

provide tax incentives for the production of renewable energy and energy conservation.

AMENDMENT NO. 4481

At the request of Mr. BAUCUS, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of amendment No. 4481 intended to be proposed to H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

AMENDMENT NO. 4484

At the request of Mr. HARKIN, his name was added as a cosponsor of amendment No. 4484 intended to be proposed to H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

At the request of Mr. CORNYN, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of amendment No. 4484 intended to be proposed to H.R. 3221, *supra*.

AMENDMENT NO. 4489

At the request of Mr. DODD, the names of the Senator from Wisconsin (Mr. KOHL) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of amendment No. 4489 intended to be proposed to H.R. 3221, moving the United States toward greater energy independence and security, developing innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REID (for himself, Mr. GRASSLEY, and Mr. MCCONNELL) (by request):

S. 2830. A bill to implement the United States-Colombia Trade Promotion Agreement; to the Committee on Finance pursuant to section 2103(c) of Public Law 107-210.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2830

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “United States-Colombia Trade Promotion Agreement Implementation Act”.

(b) TABLE OF CONTENTS.—The table of contents for 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. Customs user fees.
- Sec. 205. Disclosure of incorrect information; false certifications of origin; denial of preferential tariff treatment.
- Sec. 206. Reliquidation of entries.
- Sec. 207. Recordkeeping requirements.
- Sec. 208. Enforcement relating to trade in textile or apparel goods.
- Sec. 209. 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. Confidential business information.
- Subtitle C—Cases Under Title II of the Trade Act of 1974
- Sec. 331. Findings and action on goods of Colombia.

TITLE IV—PROCUREMENT

- Sec. 401. Eligible products.

TITLE V—OFFSETS

- Sec. 501. Customs user fees.
- Sec. 502. Time for payment of corporate estimated taxes.

SEC. 2. PURPOSES.

The purposes of this Act are—

- (1) to approve and implement the free trade agreement between the United States and Colombia entered into under the authority of

section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States and Colombia for their mutual benefit;

(3) to establish free trade between the United States and Colombia through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of the Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGREEMENT.—The term “Agreement” means the United States-Colombia Trade Promotion Agreement approved by Congress under section 101(a)(1).

(2) COMMISSION.—The term “Commission” means the United States International Trade Commission.

(3) HTS.—The term “HTS” means the Harmonized Tariff Schedule of the United States.

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

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

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

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

(1) the United States-Colombia Trade Promotion Agreement entered into on November 22, 2006, with the Government of Colombia, as amended on June 28, 2007, by the United States and Colombia, and submitted to Congress on April 8, 2008; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on April 8, 2008.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Colombia has taken measures necessary to comply with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Colombia providing for the entry into force, on or after January 1, 2009, of the Agreement with respect to the United States.

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

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

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

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

(A) to amend or modify any law of the United States; or

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

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

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

in an action brought by the United States for the purpose of declaring such law or application invalid.

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

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

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

(c) **EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.**—No person other than the United States—

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

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

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) **IMPLEMENTING ACTIONS.**—

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

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date on which the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date on which the Agreement enters into force.

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

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

(b) **INITIAL REGULATIONS.**—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

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

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

(B) the Commission;

(2) the President has submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that sets forth—

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

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

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

(4) the President has consulted with the committees referred to in paragraph (2) regarding the proposed action during the period referred to in paragraph (3).

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) **ESTABLISHMENT OR DESIGNATION OF OFFICE.**—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 21 of the Agreement. The office shall not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated for each fiscal year after fiscal year 2008 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office established or designated under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 21 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.16.1(a)(i)(C) or article 10.16.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) **EFFECTIVE DATES.**—Except as provided in subsection (b), this Act and the amendments made by this Act take effect on the date on which the Agreement enters into force.

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

(c) **TERMINATION OF THE AGREEMENT.**—On the date on which the Agreement terminates, this Act (other than this subsection) and the amendments made by this Act shall cease to have effect.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

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

(1) **PROCLAMATION AUTHORITY.**—The President may proclaim—

(A) such modifications or continuation of any duty,

(B) such continuation of duty-free or excise treatment, or

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 3.3.13, and Annex 2.3 of the Agreement.

(2) **EFFECT ON GSP STATUS.**—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall, on the date on which the Agreement enters into force, terminate the designation of Colombia as a beneficiary developing country for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.).

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

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with Colombia regarding the staging of any duty treatment set forth in Annex 2.3 of the Agreement,

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

(4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Colombia provided for by the Agreement.

(c) **CONVERSION TO AD VALOREM RATES.**—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States to Annex 2.3 of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

(d) **TARIFF RATE QUOTAS.**—In implementing the tariff rate quotas set forth in Appendix I to the Schedule of the United States to Annex 2.3 of the Agreement, the President shall take such action as may be necessary to ensure that imports of agricultural goods do not disrupt the orderly marketing of commodities in the United States.

SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICULTURAL GOODS.

(a) **DEFINITIONS.**—In this section:

(1) **APPLICABLE NTR (MFN) RATE OF DUTY.**—The term “applicable NTR (MFN) rate of duty” means, with respect to a safeguard good, a rate of duty equal to the lowest of—

(A) the base rate in the Schedule of the United States to Annex 2.3 of the Agreement;

(B) the column 1 general rate of duty that would, on the day before the date on which the Agreement enters into force, apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good; or

(C) the column 1 general rate of duty that would, at the time the additional duty is imposed under subsection (b), apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good.

(2) **SCHEDULE RATE OF DUTY.**—The term “schedule rate of duty” means, with respect to a safeguard good, the rate of duty for that good that is set forth in the Schedule of the United States to Annex 2.3 of the Agreement.

(3) **SAFEGUARD GOOD.**—The term “safeguard good” means a good—

(A) that is included in the Schedule of the United States to Annex 2.18 of the Agreement;

(B) that qualifies as an originating good under section 203, except that operations performed in or material obtained from the United States shall be considered as if the operations were performed in, and the material was obtained from, a country that is not a party to the Agreement; and

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

(b) **ADDITIONAL DUTIES ON SAFEGUARD GOODS.**—

(1) **IN GENERAL.**—In addition to any duty proclaimed under subsection (a) or (b) of section 201, the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (2), on a safeguard good imported into the United States in a calendar year if the Secretary determines that, prior to such importation, the total volume of that safeguard good that is imported into the United States in that calendar year exceeds 140 percent of the volume that is provided for that safeguard good in the corresponding year in the applicable table contained in Appendix I of the General Notes to the Schedule of the United States to Annex

2.3 of the Agreement. For purposes of this subsection, year 1 in that table corresponds to the calendar year in which the Agreement enters into force.

(2) **CALCULATION OF ADDITIONAL DUTY.**—The additional duty on a safeguard good under this subsection shall be—

(A) in years 1 through 4, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty;

(B) in years 5 through 7, an amount equal to 75 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(C) in years 8 through 9, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.

(3) **NOTICE.**—Not later than 60 days after the Secretary of the Treasury first assesses an additional duty in a calendar year on a good under this subsection, the Secretary shall notify the Government of Colombia in writing of such action and shall provide to that Government data supporting the assessment of the additional duty.

(c) **EXCEPTIONS.**—No additional duty shall be assessed on a good under subsection (b) if, at the time of entry, the good is subject to import relief under—

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

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

(d) **TERMINATION.**—The assessment of an additional duty on a good under subsection (b) shall cease to apply to that good on the date on which duty-free treatment must be provided to that good under the Schedule of the United States to Annex 2.3 of the Agreement.

SEC. 203. RULES OF ORIGIN.

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

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

(2) **REFERENCE TO HTS.**—Whenever in this section there is a reference to a chapter, heading, or subheading, such reference shall be a reference to a chapter, heading, or subheading of the HTS.

(3) **COST OR VALUE.**—Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether Colombia or the United States).

(b) **ORIGINATING GOODS.**—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, except as otherwise provided in this section, a good is an originating good if—

(1) the good is a good wholly obtained or produced entirely in the territory of Colombia, the United States, or both;

(2) the good—

(A) is produced entirely in the territory of Colombia, the United States, or both, and—

(i) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 3-A or Annex 4.1 of the Agreement; or

(ii) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 3-A or Annex 4.1 of the Agreement; and

(B) satisfies all other applicable requirements of this section; or

(3) the good is produced entirely in the territory of Colombia, the United States, or both, exclusively from materials described in paragraph (1) or (2).

