

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

APRIL 11, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. GURNEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 129, line 19, before the period, insert “;  
2   **COOPERATION IN LOCATING PERSONNEL MISSING IN**  
3   **ACTION”.**

4       On page 131, after line 13, insert the following:

5       “(c) Notwithstanding any other provision of law, on  
6   or after the date of the enactment of this Act products from  
7   any nonmarket economy country shall not be eligible to  
8   receive nondiscriminatory treatment (most-favored-nation

**Amdt. No. 1194**

1 treatment), such country shall not participate in any pro-  
2 gram of the Government of the United States which extends  
3 credits or credit guarantees or investment guarantees, di-  
4 rectly or indirectly, and the President of the United States  
5 shall not conclude any commercial agreement with any such  
6 country, during the period beginning with the date on which  
7 the President determines that such country—

8           “(1) has not expressed its official outrage over the  
9 failure of governments in Southeast Asia to cooperate  
10 with the United States in accounting for military and  
11 civilian personnel who are missing in action, in repa-  
12 triating those who are alive, and in recovering the re-  
13 mains of those who are dead, and

14           “(2) is not taking action to secure such coopera-  
15 tion by such governments with the United States,  
16 and ending on the date on which the President determines  
17 that such country is no longer in violation of paragraph (1)  
18 or (2).

19           “(d) After the date of the enactment of this Act, (A)  
20 products of a nonmarket economy country may be eligible to  
21 receive nondiscriminatory treatment (most-favored-nation  
22 treatment), (B) such country may participate in any pro-  
23 gram of the Government of the United States which extends  
24 credits or credit guarantees or investment guarantees, and  
25 (C) the President may conclude a commercial agreement

1 with such country, only after the President has submitted to  
2 the Congress a report indicating that such country is not in  
3 violation of paragraph (1) or (2) of subsection (c). Such  
4 report with respect to such country shall include information  
5 as to the nature and implementation of action taken by such  
6 country to secure cooperation with the United States by gov-  
7 ernments in Southeast Asia in accounting for military and  
8 civilian personnel who are missing in action, in repatriating  
9 those who are alive, and in recovering the remains of those  
10 who are dead. The report required by this subsection shall be  
11 submitted initially as provided herein and, with current in-  
12 formation, on or before each June 30 and December 31  
13 thereafter so long as such treatment received, such credits or  
14 guarantees extended, or such agreement is in effect.”.

15 On page 131, line 14, strike out “(c)” and insert “(c)”.

16 On page 136, line 20, strike out “report required by sec-  
17 tion 402 (b)” and insert “reports required by sections 402  
18 (b) and 402 (d)”.

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**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. GUNNER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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APRIL 11, 1974

Referred to the Committee on Finance and ordered  
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93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

JUNE 6, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. MONDALE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1       On page 5, in the table of contents, immediately below  
2 the item relating to section 606, insert the following:

“Sec. 607. Limitation on allowance of foreign tax credit.”.

- 3       At the end of the bill insert the following new section:

4       **“SEC. 607. LIMITATION ON ALLOWANCE OF FOREIGN TAX**  
5               **CREDIT.**

- 6       “(a) Section 901 of the Internal Revenue Code of  
7 1954 (relating to taxes of foreign countries and of posses-  
8 sions of United States) is amended—

**Amdt. No. 1403**

1           “(1) by redesignating subsection (f) as (g), and

2           “(2) by inserting immediately after subsection

3           (e) the following new subsection:

4           “(f) **DISALLOWANCE OF CREDIT.**—No credit against  
5 tax shall be allowed under section 33 (relating to taxes of  
6 foreign countries and possessions of the United States) or  
7 under this subpart for any income, war profits, or excess  
8 profits taxes paid or accrued to a foreign country, or politi-  
9 cal subdivision thereof, or any political entity, in respect of  
10 income from sources within an international territory ad-  
11 ministered by that foreign country, or political subdivision  
12 thereof, or any political entity where (1) such administra-  
13 tion has been held to be illegal by the International Court  
14 of Justice, and (2) the United States Government has ac-  
15 cepted the conclusions of such International Court of Justice  
16 Opinion.’

17           “(b) The amendment made by this section applies to  
18 taxes paid or accrued to a foreign country after December  
19 31, 1974.”

**Amdt. No. 1403**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. MONDARE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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JUNE 6, 1974

Referred to the Committee on Finance and ordered  
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1       “(1) by redesignating subsection (f) as (g), and

2       “(2) by inserting immediately after subsection (e) the  
3 following new subsection:

4       “(f) **DISALLOWANCE OF CREDIT.**—No credit against  
5 tax shall be allowed under section 33 (relating to taxes of  
6 foreign countries and possessions of the United States) or  
7 under this subpart for any income, war profits, or excess  
8 profits taxes paid or accrued to a foreign country, or political  
9 subdivision thereof, or any political entity, in respect of  
10 income from sources within an international territory ad-  
11 ministered by that foreign country, or political subdivision  
12 thereof, or any political entity where (1) such administra-  
13 tion has been held to be illegal by the International Court of  
14 Justice, and (2) the United States Government has ac-  
15 cepted the conclusions of such International Court of Justice  
16 Opinion.’.

17       “(b) The amendment made by this section applies to  
18 taxes paid or accrued to a foreign country after Decem-  
19 ber 31, 1974.”

**Amdt. No. 1389**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

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# **H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. MONDALE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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JUNE 5, 1974

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93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

APRIL 23, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. BENTSEN to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 5, in the table of contents, immediately below  
2 the item relating to section 606, insert the following:

“Sec. 607. Potential import information.”

3       On page 151, after line 7, insert the following new  
4 section:

5       **“SEC. 607. POTENTIAL IMPORT INFORMATION.**

6       “The Secretary of Commerce shall determine from time  
7 to time, as appropriate, what commodities and goods are in  
8 short supply in the United States in light of current economic  
9 trends and specific demands by affected firms for such com-  
10 modities or goods. Upon such a determination, the Secretary

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1 shall investigate potential foreign sources of supply of such  
2 commodities and goods. In making investigations under this  
3 section, the Secretary shall coordinate his activities with  
4 those of the Secretary of State where appropriate. The  
5 President is authorized to make agreements with appropriate  
6 international organizations and foreign governments to sup-  
7 ply continuously to the Secretary of Commerce information  
8 necessary to his investigations under this section. The Sec-  
9 retary of Commerce shall make the results of any investi-  
10 gation he conducts under this section, including information  
11 as to the location, quantity, price, and terms of sale of each  
12 potential supply of commodities or goods, available to the  
13 public for an appropriate fee in the form of a computerized  
14 information system or on any other frequently updated  
15 basis.”.

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**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. BENTSEN to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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APRIL 23, 1974

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93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

JUNE 17, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CHILES to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 130, line 8, immediately after “(1)” insert  
2       “(A)”.

3       On page 130, line 10, strike out “(2)” and insert in  
4       lieu thereof “(B)”.

5       On page 130, line 13, strike out “(3)” and insert in  
6       lieu thereof “(C)”.

7       On page 130, line 16, after the comma insert “and”.

8       On page 130, between lines 16 and 17, insert the fol-  
9       lowing:

10       “(2) (A) has not expressed understanding and

1 concern for the plight of United States military and  
2 civilian personnel who are missing in action in Southeast  
3 Asia and has not provided evidence to the United States  
4 of communications to governments in Southeast Asia  
5 urging that exhaustive efforts be made to achieve a full  
6 accounting of all such persons, that all such persons who  
7 are alive be repatriated, and that the remains of all such  
8 persons who are dead be returned to the United States,  
9 and

10 “(B) is not taking action to secure cooperation  
11 by such governments with the United States with re-  
12 spect to the return of such persons.”.

13 On page 130, lines 18 and 19, strike out “(1), (2), or  
14 (3)” and insert in lieu thereof “(1) and (2)”.

15 On page 131, line 5, beginning with “Such report”,  
16 strike out through line 8 and insert in lieu thereof the follow-  
17 ing: “Such report with respect to such country shall include  
18 the following information—

19 “(1) the nature and implementation of emigration  
20 laws and policies and restrictions or discrimination ap-  
21 plied to or against persons wishing to emigrate, and

22 “(2) the nature and implementation of action taken  
23 to secure cooperation with the United States by gov-  
24 ernments in Southeast Asia in returning United States  
25 military and civilian personnel who are missing in  
26 action.”.

**Amdt. No. 1463**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. CHURCH to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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JUNE 17, 1974

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93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

JULY 16, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. NELSON (for himself and Mr. BENTSEN) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:-

1 On page 66, line 8, strike the words "of eligibility to  
2 apply" and insert in lieu thereof the following: "that the  
3 workers in a firm or appropriate subdivision thereof are  
4 eligible".

5 On page 66, line 13, after the word "petition," insert the  
6 following: "or upon his own independent determination that  
7 the need for adjustment assistance may exist,".

8 On page 66, line 15, after the word "investigation"

**Amdt. No. 1555**

1 strike the period and insert the following: “, or has initiated  
2 an investigation on his own independent determination.”.

3 On page 67, line 1, strike the words “to apply”.

4 On page 67, line 10, after the word “that” insert the fol-  
5 lowing: “absolute or relative”.

6 On page 67, line 14, after the period insert the fol-  
7 lowing: “For purposes of this section the term ‘contributed  
8 importantly’ is defined as a cause which may be less than a  
9 ‘substantial cause’ as defined in section 201 of this title.”.

10 On page 67, line 17, after the word “filed” insert the  
11 following: “or an investigation is initiated on the independent  
12 determination of the Secretary”.

13 On page 67, line 19, strike the words “petitioning group  
14 meets” and insert in lieu thereof the following: “workers in  
15 an individual firm or appropriate subdivision of that firm  
16 meet”.

17 On page 67, lines 20 and 21, strike the words “to apply”.

18 On page 68, line 8, strike the words “on a petition”.

19 On page 68, line 10, after the word “Register” strike  
20 the period and insert the following: “, and shall make full  
21 public disclosure of his reasons for such determination.”.

22 On page 68, line 17, after the word “Register” strike  
23 the period and insert the following: “and shall make full  
24 public disclosure of his reasons for such termination.”.

1 On page 68, line 19, after the period insert the follow-  
2 ing:

3 “(e) All final determinations made by the Secretary  
4 of Labor under this section shall be appealable in the same  
5 manner and to the same extent as is provided by section 205  
6 (g) of the Social Security Act (42 U.S.C. 405 (g) ).”.

7 On page 69, line 22, strike the words “, to the extent  
8 feasible,”.

9 On page 71, line 9, after the word “be” strike all that  
10 appears through the period on line 19 and insert the follow-  
11 ing: “75 percent of his average weekly wage (but not in  
12 excess of 130 percent of the average weekly manufacturing  
13 wage), reduced by 50 percent of the amount of the remu-  
14 neration for services performed during such week.”.

15 On page 73, line 16, after the word “exceed” strike all  
16 that appears through the number “80” on line 18 and insert  
17 the following: “100”.

18 On page 73, line 20, after the comma strike all that  
19 appears through the comma on line 24.

20 On page 75, line 5, after the comma strike the word  
21 “may” and insert the word “shall”.

22 On page 75, line 17, strike the number “26” and insert  
23 in lieu thereof the following: “52”.

24 On page 75, line 18, strike the words “to assist him

1 to complete” and insert in lieu thereof the following: “if  
2 such worker enrolls in a”.

3 On page 75, line 18, after the word “training” insert  
4 the following: “program”.

5 On page 75, line 20, after the word “made” strike all  
6 that appears through the period on line 23 and insert the  
7 following:

8 “(A) to an adversely affected worker who had  
9 reached his 55th birthday on or before the date of total  
10 or partial separation and for whom suitable reemploy-  
11 ment cannot be found that is no worse than such worker’s  
12 adversely affected employment for—

13 “(i) not more than 52 additional weeks, or

14 “(ii) until he has received such payments for  
15 a total number of additional weeks equal to the  
16 total number of weeks for which he had been em-  
17 ployed in the firm or subdivision in which the ad-  
18 versely affected employment occurred,  
19 whichever date comes sooner; and

20 “(B) to an adversely affected worker who had  
21 reached his 60th birthday on or before the date of  
22 total or partial separation—

23 “(i) until he has reached his 65th birthday, or

24 “(ii) until he has received such payments for  
25 a total number of additional weeks equal to the

1 total number of weeks for which he had been em-  
2 ployed in the firm or subdivision in which the ad-  
3 versely affected employment occurred,  
4 whichever date comes sooner.

5 “(3) payments to any adversely affected worker under  
6 paragraph (2) of this subsection shall be reduced by—

7 “(A) the amount of any private pension benefits  
8 for which the worker is or becomes eligible,

9 “(B) the amount of any benefits for which the  
10 worker is or becomes eligible under the Social Security  
11 Act, and

12 “(C) 50 percent of any remuneration received by  
13 the worker for services performed.”.

14 On page 76, line 4, after the “(a)” insert the following:  
15 “(1)”.

16 On page 77, line 4, after the period insert the following:

17 **“PART II—HEALTH BENEFITS**

18 **“SEC. 235. HEALTH BENEFITS.**

19 “If an adversely affected worker and his family are not  
20 covered under any other health plan, such worker shall select  
21 a plan from among those available to Federal employees.  
22 The employee’s share of the premium for such plan shall be  
23 deducted from his trade readjustment allowance, and the Sec-  
24 retary shall authorize payment from the Adjustment Assist-  
25 ance Trust Fund of the employer’s share of such premium.”.

1       On page 77, line 5, strike “II” and insert in lieu thereof  
2 the following: “III”.

3       On page 77, line 6, strike “235” and insert in lieu thereof  
4 the following: “236”.

5       On page 77, line 8, strike the words “adversely affected”.

6       On page 77, line 13, after the period insert the follow-  
7 ing:

8       “(b) Where the provision of such services involves an  
9 expenditure by an agency or institution operating under any  
10 other Federal law or by a cooperating State agency the Sec-  
11 retary shall authorize the reimbursement of such expenditure  
12 from the Adjustment Assistance Trust Fund.”.

13       On page 77, line 14, strike “236” and insert in lieu  
14 thereof the following: “237”.

15       On page 77, line 17, after the comma insert the follow-  
16 ing: “that is no worse than such worker’s adversely affected  
17 employment,”.

18       On page 77, line 19, after the word “employment” in-  
19 sert the following: “or employment in a service rather than  
20 industrial profession”.

21       On page 77, line 20, after the word “training” insert  
22 the following: “in a public or private training program or  
23 vocational institute or institution of higher learning”.

24       On page 77, line 20, after the period strike all that

1 appears through the period on line 23 and insert the follow-  
2 ing:

3 “(2) Where such training is to occur through a public  
4 or private training program or vocational institute or institu-  
5 tion of higher learning which charges a fee for its services,  
6 the Secretary shall authorize the full payment of such fee  
7 from the Adjustment Assistance Trust Fund.

8 “(3) (A) Where such training is to occur on the job,  
9 the Secretary shall authorize payments to an employer offer-  
10 ing such training, pursuant to regulations which he shall  
11 prescribe, from the Adjustment Assistance Trust Fund.

12 “(B) On-the-job training authorized by the Secretary  
13 pursuant to this paragraph shall not be considered ‘employ-  
14 ment’ for purposes of eligibility for assistance under this  
15 chapter, but any remuneration received by an adversely  
16 affected worker for services performed in on-the-job training  
17 program shall be subject to the provisions of sections 232 and  
18 233.”.

19 On page 78, line 6, strike “\$5” and insert in lieu thereof  
20 the following: “\$15”.

21 On page 78, line 7, strike “10” and insert in lieu thereof  
22 the following: “12”.

23 On page 78, line 14, strike “III” and insert in lieu  
24 thereof the following: “IV”.

1        On page 78, line 16, strike “237” and insert in lieu  
2 thereof the following: “238”.

3        On page 78, line 17, strike the words “adversely af-  
4 fected”.

5        On page 78, line 18, strike the words “who has been  
6 totally separated”.

7        On page 78, line 21, strike “80” and insert in lieu  
8 thereof the following: “100”.

9        On page 79, line 1, strike the words “an adversely af-  
10 fected” and insert in lieu thereof the following: “such”.

11       On page 79, line 7, after the “(3)” insert the following:  
12 “in the case of a worker who has been totally separated”.

13       On page 79, line 7, after the word “where” strike the  
14 word “the” and insert the following: “such”.

15       On page 79, line 12, strike the words “adversely af-  
16 fected”.

17       On page 79, line 14, after the word “separated” insert  
18 the following: “or who has not been totally separated but  
19 has completed a successful job search under section 238”.

