

Calendar No. 651

108TH CONGRESS
2D SESSION**S. 2677**

To implement the United States-Morocco Free Trade Agreement.

IN THE SENATE OF THE UNITED STATES

JULY 15, 2004

Mr. GRASSLEY (for himself, Mr. BAUCUS, and Mr. FRIST) (by request) introduced the following bill; which was read twice and referred to the Committee on Finance pursuant to section 2103(b)(3) of Public Law 107–210

JULY 20, 2004

Reported by Mr. GRASSLEY, without amendment

A BILL

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,*

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

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

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 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.

3 **SEC. 2. PURPOSES.**

4 The purposes of this Act are—

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

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

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

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

15 **SEC. 3. DEFINITIONS.**

16 In this Act:

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

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

22 (3) TEXTILE OR APPAREL GOOD.—The term
23 “textile or apparel good” means a good listed in the
24 Annex to the Agreement on Textiles and Clothing

1 referred to in section 101(d)(4) of the Uruguay
2 Round Agreements Act (19 U.S.C. 3511(d)(4)).

3 **TITLE I—APPROVAL OF, AND**
4 **GENERAL PROVISIONS RE-**
5 **LATING TO, THE AGREEMENT**

6 **SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE**
7 **AGREEMENT.**

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

13 (1) the United States-Morocco Free Trade
14 Agreement entered into on June 15, 2004, with Mo-
15 rocco and submitted to Congress on
16 _____, 2004; and

17 (2) the statement of administrative action pro-
18 posed to implement the Agreement that was sub-
19 mitted to Congress on _____, 2004.

20 (b) CONDITIONS FOR ENTRY INTO FORCE OF THE
21 AGREEMENT.—At such time as the President determines
22 that Morocco has taken measures necessary to bring it
23 into compliance with those provisions of the Agreement
24 that are to take effect on the date on which the Agreement
25 enters into force, the President is authorized to exchange

1 notes with the Government of Morocco providing for the
2 entry into force, on or after January 1, 2005, of the
3 Agreement with respect to the United States.

4 **SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED**
5 **STATES AND STATE LAW.**

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

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

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

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

17 (B) to limit any authority conferred under
18 any law of the United States,

19 unless specifically provided for in this Act.

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

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

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

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

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

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

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

13 (1) shall have any cause of action or defense
 14 under the Agreement or by virtue of congressional
 15 approval thereof; or

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

22 **SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF**
 23 **ENTRY INTO FORCE AND INITIAL REGULA-**
 24 **TIONS.**

25 (a) IMPLEMENTING ACTIONS.—

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

3 (A) the President may proclaim such ac-
4 tions, and

5 (B) other appropriate officers of the
6 United States Government may issue such reg-
7 ulations,

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

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

22 (3) WAIVER OF 15-DAY RESTRICTION.—The 15-
23 day restriction in paragraph (2) on the taking effect
24 of proclaimed actions is waived to the extent that
25 the application of such restriction would prevent the

1 taking effect on the date the Agreement enters into
 2 force of any action proclaimed under this section.

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

15 **SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR,**
 16 **AND EFFECTIVE DATE OF, PROCLAIMED AC-**
 17 **TIONS.**

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

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

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

4 (B) the United States International Trade
 5 Commission;

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

10 (A) the action proposed to be proclaimed
 11 and the reasons therefor; and

12 (B) the advice obtained under paragraph
 13 (1);

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

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

21 **SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PRO-**
 22 **CEEDINGS.**

23 (a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—
 24 The President is authorized to establish or designate with-
 25 in the Department of Commerce an office that shall be

1 responsible for providing administrative assistance to pan-
 2 els established under chapter 20 of the Agreement. The
 3 office may not be considered to be an agency for purposes
 4 of section 552 of title 5, United States Code.

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

12 **SEC. 106. ARBITRATION OF CLAIMS.**

13 The United States is authorized to resolve any claim
 14 against the United States covered by article
 15 10.15.1(a)(i)(C) or article 10.15.1(b)(i)(C) of the Agree-
 16 ment, pursuant to the Investor-State Dispute Settlement
 17 procedures set forth in section B of chapter 10 of the
 18 Agreement.