(c) **REGIONAL VALUE-CONTENT.**—

(1) **IN GENERAL.**—For purposes of subsection (b)(2), the regional value-content of a good

referred to in Annex 4.1 of the Agreement, except for goods to which paragraph (4) applies, shall be calculated by the importer, exporter, or producer of the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3).

(2) **BUILD-DOWN METHOD.**—

(A) **IN GENERAL.**—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$RVC = \frac{AV - VNM}{AV} 100$$

(B) **DEFINITIONS.**—In subparagraph (A):

(i) **AV.**—The term “AV” means the adjusted value of the good.

(ii) **RVC.**—The term “RVC” means the regional value-content of the good, expressed as a percentage.

(iii) **VNM.**—The term “VNM” means the value of nonoriginating materials that are acquired and used by the producer in the production of the good, but does not include the value of a material that is self-produced.

(3) **BUILD-UP METHOD.**—

(A) **IN GENERAL.**—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$RVC = \frac{VOM}{AV} 100$$

(B) **DEFINITIONS.**—In subparagraph (A):

(i) **AV.**—The term “AV” means the adjusted value of the good.

(ii) **RVC.**—The term “RVC” means the regional value-content of the good, expressed as a percentage.

(iii) **VOM.**—The term “VOM” means the value of originating materials that are acquired or self-produced, and used by the producer in the production of the good.

(4) **SPECIAL RULE FOR CERTAIN AUTOMOTIVE GOODS.**—

(A) **IN GENERAL.**—For purposes of subsection (b)(2), the regional value-content of an automotive good referred to in Annex 4.1 of the Agreement shall be calculated by the importer, exporter, or producer of the good, on the basis of the following net cost method:

$$RVC = \frac{NC - VNM}{NC} 100$$

(B) **DEFINITIONS.**—In subparagraph (A):

(i) **AUTOMOTIVE GOOD.**—The term “automotive good” means a good provided for in any of subheadings 8407.31 through 8407.34, subheading 8408.20, heading 8409, or any of headings 8701 through 8708.

(ii) **RVC.**—The term “RVC” means the regional value-content of the automotive good, expressed as a percentage.

(iii) **NC.**—The term “NC” means the net cost of the automotive good.

(iv) **VNM.**—The term “VNM” means the value of nonoriginating materials that are acquired and used by the producer in the production of the automotive good, but does not include the value of a material that is self-produced.

(C) **MOTOR VEHICLES.**—

(i) **BASIS OF CALCULATION.**—For purposes of determining the regional value-content under subparagraph (A) for an automotive good that is a motor vehicle provided for in any of headings 8701 through 8705, an importer, exporter, or producer may average the amounts calculated under the formula contained in subparagraph (A), over the producer's fiscal year—

(I) with respect to all motor vehicles in any one of the categories described in clause (ii); or

(II) with respect to all motor vehicles in any such category that are exported to the territory of the United States or Colombia.

(ii) **CATEGORIES.**—A category is described in this clause if it—

(I) is the same model line of motor vehicles, is in the same class of motor vehicles, and is produced in the same plant in the territory of Colombia or the United States, as the good described in clause (i) for which regional value-content is being calculated;

(II) is the same class of motor vehicles, and is produced in the same plant in the territory of Colombia or the United States, as the good described in clause (i) for which regional value-content is being calculated; or

(III) is the same model line of motor vehicles produced in the territory of Colombia or the United States as the good described in clause (i) for which regional value-content is being calculated.

(D) **OTHER AUTOMOTIVE GOODS.**—For purposes of determining the regional value-content under subparagraph (A) for automotive materials provided for in any of subheadings 8407.31 through 8407.34, in subheading 8408.20, or in heading 8409, 8706, 8707, or 8708, that are produced in the same plant, an importer, exporter, or producer may—

(i) average the amounts calculated under the formula contained in subparagraph (A) over—

(I) the fiscal year of the motor vehicle producer to whom the automotive goods are sold,

(II) any quarter or month, or

(III) the fiscal year of the producer of such goods,

if the goods were produced during the fiscal year, quarter, or month that is the basis for the calculation;

(ii) determine the average referred to in clause (i) separately for such goods sold to 1 or more motor vehicle producers; or

(iii) make a separate determination under clause (i) or (ii) for such goods that are exported to the territory of Colombia or the United States.

(E) **CALCULATING NET COST.**—The importer, exporter, or producer of an automotive good shall, consistent with the provisions regarding allocation of costs provided for in generally accepted accounting principles, determine the net cost of the automotive good under subparagraph (B) by—

(i) calculating the total cost incurred with respect to all goods produced by the producer of the automotive good, subtracting any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost of all such goods, and then reasonably allocating the resulting net cost of those goods to the automotive good;

(ii) calculating the total cost incurred with respect to all goods produced by that producer, reasonably allocating the total cost to the automotive good, and then subtracting any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the portion of the total cost allocated to the automotive good; or

(iii) reasonably allocating each cost that forms part of the total cost incurred with respect to the automotive good so that the aggregate of these costs does not include any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, or nonallowable interest costs.

(d) **VALUE OF MATERIALS.**—

(1) **IN GENERAL.**—For the purpose of calculating the regional value-content of a good under subsection (c), and for purposes of applying the de minimis rules under subsection (f), the value of a material is—

(A) in the case of a material that is imported by the producer of the good, the adjusted value of the material;

(B) in the case of a material acquired in the territory in which the good is produced, the value, determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8)), as set forth in regulations promulgated by the Secretary of the Treasury providing for the application of such Articles in the absence of an importation by the producer; or

(C) in the case of a material that is self-produced, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit equivalent to the profit added in the normal course of trade.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIAL.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Colombia, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Colombia, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(B) NONORIGINATING MATERIAL.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Colombia, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Colombia, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(iv) The cost of originating materials used in the production of the nonoriginating material in the territory of Colombia, the United States, or both.

(e) ACCUMULATION.—

(1) ORIGINATING MATERIALS USED IN PRODUCTION OF GOODS OF ANOTHER COUNTRY.—Originating materials from the territory of Colombia or the United States that are used in the production of a good in the territory of the other country shall be considered to originate in the territory of such other country.

(2) MULTIPLE PRODUCERS.—A good that is produced in the territory of Colombia, the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(f) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a good that does not undergo a change in tariff classification pursuant to Annex 4.1 of the Agreement is an originating good if—

(A)(i) the value of all nonoriginating materials that—

(I) are used in the production of the good, and

(II) do not undergo the applicable change in tariff classification (set forth in Annex 4.1 of the Agreement),

does not exceed 10 percent of the adjusted value of the good;

(ii) the good meets all other applicable requirements of this section; and

(iii) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement for the good; or

(B) the good meets the requirements set forth in paragraph 2 of Annex 4.6 of the Agreement.

(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

(A) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90, that is used in the production of a good provided for in chapter 4.

(B) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90, that is used in the production of any of the following goods:

(i) Infant preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.10.

(ii) Mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, provided for in subheading 1901.20.

(iii) Dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90.

(iv) Goods provided for in heading 2105.

(v) Beverages containing milk provided for in subheading 2202.90.

(vi) Animal feeds containing over 10 percent by weight of milk solids provided for in subheading 2309.90.

(C) A nonoriginating material provided for in heading 0805, or any of subheadings 2009.11 through 2009.39, that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, provided for in subheading 2106.90 or 2202.90.

(D) A nonoriginating material provided for in heading 0901 or 2101 that is used in the production of a good provided for in heading 0901 or 2101.

(E) A nonoriginating material provided for in chapter 15 that is used in the production of a good provided for in any of headings 1501 through 1508, or any of headings 1511 through 1515.

(F) A nonoriginating material provided for in heading 1701 that is used in the production of a good provided for in any of headings 1701 through 1703.

(G) A nonoriginating material provided for in chapter 17 that is used in the production of a good provided for in subheading 1806.10.

(H) Except as provided in subparagraphs (A) through (G) and Annex 4.1 of the Agreement, a nonoriginating material used in the production of a good provided for in any of chapters 1 through 24, unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

(I) A nonoriginating material that is a textile or apparel good.

