Agreement”
20 means the United States-Morocco Free Trade Agree-
21 ment approved by Congress under section 101(a)(1).

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

1 (3) TEXTILE OR APPAREL GOOD.—The term
 2 “textile or apparel good” means a good listed in the
 3 Annex to the Agreement on Textiles and Clothing
 4 referred to in section 101(d)(4) of the Uruguay
 5 Round Agreements Act (19 U.S.C. 3511(d)(4)).

6 **TITLE I—APPROVAL OF, AND**
 7 **GENERAL PROVISIONS RE-**
 8 **LATING TO, THE AGREEMENT**

9 **SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE**
 10 **AGREEMENT.**

11 (a) APPROVAL OF AGREEMENT AND STATEMENT OF
 12 ADMINISTRATIVE ACTION.—Pursuant to section 2105 of
 13 the Bipartisan Trade Promotion Authority Act of 2002
 14 (19 U.S.C. 3805) and section 151 of the Trade Act of
 15 1974 (19 U.S.C. 2191), Congress approves—

16 (1) the United States-Morocco Free Trade
 17 Agreement entered into on June 15, 2004, with Mo-
 18 rocco and submitted to Congress on July 15, 2004;
 19 and

20 (2) the statement of administrative action pro-
 21 posed to implement the Agreement that was sub-
 22 mitted to Congress on July 15, 2004.

23 (b) CONDITIONS FOR ENTRY INTO FORCE OF THE
 24 AGREEMENT.—At such time as the President determines
 25 that Morocco has taken measures necessary to bring it

1 into compliance with those provisions of the Agreement
2 that are to take effect on the date on which the Agreement
3 enters into force, the President is authorized to exchange
4 notes with the Government of Morocco providing for the
5 entry into force, on or after January 1, 2005, of the
6 Agreement with respect to the United States.

7 **SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED**
8 **STATES AND STATE LAW.**

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

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

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

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

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

22 unless specifically provided for in this Act.

23 (b) RELATIONSHIP OF AGREEMENT TO STATE
24 LAW.—

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

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

10 (A) any law of a political subdivision of a
11 State; and

12 (B) any State law regulating or taxing the
13 business of insurance.

14 (c) EFFECT OF AGREEMENT WITH RESPECT TO PRI-
15 VATE REMEDIES.—No person other than the United
16 States—

17 (1) shall have any cause of action or defense
18 under the Agreement or by virtue of congressional
19 approval thereof; or

20 (2) may challenge, in any action brought under
21 any provision of law, any action or inaction by any
22 department, agency, or other instrumentality of the
23 United States, any State, or any political subdivision
24 of a State, on the ground that such action or inac-
25 tion is inconsistent with the Agreement.

1 **SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF**
2 **ENTRY INTO FORCE AND INITIAL REGULA-**
3 **TIONS.**

4 (a) IMPLEMENTING ACTIONS.—

5 (1) PROCLAMATION AUTHORITY.—After the
6 date of the enactment of this Act—

7 (A) the President may proclaim such ac-
8 tions, and

9 (B) other appropriate officers of the
10 United States Government may issue such reg-
11 ulations,

12 as may be necessary to ensure that any provision of
13 this Act, or amendment made by this Act, that takes
14 effect on the date the Agreement enters into force
15 is appropriately implemented on such date, but no
16 such proclamation or regulation may have an effec-
17 tive date earlier than the date the Agreement enters
18 into force.

19 (2) EFFECTIVE DATE OF CERTAIN PROCLAIMED
20 ACTIONS.—Any action proclaimed by the President
21 under the authority of this Act that is not subject
22 to the consultation and layover provisions under sec-
23 tion 104 may not take effect before the 15th day
24 after the date on which the text of the proclamation
25 is published in the Federal Register.

1 (3) WAIVER OF 15-DAY RESTRICTION.—The 15-
2 day restriction in paragraph (2) on the taking effect
3 of proclaimed actions is waived to the extent that
4 the application of such restriction would prevent the
5 taking effect on the date the Agreement enters into
6 force of any action proclaimed under this section.

7 (b) INITIAL REGULATIONS.—Initial regulations nec-
8 essary or appropriate to carry out the actions required by
9 or authorized under this Act or proposed in the statement
10 of administrative action submitted under section
11 101(a)(2) to implement the Agreement shall, to the max-
12 imum extent feasible, be issued within 1 year after the
13 date on which the Agreement enters into force. In the case
14 of any implementing action that takes effect on a date
15 after the date on which the Agreement enters into force,
16 initial regulations to carry out that action shall, to the
17 maximum extent feasible, be issued within 1 year after
18 such effective date.

19 **SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR,**
20 **AND EFFECTIVE DATE OF, PROCLAIMED AC-**
21 **TIONS.**

22 If a provision of this Act provides that the implemen-
23 tation of an action by the President by proclamation is
24 subject to the consultation and layover requirements of
25 this section, such action may be proclaimed only if—

1 (1) the President has obtained advice regarding
2 the proposed action from—

3 (A) the appropriate advisory committees
4 established under section 135 of the Trade Act
5 of 1974 (19 U.S.C. 2155); and

6 (B) the United States International Trade
7 Commission;

8 (2) the President has submitted to the Com-
9 mittee on Finance of the Senate and the Committee
10 on Ways and Means of the House of Representatives
11 a report that sets forth—

12 (A) the action proposed to be proclaimed
13 and the reasons therefor; and

14 (B) the advice obtained under paragraph
15 (1);

16 (3) a period of 60 calendar days, beginning on
17 the first day on which the requirements set forth in
18 paragraphs (1) and (2) have been met has expired;
19 and

20 (4) the President has consulted with such Com-
21 mittees regarding the proposed action during the pe-
22 riod referred to in paragraph (3).

1 **SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PRO-**
2 **CEEDINGS.**

3 (a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—
4 The President is authorized to establish or designate with-
5 in the Department of Commerce an office that shall be
6 responsible for providing administrative assistance to pan-
7 els established under chapter 20 of the Agreement. The
8 office may not be considered to be an agency for purposes
9 of section 552 of title 5, United States Code.

10 (b) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated for each fiscal year after
12 fiscal year 2004 to the Department of Commerce such
13 sums as may be necessary for the establishment and oper-
14 ations of the office under subsection (a) and for the pay-
15 ment of the United States share of the expenses of panels
16 established under chapter 20 of the Agreement.