20       On page 79, line 18, strike the words “adversely af-  
21 fected” and insert in lieu thereof the following: “such”.

22       On page 80, line 3, after “(c)” insert the following:  
23 “(1)”.

24       On page 80, line 4, after the word “unless” strike all  
25 that appears through “(2)” on line 12.

1 On page 80, line 17, before the word "under" insert the  
2 following: "(2)".

3 On page 81, line 5, strike "239" and insert in lieu thereof  
4 the following: "240".

5 On page 82, line 6, strike "240" and insert in lieu  
6 thereof the following: "241".

7 On page 82, line 18, strike "241" and insert in lieu  
8 thereof the following: "242".

9 On page 83, line 22, strike "242" and insert in lieu  
10 thereof the following: "243".

11 On page 84, line 9, strike "243" and insert in lieu  
12 thereof the following: "244".

13 On page 85, line 4, strike "244" and insert in lieu thereof  
14 the following: "245".

15 On page 85, line 11, after the period insert the fol-  
16 lowing:

17 **"SEC. 246. SUBPENA POWER OF SECRETARY.**

18 "The Secretary shall be empowered, on his own initia-  
19 tive or at the request of an interested party, to issue subpoenas  
20 requiring the production of any information necessary to  
21 make a determination under this chapter, and such subpoenas  
22 shall be enforceable in any court of competent jurisdiction."

23 On page 85, line 12, strike "245" and insert in lieu  
24 thereof the following: "247".

1 On page 86, line 8, strike "246" and insert in lieu thereof  
2 the following: "248".

3 On page 88, line 9, strike "247" and insert in lieu thereof  
4 the following: "249".

5 On page 90, line 7, strike the words "(75 percent in the  
6 case of any week after the first 26 weeks in which he is  
7 eligible to receive a trade readjustment allowance)".

8 On page 91, line 15, strike the words "(75 percent in  
9 the case of any week after the first 26 weeks in which  
10 he is eligible to receive a trade readjustment allowance)".

11 On page 92, line 1, strike "248" and insert in lieu thereof  
12 the following: "250".

13 On page 92, line 4, strike "249" and insert in lieu thereof  
14 the following "251".

15 On page 92, line 8, strike "250" and insert in lieu thereof  
16 the following: "252".

**Amdt. No. 1555**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. NELSON (for himself and Mr. BENTSEN) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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JULY 16, 1974

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93D CONGRESS  
2D SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

JULY 25, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HUMPHREY (for himself and Mr. BENTSEN) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate economic growth of the United States, and for other purposes, viz:

1        On page 138, line 25, strike out "30 days" and insert  
2        "60 days".

3        On page 138, line 26, after "Senate" insert, "and  
4        has notified such country,".

5        On page 140, after line 17, insert the following:

6        "(3) the extent to which such country has assured  
7        the United States of equitable and reasonable access to  
8        its markets and basic commodity resources;".

**Amdt. No. 1614**

1 On page 140, line 18, strike out “(3)” and insert “(4)”.

2 On page 140, line 21, strike out “(4)” and insert “(5)”.

3 On page 141, line 22, strike out “the” and insert “a”.

4 On page 141, line 24, strike out “the” and insert “a”.

5 On page 143, strike out lines 16 through 19 and insert  
6 the following:

7 “(1) has exported (directly or indirectly) to the  
8 United States during any calendar year a quantity of an  
9 article having a total appraised value in excess of that  
10 amount which bears the same ratio to \$25,000,000 as  
11 the gross national product (as determined by the De-  
12 partment of Commerce) for such calendar year bears to  
13 the gross national product (as so determined) for the  
14 calendar year 1974, or”.

15 On page 143, line 20, after “(2)” insert “except as  
16 provided in subsection (d),”.

17 On page 144, after line 6 insert the following:

18 “(d) Paragraph (2) of subsection (c) shall not apply—

19 “(1) with respect to any country which is a least  
20 developed country, as designated by the United Nations,  
21 or

22 “(2) with respect to any article if a like or directly  
23 competitive article is not produced in the United States.”.

24 On page 144, line 7, strike out “(d)” and insert “(e)”.

**Amdt. No. 1614**

93<sup>rd</sup> CONGRESS  
2<sup>d</sup> Session

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. HUMPHREY (for himself and Mr. BENTSEN) to H. R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate economic growth of the United States, and for other purposes.

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JULY 25, 1974

Referred to the Committee on Finance and ordered  
to be printed

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

JULY 31, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: at the end of the bill, add the following new section:

1        SEC. 607. It is the sense of the Congress that the United  
2 States should enter into an agreement with the other coun-  
3 tries of North America which would guarantee continued  
4 stability to each country's economy. In order to promote  
5 such economic stability, the President shall enter into nego-  
6 tiations with various governments to establish an Eco-  
7 nomic Community of North America.

**Amdt. No. 1761**

**Amdt. No. 1761**

93d CONGRESS  
2d Session

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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July 31, 1974

Referred to the Committee on Finance and ordered  
to be printed

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

AUGUST 13, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENT

Intended to be proposed by Mr. HATHAWAY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 105, line 25, insert the following:

1     **CHAPTER 4—ADJUSTMENT ASSISTANCE**

2                     **FOR COMMUNITIES**

3     **Subchapter A—Petitions and Determinations**

4     **SEC. 265. PETITIONS.**

5             (a) A petition for certification of eligibility to apply  
6 for adjustment assistance may be filed with the Secretary  
7 of Commerce (hereinafter in this chapter referred to as  
8 “the Secretary”) by a local governmental agency, group of  
9 such agencies, or the Governor of a State on behalf of such

1 agencies. Upon receipt of the petition, the Secretary shall  
2 promptly publish notice in the Federal Register that he has  
3 received the petition and initiated an investigation.

4 (b) If the petitioner, or any other person found by the  
5 Secretary to have a substantial interest in the proceedings,  
6 submits not later than 10 days after the Secretary's publica-  
7 tion of notice under subsection (a) a request for a hearing,  
8 the Secretary shall provide for a public hearing and afford  
9 such interested persons an opportunity to be present, to pro-  
10 duce evidence, and to be heard. The Secretary may request  
11 the Tariff Commission to hold any hearings required by  
12 this section and to submit the transcript thereof and relevant  
13 information and documents to him within a specified time.

14 (c) A local governmental agency or group of such  
15 agencies shall be certified as eligible to apply for adjustment  
16 assistance under this chapter if the Secretary determines that  
17 a significant number or proportion of the workers employed  
18 in manufacturing within the "labor area" (as that term is  
19 defined by the Secretary of Labor) encompassing such local  
20 governmental agency or agencies have become totally sepa-  
21 rated, or are threatened to become totally or partially sepa-  
22 rated, that sales or production, or both, of firms or subdivi-  
23 sions of firms located within said labor area have decreased  
24 absolutely, and that increases of imports of articles like or  
25 directly competitive with articles produced by such firms or

1 subdivisions thereof located within said labor area contributed  
2 substantially to such total or partial separation, or threat  
3 thereof.

4 **SEC. 266. DETERMINATIONS BY SECRETARY OF COM-**  
5 **MERCE.**

6 (a) As soon as possible after the date on which a peti-  
7 tion is filed under section 247, but in any event not later  
8 than 60 days after that date, the Secretary shall determine  
9 whether the petitioning local governmental agency or agen-  
10 cies meets the requirements of section 247 and issue a cer-  
11 tification of eligibility to apply for assistance under this  
12 chapter. The certification shall specify the date on which  
13 the total or partial worker separation began or threatened  
14 to begin.

15 (b) Whenever the Secretary concludes that the Tariff  
16 Commission can aid him in reaching a determination under  
17 this section, he may request the Tariff Commission to con-  
18 duct an investigation of fact relevant to such determination  
19 and to report the results within a specified time. In his re-  
20 quest, the Secretary may state the particular kinds of data  
21 which he deems appropriate to be included.

22 (c) Upon reaching his determination on a petition, the  
23 Secretary shall promptly publish a summary of the deter-  
24 mination in the Federal Register.

25 (d) Once a petition or petitions are filed, the respon-

1 sibility for establishing the existence or nonexistence of the  
2 qualifying circumstances necessary under this chapter shall  
3 rest with the Secretary.

#### 4 **Subchapter B—Program Benefits**

##### 5 **SEC. 267. ADJUSTMENT ASSISTANCE COUNCILS.**

6 (a) Within 60 days of the certification of a labor area  
7 under section 247, the Secretary shall send representatives  
8 to said area to meet with local officials and members of the  
9 general public in order to (1) acquaint them with the pro-  
10 visions of this act and potential benefits available thereunder;  
11 (2) assist in the formation of an Adjustment Assistance  
12 Council under this section; (3) and provide any other as-  
13 sistance that may be necessary to initiate a successful ad-  
14 justment assistance program.

15 (b) Each local governmental agency within a single  
16 labor area which is found certified under section 247 shall  
17 choose representatives to an Adjustment Assistance Council.  
18 Each local governmental unit shall be allocated one position  
19 on said Council for every 5,000 people or fraction over  
20 2,500 people residing in said labor area. All local govern-  
21 mental agencies within said labor area shall be entitled to  
22 place representatives on such Council within 90 days of  
23 notice of the establishment of such Council being published  
24 in a newspaper of general circulation in said labor area.

25 (c) Such Adjustment Assistance Council shall develop

1 and implement a redevelopment plan and coordinate local  
2 efforts under this Act intended to bring about the economic  
3 rejuvenation of its labor area.

4 **SEC. 268. COUNCIL STAFF.**

5 The Secretary, upon application by a duly constituted  
6 Adjustment Assistance Council, is authorized to make grants  
7 to defray not to exceed 90 percent of such funds as are  
8 necessary to maintain professional and clerical staff of such  
9 Council for a period not to exceed 2 years from the date of  
10 the certification of the labor area under section 247. Such  
11 professional staff shall be limited in size to 1 person for  
12 every 30,000 people within said labor area. The Secretary  
13 is authorized to make grants to defray 50 percent of the  
14 administrative costs of said Council for 3 years after the  
15 expiration of the original 2-year grant under this section.

16 **SEC. 269. TECHNICAL ASSISTANCE.**

17 The Secretary, upon application by a duly constituted  
18 Adjustment Assistance Council, is authorized to provide  
19 to said Council such technical assistance as would be help-  
20 ful in alleviating or preventing conditions of excessive un-  
21 employment or underemployment in said labor area. Such  
22 assistance may include project planning and feasibility  
23 studies, management and operational assistance, and studies  
24 evaluating the needs of, and developing potentialities for,

1 economic growth in the labor area. Such assistance may be  
2 provided by the Secretary through members of his staff,  
3 through the employment of private individuals, partner-  
4 ships, firms, corporations or suitable institutions, under con-  
5 tracts entered into for such purposes, or through grants-in-  
6 aid to said Adjustment Assistance Council.

7 **SEC. 270.**

8 (a) Upon the application of any Adjustment Assistance  
9 Council, the Secretary is authorized—

10 (1) to make direct grants for the acquisition or  
11 development of land and improvements for public works,  
12 public service, or development facility usage, and the  
13 acquisition, construction, rehabilitation, alteration, ex-  
14 pansion, or improvement of such facilities, including re-  
15 lated machinery and equipment, within the labor area, if  
16 he finds that—

17 (A) the project for which financial assistance is  
18 sought will directly or indirectly (i) tend to improve  
19 the opportunities, in the area where such project is  
20 or will be located, for the successful establishment or  
21 expansion of industrial or commercial plants or fa-  
22 cilities, (ii) otherwise assist in the creation of addi-  
23 tional long-term employment opportunities for such  
24 area, or (iii) primarily benefit the long-term unem-  
25 ployed and members of low-income families or

1 otherwise substantially further the objectives of the  
2 Economic Opportunity Act of 1964;

3 (B) the project for which a grant is requested  
4 will fulfill a pressing need of the area, or part there-  
5 of, in which it is or will be located;

6 (C) the project to be undertaken will provide  
7 immediate useful work to unemployed and under-  
8 employed persons in that area.

9 (b) Subject to subsection (c) hereof, the amount of any  
10 direct grant under this section for any project shall not ex-  
11 ceed 50 percent of the cost of such project.

12 (c) The amount of any supplementary grant under this  
13 section for any project shall not exceed the applicable per-  
14 centage established by regulations promulgated by the Sec-  
15 retary, but in no event shall the non-Federal share of the  
16 aggregate cost of any such project (including assumptions  
17 of debt) be less than 20 percent of such cost, except that  
18 in the case of a grant to an Indian tribe, the Secretary may  
19 reduce the non-Federal share below such percent or may  
20 waive the non-Federal share. In the case of any State or  
21 political subdivision thereof which the Secretary determines  
22 has exhausted its effective taxing and borrowing capacity,  
23 the Secretary may reduce the non-Federal share below such  
24 percent or may waive the non-Federal share. Supplementary  
25 grants shall be made by the Secretary, in accordance with

1 such regulations as he shall prescribe, by increasing the  
2 amounts of direct grants authorized under this section or  
3 by the payment of funds appropriated under this Act to the  
4 heads of the departments, agencies, and instrumentalities of  
5 the Federal Government responsible for the administration  
6 of the applicable Federal programs. Notwithstanding any  
7 requirement as to the amount or sources of non-Federal funds  
8 that may otherwise be applicable to the Federal program  
9 involved, funds provided under the subsections shall be used  
10 for the sole purpose of increasing the Federal contribution  
11 to specific projects in certified labor areas under such pro-  
12 grams above the fixed maximum portion of the cost of such  
13 project otherwise authorized by the applicable law. The term  
14 "designated Federal grant-in-aid programs," as used in this  
15 subsection, means such existing or future Federal grant-in-  
16 aid programs assisting in the construction or equipping of  
17 facilities as the Secretary may, in furtherance of the pur-  
18 poses of this Act, designate as eligible for allocation of funds  
19 under this section. In determining the amount of any sup-  
20 plementary grant available to any project under this section,  
21 the Secretary shall take into consideration the relative needs  
22 of the area, the nature of the project to be assisted, and the  
23 amount of such fair user charges or other revenues as the  
24 project may reasonably be expected to generate in excess  
25 of those which would amortize the local share of initial costs

1 and provide for its successful operation and maintenance  
2 (including depreciation).

3 (d) The Secretary shall prescribe rules, regulations,  
4 and procedures to carry out this section which will assure  
5 that adequate consideration is given to the relative needs  
6 of eligible areas. In prescribing such rules, regulations, and  
7 procedures, the Secretary shall consider among other relevant  
8 factors (1) the severity of the rates of unemployment in  
9 the eligible areas and the duration of such unemployment,  
10 and (2) the income levels of families and the extent of un-  
11 employment in eligible areas.

12 **SEC. 271. LOANS AND GUARANTEES.**

13 (a) The Secretary is authorized (1) to purchase evi-  
14 dences of indebtedness and to make loans (which for pur-  
15 poses of this section shall include participations in loans) to  
16 aid in financing any project within said labor area for the  
17 purchase or development of land and facilities (including  
18 machinery and equipment) for industrial or commercial  
19 usage, including the construction of new buildings, and re-  
20 habilitation of abandoned or unoccupied buildings, and the  
21 alteration, conversion or enlargement of existing buildings,  
22 and (2) to guarantee loans for working capital made to  
23 private borrowers by private lending institutions in con-  
24 nection with projects in redevelopment areas assisted under  
25 subsection (a) (1) hereof, upon application of such institu-

1 tion and upon such terms and conditions as the Secretary  
2 may prescribe: *Provided, however,* That no such guarantee  
3 shall at any time exceed 90 percent of the amount of the  
4 outstanding unpaid balance of such loan.

5 (b) Financial assistance under this section shall be on  
6 such terms and conditions as the Secretary determines, sub-  
7 ject, however, to the following restrictions and limitations:

8 (1) Such financial assistance shall not be extended  
9 to assist establishments relocating from one area to an-  
10 other or to assist subcontractors whose purpose is to  
11 divest, or whose economic success is dependent upon  
12 divesting, other contractors or subcontractors of contracts  
13 theretofore customarily performed by them: *Provided,*  
14 *however,* That such limitations shall not be construed to  
15 prohibit assistance for the expansion of an existing busi-  
16 ness entity through the establishment of a new branch,  
17 affiliate, or subsidy of such entity if the Secretary finds  
18 that the establishment of such branch, affiliate, or sub-  
19 subsidiary will not result in an increase in unemployment of  
20 the area of original location or in any other area where  
21 such entity conducts business operations, unless the Sec-  
22 retary has reason to believe that such branch, affiliate,  
23 or subsidiary is being established with the intention of  
24 closing down the operations of the existing business

1       entity in the area of its original location or in any other  
2       area where it conducts such operations.