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

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

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

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

5 **TITLE II—CUSTOMS PROVISIONS**

6 **SEC. 201. TARIFF MODIFICATIONS.**

7 (a) TARIFF MODIFICATIONS PROVIDED FOR IN THE
8 AGREEMENT.—

9 (1) PROCLAMATION AUTHORITY.—The Presi-
10 dent may proclaim—

11 (A) such modifications or continuation of
12 any duty,

13 (B) such continuation of duty-free or ex-
14 cise treatment, or

15 (C) such additional duties,

16 as the President determines to be necessary or ap-
17 propriate to carry out or apply articles 2.3, 2.5, 2.6,
18 4.1, 4.3.9, 4.3.10, 4.3.11, 4.3.13, 4.3.14, and 4.3.15,
19 and Annex IV of the Agreement.

20 (2) EFFECT ON MOROCCAN GSP STATUS.—Not-
21 withstanding section 502(a)(1) of the Trade Act of
22 1974 (19 U.S.C. 2462(a)(1)), the President shall
23 terminate the designation of Morocco as a bene-
24 ficiary developing country for purposes of title V of

1 the Trade Act of 1974 on the date of entry into
2 force of the Agreement.

3 (b) OTHER TARIFF MODIFICATIONS.—Subject to the
4 consultation and layover provisions of section 104, the
5 President may proclaim—

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

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

12 (3) such continuation of duty-free or excise
13 treatment, or

14 (4) such additional duties,
15 as the President determines to be necessary or appropriate
16 to maintain the general level of reciprocal and mutually
17 advantageous concessions with respect to Morocco pro-
18 vided for by the Agreement.

19 (c) CONVERSION TO AD VALOREM RATES.—For pur-
20 poses of subsections (a) and (b), with respect to any good
21 for which the base rate in the Tariff Schedule of the
22 United States to Annex IV of the Agreement is a specific
23 or compound rate of duty, the President may substitute
24 for the base rate an ad valorem rate that the President
25 determines to be equivalent to the base rate.

1 **SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICUL-**
 2 **TURAL GOODS.**

3 (a) DEFINITIONS.—In this section:

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

6 (A) that qualifies as an originating good
 7 under section 203;

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

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

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

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

23 (B) the column 1 general rate of duty that
 24 would have been imposed under the HTS on the
 25 same agricultural safeguard good entered, with-

1 out a claim for preferential tariff treatment, on
2 December 31, 2004.

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

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

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

17 (6) UNIT IMPORT PRICE.—The “unit import
18 price” of a good means the price of the good deter-
19 mined on the basis of the F.O.B. import price of the
20 good, expressed in either dollars per kilogram or dol-
21 lars per liter, whichever unit of measure is indicated
22 for the good in the U.S. Agricultural Safeguard List
23 set forth in Annex 3–A of the Agreement.

24 (b) ADDITIONAL DUTIES ON AGRICULTURAL SAFE-
25 GUARD GOODS.—

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

10 (2) CALCULATION OF ADDITIONAL DUTY.—The
 11 additional duty assessed under this subsection on an
 12 agricultural safeguard good shall be an amount de-
 13 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.

14 (3) EXCEPTIONS.—No additional duty shall be
 15 assessed on a good under this subsection if, at the
 16 time of entry, the good is subject to import relief
 17 under—

18 (A) subtitle A of title III of this Act; or
 19 (B) chapter 1 of title II of the Trade Act
 20 of 1974 (19 U.S.C. 2251 et seq.).

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

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

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

19 **SEC. 203. RULES OF ORIGIN.**

20 (a) APPLICATION AND INTERPRETATION.—In this
 21 section:

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

24 (2) REFERENCE TO HTS.—Whenever in this
 25 section there is a reference to a heading or sub-

1 heading, such reference shall be a reference to a
2 heading or subheading of the HTS.