17 **SEC. 106. ARBITRATION OF CLAIMS.**

18 The United States is authorized to resolve any claim
19 against the United States covered by article
20 10.15.1(a)(i)(C) or article 10.15.1(b)(i)(C) of the Agree-
21 ment, pursuant to the Investor-State Dispute Settlement
22 procedures set forth in section B of chapter 10 of the
23 Agreement.

24 **SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.**

25 (a) EFFECTIVE DATES.—Except as provided in sub-
26 section (b), the provisions of this Act and the amendments

1 made by this Act take effect on the date the Agreement
2 enters into force.

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

5 (c) TERMINATION OF THE AGREEMENT.—On the
6 date on which the Agreement terminates, the provisions
7 of this Act (other than this subsection) and the amend-
8 ments made by this Act shall cease to be effective.

9 **TITLE II—CUSTOMS PROVISIONS**

10 **SEC. 201. TARIFF MODIFICATIONS.**

11 (a) TARIFF MODIFICATIONS PROVIDED FOR IN THE
12 AGREEMENT.—

13 (1) PROCLAMATION AUTHORITY.—The Presi-
14 dent may proclaim—

15 (A) such modifications or continuation of
16 any duty,

17 (B) such continuation of duty-free or ex-
18 cise treatment, or

19 (C) such additional duties,

20 as the President determines to be necessary or ap-
21 propriate to carry out or apply articles 2.3, 2.5, 2.6,
22 4.1, 4.3.9, 4.3.10, 4.3.11, 4.3.13, 4.3.14, and 4.3.15,
23 and Annex IV of the Agreement.

24 (2) EFFECT ON MOROCCAN GSP STATUS.—Not-
25 withstanding section 502(a)(1) of the Trade Act of

1 1974 (19 U.S.C. 2462(a)(1)), the President shall
2 terminate the designation of Morocco as a bene-
3 ficiary developing country for purposes of title V of
4 the Trade Act of 1974 on the date of entry into
5 force of the Agreement.

6 (b) OTHER TARIFF MODIFICATIONS.—Subject to the
7 consultation and layover provisions of section 104, the
8 President may proclaim—

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

11 (2) such modifications as the United States
12 may agree to with Morocco regarding the staging of
13 any duty treatment set forth in Annex IV of the
14 Agreement,

15 (3) such continuation of duty-free or excise
16 treatment, or

17 (4) such additional duties,

18 as the President determines to be necessary or appropriate
19 to maintain the general level of reciprocal and mutually
20 advantageous concessions with respect to Morocco pro-
21 vided for by the Agreement.

22 (c) CONVERSION TO AD VALOREM RATES.—For pur-
23 poses of subsections (a) and (b), with respect to any good
24 for which the base rate in the Tariff Schedule of the
25 United States to Annex IV of the Agreement is a specific

1 or compound rate of duty, the President may substitute
 2 for the base rate an ad valorem rate that the President
 3 determines to be equivalent to the base rate.

4 **SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICUL-**
 5 **TURAL GOODS.**

6 (a) DEFINITIONS.—In this section:

7 (1) AGRICULTURAL SAFEGUARD GOOD.—The
 8 term “agricultural safeguard good” means a good—

9 (A) that qualifies as an originating good
 10 under section 203;

11 (B) that is included in the U.S. Agricul-
 12 tural Safeguard List set forth in Annex 3–A of
 13 the Agreement; and

14 (C) for which a claim for preferential
 15 treatment under the Agreement has been made.

16 (2) APPLICABLE NTR (MFN) RATE OF DUTY.—
 17 The term “applicable NTR (MFN) rate of duty”
 18 means, with respect to an agricultural safeguard
 19 good, a rate of duty that is the lesser of—

20 (A) the column 1 general rate of duty that
 21 would have been imposed under the HTS on the
 22 same agricultural safeguard good entered, with-
 23 out a claim for preferential tariff treatment, on
 24 the date on which the additional duty is im-
 25 posed under subsection (b); or

1 (B) the column 1 general rate of duty that
2 would have been imposed under the HTS on the
3 same agricultural safeguard good entered, with-
4 out a claim for preferential tariff treatment, on
5 December 31, 2004.

6 (3) F.O.B.—The term “F.O.B.” means free on
7 board, regardless of the mode of transportation, at
8 the point of direct shipment by the seller to the
9 buyer.

10 (4) SCHEDULE RATE OF DUTY.—The term
11 “schedule rate of duty” means, with respect to an
12 agricultural safeguard good, the rate of duty for that
13 good set out in the Tariff Schedule of the United
14 States to Annex IV of the Agreement.

15 (5) TRIGGER PRICE.—The “trigger price” for a
16 good means the trigger price indicated for that good
17 in the U.S. Agricultural Safeguard List set forth in
18 Annex 3–A of the Agreement or any amendment
19 thereto.

20 (6) UNIT IMPORT PRICE.—The “unit import
21 price” of a good means the price of the good deter-
22 mined on the basis of the F.O.B. import price of the
23 good, expressed in either dollars per kilogram or dol-
24 lars per liter, whichever unit of measure is indicated

1 for the good in the U.S. Agricultural Safeguard List
 2 set forth in Annex 3–A of the Agreement.

3 (b) ADDITIONAL DUTIES ON AGRICULTURAL SAFE-
 4 GUARD GOODS.—

5 (1) ADDITIONAL DUTIES.—In addition to any
 6 duty proclaimed under subsection (a) or (b) of sec-
 7 tion 201, and subject to paragraphs (3), (4), (5),
 8 and (6) of this subsection, the Secretary of the
 9 Treasury shall assess a duty on an agricultural safe-
 10 guard good, in the amount determined under para-
 11 graph (2), if the Secretary determines that the unit
 12 import price of the good when it enters the United
 13 States is less than the trigger price for that good.

14 (2) CALCULATION OF ADDITIONAL DUTY.—The
 15 additional duty assessed under this subsection on an
 16 agricultural safeguard good shall be an amount de-
 17 termined in accordance with the following table:

If the excess of the trigger price over the unit import price is:	The additional duty is an amount equal to:
Not more than 10 percent of the trigger price	0.
More than 10 percent but not more than 40 percent of the trigger price	30 percent of the excess of the appli- cable NTR (MFN) rate of duty over the schedule rate of duty.
More than 40 percent but not more than 60 percent of the trigger price	50 percent of such excess.
More than 60 percent but not more than 75 percent of the trigger price	70 percent of such excess.
More than 75 percent of the trigger price	100 percent of such excess.