3           (2) Such assistance shall be extended only to appli-  
4       cants, both private and public (including Indian tribes),  
5       which have been approved for such assistance by the  
6       Adjustment Assistance Council in the labor area in  
7       which the project to be financed is located.

8           (3) The project for which financial assistance is  
9       sought must be reasonably calculated to provide more  
10      than a temporary alleviation of unemployment or under-  
11      employment within the labor area wherein it is or will  
12      be located.

13          (4) No loan or guarantee shall be extended here-  
14      under unless the financial assistance applied for is not  
15      otherwise available from private lenders or from other  
16      Federal agencies on terms which in the opinion of the  
17      Secretary will permit the accomplishment of the project.

18          (5) The Secretary shall not make any loan without  
19      a participation unless he determines that the loan can-  
20      not be made on a participation basis.

21          (6) No evidence of indebtedness shall be purchased  
22      and no loans shall be made or guaranteed unless it is  
23      determined that there is reasonable assurances of repay-  
24      ment.

25          (7) No loan, including renewals or extension there-

1 of, may be made hereunder for a period exceeding 25  
2 years and no evidence of indebtedness maturing more  
3 than 25 years from date of purchase may be purchased  
4 hereunder: *Provided*, That the foregoing restrictions on  
5 maturities shall not apply to securities or obligations re-  
6 ceived by the Secretary as a claimant in bankruptcy or  
7 equitable reorganization or as a creditor in other pro-  
8 ceedings attendant upon insolvency of the obligor.

9 (8) Loans made and evidences of indebtedness  
10 purchased under this section shall bear interest at a  
11 rate not less than a rate determined by the Secretary of  
12 the Treasury taking into consideration the current aver-  
13 age market yield on outstanding marketable obligations  
14 of the United States with remaining periods to maturity  
15 comparable to the average maturities of such loans, ad-  
16 justed to the nearest one-eighth of 1 percent, plus addi-  
17 tional charge, if any, toward covering other costs of the  
18 program as the Secretary may determine to be con-  
19 sistent with its purpose.

20 (9) Loan assistance shall not exceed 65 percent  
21 of the aggregate cost to the applicant (excluding all other  
22 Federal aid in connection with the undertaking) of ac-  
23 quiring or developing land in facilities, including ma-  
24 chinery and equipment), and of constructing, altering,  
25 converting, rehabilitating, or enlarging the building or

1 buildings of the particular project, and shall, among  
2 others, be on the condition that—

3 (A) other funds are available in an amount  
4 which, together with the assistance provided here-  
5 under, shall be sufficient to pay such aggregate cost;

6 (B) not less than 15 percent of such aggre-  
7 gate cost be supplied as equity capital or as a loan  
8 repayable in no shorter period of time and at no  
9 faster an amortization rate than the Federal financial  
10 assistance extended under this section is being re-  
11 paid, and if such a loan is secured, its security shall  
12 be subordinate and inferior to the lien or liens se-  
13 curing such Federal financial assistance: *Provided,*  
14 *however,* That, except in projects involving financial  
15 participation by Indian tribes, not less than 5 per-  
16 cent of such aggregate cost shall be supplied by the  
17 State or any agency, instrumentality, or political  
18 subdivision thereof, or by a community or area  
19 organization which is nongovernmental in character,  
20 unless the Secretary shall determine in accordance  
21 with objective standards promulgated by regulation  
22 that all or part of such funds are not reasonably  
23 available to the project because of the economic dis-  
24 tress of the area or for other good cause, in which  
25 case he may waive the requirement of this pro-

1 vision to the extent of such unavailability, and allow  
2 the funds required by this subsection to be supplied  
3 by the applicant or by such other non-Federal  
4 source as may reasonably be available to the  
5 project;

6 (C) to the extent the Secretary finds such  
7 action necessary to encourage financial participation  
8 in a particular project by other lenders and investors,  
9 and except as otherwise provided in subparagraph  
10 (B), any Federal financial assistance extended  
11 under this section may be repayable only after  
12 other loans made in connection with such project  
13 have been repaid in full, and the security, if any,  
14 for such Federal financial assistance may be sub-  
15 ordinate and inferior to the lien or liens securing  
16 other loans made in connection with the same  
17 project.

18 **SEC. 272. AUTHORIZATION.**

19 There is hereby authorized to be appropriated \$50,000,-  
20 000 annually for the purpose of this chapter, for the fiscal  
21 year ending June 30, 1974, and for each fiscal year there-  
22 after through the fiscal year ending June 30, 1979.

**Amdt. No. 1790**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. НАТНАWAY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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August 13, 1974

Referred to the Committee on Finance and ordered  
to be printed

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENT

Intended to be proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end of the bill add the following new title:

1 TITLE VII—NATURAL GAS ACT AMENDMENTS  
2 OF 1974

3 SEC. 701. Section 1 (b) of the Natural Gas Act is  
4 amended by inserting before the period at the end thereof  
5 the following: "or to the sale or delivery by a producer to  
6 a natural gas company of natural gas in interstate commerce  
7 (i) commenced on or after the date of enactment; (ii)  
8 continued in interstate commerce after the expiration of a  
9 contract for the sale or delivery of such natural gas existing

1 as of such date, or (iii) produced from wells commenced  
2 after such date: *Provided, however,* That with respect to  
3 all sales or deliveries of natural gas in interstate commerce  
4 which are not exempt under section 1 (b) herein amended,  
5 the Federal Power Commission shall continue to exercise  
6 its regulatory jurisdiction over all such sales and deliveries”.

7 SEC. 702. Section 1 of the Natural Gas Act is amended  
8 by adding subsections 1 (d), 1 (e), and 1 (f) of the  
9 following:

10 “(d) The Commission shall have no power to disallow,  
11 in whole or in part, in the rates and charges made, de-  
12 manded, or received by any natural gas company the amounts  
13 actually paid for natural gas exempt from the Act pursuant  
14 to section 1 (b) as amended herein, except as otherwise  
15 provided in subsection (1) (e),

16 “(e) In any case where a natural gas company pur-  
17 chases natural gas from an affiliate or produces natural  
18 gas from its own properties, the Commission may disallow  
19 any portion of the cost thereof in the rate or charge made  
20 by such company which is in excess of current prices paid  
21 for comparable gas to nonaffiliates.”.

22 SEC. 703. Section 2 of the Natural Gas Act is amended  
23 by adding at the end thereof the following:

24 “(10) ‘Affiliate’ of another person means any person

1 directly or indirectly controlling, controlled by, or under  
2 common control with such other person.

3 “(11) ‘Producer’ means a person who is engaged in  
4 the production, gathering, or processing of natural gas from  
5 wells or reserves in the United States and whose annual  
6 gross revenue from the operation of a pipeline for the trans-  
7 portation and sale for resale of natural gas in interstate com-  
8 merce do not exceed 10 per centum of its total annual gross  
9 revenues.”.

**Amdt. No. 1937**

93D CONGRESS  
2D SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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SEPTEMBER 26, 1974

Referred to the Committee on Finance and ordered to be printed

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENT

Intended to be proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 137, after line 16, insert:

1 SEC. 408. PROHIBITION ON CREDITS TO ASSIST MANU-  
2 FACTURE OF PRODUCTS COMPETITIVE WITH  
3 UNITED STATES PRODUCTS.

4 Notwithstanding any other law, no credit or credit guar-  
5 antee or investment guarantee may be made under any law  
6 of the United States which will enable or assist, directly or  
7 indirectly, in the transfer of technology or in the purchase  
8 of manufactured articles that may be used to develop the ca-  
9 pability or facilities to manufacture products in a nonmarket

**Amdt. No. 1938**

1 economy country that can be sold in international markets in  
2 competition with products manufactured in the United States:  
3 *Provided*, That such credit or credit guarantees or investment  
4 guarantees may be made with respect to the transfer of tech-  
5 nology or the sale of manufactured products where the Presi-  
6 dent determines that they will not contribute to any signifi-  
7 cant degree to the capability of such country to sell products  
8 in international markets in competition with products manu-  
9 factured in the United States.

**Amdt. No. 1938**

98<sup>th</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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SEPTEMBER 30, 1974

Referred to the Committee on Finance and ordered  
to be printed

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30, 1974

Referred to the Committee on Finance and ordered to be printed

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## AMENDMENT

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 105, below line 24, insert the following new chapter:

1     **CHAPTER 4—ADJUSTMENT ASSISTANCE**

2                     **FOR COMMUNITIES**

3     **SEC. 271. PETITIONS AND DETERMINATIONS.**

4             (a) A petition for certification of eligibility to apply  
5 for adjustment assistance under this chapter may be filed  
6 with the Secretary of Commerce (hereinafter in this chapter

**Amdt. No. 1947**

1 referred to as the “Secretary”) by a political subdivision of a  
2 State (hereinafter in this chapter referred to as a “commu-  
3 nity”), by a group of such communities, or by the Governor  
4 of a State on behalf of such communities. Upon receipt of the  
5 petition, the Secretary shall promptly publish notice in the  
6 Federal Register that he has received the petition and  
7 initiated an investigation.

8 (b) If the petitioner, or any other person found by the  
9 Secretary to have a substantial interest in the proceedings,  
10 submits not later than 10 days after the Secretary’s publica-  
11 tion of notice under subsection (a) a request for a hearing,  
12 the Secretary shall provide for a public hearing and afford  
13 such interested persons an opportunity to be present, to  
14 produce evidence, and to be heard.

15 (c) The Secretary shall certify a community as eligible  
16 to apply for adjustment assistance under this chapter if he  
17 determines—

18 (1) that a significant number or proportion of the  
19 workers in the trade impacted area in which such com-  
20 munity is located have become totally or partially sepa-  
21 rated, or are threatened to become totally or partially  
22 separated,

23 (2) that sales or production, or both, of firms, or  
24 subdivisions of firms, located in the trade impacted area

1 specified in paragraph (1) have decreased absolutely,  
2 and

3 (3) that increases of imports of articles like or  
4 directly competitive with articles produced by firms, or  
5 subdivisions of firms, located in the trade impacted area  
6 specified in paragraph (1) contributed importantly to  
7 the total or partial separations described in paragraph  
8 (1) and to the decline in sales or production described in  
9 paragraph (2).

10 (d) As soon as possible after the date on which a  
11 petition is filed under this section, but in any event not later  
12 than 60 days after that date, the Secretary shall determine  
13 whether the petitioning community, or group of communi-  
14 ties, meets the requirements of subsection (c) and shall issue  
15 a certification of eligibility to apply for assistance under this  
16 chapter covering any community located in the same trade  
17 impacted area in which the petitioner is located which meets  
18 such requirements.

19 (e) The Secretary, after consulting the Secretary of  
20 Labor, shall establish the size and boundaries of each trade  
21 impacted area, considering the criteria in subsection (c) and,  
22 to the extent they are relevant, the factors specified as  
23 criteria for redevelopment areas under section 401 of the  
24 Public Works and Economic Development Act of 1965.

25 (f) If the Secretary determines that a community no

1 longer requires assistance under this chapter, he shall termi-  
2 nate the certification of eligibility of such community and  
3 promptly have notice of such termination published in the  
4 Federal Register. Such termination shall take effect on the  
5 termination date specified by the Secretary.

6 **SEC. 272. TRADE IMPACTED AREA COUNCILS.**

7 (a) Within 60 days after a community is certified under  
8 section 271, the Secretary shall send his representatives to  
9 the trade impacted area in which such community is located  
10 to inform officials of communities and other residents of such  
11 area about benefits available to them under this Act and to  
12 assist such residents in establishing a Trade Impacted Area  
13 Council for Adjustment Assistance (hereinafter in this chap-  
14 ter referred to as the "Council") for such area.

15 (b) (1) The Secretary shall establish, subject to the last  
16 sentence of this paragraph, a Council for each trade im-  
17 pacted area in which one or more communities are certified  
18 under section 271. Such Council shall—

19 (A) develop a proposal for the implementation of  
20 an adjustment assistance plan for the economic rejuve-  
21 nation of certified communities in its trade impacted area,  
22 and

23 (B) coordinate community action under the ad-  
24 justment assistance plan, as approved by the Secretary.

25 If an appropriate entity for purposes of performing the func-

1 tions specified in subparagraphs (A) and (B) already exists  
2 in such area, then the Secretary may designate such entity  
3 as the Council for such area.

4 (2) Such Council shall include representatives of certi-  
5 fied communities, industry, labor, and the general public  
6 located in the trade impacted area covered by the Council.

7 (c) Upon application by a Council established under  
8 subsection (b), the Secretary is authorized to make grants  
9 to such Council for maintaining an appropriate professional  
10 and clerical staff. No grant shall be made to a Council to  
11 maintain staff after the period which ends 2 years after the  
12 date on which such Council is established.

13 (d) A Council established under this section may, at  
14 any time within 2 years after the date of its establishment,  
15 file an application with the Secretary for adjustment assist-  
16 ance under this chapter. Such application shall include the  
17 Council's proposal for an adjustment assistance plan for the  
18 communities in its trade impacted area.

19 **SEC. 273. PROGRAM BENEFITS.**

20 (a) Adjustment assistance under this chapter consists  
21 of—

22 (1) all forms of assistance, other than loan guar-  
23 antees, which are provided to a redevelopment area  
24 under the Public Works and Economic Development  
25 Act of 1965, and

1           (2) the loan guarantee program described in sub-  
2           section (c).

3 No adjustment assistance shall be extended to any com-  
4 munity or person in a trade impacted area under this chapter  
5 unless the Secretary approves the adjustment assistance  
6 plan submitted to him under section 272 (d).

7           (b) For purposes of the Public Works and Economic  
8 Development Act of 1965—

9           (1) approval of an adjustment assistance plan sub-  
10           mitted under section 272 (d) shall be treated as ap-  
11           proval of an overall economic development program  
12           under section 202 (b) (10) of such Act, and

13           (2) a trade impacted area for which an adjustment  
14           assistance plan has been approved under section 272 (d)  
15           shall be treated as a redevelopment area, except that—

16                   (A) no new loan guarantees may be made to  
17                   any person under section 202 of such Act; and

18                   (B) no new loan or grant may be made to  
19                   any recipient in such an area after June 30, 1980.

20           (c) (1) The Secretary is authorized to guarantee loans  
21           for working capital made to private borrowers by private  
22           lending institutions in connection with projects in trade im-  
23           pacted areas subject to the same terms and conditions to  
24           which loan guarantees are subject under section 202 of the  
25           Public Works and Economic Development Act of 1965,

1 including record and audit requirements and penalties, ex-  
2 cept that—

3           (A) no loan guarantee may be extended under this  
4 paragraph unless the Governor of the State in which the  
5 applicant for such guarantee resides signs a commitment  
6 to the Secretary pledging such portion of the State gov-  
7 ernment entitlement under section 107 of the State and  
8 Local Fiscal Assistance Act of 1972 as is equal to one-  
9 half the amount of any liability which arises on such loan  
10 guarantee should such loan be defaulted,

11           (B) a loan guarantee may be made for the entire  
12 amount of the outstanding unpaid balance of such loan,  
13 and

14           (C) no new loan guarantee may be made in such  
15 areas after June 30, 1980.

16       (2) (A) Section 107 of the State and Local Fiscal  
17 Assistance Act of 1972 is amended by adding at the end  
18 thereof the following new subsection:

19           “(c) REDUCTION IN ENTITLEMENT TO COVER LIA-  
20 BILITY ON CERTAIN LOAN GUARANTEES.—

21           “(1) GENERAL RULE.—The entitlement of any  
22 State government for any entitlement period beginning  
23 after June 30, 1975, shall be reduced by an amount  
24 which is equal to one-half the amount, if any, of the  
25 actual liability which arose during the preceding entitle-

1       ment period on each community readjustment assistance  
2       loan guarantee if the Governor of such State signed a  
3       commitment to the Secretary of Commerce with re-  
4       spect to such guarantee under section 273 of the Trade  
5       Reform Act of 1974. For purposes of subsection (b)  
6       (1) (A), the amount of any reduction in the entitle-  
7       ment of a State government under this subsection for an  
8       entitlement period shall, for subsequent entitlement pe-  
9       riods, be treated as an amount transferred by the State  
10      government (out of its own sources) during such period  
11      to units of local government in such State.