(3) TEXTILE OR APPAREL GOODS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification, set forth in Annex 3-A of the Agreement, shall be considered to be an originating good if—

(i) the total weight of all such fibers or yarns in that component is not more than 10 percent of the total weight of that component; or

(ii) the yarns are those described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act (19 U.S.C. 3203(b)(3)(B)(vi)(IV)) (as in effect on the date of the enactment of this Act).

(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 Colombia, the United States, or both.

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

(g) FUNGIBLE GOODS AND MATERIALS.—

(1) IN GENERAL.—

(A) CLAIM FOR PREFERENTIAL TARIFF TREATMENT.—A person claiming that a fungible good or fungible material is an originating good may base the claim either on the physical segregation of the fungible good or fungible material or by using an inventory management method with respect to the fungible good or fungible material.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term “inventory management method” means—

(i) averaging;

(ii) “last-in, first-out”;

(iii) “first-in, first-out”;

(iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Colombia or the United States); or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for a particular fungible good or fungible material shall continue to use that method for that fungible good or fungible material throughout the fiscal year of such person.

(h) ACCESSORIES, SPARE PARTS, OR TOOLS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), accessories, spare parts, or tools delivered with a good that form part of the good's standard accessories, spare parts, or tools shall—

(A) be treated as originating goods if the good is an originating good; and

(B) be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set forth in Annex 4.1 of the Agreement.

(2) CONDITIONS.—Paragraph (1) shall apply only if—

(A) the accessories, spare parts, or tools are classified with and not invoiced separately from the good, regardless of whether such accessories, spare parts, or tools are specified or are separately identified in the invoice for the good; and

(B) the quantities and value of the accessories, spare parts, or tools are customary for the good.

(3) REGIONAL VALUE-CONTENT.—If the good is subject to a regional value-content requirement, the value of the accessories, spare parts, or tools shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(i) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set forth in Annex 3-A or Annex 4.1 of the Agreement, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(j) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers for shipment shall be disregarded in determining whether a good is an originating good.

(k) INDIRECT MATERIALS.—An indirect material shall be treated as an originating material without regard to where it is produced.

(l) TRANSIT AND TRANSHIPMENT.—A good that has undergone production necessary to qualify as an originating good under subsection (b) shall not be considered to be an originating good if, subsequent to that production, the good—

(1) undergoes further production or any other operation outside the territory of Colombia or the United States, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of Colombia or the United States; or

(2) does not remain under the control of customs authorities in the territory of a country other than Colombia or the United States.

(m) GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 3-A and Annex 4.1 of the Agreement, goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless—

(1) each of the goods in the set is an originating good; or

(2) the total value of the nonoriginating goods in the set does not exceed—

(A) in the case of textile or apparel goods, 10 percent of the adjusted value of the set; or

(B) in the case of a good, other than a textile or apparel good, 15 percent of the adjusted value of the set.

(n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term “adjusted value” means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8)), adjusted, if necessary, to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation.

(2) CLASS OF MOTOR VEHICLES.—The term “class of motor vehicles” means any one of the following categories of motor vehicles:

(A) Motor vehicles provided for in subheading 8701.20, 8704.10, 8704.22, 8704.23,

8704.32, or 8704.90, or heading 8705 or 8706, or motor vehicles for the transport of 16 or more persons provided for in subheading 8702.10 or 8702.90.

(B) Motor vehicles provided for in subheading 8701.10 or any of subheadings 8701.30 through 8701.90.

(C) Motor vehicles for the transport of 15 or fewer persons provided for in subheading 8702.10 or 8702.90, or motor vehicles provided for in subheading 8704.21 or 8704.31.

(D) Motor vehicles provided for in any of subheadings 8703.21 through 8703.90.

(3) FUNGIBLE GOOD OR FUNGIBLE MATERIAL.—The term “fungible good” or “fungible material” means a good or material, as the case may be, that is interchangeable with another good or material for commercial purposes and the properties of which are essentially identical to such other good or material.

(4) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term “generally accepted accounting principles” means the recognized consensus or substantial authoritative support in the territory of Colombia or the United States, as the case may be, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. The principles may encompass broad guidelines of general application as well as detailed standards, practices, and procedures.

(5) GOOD WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF COLOMBIA, THE UNITED STATES, OR BOTH.—The term “good wholly obtained or produced entirely in the territory of Colombia, the United States, or both” means any of the following:

(A) Plants and plant products harvested or gathered in the territory of Colombia, the United States, or both.

(B) Live animals born and raised in the territory of Colombia, the United States, or both.

(C) Goods obtained in the territory of Colombia, the United States, or both from live animals.

(D) Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of Colombia, the United States, or both.

(E) Minerals and other natural resources not included in subparagraphs (A) through (D) that are extracted or taken from the territory of Colombia, the United States, or both.

(F) Fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of Colombia or the United States by—

(i) a vessel that is registered or recorded with Colombia and flying the flag of Colombia; or

(ii) a vessel that is documented under the laws of the United States.

(G) Goods produced on board a factory ship from goods referred to in subparagraph (F), if such factory ship—

(i) is registered or recorded with Colombia and flies the flag of Colombia; or

(ii) is a vessel that is documented under the laws of the United States.

(H)(i) Goods taken by Colombia or a person of Colombia from the seabed or subsoil outside the territorial waters of Colombia, if Colombia has rights to exploit such seabed or subsoil.

(ii) Goods taken by the United States or a person of the United States from the seabed or subsoil outside the territorial waters of the United States, if the United States has rights to exploit such seabed or subsoil.

(I) Goods taken from outer space, if the goods are obtained by Colombia or the United States or a person of Colombia or the United States and not processed in the terri-

tory of a country other than Colombia or the United States.

(J) Waste and scrap derived from—

(i) manufacturing or processing operations in the territory of Colombia, the United States, or both; or

(ii) used goods collected in the territory of Colombia, the United States, or both, if such goods are fit only for the recovery of raw materials.

(K) Recovered goods derived in the territory of Colombia, the United States, or both, from used goods, and used in the territory of Colombia, the United States, or both, in the production of remanufactured goods.

(L) Goods, at any stage of production, produced in the territory of Colombia, the United States, or both, exclusively from—

(i) goods referred to in any of subparagraphs (A) through (J); or

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

(6) IDENTICAL GOODS.—The term “identical goods” means goods that are the same in all respects relevant to the rule of origin that qualifies the goods as originating goods.

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

(A) fuel and energy;

(B) tools, dies, and molds;

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

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

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

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

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the other good but the use of which in the production of the other good can reasonably be demonstrated to be a part of that production.

(8) MATERIAL.—The term “material” means a good that is used in the production of another good, including a part or an ingredient.

(9) MATERIAL THAT IS SELF-PRODUCED.—The term “material that is self-produced” means an originating material that is produced by a producer of a good and used in the production of that good.

(10) MODEL LINE OF MOTOR VEHICLES.—The term “model line of motor vehicles” means a group of motor vehicles having the same platform or model name.

(11) NET COST.—The term “net cost” means total cost minus sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost.

(12) NONALLOWABLE INTEREST COSTS.—The term “nonallowable interest costs” means interest costs incurred by a producer that exceed 700 basis points above the applicable official interest rate for comparable maturities of the country in which the producer is located.

(13) NONORIGINATING GOOD OR NONORIGINATING MATERIAL.—The terms “nonoriginating good” and “nonoriginating material” mean a good or material, as the case may be, that does not qualify as originating under this section.

(14) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—The term “packing materials and containers for shipment” means goods used to protect another good during

its transportation and does not include the packaging materials and containers in which the other good is packaged for retail sale.

(15) **PREFERENTIAL TARIFF TREATMENT.**—The term “preferential tariff treatment” means the customs duty rate, and the treatment under article 2.10.4 of the Agreement, that is applicable to an originating good pursuant to the Agreement.

(16) **PRODUCER.**—The term “producer” means a person who engages in the production of a good in the territory of Colombia or the United States.

(17) **PRODUCTION.**—The term “production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(18) **REASONABLY ALLOCATE.**—The term “reasonably allocate” means to apportion in a manner that would be appropriate under generally accepted accounting principles.