3 (b) ORIGINATING GOODS.—

4 (1) IN GENERAL.—For purposes of this Act
5 and for purposes of implementing the preferential
6 tariff treatment provided for under the Agreement,
7 a good is an originating good if—

8 (A) the good is imported directly—

9 (i) from the territory of Morocco into
10 the territory of the United States; or

11 (ii) from the territory of the United
12 States into the territory of Morocco; and

13 (B)(i) the good is a good wholly the
14 growth, product, or manufacture of Morocco or
15 the United States, or both;

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

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

24 (II)(aa) each of the nonoriginating mate-
25 rials used in the production of the good under-

goes an applicable change in tariff classification specified in such Annex as a result of production occurring entirely in the territory of Morocco or the United States, or both; or

(bb) the good otherwise satisfies the requirements specified in such Annex; and

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

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

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

(B) the direct costs of processing operations performed in the territory of Morocco or the United States, or both,

is not less than 35 percent of the appraised value of the good at the time the good is entered into the territory of the United States.

(c) CUMULATION.—

(1) ORIGINATING GOOD OR MATERIAL INCORPORATED INTO GOODS OF OTHER COUNTRY.—An originating good or a material produced in the territory of Morocco or the United States, or both, that

1 is incorporated into a good in the territory of the
 2 other country shall be considered to originate in the
 3 territory of the other country.

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

10 (d) VALUE OF MATERIALS.—

11 (1) IN GENERAL.—Except as provided in para-
 12 graph (2), the value of a material produced in the
 13 territory of Morocco or the United States, or both,
 14 includes the following:

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

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

22 (C) The cost of waste or spoilage resulting
 23 from the use of the material in the growth, pro-
 24 duction, or manufacture of the good, less the
 25 value of recoverable scrap.

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

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

14 (A) All expenses incurred in the growth,
15 production, or manufacture of the material, in-
16 cluding general expenses.

17 (B) A reasonable amount for profit.

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

21 (e) PACKAGING AND PACKING MATERIALS AND CON-
22 TAINERS FOR RETAIL SALE AND FOR SHIPMENT.—Pack-
23 aging and packing materials and containers for retail sale
24 and shipment shall be disregarded in determining whether
25 a good qualifies as an originating good, except to the ex-

1 tent that the value of such packaging and packing mate-
2 rials and containers have been included in meeting the re-
3 quirements set forth in subsection (b)(2).

4 (f) INDIRECT MATERIALS.—Indirect materials shall
5 be disregarded in determining whether a good qualifies as
6 an originating good, except that the cost of such indirect
7 materials may be included in meeting the requirements set
8 forth in subsection (b)(2).

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

18 (h) TEXTILE AND APPAREL GOODS.—

19 (1) DE MINIMIS AMOUNTS OF NONORIGINATING
20 MATERIALS.—

21 (A) IN GENERAL.—Except as provided in
22 subparagraph (B), a textile or apparel good
23 that is not an originating good because certain
24 fibers or yarns used in the production of the
25 component of the good that determines the tar-

iff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4–A of the Agreement shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

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

(C) YARN, FABRIC, OR GROUP OF FIBERS.—For purposes of this paragraph, in the case of a textile or apparel good that is a yarn, fabric, or group of fibers, the term “component of the good that determines the tariff classification of the good” means all of the fibers in the yarn, fabric, or group of fibers.

(2) GOODS PUT UP IN SETS FOR RETAIL SALE.—Notwithstanding the rules set forth in Annex 4–A of the Agreement, textile or apparel goods classifiable as goods put up in sets for retail sale as pro-

1 vided for in General Rule of Interpretation 3 of the
2 HTS shall not be considered to be originating goods
3 unless each of the goods in the set is an originating
4 good or the total value of the nonoriginating goods
5 in the set does not exceed 10 percent of the value
6 of the set determined for purposes of assessing cus-
7 toms duties.

8 (i) DEFINITIONS.—In this section:

9 (1) DIRECT COSTS OF PROCESSING OPER-
10 ATIONS.—

11 (A) IN GENERAL.—The term “direct costs
12 of processing operations”, with respect to a
13 good, includes, to the extent they are includable
14 in the appraised value of the good when im-
15 ported into Morocco or the United States, as
16 the case may be, the following:

17 (i) All actual labor costs involved in
18 the growth, production, or manufacture of
19 the good, including fringe benefits, on-the-
20 job training, and the costs of engineering,
21 supervisory, quality control, and similar
22 personnel.