18 (3) EXCEPTIONS.—No additional duty shall be
 19 assessed on a good under this subsection if, at the
 20 time of entry, the good is subject to import relief
 21 under—

1 (A) subtitle A of title III of this Act; or

2 (B) chapter 1 of title II of the Trade Act
3 of 1974 (19 U.S.C. 2251 et seq.).

4 (4) TERMINATION.—The assessment of an ad-
5 ditional duty on a good under this subsection shall
6 cease to apply to that good on the date on which
7 duty-free treatment must be provided to that good
8 under the Tariff Schedule of the United States to
9 Annex IV of the Agreement.

10 (5) TARIFF-RATE QUOTAS.—If an agricultural
11 safeguard good is subject to a tariff-rate quota
12 under the Agreement, any additional duty assessed
13 under this subsection shall be applied only to over-
14 quota imports of the good.

15 (6) NOTICE.—Not later than 60 days after the
16 date on which the Secretary of the Treasury assesses
17 an additional duty on a good under this subsection,
18 the Secretary shall notify the Government of Mo-
19 rocco in writing of such action and shall provide to
20 the Government of Morocco data supporting the as-
21 sessment of additional duties.

22 **SEC. 203. RULES OF ORIGIN.**

23 (a) APPLICATION AND INTERPRETATION.—In this
24 section:

1 (1) TARIFF CLASSIFICATION.—The basis for
2 any tariff classification is the HTS.

3 (2) REFERENCE TO HTS.—Whenever in this
4 section there is a reference to a heading or sub-
5 heading, such reference shall be a reference to a
6 heading or subheading of the HTS.

7 (b) ORIGINATING GOODS.—

8 (1) IN GENERAL.—For purposes of this Act
9 and for purposes of implementing the preferential
10 tariff treatment provided for under the Agreement,
11 a good is an originating good if—

12 (A) the good is imported directly—

13 (i) from the territory of Morocco into
14 the territory of the United States; or

15 (ii) from the territory of the United
16 States into the territory of Morocco; and

17 (B)(i) the good is a good wholly the
18 growth, product, or manufacture of Morocco or
19 the United States, or both;

20 (ii) the good (other than a good to which
21 clause (iii) applies) is a new or different article
22 of commerce that has been grown, produced, or
23 manufactured in Morocco, the United States, or
24 both, and meets the requirements of paragraph
25 (2); or

1 (iii)(I) the good is a good covered by
2 Annex 4–A or 5–A of the Agreement;

3 (II)(aa) each of the nonoriginating mate-
4 rials used in the production of the good under-
5 goes an applicable change in tariff classification
6 specified in such Annex as a result of produc-
7 tion occurring entirely in the territory of Mo-
8 rocco or the United States, or both; or

9 (bb) the good otherwise satisfies the re-
10 quirements specified in such Annex; and

11 (III) the good satisfies all other applicable
12 requirements of this section.

13 (2) REQUIREMENTS.—A good described in
14 paragraph (1)(B)(ii) is an originating good only if
15 the sum of—

16 (A) the value of each material produced in
17 the territory of Morocco or the United States,
18 or both, and

19 (B) the direct costs of processing oper-
20 ations performed in the territory of Morocco or
21 the United States, or both,

22 is not less than 35 percent of the appraised value of
23 the good at the time the good is entered into the ter-
24 ritory of the United States.

25 (c) CUMULATION.—

1 (1) ORIGINATING GOOD OR MATERIAL INCOR-
2 PORATED INTO GOODS OF OTHER COUNTRY.—An
3 originating good or a material produced in the terri-
4 tory of Morocco or the United States, or both, that
5 is incorporated into a good in the territory of the
6 other country shall be considered to originate in the
7 territory of the other country.

8 (2) MULTIPLE PROCEDURES.—A good that is
9 grown, produced, or manufactured in the territory of
10 Morocco or the United States, or both, by 1 or more
11 producers, is an originating good if the good satis-
12 fies the requirements of subsection (b) and all other
13 applicable requirements of this section.

14 (d) VALUE OF MATERIALS.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the value of a material produced in the
17 territory of Morocco or the United States, or both,
18 includes the following:

19 (A) The price actually paid or payable for
20 the material by the producer of such good.

21 (B) The freight, insurance, packing, and
22 all other costs incurred in transporting the ma-
23 terial to the producer's plant, if such costs are
24 not included in the price referred to in subpara-
25 graph (A).

1 (C) The cost of waste or spoilage resulting
2 from the use of the material in the growth, pro-
3 duction, or manufacture of the good, less the
4 value of recoverable scrap.

5 (D) Taxes or customs duties imposed on
6 the material by Morocco, the United States, or
7 both, if the taxes or customs duties are not re-
8 mitted upon exportation from the territory of
9 Morocco or the United States, as the case may
10 be.

11 (2) EXCEPTION.—If the relationship between
12 the producer of a good and the seller of a material
13 influenced the price actually paid or payable for the
14 material, or if there is no price actually paid or pay-
15 able by the producer for the material, the value of
16 the material produced in the territory of Morocco or
17 the United States, or both, includes the following:

18 (A) All expenses incurred in the growth,
19 production, or manufacture of the material, in-
20 cluding general expenses.

21 (B) A reasonable amount for profit.

22 (C) Freight, insurance, packing, and all
23 other costs incurred in transporting the mate-
24 rial to the producer's plant.

1 (e) PACKAGING AND PACKING MATERIALS AND CON-
2 TAINERS FOR RETAIL SALE AND FOR SHIPMENT.—Pack-
3 aging and packing materials and containers for retail sale
4 and shipment shall be disregarded in determining whether
5 a good qualifies as an originating good, except to the ex-
6 tent that the value of such packaging and packing mate-
7 rials and containers have been included in meeting the re-
8 quirements set forth in subsection (b)(2).

9 (f) INDIRECT MATERIALS.—Indirect materials shall
10 be disregarded in determining whether a good qualifies as
11 an originating good, except that the cost of such indirect
12 materials may be included in meeting the requirements set
13 forth in subsection (b)(2).

14 (g) TRANSIT AND TRANSSHIPMENT.—A good shall
15 not be considered to meet the requirement of subsection
16 (b)(1)(A) if, after exportation from the territory of Mo-
17 rocco or the United States, the good undergoes produc-
18 tion, manufacturing, or any other operation outside the
19 territory of Morocco or the United States, other than un-
20 loading, reloading, or any other operation necessary to
21 preserve the good in good condition or to transport the
22 good to the territory of the United States or Morocco.