(19) **RECOVERED GOODS.**—The term “recovered goods” means materials in the form of individual parts that are the result of—

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

(B) the cleaning, inspecting, testing, or other processing that is necessary for improvement to sound working condition of such individual parts.

(20) **REMANUFACTURED GOOD.**—The term “remanufactured good” means an industrial good assembled in the territory of Colombia or the United States, or both, that is classified under chapter 84, 85, 87, or 90 or heading 9402, other than a good classified under heading 8418 or 8516, and that—

(A) is entirely or partially comprised of recovered goods; and

(B) has a similar life expectancy and enjoys a factory warranty similar to such a good that is new.

(21) **TOTAL COST.**—

(A) **IN GENERAL.**—The term “total cost”—

(i) means all product costs, period costs, and other costs for a good incurred in the territory of Colombia, the United States, or both; and

(ii) does not include profits that are earned by the producer, regardless of whether they are retained by the producer or paid out to other persons as dividends, or taxes paid on those profits, including capital gains taxes.

(B) **OTHER DEFINITIONS.**—In this paragraph:

(i) **PRODUCT COSTS.**—The term “product costs” means costs that are associated with the production of a good and include the value of materials, direct labor costs, and direct overhead.

(ii) **PERIOD COSTS.**—The term “period costs” means costs, other than product costs, that are expensed in the period in which they are incurred, such as selling expenses and general and administrative expenses.

(iii) **OTHER COSTS.**—The term “other costs” means all costs recorded on the books of the producer that are not product costs or period costs, such as interest.

(22) **USED.**—The term “used” means utilized or consumed in the production of goods.

(C) **PRESIDENTIAL PROCLAMATION AUTHORITY.**—

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

(A) the provisions set forth in Annex 3-A and Annex 4.1 of the Agreement; and

(B) any additional subordinate category that is necessary to carry out this title consistent with the Agreement.

(2) **FABRICS AND YARNS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE UNITED STATES.**—The President is authorized to proclaim that a fabric or yarn is added to the list in Annex 3-B of the Agreement in an unrestricted quantity, as provided in article 3.3.5(e) of the Agreement.

(3) **MODIFICATIONS.**—

(A) **IN GENERAL.**—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 (as included in Annex 3-A of the Agreement).

(B) **ADDITIONAL PROCLAMATIONS.**—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim before the end of the 1-year period beginning on the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 (as included in Annex 3-A of the Agreement).

(4) **FABRICS, YARNS, OR FIBERS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN COLOMBIA AND THE UNITED STATES.**—

(A) **IN GENERAL.**—Notwithstanding paragraph (3)(A), the list of fabrics, yarns, and fibers set forth in Annex 3-B of the Agreement may be modified as provided for in this paragraph.

(B) **DEFINITIONS.**—In this paragraph:

(i) The term “interested entity” means the Government of Colombia, a potential or actual purchaser of a textile or apparel good, or a potential or actual supplier of a textile or apparel good.

(ii) All references to “day” and “days” exclude Saturdays, Sundays, and legal holidays observed by the Government of the United States.

(C) **REQUESTS TO ADD FABRICS, YARNS, OR FIBERS.**—(i) An interested entity may request the President to determine that a fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Colombia and the United States and to add that fabric, yarn, or fiber to the list in Annex 3-B of the Agreement in a restricted or unrestricted quantity.

(ii) After receiving a request under clause (i), the President may determine whether—

(I) the fabric, yarn, or fiber is available in commercial quantities in a timely manner in Colombia or the United States; or

(II) any interested entity objects to the request.

(iii) The President may, within the time periods specified in clause (iv), proclaim that the fabric, yarn, or fiber that is the subject of the request is added to the list in Annex 3-B of the Agreement in an unrestricted quantity, or in any restricted quantity that the President may establish, if the President has determined under clause (ii) that—

(I) the fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Colombia and the United States; or

(II) no interested entity has objected to the request.

(iv) The time periods within which the President may issue a proclamation under clause (iii) are—

(I) not later than 30 days after the date on which a request is submitted under clause (i); or

(II) not later than 44 days after the request is submitted, if the President determines, within 30 days after the date on which the request is submitted, that the President does not have sufficient information to make a determination under clause (ii).

(v) Notwithstanding section 103(a)(2), a proclamation made under clause (iii) shall take effect on the date on which the text of the proclamation is published in the Federal Register.

(vi) Not later than 6 months after proclaiming under clause (iii) that a fabric, yarn, or fiber is added to the list in Annex 3-B of the Agreement in a restricted quantity, the President may eliminate the restriction

if the President determines that the fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Colombia and the United States.

(D) **DEEMED APPROVAL OF REQUEST.**—If, after an interested entity submits a request under subparagraph (C)(i), the President does not, within the applicable time period specified in subparagraph (C)(iv), make a determination under subparagraph (C)(ii) regarding the request, the fabric, yarn, or fiber that is the subject of the request shall be considered to be added, in an unrestricted quantity, to the list in Annex 3-B of the Agreement beginning—

(i) 45 days after the date on which the request was submitted; or

(ii) 60 days after the date on which the request was submitted, if the President made a determination under subparagraph (C)(iv)(II).

(E) **REQUESTS TO RESTRICT OR REMOVE FABRICS, YARNS, OR FIBERS.**—(i) Subject to clause (ii), an interested entity may request the President to restrict the quantity of, or remove from the list in Annex 3-B of the Agreement, any fabric, yarn, or fiber—

(I) that has been added to that list in an unrestricted quantity pursuant to paragraph (2) or subparagraph (C)(iii) or (D) of this paragraph; or

(II) with respect to which the President has eliminated a restriction under subparagraph (C)(vi).

(ii) An interested entity may submit a request under clause (i) at any time beginning 6 months after the date of the action described in subclause (I) or (II) of that clause.

(iii) Not later than 30 days after the date on which a request under clause (i) is submitted, the President may proclaim an action provided for under clause (i) if the President determines that the fabric, yarn, or fiber that is the subject of the request is available in commercial quantities in a timely manner in Colombia or the United States.

(iv) A proclamation under clause (iii) shall take effect no earlier than the date that is 6 months after the date on which the text of the proclamation is published in the Federal Register.

(F) **PROCEDURES.**—The President shall establish procedures—

(i) governing the submission of a request under subparagraphs (C) and (E); and

(ii) providing an opportunity for interested entities to submit comments and supporting evidence before the President makes a determination under subparagraph (C) (ii) or (vi) or (E)(iii).

SEC. 204. CUSTOMS USER FEES.

(a) **IN GENERAL.**—Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding after paragraph (18), the following:

“(19) No fee may be charged under subsection (a)(9) or (10) with respect to goods that qualify as originating goods under section 203 of the United States-Colombia Trade Promotion Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on October 1, 2013.

(c) **REFUND.**—Any fee described in paragraph (19) of section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) (as added by subsection (a)) that is paid on or after the date that the United States-Colombia Trade Promotion Agreement enters into force and before October 1, 2013, shall be refunded with interest if application for such refund is made on or after October 1, 2013, and before July 1, 2014.

SEC. 205. DISCLOSURE OF INCORRECT INFORMATION; FALSE CERTIFICATIONS OF ORIGIN; DENIAL OF PREFERENTIAL TARIFF TREATMENT.

(a) DISCLOSURE OF INCORRECT INFORMATION.—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended—

(1) in subsection (c)—

(A) by redesignating paragraph (11) as paragraph (12); and

(B) by inserting after paragraph (10) the following new paragraph:

“(11) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES-COLOMBIA TRADE PROMOTION AGREEMENT.—An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 203 of the United States-Colombia Trade Promotion Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, promptly and voluntarily makes a corrected declaration and pays any duties owing with respect to that good.”; and

(2) by adding at the end the following new subsection:

“(j) FALSE CERTIFICATIONS OF ORIGIN UNDER THE UNITED STATES-COLOMBIA TRADE PROMOTION AGREEMENT.—

“(1) IN GENERAL.—Subject to paragraph (2), it is unlawful for any person to certify falsely, by fraud, gross negligence, or negligence, in a CTPA certification of origin (as defined in section 508(i)(1)(B) of this Act) that a good exported from the United States qualifies as an originating good under the rules of origin provided for in section 203 of the United States-Colombia Trade Promotion Agreement Implementation Act. The procedures and penalties of this section that apply to a violation of subsection (a) also apply to a violation of this subsection.