12           “(2) REDUCTION IN ENTITLEMENT.—As soon as  
13      is practical, the Secretary of Commerce shall notify the  
14      Secretary as to the amount of actual liability which  
15      exists on any loan guarantee for which the Governor of  
16      a State signed a commitment under section 273 of the  
17      Trade Reform Act of 1974. The Secretary shall—

18           “(A) determine the amount of reduction which  
19      paragraph (1) requires in the entitlement of such  
20      State government for the appropriate entitlement  
21      period,

22           “(B) shall notify the Governor of such State  
23      of such determination, and

24           “(C) shall withhold from subsequent payments  
25      to such State government under this subchapter an  
26      amount equal to such reduction.



1 ing administrative costs. Amounts appropriated to the fund  
2 shall be available to the Secretary without fiscal year limita-  
3 tion. Upon liquidation of all remaining obligations, any bal-  
4 ances remaining in the fund after June 30, 1980, shall be  
5 transferred to the general fund of the Treasury.

6 (b) There are authorized to be appropriated to the  
7 Community Adjustment Assistance Fund, for the purpose of  
8 carrying out the provisions of sections 272 and 273 (b),  
9 \$100,000,000 for the fiscal year ending June 30, 1975, and  
10 such sums as may be necessary for the succeeding 5 fiscal  
11 years.

12 (c) There are authorized to be appropriated to the Sec-  
13 retary such sums as may be necessary for carrying out the  
14 loan guarantee program under section 273 (c).

**Amdt. No. 1947**

93d CONGRESS  
2d SESSION

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

**SEPTEMBER 30, 1974**

Referred to the Committee on Finance and ordered  
to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HART to amendment numbered 1937 proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 3, line 9, after the word "revenues." add the following new title:

1 TITLE VIII—PROMOTION OF ENERGY INDUSTRY

2 COMPETITION

3 DECLARATION OF POLICY

4 SEC. 801. Congress hereby declares the continuing com-  
5 mitment of the United States to the goal of a free enterprise  
6 and free market economy which functions fairly and efficient-  
7 ly to allocate resources at the best possible price to the con-

**Amdt. No. 1999**

1 consumer and in a manner consistent with the values of a free  
2 society.

3 DEFINITIONS

4 SEC. 802. As used in this title:

5 (1) "Affiliate" means a person controlled by or control-  
6 ling or under or subject to common control with respect to  
7 any other person.

8 (2) "Asset" means any property (tangible or intangi-  
9 ble; real, personal, or mixed) and includes stock in any cor-  
10 poration which is engaged (directly or through a subsidiary  
11 or affiliate) in the business of producing, transporting, refu-  
12 ing, or marketing energy resource products.

13 (3) "Commerce" means commerce among the several  
14 States, with the Indian tribes, or with foreign nations; or  
15 commerce in any State which affects commerce among or  
16 between any State and foreign nation.

17 (4) "Control" means direct or indirect legal or bene-  
18 ficial interest or legal power or influence over another person,  
19 directly or indirectly, arising through direct, indirect, or inter-  
20 locking ownership of capital stock, interlocking directorates  
21 or officers, contractual relations, agency agreements, or leas-  
22 ing arrangements.

23 (5) "Energy resource product" means petroleum, nat-  
24 ural gas, tar sands, oil shale, coal, or products refined  
25 therefrom.

1 (6) "Energy marketing asset" means any asset used in  
2 the marketing or retail distribution of energy resource  
3 products.

4 (7) "Energy transportation asset" means any asset  
5 used in the transportation by pipeline, tanker, or gathering  
6 line of energy resource products.

7 (8) "Energy refinery assets" means any asset used in  
8 the refining of energy resource products.

9 (9) "Energy production asset" means any asset used in  
10 the exploration for, development of, or production of energy  
11 resource products.

12 (10) "Person" means an individual or a corporation,  
13 partnership, joint-stock company, business trust, trustee in  
14 bankruptcy, receiver in reorganization, association, or any  
15 organized group whether or not incorporated.

16 (11) "State" means any State of the United States, the  
17 District of Columbia, the Commonwealth of Puerto Rico, the  
18 Virgin Islands, Guam, and the Trust Territory of the Pacific  
19 Islands.

#### 20 UNLAWFUL RETENTION

21 SEC. 803. It shall be unlawful for any of the twenty  
22 largest major integrated petroleum companies affecting com-  
23 merce, as identified by the Federal Trade Commission, en-  
24 gaged in the business of exploration for, development of, or  
25 production of energy resource products, to own or control any



1 necessary or appropriate to carry out the purposes of this  
2 title, shall require each of the twenty largest major inte-  
3 grated petroleum companies affecting commerce, as identi-  
4 fied by the Federal Trade Commission, owning or con-  
5 trolling any assets which such person is prohibited from  
6 owning or controlling under this title, to submit, within one  
7 year from the date of enactment of this title, a plan or plans  
8 for the divestment of such assets. If, after notice and oppor-  
9 tunity for hearing, the Commission shall find such plan, as  
10 submitted or as may be modified by Commission order, neces-  
11 sary or appropriate to effectuate the provisions of this title  
12 and fair and equitable to the persons affected by it, the Com-  
13 mission by order shall approve such plan and shall thereafter  
14 take such action by application to a court for such other  
15 order as may be necessary to enforce such plan: *Provided,*  
16 *however,* That the Commission shall not approve any plan  
17 which will not substantially accomplish the necessary divest-  
18 ment on or before a date not more than five years after  
19 enactment of this title.

20 SEC. 807. (a) In addition, the Federal Trade Commis-  
21 sion shall institute suits in the district courts of the United  
22 States requesting the issuance of such relief as is appropriate  
23 to assure compliance with this title, including orders of dives-  
24 titure, declaratory judgments, mandatory or prohibitive in-  
25 junctive relief, interim equitable relief, the appointment of

1 temporary or permanent receivers or trustees, and punitive  
2 damages for willful failure to comply with lawful Commission  
3 orders.

4 (b) In carrying out the provisions of this title, the Fed-  
5 eral Trade Commission may utilize all other powers conferred  
6 upon it by other provisions of law.

7 **PENALTIES**

8 **SEC. 808.** Any person who knowingly violates any pro-  
9 vision of this title shall, upon conviction, be punished, in the  
10 case of an individual, by a fine of not to exceed \$500,000 or  
11 by imprisonment for a period not to exceed ten years, or  
12 both, or in the case of a corporation, by a fine of not to exceed  
13 \$5,000,000 or by suspension of the right to do business in  
14 interstate commerce for a period not to exceed ten years, or  
15 both. A violation by a corporation shall be deemed to be also  
16 a violation by the individual directors, officers, receivers,  
17 trustees, or agents of such corporation who shall have author-  
18 ized, ordered, or done any of the acts constituting the viola-  
19 tion in whole or in part, or who shall have omitted to author-  
20 ize, order, or do any acts which would terminate, prevent, or  
21 correct conduct violative of this title. Failure to obey any  
22 order of the court pursuant to this title shall be punishable by  
23 such court as a contempt of court.

1 RELATIONSHIP TO NATURAL GAS ACT AMENDMENTS

2 SEC. 809. The Natural Gas Act Amendments of 1974  
3 shall not become effective as to any of the twenty largest  
4 major integrated petroleum companies affecting commerce,  
5 as identified by the Federal Trade Commission, until the  
6 Federal Trade Commission files a certificate stating that such  
7 person is in compliance with the provisions of this title.

**Amdt. No. 1999**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARR to amendment numbered 1937 proposed by Mr. BUCKLEY to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 2, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. JACKSON (for himself, Mr. RIBICOFF, and Mr. JAVITS) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 247, line 15, strike out “(c)” and insert  
2 “(e)”, and after line 14, insert the following:

3       “(c) (1) During the 18-month period beginning on  
4 the date of the enactment of this Act, the President is au-  
5 thorized to waive by Executive order the application of sub-  
6 section (a) and (b) with respect to any country, if he re-  
7 ports to the Congress that—

8               “(A) he has determined that such waiver will  
9       substantially promote the objectives of this section; and

**Amdt. No. 2000**

1           “(B) he has received assurances that the emigration  
2 practices of that country will henceforth lead substan-  
3 tially to the achievement of the objectives of this section.

4           “(2) During any period subsequent to the 18-month  
5 period referred to in paragraph (1), the President is au-  
6 thorized to waive by Executive order the application of sub-  
7 sections (a) and (b) with respect to any country, if the  
8 waiver authority granted by this subsection continues to  
9 apply to such country pursuant to subsection (d), and if he  
10 reports to the Congress that—

11           “(A) he has determined that such waiver will  
12 substantially promote the objectives of this section; and

13           “(B) he has received assurances that the emigra-  
14 tion practices of that country will henceforth lead sub-  
15 stantially to the achievement of the objectives of this  
16 section.

17           “(3) A waiver with respect to any country shall termi-  
18 nate on the day after the waiver authority granted by this  
19 subsection ceases to be effective with respect to such country  
20 pursuant to subsection (d). The President may, at any time,  
21 terminate by Executive order any waiver granted under  
22 this subsection.

23           “(d) (1) If the President determines that the extension  
24 of the waiver authority granted by subsection (c) (1) will  
25 substantially promote the objectives of this section, he may

1 recommend to the Congress that such authority be extended  
2 for a period of 12 months. Any such recommendation shall—

3 “(A) be made not later than 30 days before the  
4 expiration of such authority;

5 “(B) be made in a document transmitted to the  
6 House of Representatives and the Senate setting forth  
7 his reasons for recommending the extension of such  
8 authority; and

9 “(C) include, for each country with respect to  
10 which a waiver granted under subsection (c) (1) is in  
11 effect, a determination that continuation of the waiver  
12 applicable to that country will substantially promote  
13 the objectives of this section, and a statement setting  
14 forth his reasons for such determination.

15 “(2) If the President recommends under paragraph (1)  
16 the extension of the waiver authority granted by subsection  
17 (c) (1), such authority shall continue in effect with respect  
18 to any country for a period of 12 months following the end  
19 of the 18-month period referred to in subsection (c) (1), if,  
20 before the end of such 18-month period, the House of Rep-  
21 resentatives and the Senate adopt, by an affirmative vote of  
22 a majority of the Members present and voting in each House  
23 and under the procedures set forth in section 153, a con-  
24 current resolution approving the extension of such author-  
25 ity, and such resolution does not name such country as being

1 excluded from such authority. Such authority shall cease to  
2 be effective with respect to any country named in such con-  
3 current resolution on the date of the adoption of such con-  
4 current resolution. If before the end of such 18-month period,  
5 a concurrent resolution approving the extension of such au-  
6 thority is not adopted by the House and the Senate, but  
7 both the House and Senate vote on the question of final  
8 passage of such a concurrent resolution and—

9       “(A) both the House and the Senate fail to pass  
10 such a concurrent resolution, the authority granted by  
11 subsection (c) (1) shall cease to be effective with re-  
12 spect to all countries at the end of such 18-month period;

13       “(B) both the House and the Senate pass such a  
14 concurrent resolution which names such country as being  
15 excluded from such authority, such authority shall cease  
16 to be effective with respect to such country at the end  
17 of such 18-month period; or

18       “(C) one House fails to pass such a concurrent res-  
19 olution and the other House passes such a concurrent  
20 resolution which names such country as being excluded  
21 from such authority, such authority shall cease to be  
22 effective with respect to such country at the end of such  
23 18-month period.

24       “(3) If the President recommends under paragraph  
25 (1) the extension of the waiver authority granted by sub-

1 section (c) (1), and at the end of the 18-month period  
2 referred to in subsection (c) (1) the House of Representa-  
3 tives and the Senate have not adopted a concurrent reso-  
4 lution approving the extension of such authority and sub-  
5 paragraph (A) of paragraph (2) does not apply, such  
6 authority shall continue in effect for a period of 60 days  
7 following the end of such 18-month period with respect  
8 to any country (except for any country with respect to  
9 which such authority was not extended by reason of the  
10 application of subparagraph (B) or (C) of paragraph  
11 (2)), and shall continue in effect for a period of 12 months  
12 following the end of such 18-month period with respect to  
13 any such country if, before the end of such 60-day period,  
14 the House of Representatives and the Senate adopt, by an  
15 affirmative vote of a majority of the Members present and  
16 voting in each House and under the procedures set forth  
17 in section 153, a concurrent resolution approving the exten-  
18 sion of such authority, and such resolution does not name  
19 such country as being excluded from such authority. Such  
20 authority shall cease to be effective with respect to any  
21 country named in such concurrent resolution on the date of  
22 the adoption of such concurrent resolution. If before the end  
23 of such 60-day period, a concurrent resolution approving the  
24 extension of such authority is not adopted by the House  
25 and Senate, but both the House and Senate vote on the

1 question of final passage of such a concurrent resolution  
2 and—

3 “(A) both the House and the Senate fail to pass  
4 such a concurrent resolution, the authority granted by  
5 subsection (c) (1) shall cease to be effective with re-  
6 spect to all countries on the date of the vote on the ques-  
7 tion of final passage by the House which votes last;

8 “(B) both the House and the Senate pass such a  
9 concurrent resolution which names such country as being  
10 excluded from such authority, such authority shall cease  
11 to be effective with respect to such country at the end  
12 of such 60-day period; or

13 “(C) one House fails to pass such a concurrent  
14 resolution and the other House passes such a concurrent  
15 resolution which names such country as being ex-  
16 cluded from such authority, such authority shall cease  
17 to be effective with respect to such country at the end  
18 of such 60-day period.

19 “(4) If the President recommends under paragraph (1)  
20 the extension of the waiver authority granted by subsection  
21 (c) (1), and at the end of the 60-day period referred to in  
22 paragraph (3) the House of Representatives and the Senate  
23 have not adopted a concurrent resolution approving the ex-  
24 tension of such authority and subparagraph (A) of paragraph  
25 (3) does not apply, such authority shall continue in effect

1 until the end of the 12-month period following the end of the  
2 18-month period referred to in subsection (c) (1) with  
3 respect to any country (except for any country with respect  
4 to which such authority was not extended by reason of the  
5 application of subparagraph (B) or (C) of paragraph (2)  
6 or subparagraph (B) or (C) of paragraph (3) ), unless  
7 before the end of the 45-day period following such 60-day  
8 period either the House of Representatives or the Senate  
9 adopts, by an affirmative vote of a majority of the Members  
10 present and voting in that House and under the procedures  
11 set forth in section 153, a resolution disapproving the exten-  
12 sion of such authority generally or with respect to such  
13 country specifically. Such authority shall cease to be effective  
14 with respect to all countries on the date of the adoption by  
15 either House before the end of such 45-day period of a res-  
16 olution disapproving the extension of such authority, and  
17 shall cease to be effective with respect to any country on the  
18 date of the adoption by either House before the end of such  
19 45-day period of a resolution disapproving the extension of  
20 such authority with respect to such country.

21 “(5) If the waiver authority granted by subsection (c)  
22 has been extended under paragraph (3) or (4) for any  
23 country for the 12-month period referred to in such para-  
24 graphs, and the President determines that the further exten-  
25 sion of such authority will substantially promote the objec-

1 tives of this section, he may recommend further extensions of  
2 such authority for successive 12-month periods. Any such  
3 recommendation shall—

4 “(A) be made not later than 30 days before the  
5 expiration of such authority;

6 “(B) be made in a document transmitted to the  
7 House of Representatives and the Senate setting forth  
8 his reasons for recommending the extension of such  
9 authority; and

10 “(C) include, for each country with respect to  
11 which a waiver granted under subsection (c) is in effect,  
12 a determination that continuation of the waiver appli-  
13 cable to that country will substantially promote the objec-  
14 tives of this section, and a statement setting forth his  
15 reasons for such determination.

16 If the President recommends the further extension of such  
17 authority, such authority shall continue in effect until the end  
18 of the 12-month period following the end of the previous  
19 12-month extension with respect to any country (except  
20 for any country with respect to which such authority has  
21 not been extended under this subsection), unless before the  
22 end of the 60-day period following such previous 12-month  
23 extension, either the House of Representatives or the Senate  
24 adopts, by an affirmative vote of a majority of the Members  
25 present and voting in that House and under the procedures

1 set forth in section 153, a resolution disapproving the extension  
 2 of such authority generally or with respect to such country  
 3 specifically. Such authority shall cease to be effective with  
 4 respect to all countries on the date of the adoption by either  
 5 House before the end of such 60-day period of a resolution  
 6 disapproving the extension of such authority, and shall cease  
 7 to be effective with respect to any country on the date of  
 8 the adoption by either House before the end of such 60-day  
 9 period of a resolution disapproving the extension of such  
 10 authority with respect to such country.”.

