AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

I

114TH CONGRESS
1ST SESSION

H. R. 2659

To authorize preferential treatment for certain imports from Nepal.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2015

Mr. CRENSHAW (for himself and Mr. POLIS) introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To authorize preferential treatment for certain imports from Nepal.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Nepal Trade Preferences Act''.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that it should be an objective of the United States to use trade policies and trade agreements to contribute to the reduction of poverty and the elimination of hunger.

SEC. 3. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—The President may authorize the provision of preferential treatment under this Act to articles that are imported directly from Nepal into the customs territory of the United States pursuant to section 4 if the President determines—

(1) that Nepal meets the requirements set forth in paragraphs (1), (2), and (3) of section 104(a) of the African Growth and Opportunity Act (19 U.S.C. 3703(a)); and

(2) after taking into account the factors set forth in paragraphs (1) through (7) of subsection (c) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462), that Nepal meets the eligibility requirements of such section 502.

(b) WITHDRAWAL, SUSPENSION, OR LIMITATION OF PREFERENTIAL TREATMENT; MANDATORY GRADUATION.—The provisions of subsections (d) and (e) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462) shall apply with respect to Nepal to the same extent and in the same manner as such provisions apply with respect to beneficiary developing countries under title V of that Act (19 U.S.C. 2461 et seq.).

SEC. 4. ELIGIBLE ARTICLES.

(a) IN GENERAL.—An article described in subsection (b) may enter the customs territory of the United States free of duty.

(b) ARTICLES DESCRIBED.—

(1) IN GENERAL.—An article is described in this subsection if—

(A)(i) the article is the growth, product, or manufacture of Nepal; and

(ii) in the case of a textile or apparel article, Nepal is the country of origin of the article, as determined under section 102.21 of title 19, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act);

(B) the article is imported directly from Nepal into the customs territory of the United States;

(C) the article is classified under any of the following subheadings of the Harmonized Tariff Schedule of the United States (as in effect on the day before the date of the enactment of this Act):

4202.11.00	4202.22.60	4202.92.08
4202.12.20	4202.22.70	4202.92.15
4202.12.40	4202.22.80	4202.92.20
4202.12.60	4202.29.50	4202.92.30
4202.12.80	4202.29.90	4202.92.45
4202.21.60	4202.31.60	4202.92.60

4202.21.90	4202.32.40	4202.92.90
4202.22.15	4202.32.80	4202.99.90
4202.22.40	4202.32.95	4203.29.50
4202.22.45	4202.91.00	
5701.10.90	5702.91.30	5703.10.80
5702.31.20	5702.91.40	5703.90.00
5702.49.20	5702.92.90	5705.00.20
5702.50.40	5702.99.15	
5702.50.59	5703.10.20	
6117.10.60	6214.20.00	6217.10.85
6117.80.85	6214.40.00	6301.90.00
6214.10.10	6214.90.00	6308.00.00
6214.10.20	6216.00.80	
6504.00.90	6505.00.30	6505.00.90
6505.00.08	6505.00.40	6506.99.30
6505.00.15	6505.00.50	6506.99.60
6505.00.20	6505.00.60	
6505.00.25	6505.00.80	

(D) the President determines, after receiving the advice of the United States International Trade Commission in accordance with section 503(e) of the Trade Act of 1974 (19 U.S.C. 2463(e)), that the article is not import-sensitive in the context of imports from Nepal; and

(E) subject to paragraph (3), the sum of the cost or value of the materials produced in, and the direct costs of processing operations performed in, Nepal or the customs territory of the United States is not less than 35 percent of the appraised value of the article at the time it is entered.

(2) EXCLUSIONS.—An article shall not be treated as the growth, product, or manufacture of Nepal

for purposes of paragraph (1)(A)(i) by virtue of having merely undergone—

(A) simple combining or packaging operations; or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(3) LIMITATION ON UNITED STATES COST.—For purposes of paragraph (1)(E), the cost or value of materials produced in, and the direct costs of processing operations performed in, the customs territory of the United States and attributed to the 35-percent requirement under that paragraph may not exceed 15 percent of the appraised value of the article at the time it is entered.

(c) VERIFICATION WITH RESPECT TO TRANSSHIPMENT FOR TEXTILE AND APPAREL ARTICLES.—

(1) IN GENERAL.—Not later than April 1, July 1, October 1, and January 1 of each year, the Commissioner responsible for U.S. Customs and Border Protection shall verify that textile and apparel articles imported from Nepal to which preferential treatment is extended under this Act are not being unlawfully transshipped into the United States.

(2) REPORT TO PRESIDENT.—If the Commissioner determines pursuant to paragraph (1) that textile and apparel articles imported from Nepal to which preferential treatment is extended under this Act are being unlawfully transshipped into the United States, the Commissioner shall report that determination to the President.

SEC. 5. TRADE FACILITATION AND CAPACITY BUILDING.

(a) FINDINGS.—Congress makes the following findings:

(1) As a land-locked least-developed country, Nepal has severe challenges reaching markets and developing capacity to export goods. As of 2015, exports from Nepal are approximately $800,000,000 per year, with India the major market at $450,000,000 annually. The United States imports about $80,000,000 worth of goods from Nepal, or 10 percent of the total goods exported from Nepal.

(2) The World Bank has found evidence that the overall export competitiveness of Nepal has been declining since 2005. Indices compiled by the World Bank and the Organization for Economic Co-operation and Development found that export costs in Nepal are high with respect to both air cargo and container shipments relative to other low-income

countries. Such indices also identify particular weaknesses in Nepal with respect to automation of customs and other trade functions, involvement of local exporters and importers in preparing regulations and trade rules, and export finance.

(3) Implementation by Nepal of the Agreement on Trade Facilitation of the World Trade Organization could directly address some of the weaknesses described in paragraph (2).

(b) ESTABLISHMENT OF TRADE FACILITATION AND CAPACITY BUILDING PROGRAM.—Not later than 180 days after the date of the enactment of this Act, the President shall, in consultation with the Government of Nepal, establish a trade facilitation and capacity building program for Nepal—

(1) to enhance the central export promotion agency of Nepal to support successful exporters and to build awareness among potential exporters in Nepal about opportunities abroad and ways to manage trade documentation and regulations in the United States and other countries;

(2) to provide export finance training for financial institutions in Nepal and the Government of Nepal;

(3) to assist the Government of Nepal in maintaining publication of all trade regulations, forms for exporters and importers, tax and tariff rates, and other documentation relating to exporting goods on the Internet and developing a robust public-private dialogue, through its National Trade Facilitation Committee, for Nepal to identify timelines for implementation of key reforms and solutions, as provided for under the Agreement on Trade Facilitation of the World Trade Organization; and

(4) to increase access to guides for importers and exporters on the Internet, including rules and documentation for United States tariff preference programs.

SEC. 6. REPORTING REQUIREMENT.

Not later than one year after the date of the enactment of this Act, and annually thereafter, the President shall monitor, review, and report to Congress on the implementation of this Act, the compliance of Nepal with section 3(a), and the trade and investment policy of the United States with respect to Nepal.

SEC. 7. TERMINATION OF PREFERENTIAL TREATMENT.

No preferential treatment extended under this Act shall remain in effect after December 31, 2025.

SEC. 8. EFFECTIVE DATE.

The provisions of this Act shall take effect on January 1, 2016.

○