“(2) PROMPT AND VOLUNTARY DISCLOSURE OF INCORRECT INFORMATION.—No penalty shall be imposed under this subsection if, promptly after an exporter or producer that issued a CTPA certification of origin has reason to believe that such certification contains or is based on incorrect information, the exporter or producer voluntarily provides written notice of such incorrect information to every person to whom the certification was issued.

“(3) EXCEPTION.—A person shall not be considered to have violated paragraph (1) if—

“(A) the information was correct at the time it was provided in a CTPA certification of origin but was later rendered incorrect due to a change in circumstances; and

“(B) the person promptly and voluntarily provides written notice of the change in circumstances to all persons to whom the person provided the certification.”.

(b) DENIAL OF PREFERENTIAL TARIFF TREATMENT.—Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended by adding at the end the following new subsection:

“(j) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER THE UNITED STATES-COLOMBIA TRADE PROMOTION AGREEMENT.—If U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement of the Department of Homeland Security finds indications of a pattern of conduct by an importer, exporter, or producer of false or unsupported representations that goods qualify under the rules of origin provided for in section 203 of the United States-Colombia Trade Promotion Agreement Implementation Act, U.S. Customs and Border Protection, in accordance with regulations issued by the Secretary of the Treasury, may suspend preferential tariff treatment under the United States-Colombia Trade Promotion Agreement to entries of identical goods covered by subsequent representations by that importer, exporter, or producer until U.S. Customs and Border Protection determines that

representations of that person are in conformity with such section 203.”.

SEC. 206. RELIQUIDATION OF ENTRIES.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended in the matter preceding paragraph (1)—

(1) by striking “or”; and

(2) by striking “for which” and inserting “, or section 203 of the United States-Colombia Trade Promotion Agreement Implementation Act for which”.

SEC. 207. RECORDKEEPING REQUIREMENTS.

Section 508 of the Tariff Act of 1930 (19 U.S.C. 1508) is amended—

(1) by redesignating subsection (i) as subsection (j);

(2) by inserting after subsection (h) the following new subsection:

“(i) CERTIFICATIONS OF ORIGIN FOR GOODS EXPORTED UNDER THE UNITED STATES-COLOMBIA TRADE PROMOTION AGREEMENT.—

“(1) DEFINITIONS.—In this subsection:

“(A) RECORDS AND SUPPORTING DOCUMENTS.—The term ‘records and supporting documents’ means, with respect to an exported good under paragraph (2), records and documents related to the origin of the good, including—

“(i) the purchase, cost, and value of, and payment for, the good;

“(ii) the purchase, cost, and value of, and payment for, all materials, including indirect materials, used in the production of the good; and

“(iii) the production of the good in the form in which it was exported.

“(B) CTPA CERTIFICATION OF ORIGIN.—The term ‘CTPA certification of origin’ means the certification established under article 4.15 of the United States-Colombia Trade Promotion Agreement that a good qualifies as an originating good under such Agreement.

“(2) EXPORTS TO COLOMBIA.—Any person who completes and issues a CTPA certification of origin for a good exported from the United States shall make, keep, and, pursuant to rules and regulations promulgated by the Secretary of the Treasury, render for examination and inspection all records and supporting documents related to the origin of the good (including the certification or copies thereof).

“(3) RETENTION PERIOD.—The person who issues a CTPA certification of origin shall keep the records and supporting documents relating to that certification of origin for a period of at least 5 years after the date on which the certification is issued.”; and

(3) in subsection (j), as so redesignated by striking “(f), (g), or (h)” and inserting “(f), (g), (h), or (i)”.

SEC. 208. ENFORCEMENT RELATING TO TRADE IN TEXTILE OR APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the Government of Colombia to conduct a verification pursuant to article 3.2 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination of the Secretary that—

(A) an exporter or producer in Colombia is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods, or

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

(i) qualifies as an originating good under section 203, or

(ii) is a good of Colombia,

is accurate.

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

(1) suspension of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines that there is insufficient information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to support that claim;

(2) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines that the person has provided incorrect information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that a person has provided incorrect information to support that claim;

(3) detention of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to determine the country of origin of any such good; and

(4) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that the person has provided incorrect information as to the country of origin of any such good.

(c) ACTION ON COMPLETION OF A VERIFICATION.—On completion of a verification under subsection (a), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make the determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (c) includes—

(1) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines that there is insufficient information to support, or that the person has provided incorrect information to support, any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if

the Secretary determines that there is insufficient information to support, or that a person has provided incorrect information to support, that claim; and

(2) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to determine, or that the person has provided incorrect information as to, the country of origin of any such good.

(e) PUBLICATION OF NAME OF PERSON.—In accordance with article 3.2.6 of the Agreement, the Secretary may publish the name of any person that the Secretary has determined—

(1) is engaged in circumvention of applicable laws, regulations, or procedures affecting trade in textile or apparel goods; or

(2) has failed to demonstrate that it produces, or is capable of producing, textile or apparel goods.

(f) VERIFICATIONS IN THE UNITED STATES.—If the government of a country that is a party to a free trade agreement with the United States makes a request for a verification pursuant to that agreement, the Secretary may request a verification of the production of any textile or apparel good in order to assist that government in determining—

(1) whether a claim of origin under the agreement for a textile or apparel good is accurate; or

(2) whether an exporter, producer, or other enterprise located in the United States involved in the movement of textile or apparel goods from the United States to the territory of the requesting government is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods.

SEC. 209. REGULATIONS.

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

(1) subsections (a) through (n) of section 203;

(2) the amendment made by section 204; and

(3) any proclamation issued under section 203(o).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

In this title:

(1) **COLOMBIAN ARTICLE.**—The term “Colombian article” means an article that qualifies as an originating good under section 203(b).

(2) **COLOMBIAN TEXTILE OR APPAREL ARTICLE.**—The term “Colombian textile or apparel article” means a textile or apparel good (as defined in section 3(4)) that is a Colombian article.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) **FILING OF PETITION.**—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(b) **INVESTIGATION AND DETERMINATION.**—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a

duty provided for under the Agreement, a Colombian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Colombian article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

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

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

(2) Subsection (c).

(3) Subsection (i).

(d) **ARTICLES EXEMPT FROM INVESTIGATION.**—No investigation may be initiated under this section with respect to any Colombian article if, after the date on which the Agreement enters into force, import relief has been provided with respect to that Colombian article under this subtitle.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) **DETERMINATION.**—Not later than 120 days after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

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

(c) **ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.**—

(1) **IN GENERAL.**—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(2) **LIMITATION ON RELIEF.**—The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c).

(3) **VOTING; SEPARATE VIEWS.**—Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) **REPORT TO PRESIDENT.**—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination referred to in paragraph (1) and any finding or recommendation referred to in paragraph (2).

(e) **PUBLIC NOTICE.**—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public the report (with the exception of information which the Commission determines to be confidential) and shall publish a summary of the report in the Federal Register.

SEC. 313. PROVISION OF RELIEF.

(a) **IN GENERAL.**—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

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

(c) **NATURE OF RELIEF.**—

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

(A) The suspension of any further reduction provided for under Annex 2.3 of the Agreement in the duty imposed on the article.

(B) An increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

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

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

(2) **PROGRESSIVE LIBERALIZATION.**—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization (described in article 8.2.2 of the Agreement) of such relief at regular intervals during the period of its application.

(d) **PERIOD OF RELIEF.**—

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

(2) **EXTENSION.**—

(A) **IN GENERAL.**—Subject to subparagraph (C), the President, after receiving a determination from the Commission under subparagraph (B) that is affirmative, or which the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), may extend the effective period of any import relief provided under this section by up to 2 years, if the President determines that—

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

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

(B) **ACTION BY COMMISSION.**—

(i) INVESTIGATION.—Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date that is 9 months, and not later than the date that is 6 months, before the date on which any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) NOTICE AND HEARING.—The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) REPORT.—The Commission shall submit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(C) PERIOD OF IMPORT RELIEF.—Any import relief provided under this section, including any extensions thereof, may not, in the aggregate, be in effect for more than 4 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which such termination occurs shall be the rate that, according to the Schedule of the United States to Annex 2.3 of the Agreement, would have been in effect 1 year after the provision of relief under subsection (a); and

(2) the rate of duty for that article after December 31 of the year in which such termination occurs shall be, at the discretion of the President, either—

(A) the applicable rate of duty for that article set forth in the Schedule of the United States to Annex 2.3 of the Agreement; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set forth in the Schedule of the United States to Annex 2.3 of the Agreement for the elimination of the tariff.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on—

(1) any article that is subject to import relief under—

(A) subtitle B; or

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

(2) any article on which an additional duty assessed under section 202(b) is in effect.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Subject to subsection (b), no import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) EXCEPTION.—If an article for which relief is provided under this subtitle is an article for which the period for tariff elimination, set forth in the Schedule of the United States to Annex 2.3 of the Agreement, is greater than 10 years, no relief under this subtitle may be provided for that article after the date on which that period ends.