11 On page 75, line 9, strike out “section 152” and insert  
 12 “sections 152 and 153”.

13 On page 75, line 19, strike out “section 152 (a)” and  
 14 insert “sections 152 (a) and 153 (a)”.

15 On page 94, after line 14, insert the following:

16 **“SEC. 153. RESOLUTIONS RELATING TO EXTENSION OF**  
 17 **WAIVER AUTHORITY UNDER SECTION 402.**

18 “(a) CONTENTS OF RESOLUTIONS.—For purposes of  
 19 this section, the term ‘resolution’ means only—

20 “(1) a concurrent resolution of the two Houses of  
 21 the Congress, the matter after the resolving clause of  
 22 which is as follows: ‘That the Congress approves the  
 23 extension of the authority contained in section 402 (c)

24 (1) of the Trade Reform Act of 1974 recommended  
 25 by the President to the Congress on \_\_\_\_\_, ex-

1       cept with respect to \_\_\_\_\_.', with the first blank  
 2       space being filled with the appropriate date and the sec-  
 3       ond blank space being filled with the names of those  
 4       countries, if any, with respect to which such extension of  
 5       authority is not approved, and with the except clause  
 6       being omitted if there is no such country; and

7           “(2) a resolution of either House of the Congress,  
 8       the matter after the resolving clause of which is as fol-  
 9       lows: ‘That the \_\_\_\_\_ does not approve the  
 10      extension of the authority contained in section 402 (c)  
 11      of the Trade Reform Act of 1974 recommended by the  
 12      President to the Congress on \_\_\_\_\_ with respect  
 13      to \_\_\_\_\_ .’, with the first blank space being filled  
 14      with the name of the resolving House, the second blank  
 15      space being filled with the appropriate date, and the  
 16      third blank space being filled with the names of those  
 17      countries, if any, with respect to which such extension of  
 18      authority is not approved, and with the with-respect-to  
 19      clause being omitted if the extension of the authority is  
 20      not approved with respect to any country.

21       “(b) APPLICATION OF RULES OF SECTION 152;  
 22      EXCEPTIONS.

23           “(1) Except as provided in this section, the provi-  
 24      sions of section 152 shall apply to resolutions described  
 25      in subsection (a).

1           “(2) In applying section 152 (c) (1), all calendar  
2 days shall be counted, and, in the case of a resolution  
3 related to section 402 (d) (4), 20 calendar days shall be  
4 substituted for 30 days.

5           “(3) That part of section 152 (d) (2) which pro-  
6 vides that no amendment is in order shall not apply to  
7 any amendment to a resolution which is limited to strik-  
8 ing out or inserting the names of one or more countries  
9 or to striking out or inserting an except clause, in the  
10 case of a resolution described in subsection (a) (1), or  
11 a with-respect-to clause, in the case of a resolution de-  
12 scribed in subsection (a) (2). Debate in the House of  
13 Representatives on any amendment to a resolution shall  
14 be limited to not more than one hour which shall be  
15 equally divided between those favoring and those oppos-  
16 ing the amendment. A motion in the House to further  
17 limit debate on an amendment to a resolution is not  
18 debatable.

19           “(4) That part of section 152 (e) (4) which pro-  
20 vides that no amendment is in order shall not apply to  
21 any amendment to a resolution which is limited to strik-  
22 ing out or inserting the names of one or more countries  
23 or to striking out or inserting an except clause, in the  
24 case of a resolution described in subsection (a) (1), or  
25 a with respect to clause, in the case of a resolution de-

1       cribed in subsection (a) (2). The time limit on debate  
2       on a resolution in the Senate under section 152 (e) (2)  
3       shall include all amendments to a resolution. Debate in  
4       the Senate on any amendment to a resolution shall be  
5       limited to not more than 1 hour, to be equally divided  
6       between, and controlled by, the mover and the manager  
7       of the resolution, except that in the event the manager  
8       of the resolution is in favor of any such amendment, the  
9       time in opposition thereto shall be controlled by the  
10       minority leader or his designee. The majority leader and  
11       minority leader may, from time under their control on  
12       the passage of a resolution, allot additional time to any  
13       Senator during the consideration of any amendment. A  
14       motion in the Senate to further limit debate on an amend-  
15       ment to a resolution is not debatable.

16       “(c) CONSIDERATION OF SECOND RESOLUTION NOT IN  
17       ORDER.—It shall not be in order in either the House of Repre-  
18       sentatives or the Senate to consider a resolution with respect  
19       to a recommendation of the President under section 402 (d)  
20       (other than a resolution described in subsection (a) (1) re-  
21       ceived from the other House), if that House has adopted a  
22       resolution with respect to the same recommendation.”.

23       On page 94, line 15, strike out “153” and insert “154”.

24       On page 94, line 18, after “302 (a),” insert “402 (d),”.

**Amdt. No. 2000**

**Calendar No. 1231**

**93<sup>RD</sup> CONGRESS  
2<sup>ND</sup> SESSION**

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. JACKSON (for himself, Mr. RUBINOFF, and Mr. JAVITS) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to simulate the economic growth of the United States, and for other purposes.

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DECEMBER 2, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end thereof, and after amendments to H.R. 10710, insert the following new titles:

1           TITLE VII—NATIONAL NO-FAULT MOTOR

2                       VEHICLE INSURANCE ACT

3                               PART I—GENERAL PROVISIONS

4                                       FORMAL PROVISIONS

5           SEC. 701. (a) SHORT TITLE.—This title may be cited

6 as the “National No-Fault Motor Vehicle Insurance Act.”

**Amdt. No. 2007**

## 1 (b) TABLE OF CONTENTS.—

## PART I—GENERAL PROVISIONS

- Sec. 701. Formal provisions.
  - (a) Short title.
  - (b) Table of contents.
- Sec. 702. Declaration of policy.
  - (a) Findings.
  - (b) Purposes.
- Sec. 703. Definitions.
- Sec. 704. Required motor vehicle insurance.
  - (a) Security covering a motor vehicle.
  - (b) Self-insurance.
  - (c) Obligated government.
  - (d) Obligations upon termination of security.
- Sec. 705. Availability of insurance.
  - (a) Plan.
  - (b) Cancellation, refusal to renew, or other termination of insurance.
- Sec. 706. Payment of claims for no-fault benefits.
  - (a) In general.
  - (b) Release or settlement of claim.
  - (c) Time limitations on actions to recover benefits.
  - (d) Assignment of benefits.
  - (e) Deduction and setoff.
  - (f) Exemption of benefits.
- Sec. 707. Attorney's fees and costs.
  - (a) Fees of claimant's attorney.
  - (b) Fees of restoration obligor's attorney.
- Sec. 708. Assigned claims.
  - (a) General.
  - (b) Assigned claims plan.
  - (c) Time for presenting claims under assigned claims plan.
- Sec. 709. State regulation.
  - (a) Rates and rating.
  - (b) Public information.
  - (c) Accountability program.
  - (d) Availability of services.
- Sec. 710. Motor vehicles in interstate travel.
  - (a) General.
  - (b) Conforming coverage.
  - (c) Applicable law.
- Sec. 711. Rights and duties of restoration obligors.
  - (a) Reimbursement and subrogation.
  - (b) Duty to pay basic restoration benefits.
  - (c) Indemnity.
  - (d) Referral for rehabilitation services.
- Sec. 712. Jurisdiction of Federal courts.
- Sec. 713. Federal motor vehicle.
  - (a) General.
  - (b) Procedures.
  - (c) Definitions.
- Sec. 714. Separability.

PART II—NATIONAL STANDARDS FOR STATE NO-FAULT MOTOR VEHICLE  
INSURANCE PLAN

Sec. 720. State no-fault plan in accordance with this title.

- (a) Preemption.
- (b) State plan.
- (c) Determination by Secretary.
- (d) Periodic review.
- (e) Alternative State plan.
- (f) Procedure.
- (g) Exceptions.
- (h) Reporting requirements.
- (i) Financial assistance to States.
- (j) Authorization for appropriations.

Sec. 721. National standards.

- (a) General.
- (b) Criteria.

Sec. 722. Right to basic restoration benefits.

- (a) Accident within a State.
- (b) Accident outside any State.

Sec. 723. Limitations on benefits.

Sec. 724. Source of basic restoration benefits.

- (a) Applicable security.
- (b) Multiple sources of equal priority.

Sec. 725. Restrictions on tort liability.

- (a) Partial abolition.
- (b) Nonreimbursable tort fine.

Sec. 726. Work loss.

- (a) Regularly employed.
- (b) Seasonally employed.
- (c) Not employed.
- (d) Changes in benefits.
- (e) Definitions.

Sec. 727. Net loss.

- (a) General.
- (b) Tax deduction.
- (c) Allowable expense deduction option.

Sec. 728. Added restoration benefits.

- (a) Optional offering.
- (b) Mandatory offering.
- (c) Territorial applicability.

Sec. 729. Ineligible claimants.

- (a) Converter.
- (b) Intentional injuries.

Sec. 730. Other provisions.

- (a) Included coverage.
- (b) Approval of terms and forms.

PART III—ALTERNATIVE STATE NO-FAULT MOTOR VEHICLE INSURANCE  
PLAN

Sec. 740. Provisions.

Sec. 741. Limitations on basic restoration benefits.

Sec. 742. Restrictions on tort liability.

- (a) Partial abolition.
- (b) Nonreimbursable tort fine.

Sec. 743. Added restoration benefits.

- (a) Optional offering.
- (b) Mandatory offering.
- (c) Territorial applicability.



1 States have determined that the present basic system of  
2 motor vehicle accident and insurance law, which makes  
3 compensation and restoration contingent upon—

4 (A) every victim first showing that someone  
5 else was at fault;

6 (B) every victim first showing that he was  
7 without fault; and

8 (C) the person at fault having sufficient liability  
9 insurance and other available financial resources to  
10 pay for all the losses,

11 is not such a low-cost, comprehensive, and fair system;

12 (6) careful studies, intensive hearings, and some  
13 State experiments have demonstrated that a basic system  
14 of motor vehicle accident and insurance law which—

15 (A) assures every victim payment of all his  
16 medical and rehabilitation costs, and recovery of  
17 almost all his work loss plus a reasonable amount of  
18 replacement services and survivor's loss; and

19 (B) eliminates the need to determine fault ex-  
20 cept when a victim is very seriously injured,  
21 is such a low-cost, comprehensive, and fair system;

22 (7) nationwide adoption of the system described  
23 in paragraph (6) in place of the system described in  
24 paragraph (5) would remove an undue burden on  
25 commerce;

1           (8) pursuant to the power vested in it “to regulate  
2 Commerce . . . among the several States”, the Govern-  
3 ment of the United States is authorized to require a na-  
4 tionwide low-cost, comprehensive, and fair system of  
5 compensating and restoring motor vehicle accident vic-  
6 tims and the survivors of the deceased victims;

7           (9) in all the States there should be uniformity as  
8 to the essential elements of the system of motor vehicle  
9 accident and insurance law to avoid confusion, complex-  
10 ity, uncertainty, and chaos which would be engendered  
11 by a multiplicity of noncomplementary State systems, but  
12 the need for a nationwide basic system does not require  
13 that the Federal Government itself directly administer,  
14 operate, or direct the administration or operation of such  
15 system; and

16           (10) a nationwide low-cost, comprehensive, and fair  
17 system of compensating and restoring motor vehicle acci-  
18 dent victims can—

19           (A) recognize, respect, and avoid interfering  
20 with the historical role of the States in regulating and  
21 exercising legislative authority over the business of  
22 insurance; and

23           (B) save and restore the lives of countless vic-  
24 tims by providing and paying the cost of services so  
25 that every victim has the opportunity to—

1 (i) receive prompt and comprehensive pro-  
 2 fessional treatment, and

3 (ii) be rehabilitated to the point where he  
 4 can return as a useful member of society and a  
 5 self-respecting and self-supporting citizen.

6 (b) PURPOSES.—Therefore, it is hereby declared to be  
 7 the policy of the Congress to establish—

8 (1) at reasonable cost to the purchaser of insurance,  
 9 a nationwide system of prompt and adequate restoration  
 10 benefits for motor vehicle accident victims and the sur-  
 11 vivors of deceased victims; and

12 (2) minimum standards which each State must  
 13 meet or exceed so as to assure a nationwide low-cost,  
 14 comprehensive, and fair system of motor vehicle acci-  
 15 dent and insurance law and which enables each State  
 16 to participate legislatively, to administer without inter-  
 17 ference, and to continue regulating the business of  
 18 insurance,

19 **DEFINITIONS**

20 **SEC. 703. As used in this title—**

21 (1) “Added restoration benefits” means benefits pro-  
 22 vided by added restoration insurance in accordance with  
 23 section 728 or section 743 of this title.

24 (2) “Allowable expense” means reasonable charges in-  
 25 curred for, or the reasonable value of (where no charges are

1 incurred), reasonably needed and used products, services,  
2 and accommodations for—

3 (A) professional medical treatment and care;

4 (B) emergency medical services;

5 (C) medical and vocational rehabilitation services;

6 and

7 (D) expenses directly related to the funeral, burial,  
8 cremation, or other form of disposition of the remains  
9 of a deceased victim, not to exceed \$1,000.

10 The term does not include—

11 (i) that portion of a charge for a room in a hospital,  
12 clinic, convalescent, or nursing home, or any other in-  
13 stitution engaged in providing nursing care and related  
14 services, in excess of a reasonable and customary charge  
15 for semiprivate accommodations, unless more intensive  
16 care is medically required; or

17 (ii) any amount includable in work loss, replace-  
18 ment services loss, or survivor's loss.

19 (3) "Basic restoration benefits" means benefits provided  
20 in accordance with this title for the net loss sustained by a  
21 victim, subject to any applicable limitations, exclusions, de-  
22 ductibles, waiting periods, disqualifications, or other terms  
23 and conditions provided or authorized in accordance with this  
24 title. Basic restoration benefits do not include benefits for  
25 damage to property.

1           (4) "Commissioner" means the commissioner of insur-  
2     ance or the head of the department, commission, board, or  
3     other agency of a State which is charged by the law of that  
4     State with the supervision and regulation of the business of  
5     insurance.

6           (5) "Department" means the department of motor ve-  
7     hicles or the department, commission, board, or other agency  
8     of a State which is charged by the law of that State with the  
9     administration of laws and regulations regarding registra-  
10    tion of motor vehicles.

11          (6) "Emergency medical services" means services nec-  
12    essary to mitigate injury to any victim during the period  
13    immediately and proximately following an accident (includ-  
14    ing, but not limited to, communications, transportation, and  
15    treatment by medical and paramedical personnel through  
16    an emergency medical services system), which are sup-  
17    plied or provided in accordance with applicable State law.

18          (7) "Emergency medical services system" means a sys-  
19    tem which provides for the arrangement of personnel, facilities,  
20    and equipment for the effective and coordinated delivery in  
21    an appropriate geographical area of health care services under  
22    emergency conditions, which is administered by a public or  
23    nonprofit private entity which has the authority and the  
24    resources to provide effective administration, and which

1 meets the requirements of section 1206(b) (4) of the  
2 Public Health Service Act.

3 (8) "Government" means the government of the United  
4 States, any State, any political subdivision of a State, any  
5 instrumentality of two or more States, or any agency, sub-  
6 division, or department of any such government, including  
7 any corporation or other association organized by a govern-  
8 ment for the execution of a government program and subject  
9 to control by a government, or any corporation or agency  
10 established under an interstate compact or international  
11 treaty.

12 (9) "Injury" means accidentally sustained bodily harm  
13 to an individual and that individual's illness, disease, or death  
14 resulting therefrom.

15 (10) "Insurance" means a contract, self-insurance, or  
16 any other legally binding obligation to pay or provide no-  
17 fault benefits or any required tort liability.

18 (11) "Insured" means—

19 (A) an individual identified by name as an insured  
20 in a contract of basic restoration insurance complying  
21 with this title; and

22 (B) a spouse or other relative of a named in-  
23 sured, a minor in the custody of a named insured, and a  
24 minor in the custody of a relative of a named insured  
25 if—

1 (i) not identified by name as an insured in any  
2 other contract of basic restoration insurance com-  
3 plying with this title, and

4 (ii) in residence in the same household with a  
5 named insured.

6 An individual is in residence in the same household  
7 if he usually makes his home in the same family unit,  
8 even though he temporarily lives elsewhere.

9 (12) "Insurer" means a legally constituted entity, other  
10 than a self-insurer or an obligated government, which is  
11 authorized under State law to provide security covering a  
12 motor vehicle in such State.