23 (h) TEXTILE AND APPAREL GOODS.—

24 (1) DE MINIMIS AMOUNTS OF NONORIGINATING
25 MATERIALS.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), a textile or apparel good
3 that is not an originating good because certain
4 fibers or yarns used in the production of the
5 component of the good that determines the tar-
6 iff classification of the good do not undergo an
7 applicable change in tariff classification set out
8 in Annex 4–A of the Agreement shall be consid-
9 ered to be an originating good if the total
10 weight of all such fibers or yarns in that com-
11 ponent is not more than 7 percent of the total
12 weight of that component.

13 (B) CERTAIN TEXTILE OR APPAREL
14 GOODS.—A textile or apparel good containing
15 elastomeric yarns in the component of the good
16 that determines the tariff classification of the
17 good shall be considered to be an originating
18 good only if such yarns are wholly formed in
19 the territory of Morocco or the United States.

20 (C) YARN, FABRIC, OR GROUP OF FI-
21 BERS.—For purposes of this paragraph, in the
22 case of a textile or apparel good that is a yarn,
23 fabric, or group of fibers, the term “component
24 of the good that determines the tariff classifica-

1 tion of the good” means all of the fibers in the
2 yarn, fabric, or group of fibers.

3 (2) GOODS PUT UP IN SETS FOR RETAIL
4 SALE.—Notwithstanding the rules set forth in Annex
5 4–A of the Agreement, textile or apparel goods clas-
6 sifiable as goods put up in sets for retail sale as pro-
7 vided for in General Rule of Interpretation 3 of the
8 HTS shall not be considered to be originating goods
9 unless each of the goods in the set is an originating
10 good or the total value of the nonoriginating goods
11 in the set does not exceed 10 percent of the value
12 of the set determined for purposes of assessing cus-
13 toms duties.

14 (i) DEFINITIONS.—In this section:

15 (1) DIRECT COSTS OF PROCESSING OPER-
16 ATIONS.—

17 (A) IN GENERAL.—The term “direct costs
18 of processing operations”, with respect to a
19 good, includes, to the extent they are includable
20 in the appraised value of the good when im-
21 ported into Morocco or the United States, as
22 the case may be, the following:

23 (i) All actual labor costs involved in
24 the growth, production, or manufacture of
25 the good, including fringe benefits, on-the-

1 job training, and the costs of engineering,
2 supervisory, quality control, and similar
3 personnel.

4 (ii) Tools, dies, molds, and other indi-
5 rect materials, and depreciation on ma-
6 chinery and equipment that are allocable
7 to the good.

8 (iii) Research, development, design,
9 engineering, and blueprint costs, to the ex-
10 tent that they are allocable to the good.

11 (iv) Costs of inspecting and testing
12 the good.

13 (v) Costs of packaging the good for
14 export to the territory of the other country.

15 (B) EXCEPTIONS.—The term “direct costs
16 of processing operations” does not include costs
17 that are not directly attributable to a good or
18 are not costs of growth, production, or manu-
19 facture of the good, such as—

20 (i) profit; and

21 (ii) general expenses of doing business
22 that are either not allocable to the good or
23 are not related to the growth, production,
24 or manufacture of the good, such as ad-
25 ministrative salaries, casualty and liability

1 insurance, advertising, and sales staff sala-
2 ries, commissions, or expenses.

3 (2) GOOD.—The term “good” means any mer-
4 chandise, product, article, or material.

5 (3) GOOD WHOLLY THE GROWTH, PRODUCT, OR
6 MANUFACTURE OF MOROCCO, THE UNITED STATES,
7 OR BOTH.—The term “good wholly the growth,
8 product, or manufacture of Morocco, the United
9 States, or both” means—

10 (A) a mineral good extracted in the terri-
11 tory of Morocco or the United States, or both;

12 (B) a vegetable good, as such a good is
13 provided for in the HTS, harvested in the terri-
14 tory of Morocco or the United States, or both;

15 (C) a live animal born and raised in the
16 territory of Morocco or the United States, or
17 both;

18 (D) a good obtained from live animals
19 raised in the territory of Morocco or the United
20 States, or both;

21 (E) a good obtained from hunting, trap-
22 ping, or fishing in the territory of Morocco or
23 the United States, or both;

24 (F) a good (fish, shellfish, and other ma-
25 rine life) taken from the sea by vessels reg-

1 istered or recorded with Morocco or the United
2 States and flying the flag of that country;

3 (G) a good produced from goods referred
4 to in subparagraph (F) on board factory ships
5 registered or recorded with Morocco or the
6 United States and flying the flag of that coun-
7 try;

8 (H) a good taken by Morocco or the
9 United States or a person of Morocco or the
10 United States from the seabed or beneath the
11 seabed outside territorial waters, if Morocco or
12 the United States has rights to exploit such
13 seabed;

14 (I) a good taken from outer space, if such
15 good is obtained by Morocco or the United
16 States or a person of Morocco or the United
17 States and not processed in the territory of a
18 country other than Morocco or the United
19 States;

20 (J) waste and scrap derived from—

21 (i) production or manufacture in the
22 territory of Morocco or the United States,
23 or both; or

24 (ii) used goods collected in the terri-
25 tory of Morocco or the United States, or

1 both, if such goods are fit only for the re-
2 covery of raw materials;

3 (K) a recovered good derived in the terri-
4 tory of Morocco or the United States from used
5 goods and utilized in the territory of that coun-
6 try in the production of remanufactured goods;
7 and

8 (L) a good produced in the territory of
9 Morocco or the United States, or both,
10 exclusively—

11 (i) from goods referred to in subpara-
12 graphs (A) through (J), or

13 (ii) from the derivatives of goods re-
14 ferred to in clause (i),

15 at any stage of production.

16 (4) INDIRECT MATERIAL.—The term “indirect
17 material” means a good used in the growth, produc-
18 tion, manufacture, testing, or inspection of a good
19 but not physically incorporated into the good, or a
20 good used in the maintenance of buildings or the op-
21 eration of equipment associated with the growth,
22 production, or manufacture of a good, including—

23 (A) fuel and energy;

24 (B) tools, dies, and molds;

1 (C) spare parts and materials used in the
2 maintenance of equipment and buildings;

3 (D) lubricants, greases, compounding ma-
4 terials, and other materials used in the growth,
5 production, or manufacture of a good or used
6 to operate equipment and buildings;

7 (E) gloves, glasses, footwear, clothing,
8 safety equipment, and supplies;

9 (F) equipment, devices, and supplies used
10 for testing or inspecting the good;

11 (G) catalysts and solvents; and

12 (H) any other goods that are not incor-
13 porated into the good but the use of which in
14 the growth, production, or manufacture of the
15 good can reasonably be demonstrated to be a
16 part of that growth, production, or manufac-
17 ture.