SEC. 315. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief

provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

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

(1) by striking “and”; and

(2) by inserting before the period at the end “, and title III of the United States-Colombia Trade Promotion Agreement Implementation Act”.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

(a) IN GENERAL.—A request for action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall publish in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of the request and the dates by which comments and rebuttals must be received.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the elimination of a duty under the Agreement, a Colombian textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits and losses, and investment, no one of which is necessarily decisive; and

(B) shall not consider changes in consumer preference or changes in technology in the United States as factors supporting a determination of serious damage or actual threat thereof.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as provided in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

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

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

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), the import relief that the President provides under section 322(b) may not be in effect for more than 2 years.

(b) EXTENSION.—

(1) IN GENERAL.—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle for a period of not more than 1 year, if the President determines that—

(A) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment by the domestic industry to import competition; and

(B) there is evidence that the industry is making a positive adjustment to import competition.

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

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

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

(1) import relief previously has been provided under this subtitle with respect to that article; or

(2) the article is subject to import relief under—

(A) subtitle A; or

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

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.

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

SEC. 326. TERMINATION OF RELIEF AUTHORITY.

No import relief may be provided under this subtitle with respect to any article after the date that is 5 years after the date on which the Agreement enters into force.

SEC. 327. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SEC. 328. CONFIDENTIAL BUSINESS INFORMATION.

The President may not release information received in connection with an investigation or determination under this subtitle which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the President, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information, the party shall also provide a nonconfidential version of the information in which the confidential business information is summarized or, if necessary, deleted.

Subtitle C—Cases Under Title II of the Trade Act of 1974

SEC. 331. FINDINGS AND ACTION ON GOODS OF COLOMBIA.

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the Commission makes an affirmative

determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the article of Colombia that qualify as originating goods under section 203(b) are a substantial cause of serious injury or threat thereof.

(b) **PRESIDENTIAL DETERMINATION REGARDING IMPORTS OF COLOMBIA.**—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the President may exclude from the action goods of Colombia with respect to which the Commission has made a negative finding under subsection (a).

TITLE IV—PROCUREMENT

SEC. 401. ELIGIBLE PRODUCTS.

Section 308(4)(A) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)(A)) is amended—

(1) by striking “or” at the end of clause (vi);

(2) by striking the period at the end of clause (vii) and inserting “; or”; and

(3) by adding at the end the following new clause:

“(viii) a party to the United States-Colombia Trade Promotion Agreement, a product or service of that country or instrumentality which is covered under that agreement for procurement by the United States.”.

TITLE V—OFFSETS

SEC. 501. CUSTOMS USER FEES.

(a) **IN GENERAL.**—Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(A)) shall be applied by extending by 155 days the date in effect on the date of the enactment of this Act after which fees may not be charged under paragraphs (9) and (10) of subsection (a) of such section 13031.

(b) **OTHER FEES.**—Section 13031(j)(3)(B)(i) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(B)(i)) shall be applied by extending by 155 days the date in effect on the date of the enactment of this Act after which fees may not be charged under paragraphs (1) through (8) of subsection (a) of such section 13031.

SEC. 502. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

(a) **CORPORATE ESTIMATED TAX DUE IN 2012.**—The percentage under subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 (Public Law 109–222; 26 U.S.C. 6655 note) in effect on the date of the enactment of this Act is increased by 1 percentage point.

(b) **CORPORATE ESTIMATED TAX DUE IN 2013.**—The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 (Public Law 109–222; 26 U.S.C. 6655 note) in effect on the date of the enactment of this Act is increased by 2 percentage points.

By Mr. DORGAN (for himself and Mr. INOUE):

S. 2831. A bill to reauthorize the Federal Trade Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. DORGAN. Mr. President, today I am introducing the Federal Trade Commission Reauthorization Act of 2008. I am joined by Senator INOUE. We seek with this reauthorization to give the Federal Trade Commission, FTC, what it needs to protect consumers from unfair or deceptive practices and unfair methods of competition.

The agency has a very important mission, but needs more resources and authority. The number of FTC employees has been greatly reduced from its pre-1980 high of 1,746, and the agency currently has approximately 1,102 employees. We need to make sure that they have the manpower and the technology to protect consumers.

I'd like to take a second to highlight one of the areas where the FTC needs authority most. The subprime loan market was an orgy of greed from a large number of lenders who knowingly put borrowers in mortgage loans that they could not afford—while at the same time loading up these loans with provisions that trigger large fees and penalties.

The mortgage brokers ran ads from coast to coast—you have seen them: “Do you have bad credit? Do you have trouble getting a loan? Have you been missing payments on your home loan? Have you filed for bankruptcy? It doesn't matter. Come to us; we will give you a loan.”

Many borrowers were brought in by teaser rates, interest-only payments, no payments for 12 months, etc. Loans had quick resets to higher and unaffordable interest rates. Loans had prepayment penalties. Marketed loan payment amounts did not include escrowed amounts, taxes, insurance, and other financial obligations. These unfair and deceitful advertisements are still on Web sites for lenders across the country today. The FTC needs the authority to stop this practice and resources to investigate and go after the bad actors.

Let me tell you a bit about what the bill does. The bill provides for a 7-year reauthorization starting in 2009. We set the fiscal year 2009 funding at \$264 million and increase it by 10 percent per year. In addition, we give them an additional \$20 million to be used by the commission to improve technology in support of its competition and consumer protection missions.

We give the FTC independent litigating authority so they won't have to refer their cases to the Department of Justice. We also give the FTC the authority to give preference in the hiring process to administrative law judges who have experience in their issues.

We provide the FTC the authority to commence a civil action to recover civil penalties in a district court for any violation of the FTC Act.

We extend their jurisdiction to allow them to go after nonprofit entities as well, so bad actors cannot hide behind nonprofit status, and we allow them to go after those aiding and abetting an FTC violation.

We also give them the authority, by majority vote of the full commission, to waive their current rulemaking requirements for any rule involving a consumer protection matter.

We require the FTC to conduct a rulemaking under the Administrative Procedures Act, APA, which is faster than their current Magnuson-Moss au-

thority, in the area of subprime loans. The commission has sent 200 warning letters to mortgage advertisers and is conducting several investigations of mortgage advertisers and subprime lenders. In addition, the FTC has brought 21 cases in the last decade. But they haven't had the opportunity to review the bad practices and create a rule preventing their recurrence. We give them authority to create a rule preventing unfair or deceptive behavior by lenders and allow the State attorneys general to enforce the rule.

Finally, we repeal the common carrier exemption as the FTC has long been requesting. There are too many problems in the telecommunications world that need to be addressed by the FTC—consumers should not be left unprotected. We also make sure that the State Do Not Call laws are not preempted by Federal regulations.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

S. 2831

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Federal Trade Commission Reauthorization Act of 2008”.