13 (13) "Loss" means accrued economic detriment result-  
14 ing from injury arising out of the maintenance or use of a  
15 motor vehicle consisting of, and limited to, allowable ex-  
16 pense, work loss, replacement services loss, and survivor's  
17 loss.

18 (14) "Loss of income" means gross income actually lost  
19 by a victim or that would have been lost but for any income  
20 continuation plan, reduced by—

21 (A) ninety per centum of any income which such  
22 individual earns from substitute work;

23 (B) income which such individual would have  
24 earned in available substitute work he was capable of  
25 performing but unreasonably failed to undertake; or

1           (C) any income which such individual would have  
2           earned by hiring an available substitute to perform self-  
3           employment services but unreasonably failed to do.

4           (15) "Maintenance or use of a motor vehicle" means  
5           maintenance or use of a motor vehicle as a vehicle, including,  
6           incident to its maintenance or use as a vehicle, occupying,  
7           entering into, or alighting from it. Maintenance or use  
8           of a motor vehicle does not include—

9           (A) conduct within the course of a business of re-  
10          pairing, servicing, or otherwise maintaining motor ve-  
11          hicles unless the conduct occurs off the business prem-  
12          ises; or

13          (B) conduct in the course of loading or unloading  
14          a motor vehicle unless the conduct occurs while occupy-  
15          ing, entering into, or alighting from it.

16          (16) "Medical and vocational rehabilitation services"  
17          means services necessary to reduce disability and to restore  
18          the physical, psychological, social, and vocational functioning  
19          of a victim. Such services may include, but are not limited  
20          to, medical care, diagnostic and evaluation procedures, phys-  
21          ical and occupational therapy, other medically necessary  
22          therapies, speech pathology and audiology, nursing care  
23          under the supervision of a registered nurse, medical social  
24          services, vocational rehabilitation and training services, occu-  
25          pational licenses and tools, and transportation where neces-  
26          sary to secure medical and vocational rehabilitation services.

1 A restoration obligor is not obligated to provide basic res-  
2 toration benefits for allowable expense for medical and voca-  
3 tional rehabilitation services unless the facility in which or  
4 through which such services are provided has been accred-  
5 ited by the department of health, the equivalent government  
6 agency responsible for health programs, or the accrediting  
7 designee of such department or agency of the State in which  
8 such services are provided, as being in accordance with ap-  
9 plicable requirements and regulations.

10 (17) "Motor vehicle" means a vehicle of a kind required  
11 to be registered under the laws relating to motor vehicles of  
12 the State in which such vehicle is located except that a  
13 vehicle having less than four wheels may be specially  
14 treated, at the option of a State establishing a no-fault plan  
15 for motor vehicle insurance in accordance with part II of this  
16 title, with respect to the requirements and benefits of such  
17 plan.

18 (18) "Net loss" means loss less benefits or advantages  
19 required to be subtracted from loss in calculating net loss  
20 pursuant to section 727 of this title.

21 (19) "Noneconomic detriment" means pain, suffering,  
22 inconvenience, physical impairment, and other nonpecuniary  
23 damage recoverable under the tort law applicable to injury  
24 arising out of the maintenance or use of a motor vehicle. The  
25 term does not include punitive or exemplary damages.

1           (20) “No-fault benefits” means basic restoration bene-  
2 fits, added restoration benefits, or both.

3           (21) “No-fault insurance” means basic restoration in-  
4 surance, added restoration insurance, or both.

5           (22) “Owner” means an individual, government, cor-  
6 poration, company, association, firm, partnership, joint stock  
7 company, foundation, institution, society, union, club, church,  
8 or any other group of persons organized for any purpose,  
9 other than a lienholder or secured party, that owns or  
10 has title to a motor vehicle or is entitled to the use and pos-  
11 session of a motor vehicle subject to a security interest held  
12 by another. The term includes a lessee of a motor vehicle  
13 having the right to possession under a lease with option to  
14 purchase.

15          (23) “Restoration obligor” means an insurer, self-  
16 insurer, or obligated government providing no-fault benefits  
17 in accordance with this title.

18          (24) “Replacement services loss” means expenses rea-  
19 sonably incurred in obtaining ordinary and necessary services  
20 in lieu of those the victim would have performed, not for  
21 income, but for the benefit of himself or his family, if he  
22 had not been injured.

23          (25) “Secretary” means the Secretary of Transporta-  
24 tion.

25          (26) “Secured vehicle” means a motor vehicle for

1 which security is provided in accordance with section 104  
2 of this title

3 (27) "Security covering a motor vehicle", "security  
4 covering the vehicle", and "security" mean the security  
5 which is provided in accordance with section 704 of this title.

6 (28) "Self-insurer" means an owner or any person pro-  
7 viding security pursuant to subsections (b) or (c) of section  
8 704 of this title.

9 (29) "State" means a State of the United States, the  
10 District of Columbia, Guam, and the Virgin Islands.

11 (30) "State vocational rehabilitation agency" means the  
12 agency in the State which administers the State plan for  
13 vocational rehabilitation services under the Vocational Re-  
14 habilitation Act (29 U.S.C. 35).

15 (31) "Survivor" means an individual identified in the  
16 wrongful death statute of the State of domicile of a deceased  
17 victim as one entitled to receive benefits by reason of the  
18 death of another individual.

19 (32) "Survivor's loss" means the—

20 (A) loss of income of a deceased victim which  
21 would probably have been contributed to a survivor or  
22 survivors, if such victim had not sustained the fatal in-  
23 jury; and

24 (B) expenses reasonably incurred by a survivor  
25 or survivors, after a victim's death resulting from

1 injury, in obtaining ordinary and necessary services  
2 in lieu of those which the victim would have performed,  
3 not for income, but for their benefit, if he had not sus-  
4 tained the fatal injury,  
5 reduced by expenses which the survivor or survivors would  
6 probably have incurred but avoided by reason of the victim's  
7 death resulting from injury.

8 (33) "Victim" means an individual who suffers injury  
9 arising out of the maintenance or use of a motor vehicle;  
10 "deceased victim" means a victim suffering death resulting  
11 from injury.

12 (34) "Without regard to fault" means irrespective of  
13 fault as a cause of injury.

14 (35) "Work loss" means—

15 (A) loss of gross income of a victim, as calculated  
16 pursuant to the provisions of section 207 of this Act; and

17 (B) reasonable expenses of a victim for hiring a  
18 substitute to perform self-employment services, thereby  
19 mitigating loss of income, or for hiring special help,  
20 thereby enabling a victim to work and mitigate loss of  
21 income.

## 22 REQUIRED MOTOR VEHICLE INSURANCE

23 SEC. 704. (a) SECURITY COVERING A MOTOR VE-  
24 HICLE.—Every owner of a motor vehicle which is registered  
25 in a State in which a State no-fault plan for motor vehicle

1 insurance in accordance with part II or part III of this title  
2 is in effect, or which is operated in such State by the owner  
3 or with his permission, shall continuously provide security  
4 covering such motor vehicle while such vehicle is either pres-  
5 ent or registered in such State. Security shall be provided for  
6 the payment of basic restoration benefits, and at the option of  
7 a State establishing a plan in accordance with part II of this  
8 Act, for the payment of other benefits or tort liability. The  
9 owner or any other person may provide security covering a  
10 motor vehicle by a contract of insurance with an insurer  
11 or by qualifying as a self-insurer or as an obligated  
12 government.

13 (b) SELF-INSURANCE.—Self-insurance, subject to ap-  
14 proval of the commissioner or department, is effected by filing  
15 with the department in satisfactory form—

16 (1) a continuing undertaking by the owner or other  
17 appropriate person to pay basic restoration benefits and  
18 any tort liability required by State law in amounts not  
19 less than those required by such State law, to perform all  
20 obligations imposed in accordance with this title, and to  
21 elect to pay such added restoration benefits as are speci-  
22 fied in the undertaking;

23 (2) evidence that appropriate provision exists for  
24 prompt and efficient administration of all claims, benefits,

1 and obligations provided in accordance with this title;  
2 and

3 (3) evidence that reliable financial arrangements  
4 deposits, resources, or commitments exist providing  
5 assurance substantially equivalent to that afforded by a  
6 contract of insurance complying with this title for pay-  
7 ment of no-fault benefits, any required tort liability, and  
8 performance of all other obligations imposed in accord-  
9 ance with this title.

10 (c) OBLIGATED GOVERNMENT.—A government may  
11 provide security with respect to any motor vehicle owned or  
12 operated by it by lawfully obligating itself to pay basic  
13 restoration benefits in accordance with this title, and such  
14 added restoration benefits as are specified in the undertaking.

15 (d) OBLIGATION UPON TERMINATION OF SECU-  
16 RITY.—An owner of a motor vehicle who ceases to maintain  
17 the security required in accordance with this title shall im-  
18 mediately surrender the registration certificate and license  
19 plates for the vehicle to the department and may not operate  
20 or permit operation of the vehicle in any State until security  
21 has again been furnished as required in accordance with  
22 this title. A person other than the owner who ceases to main-  
23 tain such security shall immediately notify the owner and  
24 the department, who may not operate or permit operation  
25 of the vehicle until security has again been furnished. An

1 insurer who has issued a contract of insurance and knows  
2 or has reason to believe the contract is for the purpose of  
3 providing security shall immediately give notice to the de-  
4 partment of the termination of the insurance. If the com-  
5 missioner or department withdraws approval of security  
6 provided by a self-insurer or knows that the conditions for  
7 self-insurance have ceased to exist, he shall immediately give  
8 notice thereof to the department. These requirements may  
9 be modified or waived by the department.

10                                   AVAILABILITY OF INSURANCE

11       SEC. 705. (a) PLAN.—(1) The commissioner shall es-  
12 tablish and implement or approve and supervise a plan  
13 assuring that any required no-fault benefits and tort liability  
14 coverages for motor vehicles will be conveniently and expe-  
15 ditiously available, subject only to payment or provisions for  
16 payment of the premium, to each individual who cannot con-  
17 veniently obtain insurance through ordinary methods at  
18 rates not in excess of those applicable to similarly situated  
19 individuals under the plan. The plan may provide reason-  
20 able means for the transfer of individuals insured there-  
21 under into the ordinary market, at the same or lower rates,  
22 pursuant to regulations established by the commissioner. The  
23 plan may be implemented by assignment of applicants among  
24 insurers, pooling, any joint insuring or reinsuring arrange-  
25 ment, or any other method, including a State fund, that re-

1 sults in all applicants being conveniently afforded the insur-  
2 ance coverages on reasonable and not unfairly discrimi-  
3 natory terms.

4 (2) The plan shall make available added restoration  
5 benefits and tort liability coverage together with other con-  
6 tract provisions which the commissioner determines are rea-  
7 sonably needed by applicants and are commonly afforded  
8 in voluntary markets. The plan must also assure that there is  
9 available through the private sector or otherwise to all ap-  
10 plicants adequate premium financing or provision for the  
11 installment payment of premiums subject to customary terms  
12 and conditions.

13 (3) All insurers writing no-fault benefits and tort liabil-  
14 ity coverages in a State shall participate in the plan in  
15 such State. The plan shall provide for equitable apportion-  
16 ment, among all participating insurers writing any insurance  
17 coverage required under the plan, of the financial burdens of  
18 insurance provided to applicants under the plan and the  
19 costs of operation of the plan.

20 (4) Subject to the supervision and approval of the  
21 commissioner, insurers may consult and agree with each  
22 other and with other appropriate persons as to the organiza-  
23 tion, administration, and operation of the plan and as to rates  
24 and rate modifications for insurance coverages provided  
25 under the plan. Rates and rate modifications adopted or

1 charged for insurance coverages provided under the plan  
2 shall—

3 (A) be first adopted or approved by the commis-  
4 sioner; and

5 (B) be reasonable and not unfairly discriminatory  
6 among similarly situated applicants for insurance pur-  
7 suant to regulations established by the commissioner.

8 (5) Subject to the supervision and approval of the com-  
9 missioner, the plan shall afford required coverages for motor  
10 vehicles to any economically disadvantaged individual, at  
11 rates as determined by the State, which shall not be so  
12 great as to deny such individual access to insurance which  
13 it is necessary for him to have in order to earn income and  
14 to be or remain gainfully employed.

15 (6) To carry out the objectives of this subsection, the  
16 commissioner may adopt rules, make orders, enter into  
17 agreements with other governmental and private entities  
18 and individuals, and form and operate or authorize the  
19 formation and operation of bureaus and other legal entities.

20 (b) CANCELLATION, REFUSAL TO RENEW, OR OTHER  
21 TERMINATION OF INSURANCE.—(1) Every contract of in-  
22 surance providing security covering a motor vehicle which is  
23 not one of five or more motor vehicles under common owner-  
24 ship insured under a single insuring agreement, except as  
25 provided by paragraphs (2) and (5) of this subsection, may

1 not be canceled, modified, or otherwise terminated by the in-  
2 surer nor may the insurer fail to renew except at specified  
3 dates or intervals which may not be less than six months after  
4 the inception of coverage or thereafter less than six months  
5 apart.

6 (2) An insurer may terminate insurance if written notice  
7 of termination, including the reasons therefor, is mailed or  
8 delivered to the insured at least thirty days before the effective  
9 date of termination—

10 (A) by cancellation at any time within seventy-five  
11 days after the inception of initial coverage;

12 (B) by cancellation for nonpayment of—

13 (i) premium when due, or

14 (ii) any premium installment when due for  
15 which reasonable and separate notice has been  
16 given; or

17 (C) by exclusion of an insured whose license to op-  
18 erate a motor vehicle has been revoked, following a hear-  
19 ing and pursuant to State law.

20 (3) Except as permitted in paragraph (2) of this sub-  
21 section, any termination of insurance by an insurer which is  
22 permitted by the insurance contract and not prohibited by  
23 paragraph (1) of this subsection, including any refusal by  
24 the insurer to renew the insurance at the expiration of its term  
25 and any modification by the insurer of the terms and condi-

1 tions of the insurance unfavorable to the insured, is neverthe-  
2 less ineffective, unless written notice of intention to modify,  
3 not to renew, or otherwise to terminate the insurance has been  
4 mailed or delivered to the insured at least thirty days before  
5 the effective date of the modification, expiration, or other ter-  
6 mination of the insurance.

7 (4) For purposes of this subsection a cancellation or  
8 refusal to renew by or at the direction of any person acting  
9 pursuant to any power or authority under any premium  
10 finance plan, agreement, or arrangement, whether or not with  
11 power of attorney or assignment from the insured, constitutes  
12 a cancellation or refusal to renew by the insurer.

13 (5) This subsection does not limit or apply to any termi-  
14 nation, modification, or cancellation of the insurance, or to  
15 any suspension of insurance coverage, by or at the written  
16 request of the insured or upon the sale or other transfer of the  
17 secured vehicle to an individual who is not an insured under  
18 the same contract of insurance.

19 (6) This subsection does not affect any right an insurer  
20 has under other law to rescind or otherwise terminate insur-  
21 ance because of fraud or other willful misconduct of the in-  
22 sured at the inception of the insuring transaction or the right  
23 of either party to reform the contract on the basis of mutual  
24 mistake of fact.

25 (7) An insurer, his authorized agents and employees,

1 and any person furnishing information upon which he has  
2 relied, are not liable in any action or proceeding brought  
3 because of any statement made in good faith pursuant to  
4 paragraph (2) of this subsection.

5           PAYMENT OF CLAIMS FOR NO-FAULT BENEFITS

6           SEC. 706. (a) IN GENERAL.—(1) No-fault benefits are  
7 payable monthly as loss accrues. Loss accrues not when in-  
8 jury occurs, but as allowable expense, work loss, replacement  
9 services loss, or survivor's loss is sustained.

10           (2) No-fault benefits are overdue if not paid within  
11 thirty days after the receipt by the restoration obligor of each  
12 submission of reasonable proof of the fact and amount of  
13 loss sustained, unless the restoration obligor designates, upon  
14 receipt of an initial claim for no-fault benefits, periods not to  
15 exceed thirty-one days each for accumulating all such claims  
16 received within each such period, in which case such benefits  
17 are overdue if not paid within fifteen days after the close of  
18 each such period. If reasonable proof is supplied as to only  
19 part of a claim, but the part amounts to \$100 or more, bene-  
20 fits for such part are overdue if not paid within the time  
21 mandated by this paragraph. An obligation for basic restora-  
22 tion benefits for an item of allowable expense may be dis-  
23 charged by the restoration obligor by reimbursing the victim  
24 or by making direct payment to the supplier or provider of  
25 products, services, or accommodations within the time man-

1 dated by this paragraph. Overdue payments bear interest at  
2 the rate of eighteen per centum per annum.