23 (ii) Tools, dies, molds, and other indi-
24 rect materials, and depreciation on ma-

1 chinery and equipment that are allocable
2 to the good.

3 (iii) Research, development, design,
4 engineering, and blueprint costs, to the ex-
5 tent that they are allocable to the good.

6 (iv) Costs of inspecting and testing
7 the good.

8 (v) Costs of packaging the good for
9 export to the territory of the other country.

10 (B) EXCEPTIONS.—The term “direct costs
11 of processing operations” does not include costs
12 that are not directly attributable to a good or
13 are not costs of growth, production, or manu-
14 facture of the good, such as—

15 (i) profit; and

16 (ii) general expenses of doing business
17 that are either not allocable to the good or
18 are not related to the growth, production,
19 or manufacture of the good, such as ad-
20 ministrative salaries, casualty and liability
21 insurance, advertising, and sales staff sala-
22 ries, commissions, or expenses.

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

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

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

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

11 (C) a live animal born and raised in the
12 territory of Morocco or the United States, or
13 both;

14 (D) a good obtained from live animals
15 raised in the territory of Morocco or the United
16 States, or both;

17 (E) a good obtained from hunting, trap-
18 ping, or fishing in the territory of Morocco or
19 the United States, or both;

20 (F) a good (fish, shellfish, and other ma-
21 rine life) taken from the sea by vessels reg-
22 istered or recorded with Morocco or the United
23 States and flying the flag of that country;

24 (G) a good produced from goods referred
25 to in subparagraph (F) on board factory ships

1 registered or recorded with Morocco or the
2 United States and flying the flag of that coun-
3 try;

4 (H) a good taken by Morocco or the
5 United States or a person of Morocco or the
6 United States from the seabed or beneath the
7 seabed outside territorial waters, if Morocco or
8 the United States has rights to exploit such
9 seabed;

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

16 (J) waste and scrap derived from—

17 (i) production or manufacture in the
18 territory of Morocco or the United States,
19 or both; or

20 (ii) used goods collected in the terri-
21 tory of Morocco or the United States, or
22 both, if such goods are fit only for the re-
23 covery of raw materials;

24 (K) a recovered good derived in the terri-
25 tory of Morocco or the United States from used

goods and utilized in the territory of that country in the production of remanufactured goods; and

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

(i) from goods referred to in subparagraphs (A) through (J), or

(ii) from the derivatives of goods referred to in clause (i),

at any stage of production.

(4) INDIRECT MATERIAL.—The term “indirect material” means a good used in the growth, production, manufacture, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the growth, production, or manufacture of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

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

(D) lubricants, greases, compounding materials, and other materials used in the growth,

1 production, or manufacture of a good or used
 2 to operate equipment and buildings;

3 (E) gloves, glasses, footwear, clothing,
 4 safety equipment, and supplies;

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

7 (G) catalysts and solvents; and

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

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

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

22 The term “material produced in the territory of Mo-
 23 rocco or the United States, or both” means a good
 24 that is either wholly the growth, product, or manu-
 25 facture of Morocco, the United States, or both, or a

1 new or different article of commerce that has been
 2 grown, produced, or manufactured in the territory of
 3 Morocco or the United States, or both.

4 (7) NEW OR DIFFERENT ARTICLE OF COM-
 5 MERCE.—

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

9 (i) has been substantially transformed
 10 from a good or material that is not wholly
 11 the growth, product, or manufacture of
 12 Morocco, the United States, or both; and

13 (ii) has a new name, character, or use
 14 distinct from the good or material from
 15 which it was transformed.

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

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

1 (A) the complete disassembly of used goods
2 into individual parts; and

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

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

10 (A) is entirely or partially comprised of re-
11 covered goods;

12 (B) has a similar life expectancy to, and
13 meets similar performance standards as, a like
14 good that is new; and

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

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

24 (11) SUBSTANTIALLY TRANSFORMED.—The
25 term “substantially transformed” means, with re-

1 spect to a good or material, changed as the result
2 of a manufacturing or processing operation so
3 that—

4 (A)(i) the good or material is converted
5 from a good that has multiple uses into a good
6 or material that has limited uses;

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

9 (iii) the operation undergone by the good
10 or material is complex by reason of the number
11 of processes and materials involved and the
12 time and level of skill required to perform those
13 processes; and

14 (B) the good or material loses its separate
15 identity in the manufacturing or processing op-
16 eration.