18 (5) MATERIAL.—The term “material” means a
19 good, including a part or ingredient, that is used in
20 the growth, production, or manufacture of another
21 good that is a new or different article of commerce
22 that has been grown, produced, or manufactured in
23 Morocco, the United States, or both.

24 (6) MATERIAL PRODUCED IN THE TERRITORY
25 OF MOROCCO OR THE UNITED STATES, OR BOTH.—

1 The term “material produced in the territory of Mo-
2 rocco or the United States, or both” means a good
3 that is either wholly the growth, product, or manu-
4 facture of Morocco, the United States, or both, or a
5 new or different article of commerce that has been
6 grown, produced, or manufactured in the territory of
7 Morocco or the United States, or both.

8 (7) NEW OR DIFFERENT ARTICLE OF COM-
9 MERCE.—

10 (A) IN GENERAL.—The term “new or dif-
11 ferent article of commerce” means, except as
12 provided in subparagraph (B), a good that—

13 (i) has been substantially transformed
14 from a good or material that is not wholly
15 the growth, product, or manufacture of
16 Morocco, the United States, or both; and

17 (ii) has a new name, character, or use
18 distinct from the good or material from
19 which it was transformed.

20 (B) EXCEPTION.—A good shall not be con-
21 sidered a new or different article of commerce
22 by virtue of having undergone simple combining
23 or packaging operations, or mere dilution with
24 water or another substance that does not mate-
25 rially alter the characteristics of the good.

1 (8) RECOVERED GOODS.—The term “recovered
2 goods” means materials in the form of individual
3 parts that result from—

4 (A) the complete disassembly of used goods
5 into individual parts; and

6 (B) the cleaning, inspecting, testing, or
7 other processing of those parts that is necessary
8 for improvement to sound working condition.

9 (9) REMANUFACTURED GOOD.—The term “re-
10 manufactured good” means an industrial good that
11 is assembled in the territory of Morocco or the
12 United States and that—

13 (A) is entirely or partially comprised of re-
14 covered goods;

15 (B) has a similar life expectancy to, and
16 meets similar performance standards as, a like
17 good that is new; and

18 (C) enjoys a factory warranty similar to
19 that of a like good that is new.

20 (10) SIMPLE COMBINING OR PACKAGING OPER-
21 ATIONS.—The term “simple combining or packaging
22 operations” means operations such as adding bat-
23 teries to electronic devices, fitting together a small
24 number of components by bolting, gluing, or sol-

1 dering, or packing or repacking components to-
2 gether.

3 (11) SUBSTANTIALLY TRANSFORMED.—The
4 term “substantially transformed” means, with re-
5 spect to a good or material, changed as the result
6 of a manufacturing or processing operation so
7 that—

8 (A)(i) the good or material is converted
9 from a good that has multiple uses into a good
10 or material that has limited uses;

11 (ii) the physical properties of the good or
12 material are changed to a significant extent; or

13 (iii) the operation undergone by the good
14 or material is complex by reason of the number
15 of processes and materials involved and the
16 time and level of skill required to perform those
17 processes; and

18 (B) the good or material loses its separate
19 identity in the manufacturing or processing op-
20 eration.

21 (j) PRESIDENTIAL PROCLAMATION AUTHORITY.—

22 (1) IN GENERAL.—The President is authorized
23 to proclaim, as part of the HTS—

24 (A) the provisions set out in Annex 4–A
25 and Annex 5–A of the Agreement; and

1 (B) any additional subordinate category
2 necessary to carry out this title consistent with
3 the Agreement.

4 (2) MODIFICATIONS.—

5 (A) IN GENERAL.—Subject to the consulta-
6 tion and layover provisions of section 104, the
7 President may proclaim modifications to the
8 provisions proclaimed under the authority of
9 paragraph (1)(A), other than provisions of
10 chapters 50 through 63 of the HTS, as in-
11 cluded in Annex 4–A of the Agreement.

12 (B) ADDITIONAL PROCLAMATIONS.—Not-
13 withstanding subparagraph (A), and subject to
14 the consultation and layover provisions of sec-
15 tion 104, the President may proclaim—

16 (i) modifications to the provisions pro-
17 claimed under the authority of paragraph
18 (1)(A) as are necessary to implement an
19 agreement with Morocco pursuant to arti-
20 cle 4.3.6 of the Agreement; and

21 (ii) before the end of the 1-year period
22 beginning on the date of the enactment of
23 this Act, modifications to correct any typo-
24 graphical, clerical, or other nonsubstantive
25 technical error regarding the provisions of

1 chapters 50 through 63 of the HTS, as in-
2 cluded in Annex 4–A of the Agreement.

3 **SEC. 204. ENFORCEMENT RELATING TO TRADE IN TEXTILE**
4 **AND APPAREL GOODS.**

5 (a) ACTION DURING VERIFICATION.—

6 (1) IN GENERAL.—If the Secretary of the
7 Treasury requests the Government of Morocco to
8 conduct a verification pursuant to article 4.4 of the
9 Agreement for purposes of making a determination
10 under paragraph (2), the President may direct the
11 Secretary to take appropriate action described in
12 subsection (b) while the verification is being con-
13 ducted.

14 (2) DETERMINATION.—A determination under
15 this paragraph is a determination—

16 (A) that an exporter or producer in Mo-
17 rocco is complying with applicable customs
18 laws, regulations, procedures, requirements, or
19 practices affecting trade in textile or apparel
20 goods; or

21 (B) that a claim that a textile or apparel
22 good exported or produced by such exporter or
23 producer—

24 (i) qualifies as an originating good
25 under section 203 of this Act, or

1 (ii) is a good of Morocco,
2 is accurate.