3 (3) A claim for no-fault benefits shall be paid without  
4 deduction for the benefits or advantages which are to be  
5 subtracted from loss in calculating net loss in accordance  
6 with section 728 (a) of this title, if such benefits or advan-  
7 tages have not been paid or provided to such claimant prior  
8 to the date the no-fault benefits are overdue or the no-fault  
9 benefits claim is paid. The restoration obligor is thereupon  
10 entitled to recover reimbursement from the person obligated  
11 to pay or provide such benefits or advantages or from the  
12 claimant who actually receives them.

13 (4) A restoration obligor may bring an action to re-  
14 cover reimbursement for no-fault benefits which are paid  
15 upon the basis of an intentional misrepresentation of a ma-  
16 terial fact by a claimant or a supplier or provider of an item  
17 of allowable expense, if such restoration obligor reasonably  
18 relied upon such misrepresentation. The action may be  
19 brought only against such supplier or provider, unless the  
20 claimant has intentionally misrepresented the facts or knew  
21 of the misrepresentation. A restoration obligor may offset  
22 amounts he is entitled to recover from the claimant under  
23 this paragraph against any no-fault benefits otherwise due.

24 (5) A restoration obligor who rejects a claim for basic  
25 restoration benefits shall give to the claimant written notice

1 of the rejection promptly, but in no event more than thirty  
2 days after the receipt of reasonable proof of the loss. Such  
3 notice shall specify the reason for such rejection and inform  
4 the claimant of the terms and conditions of his right to obtain  
5 an attorney. If a claim is rejected for a reason other than  
6 that the person is not entitled to basic restoration benefits  
7 claimed, the written notice shall inform the claimant that he  
8 may file his claim with the assigned claims bureau and shall  
9 give the name and address of the bureau.

10 (b) RELEASE OR SETTLEMENT OF CLAIM.—(1) EX-  
11 cept as otherwise provided in this subsection, no-fault bene-  
12 fits shall not be denied or terminated because the victim  
13 executed a release or other settlement agreement. A claim  
14 for no-fault benefits may be discharged by a settlement agree-  
15 ment for an agreed amount payable in installments or in a  
16 lump sum, if the reasonably anticipated net loss does not  
17 exceed \$2,500. In all other cases, a claim may be discharged  
18 by a settlement to the extent authorized by State law and  
19 upon a finding, by a court of competent jurisdiction, that the  
20 settlement is in the best interest of the claimant and any bene-  
21 ficiaries of the settlement, and that the claimant understands  
22 and consents to such settlement, and upon payment by the  
23 restoration obligor of the costs of such proceeding including  
24 a reasonable attorney's fee (based upon actual time expend-  
25 ed) to the attorney selected by or appointed for the claim-

1 ant. Such costs may not be charged to or deducted from the  
2 proceeds of the settlement. Upon approval of the settlement,  
3 the court may make appropriate orders concerning the safe-  
4 guarding and disposing of the proceeds of the settlement and  
5 may direct as a condition of the settlement agreement, that  
6 the restoration obligor pay the reasonable cost of appropriate  
7 future medical and vocational rehabilitation services.

8 (2) A settlement agreement for an amount payable in  
9 installments shall be modified as to amounts to be paid in the  
10 future, if it is shown that a material and substantial change of  
11 circumstances has occurred or that there is newly-discovered  
12 evidence concerning the claimant's physical condition, loss,  
13 or rehabilitation which could not have been known previously  
14 or discovered in the exercise of reasonable diligence.

15 (3) A settlement agreement may be set aside if it is pro-  
16 cured by fraud or if its terms are unconscionable.

17 (c) TIME LIMITATIONS ON ACTIONS TO RECOVER  
18 BENEFITS.— (1) If no-fault benefits have not been paid for  
19 loss arising otherwise than from death, an action therefor may  
20 be commenced not later than two years after the victim suffers  
21 the loss and either knows, or in the exercise of reasonable dili-  
22 gence should have known, that the loss was caused by the  
23 accident, or not later than four years after the accident,  
24 whichever is earlier. If no-fault benefits have been paid for  
25 loss arising otherwise than from death, an action for further

1 benefits, other than survivor's benefits, by either the same or  
2 another claimant, may be commenced not later than two years  
3 after the last payment of benefits.

4 (2) If no-fault benefits have not been paid to the deceased  
5 victim or his survivor or survivors, an action for survivor's  
6 benefits may be commenced not later than one year after  
7 the death or four years after the accident from which death  
8 results, whichever is earlier. If survivor's benefits have been  
9 paid to any survivor, an action for further survivor's bene-  
10 fits by either the same or another claimant may be commenced  
11 not later than two years after the last payment of benefits.  
12 If no-fault benefits have been paid for loss suffered by a  
13 victim before his death resulting from the injury, an action  
14 for survivor's benefits may be commenced not later than one  
15 year after the death or six years after the last payment of  
16 benefits, whichever is earlier.

17 (3) If timely action for basic restoration benefits is com-  
18 menced against a restoration obligor and benefits are denied  
19 because of a determination that the restoration obligor's cov-  
20 erage is not applicable to the claimant under the provisions  
21 of section 724 of this title, an action against the applicable  
22 restoration obligor or the restoration obligor to whom a claim  
23 is assigned under an assigned claims plan may be commenced  
24 not later than sixty days after the determination becomes final

1 or the last date on which the action could otherwise have  
2 been commenced, whichever is later.

3 (4) Except as paragraph (1), (2), or (3) prescribes a  
4 longer period, an action by a claimant on an assigned claim  
5 which has been timely presented in accordance with the  
6 provisions of section 708 (c) of this title may not be com-  
7 menced more than sixty days after the claimant receives  
8 written notice of rejection of the claim by the restoration  
9 obligor to which it was assigned.

10 (5) If a person entitled to no-fault benefits is under a  
11 legal disability when the right to bring an action for the  
12 benefits first accrues, the period of his disability is not a part  
13 of the time limited for commencement of the action.

14 (d) ASSIGNMENT OF BENEFITS.—An assignment of or  
15 an agreement to assign any right in accordance with this Act  
16 for loss accruing in the future is unenforceable except as to  
17 benefits for—

18 (1) work loss to secure payment of alimony, main-  
19 tenance, or child support; or

20 (2) allowable expense to the extent the benefits are  
21 for the cost of products, services, or accommodations pro-  
22 vided or to be provided by the assignee.

23 (e) DEDUCTION AND SETOFF.—Except as otherwise

1 provided in this Act, basic restoration benefits shall be paid  
2 without deduction or setoff.

3 (f) EXEMPTION OF BENEFITS.—(1) No-fault benefits  
4 for allowable expense are exempt from garnishment, attach-  
5 ment, execution, and any other process or claim, except upon  
6 the claim of a creditor who has provided products, services,  
7 or accommodations to the extent benefits are for allowable  
8 expense for those products, services, or accommodations.

9 (2) Basic restoration benefits other than those for allow-  
10 able expense are exempt from garnishment, attachment, exe-  
11 cution, and any other process or claim for benefits attributable  
12 to loss sustained within the first sixty days following the  
13 accident resulting in injury. Other basic restoration benefits  
14 (except for items of allowable expense) are exempt to the  
15 extent that wages or earnings are exempt under any appli-  
16 cable law exempting wages or earnings from such process or  
17 claims.

18 ATTORNEY'S FEES AND COSTS

19 SEC. 707. (a) FEES OF CLAIMANT'S ATTORNEY.—

20 (1) If any overdue no-fault benefits are paid by the restora-  
21 tion obligor after receipt of notice of representation of a  
22 claimant in connection with a claim or action for no-fault  
23 the court determines that the claim (or any significant part  
24 thereof is fraudulent or so excessive as to have no reasonable  
25 foundation), a reasonable attorney's fee (based upon actual

1 time expended) shall be paid by the restoration obligor to  
2 such attorney. No part of the attorney's fee for representing  
3 the claimant in connection with a claim or action for no-fault  
4 benefits may be charged or deducted from benefits otherwise  
5 due to such claimant and no part of such benefits may be  
6 applied to such fee.

7 (2) In any such action brought against the claimant by  
8 the restoration obligor, the court may award the claimant's  
9 attorney a reasonable attorney's fee for defending such action,  
10 which shall be paid by the restoration obligor.

11 (b) FEES OF RESTORATION OBLIGOR'S ATTORNEY.—  
12 A restoration obligor shall be allowed a reasonable attorney's  
13 fee for defending a claim if the court determines that the  
14 claim or any significant part thereof is fraudulent or so  
15 excessive as to have no reasonable foundation. The fee may be  
16 treated as an offset against any benefits due or to become due  
17 to the claimant.

18 **ASSIGNED CLAIMS**

19 SEC. 708. (a) GENERAL.—(1) If a State no-fault plan  
20 for motor vehicle insurance in accordance with part II or part  
21 III of this title is in effect on the date when the accident re-  
22 sulting in injury occurs, a victim or the survivor or survivors  
23 of a deceased victim may obtain basic restoration benefits  
24 through the assigned claims plan established, pursuant to  
25 subsection (b) of this section, in the State of domicile, if

1 any, of the victim or deceased victim, or if none, in the State,  
2 in which the accident resulting in injury occurs, if basic  
3 restoration insurance—

4 (A) is not applicable to the injury for a reason  
5 other than those specified in the provisions on ineligible  
6 claimants;

7 (B) is not applicable to the injury because the vic-  
8 tim converted a motor vehicle while he was under fifteen  
9 years of age;

10 (C) applicable to the injury cannot be identified;

11 (D) applicable to the injury is inadequate to pro-  
12 vide the contracted-for benefits because of financial in-  
13 ability of a restoration obligor to fulfill its obligations; or

14 (E) benefits are refused by a restoration obligor for  
15 a reason other than that the individual is not entitled in  
16 accordance with this title to the basic restoration benefits  
17 claimed.

18 (2) If a claim qualifies for assignment under paragraph  
19 (1) (C), (D), or (E) of this subsection, the assigned  
20 claims bureau or any insurer to whom the claim is assigned  
21 is subrogated to all rights of the claimant against the res-  
22 toration obligor legally obligated to provide basic restoration  
23 benefits to the claimant, or against any successor in interest  
24 to or substitute for such obligor for such benefits as are  
25 provided by the assignee.

1       (3) If an individual receives basic restoration benefits  
2 through the assigned claims plan for any reason other than  
3 because of the financial inability of a restoration obligor to  
4 fulfill its obligation, all benefits or advantages that such indi-  
5 vidual receives or is entitled to receive as a result of such  
6 injury, other than life insurance benefits or benefits by way  
7 of succession at death or in discharge of familial obligations  
8 of support, shall be subtracted from loss in calculating net  
9 loss.

10       (4) An assigned claim of an individual who does not  
11 comply with the requirement of providing security for the  
12 payment of basic restoration benefits, or of an individual  
13 as to whom the security is invalidated because of his fraud  
14 or willful misconduct, is subject to—

15           (A) all the maximum optional deductibles and  
16 exclusions required to be offered; and

17           (B) a deduction in the amount of \$500 for each  
18 year or part thereof of the period of his continuous fail-  
19 ure to provide security, applicable to any benefits other-  
20 wise payable except basic restoration benefits for allow-  
21 able expense.

22       (b) ASSIGNED CLAIMS PLAN.—(1) Restoration obli-  
23 gors providing basic restoration insurance in a State may  
24 organize and maintain, subject to approval and regulation  
25 by the commissioner, an assigned claims bureau and an

1 assigned claims plan and adopt rules for their operation and  
2 for assessment of costs on a fair and equitable basis consistent  
3 with this title. If such bureau and plan are not organized and  
4 maintained in a manner considered by the commissioner to be  
5 consistent with this title and with State law, he shall organize  
6 and maintain an assigned claims bureau and an assigned  
7 claims plan. Each restoration obligor insurer providing basic  
8 restoration insurance in a State shall participate in the  
9 assigned claims bureau and the assigned claims plan in that  
10 State. Costs incurred shall be allocated fairly and equitably  
11 among the restoration obligors.

12 (2) The assigned claims bureau shall promptly—

13 (A) assign each claim for no-fault benefits to an  
14 assignee who shall be a participating insurer; and

15 (B) notify the chairman of the identity and address  
16 of such assignee.

17 Claims shall be assigned so as to minimize inconvenience to  
18 claimants. The assignee thereafter has rights and obligations  
19 as if he had issued a policy of basic restoration insurance  
20 complying with this title applicable to the injury or, in a case  
21 involving the financial inability of a restoration obligor to  
22 perform its obligations, as if the assignee had written the  
23 applicable basic restoration insurance, undertaken the self-  
24 insurance, or lawfully obligated itself to pay basic restoration  
25 benefits.



1       (b) PUBLIC INFORMATION.—The commissioner shall  
2 provide the means to inform purchasers of insurance, in a  
3 manner adequate to permit them to compare prices, about  
4 rates being charged by insurers for no-fault benefits and tort  
5 liability coverage.

6       (c) ACCOUNTABILITY PROGRAM.—(1) The commis-  
7 sioner, through the State vocational rehabilitation agency,  
8 shall establish and maintain a program for the regular and  
9 periodic evaluation of medical and vocational rehabilitation  
10 services for which reimbursement or payment is sought from  
11 a restoration obligor as an item of allowable expense to assure  
12 that—

13           (A) the services are medical and vocational rehabili-  
14 tation services, as defined in section 703 (16) of this  
15 title;

16           (B) the recipient of the services is making progress  
17 toward a greater level of independent functioning and the  
18 services are necessary to such progress and continued  
19 progress; and

20           (C) the charges for the services for which reim-  
21 bursement or payment is sought are fair and reasonable.  
22 Progress reports shall be made periodically in writing on each  
23 case for which reimbursement or payment is sought under  
24 security for the payment of basic restoration benefits. Such  
25 reports shall be prepared by the supervising physician or

1 rehabilitation counselor and submitted to the State vocational  
2 rehabilitation agency. The State vocational rehabilitation  
3 agency shall file reports with the applicable restoration obligor  
4 or obligors. Pursuant to this program, there shall be provision  
5 for determinations to be made in writing of the rehabilitation  
6 goals and needs of the victim and for the periodic assessment  
7 of progress at reasonable time intervals by the supervising  
8 physician or rehabilitation counselor.

9 (2) The commissioner is authorized to establish and  
10 maintain a program for the regular and periodic evaluation  
11 of his State's no-fault plan for motor vehicle insurance.

12 (d) AVAILABILITY OF SERVICES.—The commissioner  
13 is authorized to coordinate with appropriate government  
14 agencies in the creation and maintenance of an emergency  
15 medical services system or systems, and to take all steps  
16 necessary to assure that emergency medical services are  
17 available for each victim suffering injury in the State. The  
18 commissioner is authorized to take all steps necessary to as-  
19 sure that medical and vocational rehabilitation services are  
20 available for each victim resident in the State. Such steps  
21 may include, but are not limited to, guarantees of loans or  
22 other obligations of suppliers or providers of such services,  
23 and support for training programs for personnel in programs  
24 and facilities offering such services.

## MOTOR VEHICLES IN INTERSTATE TRAVEL

1  
2       SEC. 710. (a) GENERAL.—An owner of a motor vehicle  
3 who has complied with the requirements of security cover-  
4 ing a motor vehicle in the State of registration of such  
5 vehicle shall be deemed to have complied with the require-  
6 ments for such security in any State in which such vehicle  
7 is operating.

8       (b) CONFORMING COVERAGE.—(1) A restoration  
9 obligor providing security for the payment of basic restora-  
10 tion benefits shall be obligated to provide, and each contract  
11 of insurance for the payment of basic restoration benefits  
12 shall be construed to contain, coverage sufficient to satisfy  
13 the requirements for security covering a motor vehicle in  
14 any State in which any victim who is a claimant or whose  
15 survivors are claimants is domiciled or is injured.

16       (2) A restoration obligor providing security for the  
17 payment of basic restoration benefits shall be obligated to  
18 provide, and each contract of insurance for the payment of  
19 basic restoration benefits shall be construed to contain, cover-  
20 age of \$50,000 to protect the owner or operator of a motor  
21 vehicle from tort liability to which he is exposed through  
22 application of the law of the State of domicile of a victim  
23 (or in the State in which the accident resulting in injury  
24 or harm to property occurs if a victim is not domiciled in  
25 any State), but to which he would not have been exposed

1 through application of the law of the State of registration of  
2 the motor vehicle.