17 (j) PRESIDENTIAL PROCLAMATION AUTHORITY.—

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

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

22 (B) any additional subordinate category
23 necessary to carry out this title consistent with
24 the Agreement.

25 (2) MODIFICATIONS.—

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

8 (B) ADDITIONAL PROCLAMATIONS.—Not-
9 withstanding subparagraph (A), and subject to
10 the consultation and layover provisions of sec-
11 tion 104, the President may proclaim—

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

17 (ii) before the end of the 1-year period
18 beginning on the date of the enactment of
19 this Act, modifications to correct any typo-
20 graphical, clerical, or other nonsubstantive
21 technical error regarding the provisions of
22 chapters 50 through 63 of the HTS, as in-
23 cluded in Annex 4–A of the Agreement.

1 **SEC. 204. ENFORCEMENT RELATING TO TRADE IN TEXTILE**
2 **AND APPAREL GOODS.**

3 (a) ACTION DURING VERIFICATION.—

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

12 (2) DETERMINATION.—A determination under
13 this paragraph is a determination—

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

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

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

24 (ii) is a good of Morocco,
25 is accurate.

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

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

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

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

1 (d) APPROPRIATE ACTION DESCRIBED.—Appro-
2 piate action referred to in subsection (c) includes—

3 (1) publication of the name and address of the
4 person that is the subject of the verification;

5 (2) denial of preferential tariff treatment under
6 the Agreement to—

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

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

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

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

23 (B) a textile or apparel good for which a
24 claim has been made that is the subject of a
25 verification referred to in subsection (a)(1) re-

1 garding a claim described in subsection
2 (a)(2)(B).

3 **SEC. 205. REGULATIONS.**

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

6 (1) subsections (a) through (i) of section 203;

7 (2) amendments to existing law made by the
8 subsections referred to in paragraph (1); and

9 (3) proclamations issued under section 203(j).

10 **TITLE III—RELIEF FROM**
11 **IMPORTS**

12 **SEC. 301. DEFINITIONS.**

13 In this title:

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

19 (2) **MOROCCAN TEXTILE OR APPAREL ARTI-**
20 **CLE.**—The term “Moroccan textile or apparel arti-
21 cle” means an article that—

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

1 (B) is a Moroccan article.

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

5 **Subtitle A—Relief From Imports** 6 **Benefiting From the Agreement**

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

8 (a) FILING OF PETITION.—

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

18 (2) PROVISIONAL RELIEF.—An entity filing a
19 petition under this subsection may request that pro-
20 visional relief be provided as if the petition had been
21 filed under section 202(a) of the Trade Act of 1974
22 (19 U.S.C. 2252(a)).

23 (3) CRITICAL CIRCUMSTANCES.—Any allegation
24 that critical circumstances exist shall be included in
25 the petition.

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

13 (c) APPLICABLE PROVISIONS.—The following provi-
 14 sions of section 202 of the Trade Act of 1974 (19 U.S.C.
 15 2252) apply with respect to any investigation initiated
 16 under subsection (b):

17 (1) Paragraphs (1)(B) and (3) of subsection
 18 (b).

19 (2) Subsection (c).

20 (3) Subsection (d).

21 (4) Subsection (i).

22 (d) ARTICLES EXEMPT FROM INVESTIGATION.—No
 23 investigation may be initiated under this section with re-
 24 spect to any Moroccan article if, after the date on which
 25 the Agreement enters into force, import relief has been

1 provided with respect to that Moroccan article under this
2 subtitle.

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

4 (a) DETERMINATION.—Not later than 120 days (180
5 days if critical circumstances have been alleged) after the
6 date on which an investigation is initiated under section
7 311(b) with respect to a petition, the Commission shall
8 make the determination required under that section.

