

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.

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.**

4 This Act may be cited as the “Nepal Trade Pref-
5 erences Act”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that it should be an objec-
8 tive of the United States to use trade policies and trade
9 agreements to contribute to the reduction of poverty and
10 the elimination of hunger.

1 **SEC. 3. ELIGIBILITY REQUIREMENTS.**

2 (a) IN GENERAL.—The President may authorize the
3 provision of preferential treatment under this Act to arti-
4 cles that are imported directly from Nepal into the cus-
5 toms territory of the United States pursuant to section
6 4 if the President determines—

7 (1) that Nepal meets the requirements set forth
8 in paragraphs (1), (2), and (3) of section 104(a) of
9 the African Growth and Opportunity Act (19 U.S.C.
10 3703(a)); and

11 (2) after taking into account the factors set
12 forth in paragraphs (1) through (7) of subsection (c)
13 of section 502 of the Trade Act of 1974 (19 U.S.C.
14 2462), that Nepal meets the eligibility requirements
15 of such section 502.

16 (b) WITHDRAWAL, SUSPENSION, OR LIMITATION OF
17 PREFERENTIAL TREATMENT; MANDATORY GRADUA-
18 TION.—The provisions of subsections (d) and (e) of sec-
19 tion 502 of the Trade Act of 1974 (19 U.S.C. 2462) shall
20 apply with respect to Nepal to the same extent and in the
21 same manner as such provisions apply with respect to ben-
22 efiary developing countries under title V of that Act (19
23 U.S.C. 2461 et seq.).

1 **SEC. 4. ELIGIBLE ARTICLES.**

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

5 (b) ARTICLES DESCRIBED.—

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

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

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

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

19 (C) the article is classified under any of
20 the following subheadings of the Harmonized
21 Tariff Schedule of the United States (as in ef-
22 fect on the day before the date of the enact-
23 ment 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	

1 (D) the President determines, after receiv-
2 ing the advice of the United States Inter-
3 national Trade Commission in accordance with
4 section 503(e) of the Trade Act of 1974 (19
5 U.S.C. 2463(e)), that the article is not import-
6 sensitive in the context of imports from Nepal;
7 and

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

15 (2) EXCLUSIONS.—An article shall not be treat-
16 ed as the growth, product, or manufacture of Nepal

1 for purposes of paragraph (1)(A)(i) by virtue of hav-
2 ing merely undergone—

3 (A) simple combining or packaging oper-
4 ations; or

5 (B) mere dilution with water or mere dilu-
6 tion with another substance that does not mate-
7 rially alter the characteristics of the article.

8 (3) LIMITATION ON UNITED STATES COST.—

9 For purposes of paragraph (1)(E), the cost or value
10 of materials produced in, and the direct costs of
11 processing operations performed in, the customs ter-
12 ritory of the United States and attributed to the 35-
13 percent requirement under that paragraph may not
14 exceed 15 percent of the appraised value of the arti-
15 cle at the time it is entered.

16 (c) VERIFICATION WITH RESPECT TO TRANS-
17 SHIPMENT FOR TEXTILE AND APPAREL ARTICLES.—

18 (1) IN GENERAL.—Not later than April 1, July
19 1, October 1, and January 1 of each year, the Com-
20 missioner responsible for U.S. Customs and Border
21 Protection shall verify that textile and apparel arti-
22 cles imported from Nepal to which preferential treat-
23 ment is extended under this Act are not being un-
24 lawfully transshipped into the United States.

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

8 **SEC. 5. TRADE FACILITATION AND CAPACITY BUILDING.**

9 (a) FINDINGS.—Congress makes the following find-
10 ings:

11 (1) As a land-locked least-developed country,
12 Nepal has severe challenges reaching markets and
13 developing capacity to export goods. As of 2015, ex-
14 ports from Nepal are approximately \$800,000,000
15 per year, with India the major market at
16 \$450,000,000 annually. The United States imports
17 about \$80,000,000 worth of goods from Nepal, or
18 10 percent of the total goods exported from Nepal.

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

1 countries. Such indices also identify particular weak-
2 nesses in Nepal with respect to automation of cus-
3 toms and other trade functions, involvement of local
4 exporters and importers in preparing regulations
5 and trade rules, and export finance.

6 (3) Implementation by Nepal of the Agreement
7 on Trade Facilitation of the World Trade Organiza-
8 tion could directly address some of the weaknesses
9 described in paragraph (2).

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

16 (1) to enhance the central export promotion
17 agency of Nepal to support successful exporters and
18 to build awareness among potential exporters in
19 Nepal about opportunities abroad and ways to man-
20 age trade documentation and regulations in the
21 United States and other countries;

22 (2) to provide export finance training for finan-
23 cial institutions in Nepal and the Government of
24 Nepal;

1 (3) to assist the Government of Nepal in main-
2 taining publication of all trade regulations, forms for
3 exporters and importers, tax and tariff rates, and
4 other documentation relating to exporting goods on
5 the Internet and developing a robust public-private
6 dialogue, through its National Trade Facilitation
7 Committee, for Nepal to identify timelines for imple-
8 mentation of key reforms and solutions, as provided
9 for under the Agreement on Trade Facilitation of
10 the World Trade Organization; and

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

15 **SEC. 6. REPORTING REQUIREMENT.**

16 Not later than one year after the date of the enact-
17 ment of this Act, and annually thereafter, the President
18 shall monitor, review, and report to Congress on the imple-
19 mentation of this Act, the compliance of Nepal with sec-
20 tion 3(a), and the trade and investment policy of the
21 United States with respect to Nepal.

22 **SEC. 7. TERMINATION OF PREFERENTIAL TREATMENT.**

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

1 **SEC. 8. EFFECTIVE DATE.**

2 The provisions of this Act shall take effect on Janu-
3 ary 1, 2016.

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