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

- Sec. 1. Short title; table of comments.
- Sec. 2. Authorization of appropriations.
- Sec. 3. Independent litigation authority.
- Sec. 4. Specialized administrative law judges.
- Sec. 5. Civil penalties for violations of the Federal Trade Commission Act.
- Sec. 6. Application of Federal Trade Commission Act to tax-exempt organizations.
- Sec. 7. Aiding and abetting a violation.
- Sec. 8. Permissive administrative procedure for consumer protection rules.
- Sec. 9. Rulemaking procedure for subprime lending mortgages and non-traditional mortgage loans.
- Sec. 10. Harmonizing FTC rules with banking agency rulemaking.
- Sec. 11. Enforcement by State attorneys general.
- Sec. 12. Harmonization of national do-not-call registry and effect on State laws.
- Sec. 13. FTC study of alcoholic beverage marketing practices.
- Sec. 14. Common carrier exception.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

The text of section 25 of the Federal Trade Commission Act (15 U.S.C. 57c) is amended to read as follows:

“(a) **IN GENERAL.**—There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission—

- “(1) \$264,000,000 for fiscal year 2009;
- “(2) \$290,400,000 for fiscal year 2010;
- “(3) \$319,400,000 for fiscal year 2011;
- “(4) \$351,400,000 for fiscal year 2012;
- “(5) \$386,500,000 for fiscal year 2013;
- “(6) \$425,200,000 for fiscal year 2014; and
- “(7) \$467,700,000 for fiscal year 2015.

“(b) **LITIGATION AND INTERNET COMMERCE TECHNOLOGY.**—There are authorized to be appropriated to the Commission \$20,000,000 for each of fiscal years 2009 through 2015 to be

used by the Commission to improve technology in support of the Commission's competition and consumer protection missions.

“(c) INTERNATIONAL TECHNICAL ASSISTANCE.—From amounts appropriated pursuant to subsection (a), the Commission may spend up to \$10,000,000 for each of fiscal years 2009 through 2015 to continue and enhance its provision of international technical assistance with respect to foreign consumer protection and competition regimes.”

SEC. 3. INDEPENDENT LITIGATION AUTHORITY.

Section 16(a) of the Federal Trade Commission Act (15 U.S.C. 56(a)) is amended—

(1) by striking paragraph (1) and inserting “(1) The Commission may commence, defend, or intervene in, and supervise the litigation of any civil action involving this Act (including an action to collect a civil penalty) and any appeal of such action in its own name by any of its attorneys designated by it for such purpose. The Commission shall notify the Attorney General of any such action and may consult with the Attorney General with respect to any such action or request the Attorney General on behalf of the Commission to commence, defend, or intervene in any such action.”;

(2) by striking subparagraph (A) of paragraph (3) and inserting “(A) The Commission may represent itself through any of its attorneys designated by it for such purpose before the Supreme Court in any civil action in which the Commission represented itself pursuant to paragraph (1) or (2) or may request the Attorney General to represent the Commission before the Supreme Court in any such action.”; and

(3) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

SEC. 4. SPECIALIZED ADMINISTRATIVE LAW JUDGES.

(a) IN GENERAL.—In appointing administrative law judges under section 3105 of title 5, United States Code, to conduct hearings and render initial decisions in formal adjudicative matters before it, the Federal Trade Commission may give preference to administrative law judges who have experience with antitrust or trade regulation litigation and who are familiar with the kinds of economic analysis associated with such litigation.

(b) DETAILS.—If the Commission asks the Office of Personnel Management to assign an administrative law judge under section 3344 of title 5, United States Code, to conduct a hearing or render an initial decision in a formal adjudicative matter before it, the Commission may request the assignment of an administrative law judge who has experience with antitrust or trade regulation litigation and is familiar with the kinds of economic analysis associated with such litigation and the Office of Personnel Management shall comply with the request to the maximum extent feasible.

SEC. 5. CIVIL PENALTIES FOR VIOLATIONS OF THE FEDERAL TRADE COMMISSION ACT.

Section 5(m)(1)(A) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(A)) is amended—

(1) by inserting “this Act, or” after “violates” the first place it appears; and

(2) by inserting “a violation of this Act or such act is” after “such act is”.

SEC. 6. APPLICATION OF FEDERAL TRADE COMMISSION ACT TO TAX-EXEMPT ORGANIZATIONS.

Section 4 of the Federal Trade Commission Act (15 U.S.C. 44) is amended by striking “members.” in the second full paragraph and inserting “members, and includes an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code.”.

SEC. 7. AIDING AND ABETTING A VIOLATION.

Section 10 of the Federal Trade Commission Act (15 U.S.C. 50) is amended by adding at the end thereof the following:

“It is unlawful for any person to aid or abet another in violating any provision of this Act or any other Act enforceable by the Commission.”.

SEC. 8. PERMISSIVE ADMINISTRATIVE PROCEDURE FOR CONSUMER PROTECTION RULES.

(a) IN GENERAL.—Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following:

“(k) ALTERNATIVE RULEMAKING PROCEDURE.—The Commission may, by majority vote of the full Commission, dispense with the requirements of other provisions of this section and of section 22 of this Act with respect to rulemaking involving a consumer protection matter (as determined by the Commission). If the Commission dispenses with such requirements with respect to such a rulemaking, it shall conduct such rulemaking in accordance with section 553 of title 5, United States Code, and in such case the provisions for judicial review of rules promulgated under section 553 of title 5 shall apply.”.

SEC. 9. RULEMAKING PROCEDURE FOR SUBPRIME LENDING MORTGAGES AND NONTRADITIONAL MORTGAGE LOANS.

Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), as amended by section 8, is further amended by adding at the end thereof the following:

“(1) SPECIAL RULE FOR CERTAIN MORTGAGE-RELATED RULEMAKINGS.—Notwithstanding any other provision of this section, section 22 of this Act, or any other provision of law, the Commission shall conduct rulemaking proceedings with respect to subprime mortgage lending and nontraditional mortgage loans in accordance with section 553 of title 5, United States Code, and the provisions for judicial review of rules promulgated under section 553 of title 5 shall apply.”.

SEC. 10. HARMONIZING FTC RULES WITH BANKING AGENCY RULEMAKING.

(a) IN GENERAL.—The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(1) by striking “The Board of Governors of the Federal Reserve System (with respect to banks) and the Federal Home Loan Bank Board (with respect to savings and loan institutions described in paragraph (3))” and inserting “Each Federal banking agency (with respect to the depository institutions each such agency supervises)”;

(2) by inserting “in consultation with the Commission” after “shall prescribe regulations”.

(b) FTC CONCURRENT RULEMAKING.—Section 18(f)(1) of such Act is further amended by inserting after the second sentence the following: “Such regulations shall be prescribed jointly by such agencies to the extent practicable. Notwithstanding any other provision of this section, whenever such agencies commence such a rulemaking proceeding, the Commission, with respect to the entities within its jurisdiction under this Act, may commence a rulemaking proceeding and prescribe regulations in accordance with section 553 of title 5, United States Code. If the Commission commences such a rulemaking proceeding, the Commission, the Federal banking agencies, and the National Credit Union Administration Board shall consult and coordinate with each other so that the regulations prescribed by each such agency are consistent with and comparable to the regulations prescribed by each other such agency to the extent practicable.”.

(c) GAO STUDY AND REPORT.—Not later than 18 months after the date of enactment

of this Act, the Comptroller General shall transmit to Congress a report on the status of regulations of the Federal banking agencies and the National Credit Union Administration regarding unfair and deceptive acts or practices by the depository institutions.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking “banks or savings and loan institutions described in paragraph (3), each agency specified in paragraph (2) or (3) of this subsection shall establish” and inserting “depository institutions and Federal credit unions, the Federal banking agencies and the National Credit Union Administration Board shall each establish”; and

(B) by striking “banks or savings and loan institutions described in paragraph (3), subject to its jurisdiction” before the period and inserting “depository institutions or Federal credit unions subject to the jurisdiction of such agency or Board”;

(2) in the sixth sentence of paragraph (1) (as amended by subsection (b))—

(A) by striking “each such Board” and inserting “each such banking agency and the National Credit Union Administration Board”;

(B) by striking “banks or savings and loan institutions described in paragraph (3)” each place such term appears and inserting “depository institutions subject to the jurisdiction of such agency”;

(C) by striking “(A) any such Board” and inserting “(A) any such Federal banking agency or the National Credit Union Administration Board”;

(D) by striking “with respect to banks, savings and loan institutions” and inserting “with respect to depository institutions”;

(3) by adding at the end of paragraph (1) the following new sentence: “For purposes of this subsection, the terms ‘Federal banking agency’ and ‘depository institution’ have the same meaning as in section 3 of the Federal Deposit Insurance Act.”;

(4) in paragraph (2)(C), by inserting “than” after “(other)”;

(5) in paragraph (3), by inserting “by the Director of the Office of Thrift Supervision” before the period at the end;

(6) in paragraph (4), by inserting “by the National Credit Union Administration” before the period at the end; and

(7) in paragraph (6), by striking “the Board of Governors of the Federal Reserve System” and inserting “any Federal banking agency or the National Credit Union Administration Board”.