3 (b) APPROPRIATE ACTION DESCRIBED.—Appropriate
4 action under subsection (a)(1) includes—

5 (1) suspension of liquidation of the entry of any
6 textile or apparel good exported or produced by the
7 person that is the subject of a verification referred
8 to in subsection (a)(1) regarding compliance de-
9 scribed in subsection (a)(2)(A), in a case in which
10 the request for verification was based on a reason-
11 able suspicion of unlawful activity related to such
12 goods; and

13 (2) suspension of liquidation of the entry of a
14 textile or apparel good for which a claim has been
15 made that is the subject of a verification referred to
16 in subsection (a)(1) regarding a claim described in
17 subsection (a)(2)(B).

18 (c) ACTION WHEN INFORMATION IS INSUFFI-
19 CIENT.—If the Secretary of the Treasury determines that
20 the information obtained within 12 months after making
21 a request for a verification under subsection (a)(1) is in-
22 sufficient to make a determination under subsection
23 (a)(2), the President may direct the Secretary to take ap-
24 propriate action described in subsection (d) until such
25 time as the Secretary receives information sufficient to

1 make a determination under subsection (a)(2) or until
2 such earlier date as the President may direct.

3 (d) APPROPRIATE ACTION DESCRIBED.—Appro-
4 priate action referred to in subsection (c) includes—

5 (1) publication of the name and address of the
6 person that is the subject of the verification;

7 (2) denial of preferential tariff treatment under
8 the Agreement to—

9 (A) any textile or apparel good exported or
10 produced by the person that is the subject of a
11 verification referred to in subsection (a)(1) re-
12 garding compliance described in subsection
13 (a)(2)(A); or

14 (B) a textile or apparel good for which a
15 claim has been made that is the subject of a
16 verification referred to in subsection (a)(1) re-
17 garding a claim described in subsection
18 (a)(2)(B); and

19 (3) denial of entry into the United States of—

20 (A) any textile or apparel good exported or
21 produced by the person that is the subject of a
22 verification referred to in subsection (a)(1) re-
23 garding compliance described in subsection
24 (a)(2)(A); or

1 (B) a textile or apparel good for which a
2 claim has been made that is the subject of a
3 verification referred to in subsection (a)(1) re-
4 garding a claim described in subsection
5 (a)(2)(B).

6 **SEC. 205. REGULATIONS.**

7 The Secretary of the Treasury shall prescribe such
8 regulations as may be necessary to carry out—

- 9 (1) subsections (a) through (i) of section 203;
10 (2) amendments to existing law made by the
11 subsections referred to in paragraph (1); and
12 (3) proclamations issued under section 203(j).

13 **TITLE III—RELIEF FROM**
14 **IMPORTS**

15 **SEC. 301. DEFINITIONS.**

16 In this title:

17 (1) MOROCCAN ARTICLE.—The term “Moroccan
18 article” means an article that qualifies as an origi-
19 nating good under section 203(b) of this Act or re-
20 ceives preferential tariff treatment under paragraphs
21 9 through 15 of article 4.3 of the Agreement.

22 (2) MOROCCAN TEXTILE OR APPAREL ARTI-
23 CLE.—The term “Moroccan textile or apparel arti-
24 cle” means an article that—

1 (A) is listed in the Annex to the Agree-
2 ment on Textiles and Clothing referred to in
3 section 101(d)(4) of the Uruguay Round Agree-
4 ments Act (19 U.S.C. 3511(d)(4)); and

5 (B) is a Moroccan article.

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

9 **Subtitle A—Relief From Imports**
10 **Benefiting From the Agreement**

11 **SEC. 311. COMMENCING OF ACTION FOR RELIEF.**

12 (a) FILING OF PETITION.—

13 (1) IN GENERAL.—A petition requesting action
14 under this subtitle for the purpose of adjusting to
15 the obligations of the United States under the
16 Agreement may be filed with the Commission by an
17 entity, including a trade association, firm, certified
18 or recognized union, or group of workers, that is
19 representative of an industry. The Commission shall
20 transmit a copy of any petition filed under this sub-
21 section to the United States Trade Representative.

22 (2) PROVISIONAL RELIEF.—An entity filing a
23 petition under this subsection may request that pro-
24 visional relief be provided as if the petition had been

1 filed under section 202(a) of the Trade Act of 1974
2 (19 U.S.C. 2252(a)).

3 (3) CRITICAL CIRCUMSTANCES.—Any allegation
4 that critical circumstances exist shall be included in
5 the petition.

6 (b) INVESTIGATION AND DETERMINATION.—Upon
7 the filing of a petition under subsection (a), the Commis-
8 sion, unless subsection (d) applies, shall promptly initiate
9 an investigation to determine whether, as a result of the
10 reduction or elimination of a duty provided for under the
11 Agreement, a Moroccan article is being imported into the
12 United States in such increased quantities, in absolute
13 terms or relative to domestic production, and under such
14 conditions that imports of the Moroccan article constitute
15 a substantial cause of serious injury or threat thereof to
16 the domestic industry producing an article that is like, or
17 directly competitive with, the imported article.

18 (c) APPLICABLE PROVISIONS.—The following provi-
19 sions of section 202 of the Trade Act of 1974 (19 U.S.C.
20 2252) apply with respect to any investigation initiated
21 under subsection (b):

22 (1) Paragraphs (1)(B) and (3) of subsection
23 (b).

24 (2) Subsection (c).

25 (3) Subsection (d).

1 (4) Subsection (i).

2 (d) ARTICLES EXEMPT FROM INVESTIGATION.—No
3 investigation may be initiated under this section with re-
4 spect to any Moroccan article if, after the date on which
5 the Agreement enters into force, import relief has been
6 provided with respect to that Moroccan article under this
7 subtitle.

8 **SEC. 312. COMMISSION ACTION ON PETITION.**

9 (a) DETERMINATION.—Not later than 120 days (180
10 days if critical circumstances have been alleged) after the
11 date on which an investigation is initiated under section
12 311(b) with respect to a petition, the Commission shall
13 make the determination required under that section.