9 (b) 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) (1), (2), and (3)) shall be applied with respect
13 to determinations and findings made under this section
14 as if such determinations and findings were made under
15 section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

16 (c) ADDITIONAL FINDING AND RECOMMENDATION IF
17 DETERMINATION AFFIRMATIVE.—If the determination
18 made by the Commission under subsection (a) with respect
19 to imports of an article is affirmative, or if the President
20 may consider a determination of the Commission to be an
21 affirmative determination as provided for under paragraph
22 (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C.
23 1330(d)), the Commission shall find, and recommend to
24 the President in the report required under subsection (d),
25 the amount of import relief that is necessary to remedy

1 or prevent the injury found by the Commission in the de-
2 termination and to facilitate the efforts of the domestic
3 industry to make a positive adjustment to import competi-
4 tion. The import relief recommended by the Commission
5 under this subsection shall be limited to that described in
6 section 313(c). Only those members of the Commission
7 who voted in the affirmative under subsection (a) are eligi-
8 ble to vote on the proposed action to remedy or prevent
9 the injury found by the Commission. Members of the Com-
10 mission who did not vote in the affirmative may submit,
11 in the report required under subsection (d), separate views
12 regarding what action, if any, should be taken to remedy
13 or prevent the injury.

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

19 (1) the determination made under subsection
20 (a) and an explanation of the basis for the deter-
21 mination;

22 (2) if the determination under subsection (a) is
23 affirmative, any findings and recommendations for
24 import relief made under subsection (c) and an ex-
25 planation of the basis for each recommendation; and

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

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

11 **SEC. 313. PROVISION OF RELIEF.**

12 (a) IN GENERAL.—Not later than the date that is
13 30 days after the date on which the President receives the
14 report of the Commission in which the Commission's de-
15 termination under section 312(a) is affirmative, or which
16 contains a determination under section 312(a) that the
17 President considers to be affirmative under paragraph (1)
18 of section 330(d) of the Tariff Act of 1930 (19 U.S.C.
19 1330(d)(1)), the President, subject to subsection (b), shall
20 provide relief from imports of the article that is the subject
21 of such determination to the extent that the President de-
22 termines necessary to remedy or prevent the injury found
23 by the Commission and to facilitate the efforts of the do-
24 mestic industry to make a positive adjustment to import
25 competition.

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

5 (c) NATURE OF RELIEF.—

6 (1) IN GENERAL.—The import relief (including
 7 provisional relief) that the President is authorized to
 8 provide under this section with respect to imports of
 9 an article is as follows:

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

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

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

19 (ii) the column 1 general rate of duty
 20 imposed under the HTS on like articles on
 21 the day before the date on which the
 22 Agreement enters into force.

23 (C) In the case of a duty applied on a sea-
 24 sonal basis to such article, an increase in the

1 rate of duty imposed on the article to a level
 2 that does not exceed the lesser of—

3 (i) the column 1 general rate of duty
 4 imposed under the HTS on like articles for
 5 the immediately preceding corresponding
 6 season; or

7 (ii) the column 1 general rate of duty
 8 imposed under the HTS on like articles on
 9 the day before the date on which the
 10 Agreement enters into force.

11 (2) PROGRESSIVE LIBERALIZATION.—If the pe-
 12 riod for which import relief is provided under this
 13 section is greater than 1 year, the President shall
 14 provide for the progressive liberalization of such re-
 15 lief at regular intervals during the period in which
 16 the relief is in effect.

17 (d) PERIOD OF RELIEF.—

18 (1) IN GENERAL.—Subject to paragraph (2),
 19 any import relief that the President provides under
 20 this section may not be in effect for more than 3
 21 years.

22 (2) EXTENSION.—

23 (A) IN GENERAL.—Subject to subpara-
 24 graph (C), the President, after receiving an af-
 25 firmative determination from the Commission

1 under subparagraph (B), may extend the effective period of any import relief provided under
2 this section if the President determines that—
3

4 (i) the import relief continues to be
5 necessary to remedy or prevent serious injury
6 and to facilitate adjustment by the domestic industry to import competition; and
7

8 (ii) there is evidence that the industry
9 is making a positive adjustment to import
10 competition.