SEC. 11. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—Except as provided in subsection (f), a State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate State or district court of the United States to enforce the provisions of the Federal Trade Commission Act or any other Act enforced by the Federal Trade Commission to obtain penalties and relief provided under such Acts whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a violation of a subprime mortgage lending rule or a non-traditional mortgage loan rule promulgated by the Federal Trade Commission.

(b) NOTICE.—The State shall serve written notice to the Commission of any civil action under subsection (a) at least 60 days prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide notice

immediately upon instituting such civil action.

(c) **INTERVENTION BY FTC.**—Upon receiving the notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action;

(2) remove the action to the appropriate United States district court; and

(3) file petitions for appeal of a decision in such civil action.

(d) **SAVINGS CLAUSE.**—Nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence. Nothing in this section shall prohibit the attorney general of a State, or other authorized State officer, from proceeding in State or Federal court on the basis of an alleged violation of any civil or criminal statute of that State.

(e) **VENUE; SERVICE OF PROCESS; JOINDER.**—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which the lender or a related party operates or is authorized to do business;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with a lender or related party to an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) **PREEMPTIVE ACTION BY FTC.**—Whenever a civil action or an administrative action has been instituted by or on behalf of the Commission for violation of any rule described under (a), no State may, during the pendency of such action instituted by or on behalf of the Commission, institute a civil action under subsection (a) against any defendant named in the complaint in such action for violation of any rule as alleged in such complaint.

(g) **AWARD OF COSTS AND FEES.**—If the attorney general of a State prevails in any civil action under subsection (a), the State can recover reasonable costs and attorney fees from the lender or related party.

SEC. 12. HARMONIZATION OF NATIONAL DO-NOT-CALL REGISTRY AND EFFECT ON STATE LAWS.

(a) **AMENDMENT OF THE TELEMARKETING AND CONSUMER FRAUD AND ABUSE PREVENTION ACT.**—Section 5 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6105) is amended by adding at the end thereof the following:

“(d) **STATE LAWS NOT PREEMPTED.**—Nothing in this Act or the Do-Not-Call Implementation Act (15 U.S.C. 6101 note) preempts any State law that imposes more restrictive requirements on intrastate or interstate telemarketing to telephone numbers on a do-not-call list within 2 years of the completion of the Federal Trade Commission study entitled “Self Regulation in the Alcohol Industry”—call registry maintained by that State.”.

(b) **CONFORMING AMENDMENT.**—Section 227(e)(1) of the Communications Act of 1934 (47 U.S.C. 227(e)(1)) is amended by inserting “interstate or” after “restrictive”.

SEC. 13. FTC STUDY OF ALCOHOLIC BEVERAGE MARKETING PRACTICES.

Within 2 years after the Federal Trade Commission completes its study entitled Self-Regulation in the Alcohol Industry and every 2 years thereafter, the Commission shall transmit a report to the Congress on advertising and marketing practices for alcoholic beverages, together with such rec-

ommendations, including legislative recommendations, as the Commission deems appropriate. In preparing the report, the Commission shall consider information contained in reports by the Secretary of Health and Human Services under section 519B of the Public Health Service Act (42 U.S.C. 290bb-25b), and shall include, to the extent feasible, data on measured and unmeasured media by brand and type of beverage, and data on expenditures for slotting and discounting.

SEC. 14. COMMON CARRIER EXCEPTION.

Section 4 of the Federal Trade Commission Act (15 U.S.C. 44) is amended by striking the paragraph containing the definition of the term “Acts to regulate commerce” and inserting the following:

“ ‘Acts to regulate commerce’ means subtitle IV of title 49, United States Code, and all Acts amendatory thereof and supplementary thereto.”.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 505—COMMENDING THE UNIVERSITY OF KANSAS MEN'S BASKETBALL TEAM FOR WINNING THE 2008 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION (NCAA) DIVISION I BASKETBALL CHAMPIONSHIP

Mr. ROBERTS (for himself, Mr. BROWNBACK, and Mr. STEVENS) submitted the following resolution; Which was considered and agreed to:

S. RES. 505

Whereas, on April 7th, 2008, the University of Kansas men's basketball team won its third NCAA Division I Basketball Championship and fifth national title with its 75-68 overtime win over the University of Memphis—on the twentieth anniversary of the historic win by the team lead by Danny Manning known as “Danny and the Miracles”;

Whereas, with this win the Jayhawks achieved a school record for all-time season wins, posting a 37-3 win-loss record during their run for the title, and finished the season with a thirteen-game winning streak, securing the Big XII Conference Championship title after starting the season with a twenty-game undefeated record, in addition to the 2008 NCAA Division I men's basketball crown;

Whereas, Head Coach Bill Self improved his all-time record at Kansas to 142-32 and 12-4 in the tournament assisted by a miraculous last-minute three-point shot by guard Mario Chalmers;

Whereas, Kansas guard Mario Chalmers was chosen as the Most Outstanding Player of the Final Four and was named to the all-tournament team along with guards Brandon Rush and Darrell Arthur;

Whereas, each player, coach, trainer, and manager dedicated his or her time and effort to ensuring that the Kansas Jayhawks reached their goal of capturing a national championship; and

Whereas, the families of the players, students, alumni, and faculty of the University of Kansas, and all the supporters of the University of Kansas, are to be congratulated for their commitment to, and pride in, the basketball program at the University: Now, therefore, be it

Resolved, That the Senate—

(1) commends the University of Kansas men's basketball team for winning the 2008 NCAA Division I Basketball Championship;

(2) recognizes the achievements of all of the players, coaches, and support staff who were instrumental in helping the University

of Kansas men's basketball team win its third NCAA Division I Basketball Championship and fifth national championship;

(3) respectfully requests the Secretary of the Senate to transmit enrolled copies of this resolution to—

(A) the University of Kansas for appropriate display;

(B) the Chancellor of the University of Kansas, Robert Hemenway;

(C) the Athletic Director of the University of Kansas, Lew Perkins;

(D) the Head Coach of the University of Kansas men's basketball team, Bill Self.

SENATE RESOLUTION 506—EXPRESSING THE SENSE OF THE SENATE THAT FUNDING PROVIDED BY THE UNITED STATES TO THE GOVERNMENT OF IRAQ IN THE FUTURE FOR RECONSTRUCTION AND TRAINING FOR SECURITY FORCES BE PROVIDED AS A LOAN TO THE GOVERNMENT OF IRAQ

Mr. NELSON of Nebraska submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 506

Whereas the United States has been engaged in Iraq for more than 5 years at a great cost to the United States in both lives and resources;

Whereas March 19, 2008, marked the fifth anniversary of the engagement of the United States in Iraq;

Whereas the United States Government has spent \$600,000,000,000 to fight the war in Iraq and that expenditure has contributed greatly to the Nation's debt;

Whereas taxpayers in the United States have provided \$45,000,000,000 in funding for reconstruction to the country and the Government of Iraq;

Whereas world oil prices have reached more than \$100 a barrel;

Whereas consumers in the United States are paying record gas prices of approximately \$3.29 a gallon;

Whereas, when the war began, Deputy Secretary of Defense Paul Wolfowitz said, “We're dealing with a country that can really finance its own reconstruction, and relatively soon.”;

Whereas, due to high oil prices and expanded oil production, it has been predicted that the Government of Iraq is likely to experience an enormous revenue windfall;

Whereas, in January 2008, the Government Accountability Office issued a report stating that, according to Iraq's official expenditure reports, the Government of Iraq had spent only 4.4 percent of its \$10,100,000,000 investment budget as of August 2007;

Whereas Iraq has not made satisfactory progress toward achieving the political benchmarks established by Congress; and

Whereas the Government of Iraq needs to invest in the future of Iraq by paying a larger share of the costs of reconstruction: Now, therefore, be it

Resolved, That it is the sense of the Senate that any funding provided by the United States to the Government of Iraq for reconstruction and training for security forces after the date on which the Senate agrees to this resolution be provided as a loan to the Government of Iraq.