14 (b) APPLICABLE PROVISIONS.—For purposes of this
15 subtitle, the provisions of paragraphs (1), (2), and (3) of
16 section 330(d) of the Tariff Act of 1930 (19 U.S.C.
17 1330(d) (1), (2), and (3)) shall be applied with respect
18 to determinations and findings made under this section
19 as if such determinations and findings were made under
20 section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

21 (c) ADDITIONAL FINDING AND RECOMMENDATION IF
22 DETERMINATION AFFIRMATIVE.—If the determination
23 made by the Commission under subsection (a) with respect
24 to imports of an article is affirmative, or if the President
25 may consider a determination of the Commission to be an

1 affirmative determination as provided for under paragraph
2 (1) of section 330(d) of the Tariff Act of 1930) (19 U.S.C.
3 1330(d)), the Commission shall find, and recommend to
4 the President in the report required under subsection (d),
5 the amount of import relief that is necessary to remedy
6 or prevent the injury found by the Commission in the de-
7 termination and to facilitate the efforts of the domestic
8 industry to make a positive adjustment to import competi-
9 tion. The import relief recommended by the Commission
10 under this subsection shall be limited to that described in
11 section 313(c). Only those members of the Commission
12 who voted in the affirmative under subsection (a) are eligi-
13 ble to vote on the proposed action to remedy or prevent
14 the injury found by the Commission. Members of the Com-
15 mission who did not vote in the affirmative may submit,
16 in the report required under subsection (d), separate views
17 regarding what action, if any, should be taken to remedy
18 or prevent the injury.

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

1 (1) the determination made under subsection
2 (a) and an explanation of the basis for the deter-
3 mination;

4 (2) if the determination under subsection (a) is
5 affirmative, any findings and recommendations for
6 import relief made under subsection (c) and an ex-
7 planation of the basis for each recommendation; and

8 (3) any dissenting or separate views by mem-
9 bers of the Commission regarding the determination
10 and recommendation referred to in paragraphs (1)
11 and (2).

12 (e) PUBLIC NOTICE.—Upon submitting a report to
13 the President under subsection (d), the Commission shall
14 promptly make public such report (with the exception of
15 information which the Commission determines to be con-
16 fidential) and shall cause a summary thereof to be pub-
17 lished in the Federal Register.

18 **SEC. 313. PROVISION OF RELIEF.**

19 (a) IN GENERAL.—Not later than the date that is
20 30 days after the date on which the President receives the
21 report of the Commission in which the Commission's de-
22 termination under section 312(a) is affirmative, or which
23 contains a determination under section 312(a) that the
24 President considers to be affirmative under paragraph (1)
25 of section 330(d) of the Tariff Act of 1930 (19 U.S.C.

1 1330(d)(1)), the President, subject to subsection (b), shall
2 provide relief from imports of the article that is the subject
3 of such determination to the extent that the President de-
4 termines necessary to remedy or prevent the injury found
5 by the Commission and to facilitate the efforts of the do-
6 mestic industry to make a positive adjustment to import
7 competition.

8 (b) EXCEPTION.—The President is not required to
9 provide import relief under this section if the President
10 determines that the provision of the import relief will not
11 provide greater economic and social benefits than costs.

12 (c) NATURE OF RELIEF.—

13 (1) IN GENERAL.—The import relief (including
14 provisional relief) that the President is authorized to
15 provide under this section with respect to imports of
16 an article is as follows:

17 (A) The suspension of any further reduc-
18 tion provided for under Annex IV of the Agree-
19 ment in the duty imposed on such article.

20 (B) An increase in the rate of duty im-
21 posed on such article to a level that does not
22 exceed the lesser of—

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

1 (ii) the column 1 general rate of duty
 2 imposed under the HTS on like articles on
 3 the day before the date on which the
 4 Agreement enters into force.

5 (C) In the case of a duty applied on a sea-
 6 sonal basis to such article, an increase in the
 7 rate of duty imposed on the article to a level
 8 that does not exceed the lesser of—

9 (i) the column 1 general rate of duty
 10 imposed under the HTS on like articles for
 11 the immediately preceding corresponding
 12 season; or

13 (ii) the column 1 general rate of duty
 14 imposed under the HTS on like articles on
 15 the day before the date on which the
 16 Agreement enters into force.

17 (2) PROGRESSIVE LIBERALIZATION.—If the pe-
 18 riod for which import relief is provided under this
 19 section is greater than 1 year, the President shall
 20 provide for the progressive liberalization of such re-
 21 lief at regular intervals during the period in which
 22 the relief is in effect.

23 (d) PERIOD OF RELIEF.—

24 (1) IN GENERAL.—Subject to paragraph (2),
 25 any import relief that the President provides under

1 this section may not be in effect for more than 3
2 years.

3 (2) EXTENSION.—

4 (A) IN GENERAL.—Subject to subpara-
5 graph (C), the President, after receiving an af-
6 firmative determination from the Commission
7 under subparagraph (B), may extend the effec-
8 tive period of any import relief provided under
9 this section if the President determines that—

10 (i) the import relief continues to be
11 necessary to remedy or prevent serious in-
12 jury and to facilitate adjustment by the do-
13 mestic industry to import competition; and

14 (ii) there is evidence that the industry
15 is making a positive adjustment to import
16 competition.

17 (B) ACTION BY COMMISSION.—(i) Upon a
18 petition on behalf of the industry concerned
19 that is filed with the Commission not earlier
20 than the date which is 9 months, and not later
21 than the date which is 6 months, before the
22 date any action taken under subsection (a) is to
23 terminate, the Commission shall conduct an in-
24 vestigation to determine whether action under
25 this section continues to be necessary to remedy

1 or prevent serious injury and to facilitate ad-
2 justment by the domestic industry to import
3 competition and whether there is evidence that
4 the industry is making a positive adjustment to
5 import competition.

6 (ii) The Commission shall publish notice of
7 the commencement of any proceeding under
8 this subparagraph in the Federal Register and
9 shall, within a reasonable time thereafter, hold
10 a public hearing at which the Commission shall
11 afford interested parties and consumers an op-
12 portunity to be present, to present evidence,
13 and to respond to the presentations of other
14 parties and consumers, and otherwise to be
15 heard.

16 (iii) The Commission shall transmit to the
17 President a report on its investigation and de-
18 termination under this subparagraph not later
19 than 60 days before the action under subsection
20 (a) is to terminate, unless the President speci-
21 fies a different date.

22 (C) PERIOD OF IMPORT RELIEF.—Any im-
23 port relief provided under this section, including
24 any extensions thereof, may not, in the aggre-
25 gate, be in effect for more than 5 years.

1 (e) RATE AFTER TERMINATION OF IMPORT RE-
 2 LIEF.—When import relief under this section is termi-
 3 nated with respect to an article, the rate of duty on that
 4 article shall be the rate that would have been in effect,
 5 but for the provision of such relief, on the date on which
 6 the relief terminates.