11 (B) ACTION BY COMMISSION.—(i) Upon a
12 petition on behalf of the industry concerned
13 that is filed with the Commission not earlier
14 than the date which is 9 months, and not later
15 than the date which is 6 months, before the
16 date any action taken under subsection (a) is to
17 terminate, the Commission shall conduct an investigation to determine whether action under
18 this section continues to be necessary to remedy
19 or prevent serious injury and to facilitate adjustment by the domestic industry to import
20 competition and whether there is evidence that
21 the industry is making a positive adjustment to
22 import competition.
23
24

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

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

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

21 (e) RATE AFTER TERMINATION OF IMPORT RE-
22 LIEF.—When import relief under this section is termi-
23 nated with respect to an article, the rate of duty on that
24 article shall be the rate that would have been in effect,

1 but for the provision of such relief, on the date on which
2 the relief terminates.

3 (f) ARTICLES EXEMPT FROM RELIEF.—No import
4 relief may be provided under this section on any article
5 that—

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

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

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

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

18 (b) PRESIDENTIAL DETERMINATION.—Import relief
19 may be provided under this subtitle in the case of a Moroc-
20 can article after the date on which such relief would, but
21 for this subsection, terminate under subsection (a), if the
22 President determines that Morocco has consented to such
23 relief.

1 **SEC. 315. 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 313 shall be treated as action taken
 5 under chapter 1 of title II of such Act.

6 **SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.**

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

9 (1) by striking “and”; and

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

13 **Subtitle B—Textile and Apparel**
 14 **Safeguard Measures**

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

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

23 (b) PUBLICATION OF REQUEST.—If the President de-
 24 termines that the request under subsection (a) provides
 25 the information necessary for the request to be considered,
 26 the President shall cause to be published in the Federal

1 Register a notice of commencement of consideration of the
 2 request, and notice seeking public comments regarding the
 3 request. The notice shall include a summary of the request
 4 and the dates by which comments and rebuttals must be
 5 received.

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

7 (a) DETERMINATION.—

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

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

21 (A) shall examine the effect of increased
 22 imports on the domestic industry, as reflected
 23 in changes in such relevant economic factors as
 24 output, productivity, utilization of capacity, in-
 25 ventories, market share, exports, wages, em-

1 ployment, domestic prices, profits, and invest-
2 ment, none of which is necessarily decisive; and

3 (B) shall not consider changes in tech-
4 nology or consumer preference as factors sup-
5 porting a determination of serious damage or
6 actual threat thereof.

7 (b) PROVISION OF RELIEF.—

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

16 (2) NATURE OF RELIEF.—The relief that the
17 President is authorized to provide under this sub-
18 section with respect to imports of an article is an in-
19 crease in the rate of duty imposed on the article to
20 a level that does not exceed the lesser of—

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

24 (B) the column 1 general rate of duty im-
25 posed under the HTS on like articles on the

1 day before the date on which the Agreement en-
2 ters into force.

3 **SEC. 323. PERIOD OF RELIEF.**

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

8 (b) EXTENSION.—

9 (1) IN GENERAL.—Subject to paragraph (2),
10 the President may extend the effective period of any
11 import relief provided under this subtitle for a pe-
12 riod of not more than 2 years, if the President de-
13 termines that—

14 (A) the import relief continues to be nec-
15 essary to remedy or prevent serious damage
16 and to facilitate adjustment by the domestic in-
17 dustry to import competition; and

18 (B) there is evidence that the industry is
19 making a positive adjustment to import com-
20 petition.

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

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

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

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

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

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

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

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

16 No import relief may be provided under this subtitle
17 with respect to any article after the date that is 10 years
18 after the date on which duties on the article are eliminated
19 pursuant to the Agreement.

20 **SEC. 327. COMPENSATION AUTHORITY.**

21 For purposes of section 123 of the Trade Act of 1974
22 (19 U.S.C. 2133), any import relief provided by the Presi-
23 dent under this subtitle shall be treated as action taken
24 under chapter 1 of title II of such Act.

1 **SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.**

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

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S. 2677

A BILL

To implement the United States-Morocco Free
Trade Agreement.

JULY 20, 2004

Reported without amendment