7 (f) ARTICLES EXEMPT FROM RELIEF.—No import
 8 relief may be provided under this section on any article
 9 that—

10 (1) is subject to an assessment of additional
 11 duty under section 202(b); or

12 (2) has been subject to import relief under this
 13 subtitle after the date on which the Agreement en-
 14 ters into force.

15 **SEC. 314. TERMINATION OF RELIEF AUTHORITY.**

16 (a) GENERAL RULE.—Subject to subsection (b), no
 17 import relief may be provided under this subtitle with re-
 18 spect to a good after the date that is 5 years after the
 19 date on which duty-free treatment must be provided by
 20 the United States to that good pursuant to Annex IV of
 21 the Agreement.

22 (b) PRESIDENTIAL DETERMINATION.—Import relief
 23 may be provided under this subtitle in the case of a Moroc-
 24 can article after the date on which such relief would, but
 25 for this subsection, terminate under subsection (a), if the

1 President determines that Morocco has consented to such
2 relief.

3 **SEC. 315. COMPENSATION AUTHORITY.**

4 For purposes of section 123 of the Trade Act of 1974
5 (19 U.S.C. 2133), any import relief provided by the Presi-
6 dent under section 313 shall be treated as action taken
7 under chapter 1 of title II of such Act.

8 **SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.**

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

11 (1) by striking “and”; and

12 (2) by inserting before the period at the end “,
13 and title III of the United States-Morocco Free
14 Trade Agreement Implementation Act”.

15 **Subtitle B—Textile and Apparel**
16 **Safeguard Measures**

17 **SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.**

18 (a) IN GENERAL.—A request under this subtitle for
19 the purpose of adjusting to the obligations of the United
20 States under the Agreement may be filed with the Presi-
21 dent by an interested party. Upon the filing of a request,
22 the President shall review the request to determine, from
23 information presented in the request, whether to com-
24 mence consideration of the request.

1 (b) PUBLICATION OF REQUEST.—If the President de-
2 termines that the request under subsection (a) provides
3 the information necessary for the request to be considered,
4 the President shall cause to be published in the Federal
5 Register a notice of commencement of consideration of the
6 request, and notice seeking public comments regarding the
7 request. The notice shall include a summary of the request
8 and the dates by which comments and rebuttals must be
9 received.

10 **SEC. 322. DETERMINATION AND PROVISION OF RELIEF.**

11 (a) DETERMINATION.—

12 (1) IN GENERAL.—If a positive determination is
13 made under section 321(b), the President shall de-
14 termine whether, as a result of the reduction or
15 elimination of a duty under the Agreement, a Moroc-
16 can textile or apparel article is being imported into
17 the United States in such increased quantities, in
18 absolute terms or relative to the domestic market for
19 that article, and under such conditions as to cause
20 serious damage, or actual threat thereof, to a domes-
21 tic industry producing an article that is like, or di-
22 rectly competitive with, the imported article.

23 (2) SERIOUS DAMAGE.—In making a deter-
24 mination under paragraph (1), the President—

1 (A) shall examine the effect of increased
2 imports on the domestic industry, as reflected
3 in changes in such relevant economic factors as
4 output, productivity, utilization of capacity, in-
5 ventories, market share, exports, wages, em-
6 ployment, domestic prices, profits, and invest-
7 ment, none of which is necessarily decisive; and

8 (B) shall not consider changes in tech-
9 nology or consumer preference as factors sup-
10 porting a determination of serious damage or
11 actual threat thereof.

12 (b) PROVISION OF RELIEF.—

13 (1) IN GENERAL.—If a determination under
14 subsection (a) is affirmative, the President may pro-
15 vide relief from imports of the article that is the
16 subject of such determination, as described in para-
17 graph (2), to the extent that the President deter-
18 mines necessary to remedy or prevent the serious
19 damage and to facilitate adjustment by the domestic
20 industry to import competition.

21 (2) NATURE OF RELIEF.—The relief that the
22 President is authorized to provide under this sub-
23 section with respect to imports of an article is an in-
24 crease in the rate of duty imposed on the article to
25 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.

8 **SEC. 323. PERIOD OF RELIEF.**

9 (a) IN GENERAL.—Subject to subsection (b), the im-
 10 port relief that the President provides under subsection
 11 (b) of section 322 may not, in the aggregate, be in effect
 12 for more than 3 years.

13 (b) EXTENSION.—

14 (1) IN GENERAL.—Subject to paragraph (2),
 15 the President may extend the effective period of any
 16 import relief provided under this subtitle for a pe-
 17 riod of not more than 2 years, if the President de-
 18 termines that—

19 (A) the import relief continues to be nec-
 20 essary to remedy or prevent serious damage
 21 and to facilitate adjustment by the domestic in-
 22 dustry to import competition; and

23 (B) there is evidence that the industry is
 24 making a positive adjustment to import com-
 25 petition.

1 (2) LIMITATION.—Any relief provided under
2 this subtitle, including any extensions thereof, may
3 not, in the aggregate, be in effect for more than 5
4 years.

5 **SEC. 324. ARTICLES EXEMPT FROM RELIEF.**

6 The President may not provide import relief under
7 this subtitle with respect to any article if—

8 (1) the article has been subject to import relief
9 under this subtitle after the date on which the
10 Agreement enters into force; or

11 (2) the article is subject to import relief under
12 chapter 1 of title II of the Trade Act of 1974.

13 **SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.**

14 When import relief under this subtitle is terminated
15 with respect to an article, the rate of duty on that article
16 shall be the rate that would have been in effect, but for
17 the provision of such relief, on the date on which the relief
18 terminates.

19 **SEC. 326. TERMINATION OF RELIEF AUTHORITY.**

20 No import relief may be provided under this subtitle
21 with respect to any article after the date that is 10 years
22 after the date on which duties on the article are eliminated
23 pursuant to the Agreement.

1 **SEC. 327. 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 this subtitle shall be treated as action taken
5 under chapter 1 of title II of such Act.

6 **SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.**

7 The President may not release information which is
8 submitted in a proceeding under this subtitle and which
9 the President considers to be confidential business infor-
10 mation unless the party submitting the confidential busi-
11 ness information had notice, at the time of submission,
12 that such information would be released, or such party
13 subsequently consents to the release of the information.
14 To the extent a party submits confidential business infor-
15 mation to the President in a proceeding under this sub-
16 title, the party also shall submit a nonconfidential version
17 of the information, in which the confidential business in-
18 formation is summarized or, if necessary, deleted.

Passed the House of Representatives July 22, 2004.

Attest:

Clerk.