3 (c) APPLICABLE LAW.—(1) The basic restoration  
4 benefits available to any victim or to any survivor of a de-  
5 ceased victim shall be determined pursuant to the provisions  
6 of the State no-fault plan for motor vehicle insurance in  
7 accordance with part II or part III of this title which is in  
8 effect in the State of domicile of the victim on the date when  
9 the motor vehicle accident resulting in injury occurs. If there  
10 is no such State no-fault plan in effect or if the victim is  
11 not domiciled in any State, then basic restoration benefits  
12 available to any victim shall be determined pursuant to the  
13 provisions of the State no-fault plan for motor vehicle insur-  
14 ance, if any, in effect in the State in which the accident  
15 resulting in injury occurs.

16 (2) The right of a victim or of a survivor of a deceased  
17 victim to sue in tort shall be determined by the law of the  
18 State of domicile of such victim. If a victim is not domiciled  
19 in a State, such right to sue shall be determined by the law  
20 of the State in which the accident resulting in injury or  
21 damage to property occurs.

22 RIGHTS AND DUTIES OF RESTORATION OBLIGORS

23 SEC. 711. (a) REIMBURSEMENT AND SUBROGATION.—

24 (1) Except as provided in paragraphs (2), (3), and (4)  
25 of this subsection, a restoration obligation—

1           (A) does not have and may not contract, directly  
2 or indirectly, in whole or in part, for a right of reim-  
3 bursement from or subrogation to the proceeds of a  
4 victim's claim for relief or to a victim's cause of action  
5 for noneconomic detriment; and

6           (B) may not directly or indirectly contract for, or  
7 be granted by a State, any right of reimbursement from  
8 any other restoration obligor not acting as a reinsurer  
9 for no-fault benefits which it has paid or is obligated to  
10 pay as a result of injury to a victim.

11       (2) Whenever an individual who receives or is entitled  
12 to receive no-fault benefits for an injury has a claim or cause  
13 of action against any other person for breach of an obligation  
14 or duty causing the injury or for breach of express or implied  
15 warranty, the restoration obligor is subrogated to the rights  
16 of the claimant and has a claim for relief or a cause of  
17 action, separate from that of the claimant, to the extent that:

18           (A) elements of damage compensated for by se-  
19 curity for the payment of no-fault benefits are recover-  
20 able; and

21           (B) the restoration obligor has paid or become obli-  
22 gated to pay accrued or future no-fault benefits.

23       (3) Notwithstanding the provisions of paragraph  
24 (1) (B) of this subsection, a State may grant a right of re-  
25 imbursement among and between restoration obligors based

1 upon a determination of fault, where such restoration ob-  
2 ligors have paid or are obligated to pay benefits for loss  
3 arising out of an accident resulting in injury in which one  
4 or more of the motor vehicles is of a type other than a  
5 private passenger motor vehicle and by designation the State  
6 has determined that the owner of such type would receive an  
7 unreasonable economic advantage or suffer an unreasonable  
8 economic disadvantage in the absence of the grant of such  
9 right of reimbursement: *Provided*, That in such event such  
10 right of reimbursement may be granted only with respect to  
11 benefits paid for loss in excess of \$5,000.

12 (4) Nothing in this subsection shall preclude any per-  
13 son supplying or providing products, services, or accommoda-  
14 tions from contracting or otherwise providing for a right of  
15 reimbursement to any basic restoration benefits for allowable  
16 expense.

17 (b) DUTY TO PAY BASIC RESTORATION BENEFITS.—  
18 A restoration obligor providing security for the payment of  
19 basic restoration benefits shall pay or otherwise provide such  
20 benefits without regard to fault to each individual entitled  
21 thereto, pursuant to the terms and conditions of the State  
22 no-fault plan for motor vehicle insurance applicable thereto.

23 (c) INDEMNITY.—A restoration obligor has a right of  
24 indemnity against an individual who has converted a motor

1 vehicle involved in an accident, or against an individual who  
2 has intentionally injured himself or another individual, for  
3 no-fault benefits paid for—

4 (1) the loss caused by the conduct of that individ  
5 ual;

6 (2) the cost of processing the claims for such bene-  
7 fits; and

8 (3) the cost of enforcing this right of indemnity,  
9 including reasonable attorney's fees.

10 (d) REFERRAL FOR REHABILITATION SERVICES.—

11 The restoration obligor shall promptly refer each victim to  
12 whom basic restoration benefits are expected to be payable  
13 for more than two months to the State vocational rehabilita-  
14 tion agency.

15 JURISDICTION OF FEDERAL COURTS

16 SEC. 712. No district court of the United States may  
17 entertain an action for no-fault benefits unless the United  
18 States is a party to the action.

19 FEDERAL MOTOR VEHICLE

20 SEC. 713. (a) (1) GENERAL.—Notwithstanding any  
21 other provision of law, a claim against the United States as a  
22 restoration obligor for injury arising out of the maintenance  
23 or use of a Federal motor vehicle which is a secured vehicle  
24 shall be governed by this title. A Federal motor vehicle is a  
25 secured vehicle, for purposes of this title, whenever it is lo-

1 cated or operated in the territorial area of any State, Puerto  
2 Rico, Canada, or Mexico.

3 (2) The level of basic restoration benefits which the  
4 United States shall pay or provide shall be controlled by the  
5 no-fault plan for motor vehicle insurance in effect in the State  
6 of domicile of the victim, if any, or if none, in the State in  
7 which the accident resulting in injury occurs.

8 (b) PROCEDURES.—The Secretary, in cooperation with  
9 the Administrator of General Services, shall promulgate, and  
10 may from time to time revise, regulations with respect to  
11 security covering a Federal motor vehicle and administrative  
12 procedures to be followed in claims against the United States  
13 for no-fault benefits.

14 (c) DEFINITIONS.—As used in this section—

15 (1) “Federal agency” means any branch, department,  
16 commission, administration, authority, board, or bureau of,  
17 or any corporation owned or controlled by, the Government  
18 of the United States.

19 (2) “Federal motor vehicle” means a motor vehicle  
20 owned or leased by a Federal agency and operated with its  
21 express or implied permission.

#### 22 SEPARABILITY

23 SEC. 714. If any provision of this title or any applica-  
24 tion thereof to any individual or circumstance is held invalid,  
25 the invalidity shall not affect any provision or application of

1 the Act which can be given effect without the involved provi-  
2 sion or application, and to this end the provisions of this title  
3 are separable: *Provided*, That if any provision in para-  
4 graph (5) of subsection (a) of section 725 of this title, or  
5 any application thereof to any individual or circumstance, is  
6 held invalid, this title shall be interpreted as if such para-  
7 graph (5) had never been enacted.

8 PART II—NATIONAL STANDARDS FOR STATE NO-FAULT  
9 MOTOR VEHICLE INSURANCE PLAN

10 STATE NO-FAULT PLAN IN ACCORDANCE WITH THIS TITLE

11 SEC. 720. (a) PREEMPTION.—Any provision of any  
12 State law which would prevent the establishment or adminis-  
13 tration in such a State of a no-fault plan for motor vehicle  
14 insurance in accordance with this part or part III of this  
15 title is preempted.

16 (b) STATE PLAN.—By the completion of the first  
17 general session of the State legislature which commences  
18 after the date of enactment of this title, a State may estab-  
19 lish a no-fault plan for motor vehicle insurance in accordance  
20 with this title. Upon the establishment of such a plan, the  
21 commissioner shall promptly submit to the Secretary a certi-  
22 fied copy of such plan, together with all relevant information  
23 which is requested by the Secretary.

24 (c) DETERMINATION BY SECRETARY.—Within ninety  
25 days after the Secretary receives a copy of a State no-fault

1 plan established under subsection (b) or (e) of this section,  
2 the Secretary shall make a determination whether such State  
3 has established a no-fault plan for motor vehicle insurance in  
4 accordance with this part. Unless the Secretary determines,  
5 pursuant to this section, that a State no-fault plan is not in  
6 accordance with this title, the plan shall go into effect in such  
7 State on the date designated in the plan. In no event shall  
8 such State plan go into effect less than nine months or more  
9 than twelve months after the date of its establishment.

10 (d) PERIODIC REVIEW.—The Secretary shall periodi-  
11 cally, but not less than once every three years, review each  
12 State no-fault plan for motor vehicle insurance, which has  
13 been approved under subsection (c) of this section and for  
14 which there is experience, to determine whether such plan is  
15 still in accordance with this title and to evaluate the success  
16 of such plan in terms of the policy set forth and declared in  
17 section 702 of this title. To facilitate such review, the com-  
18 missioner in each such State shall submit to the Secretary  
19 periodically all relevant information which is requested by  
20 the Secretary. The Secretary shall report to the President  
21 and Congress simultaneously on July 1 each year on the  
22 results of such reviews, including any recommendations for  
23 legislation.

24 (e) ALTERNATIVE STATE PLAN.—(1) The alternative  
25 State no-fault plan for motor vehicle insurance (the State

1 no-fault plan in accordance with part III of this title) shall  
2 become applicable following the completion of the first general  
3 session of the State legislature which commences after the date  
4 of enactment of this title unless, prior to such date, the Secre-  
5 tary has made a determination that such State has established  
6 a no-fault plan for motor vehicle insurance in accordance  
7 with this title. The alternative State no-fault plan shall go into  
8 effect in a State on the first day of the ninth month after such  
9 plan becomes applicable or on a date designated by the Secre-  
10 tary, whichever is earlier.

11 (2) If, after the alternative State no-fault plan is appli-  
12 cable or in effect in a State, the Secretary, upon petition,  
13 makes a determination, pursuant to subsection (c) of this  
14 section, that such State has established a no-fault plan in  
15 accordance with this title, such State no-fault plan shall go  
16 into effect and the alternative State no-fault plan shall cease  
17 to be applicable or in effect on a date to be designated by the  
18 Secretary.

19 (3) If, after a State no-fault plan in accordance with  
20 this part is in effect in a State, the Secretary makes a deter-  
21 mination, pursuant to subsection (d) of this section, that such  
22 State no-fault plan is no longer in accordance with this part,  
23 then the plan which is no longer in accordance with this part  
24 shall cease to be in effect on a date to be designated by the

1 Secretary, and on that date the alternative State no-fault plan  
2 shall go into effect in such State.

3 (f) PROCEDURE.—(1) Before making any determina-  
4 tion under this section, the Secretary shall publish a notice in  
5 the Federal Register and afford the State and all interested  
6 parties a reasonable opportunity to present their views by  
7 oral and written submission.

8 (2) The Secretary shall notify in writing the Governor  
9 of the affected State of any determinations made under this  
10 section and shall publish these determinations with reasons  
11 therefor in the Federal Register.

12 (3) Any determinations made by the Secretary under  
13 this section shall be subject to judicial review in accordance  
14 with chapter 7 of title 5, United States Code, in the United  
15 States court of appeals for the circuit in which is located the  
16 State whose plan is the subject of such determination or  
17 in the United States Court of Appeals for the District of  
18 Columbia Circuit. Any such review shall be instituted  
19 within sixty days from the date on which the determina-  
20 tion made by the Secretary is published in the Federal  
21 Register.

22 (g) EXCEPTIONS.—(1) The provisions of this section  
23 are inapplicable to the extent inconsistent with this sub-  
24 section.

1           (2) Any State which is a no-fault State, as defined in  
2 paragraph (4) of this subsection, may establish a no-fault  
3 plan for motor vehicle insurance in accordance with this title  
4 by the fourth anniversary of the date of enactment of this  
5 title.

6           (3) The alternative State no-fault plan for motor ve-  
7 hicle insurance (the State no-fault plan in accordance with  
8 part III of this title) shall become applicable in any State  
9 which is a no-fault State, as defined in paragraph (4) of this  
10 subsection on the fourth anniversary of the date of enactment  
11 of this title unless, prior to such date, the Secretary has  
12 made a determination that such State has established a no-  
13 fault plan for motor vehicle insurance in accordance with  
14 this part.

15           (4) As used in this subsection, a "no-fault State" means  
16 a State which has enacted into law and put into effect a  
17 motor vehicle insurance law not later than September 1,  
18 1975, which provides, at a minimum, for compulsory motor  
19 vehicle insurance; payment of benefits without regard to  
20 fault on a first-party basis where the value of such avail-  
21 able benefits is not less than \$2,000; and restrictions on the  
22 bringing of lawsuits in tort by victims for noneconomic  
23 detriment, in the form of a prohibition of such suits unless  
24 the victim suffers a certain quantum of loss or in the form

1 of a relevant change in the evidentiary rules of practice  
2 and proof with respect to such lawsuits.

3 (h) REPORTING REQUIREMENTS.—The Secretary, in  
4 cooperation with the commissioners, shall annually review  
5 the operation of State no-fault plans for motor vehicle insur-  
6 ance established in accordance with this title and report on—

7 (1) the cost-savings resulting from the institution  
8 of any such plan which meets or exceeds the national  
9 standards set forth in this title and any subsequent  
10 savings resulting from the continuing operation of such  
11 plans;

12 (2) appropriate methods for refunding to mem-  
13 bers of the motoring public any cost-savings realized from  
14 the institution and operation of such no-fault insurance  
15 plans;

16 (3) the impact of no-fault insurance on senior  
17 citizens; those who live in farming and rural areas;  
18 those who are economically disadvantaged, and those  
19 who live in inner cities;

20 (4) the impact of no-fault insurance on the prob-  
21 lem of duplication of benefits when an individual has  
22 other insurance coverage which provides for compensa-  
23 tion or reimbursement for lost wages or for health and  
24 accident (including hospitalization) benefits;

1           (5) the effect of no-fault insurance on court con-  
2           gestion and delay resulting from backlogs in State and  
3           Federal courts;

4           (6) the impact of no-fault insurance, reduced speed  
5           limits, and other factors on automobile insurance rates;  
6           and

7           (7) the impact of no-fault insurance on competition  
8           within the insurance industry, particularly with respect  
9           to the competitive position of small insurance companies.

10          The Secretary shall report to the President and Congress  
11          simultaneously on July 1 each year on the results of such  
12          review and determination together with his recommendations  
13          thereon.

14          (i) FINANCIAL ASSISTANCE TO STATES.—The Secre-  
15          tary is authorized to provide grants to any State for the pur-  
16          pose of reimbursing such State for any governmental cost  
17          increases resulting from the implementation or administra-  
18          tion of a no-fault plan for motor vehicle insurance in accord-  
19          ance with this title. The Secretary shall, by regulation, estab-  
20          lish procedures for awarding such grants on a fair and equi-  
21          table basis among the States.

22          (j) AUTHORIZATION FOR APPROPRIATIONS.—There  
23          is authorized to be appropriated to the Secretary to carry  
24          out his responsibilities under this title such sums as are nec-

1 essary, not to exceed \$10,000,000, such sums to remain  
2 available until expended.

3 NATIONAL STANDARDS

4 SEC. 721. (a) GENERAL.—A State establishing a no-  
5 fault plan for motor vehicle insurance in accordance with  
6 this part shall enact a law which incorporates, at a minimum,  
7 part I of this title, except sections 701, 702, 712, and 713,  
8 and this part except this section and section 720. The pro-  
9 visions of these sections, taken together, shall be known as  
10 the “national standards” for State no-fault motor vehicle  
11 insurance.

12 (b) CRITERIA.—A State no-fault plan for motor vehicle  
13 insurance is in accordance with this part if it meets  
14 or exceeds all of the national standards. A provision  
15 in a State plan “meets” a provision in the national  
16 standards if the substance of the State plan provision is the  
17 same as or the equivalent of the corresponding provision in  
18 the national standards. A provision in a State plan “exceeds”  
19 a provision in the national standards if the substance of the  
20 State plan provision is more favorable or beneficial to an in-  
21 sured or a claimant or more restrictive of tort liability than  
22 the corresponding provision in the national standards. Any  
23 provision in a State plan as to which there is no corre-  
24 sponding provision in the national standards shall not be

1 evaluated in determining whether such plan meets or exceeds  
2 national standards provided such provision is not inconsis-  
3 tent with the national standards or the policy set forth and  
4 declared in section 702 of this title.

5                   RIGHT TO BASIC RESTORATION BENEFITS

6           SEC. 722. (a) ACCIDENT WITHIN A STATE.—If the  
7 accident resulting in injury occurs in a State in which a  
8 no-fault plan for motor vehicle insurance in accordance with  
9 this part or part III of this title is in effect, any victim or any  
10 survivor of a deceased victim is entitled to receive basic  
11 restoration benefits.

12           (b) ACCIDENT OUTSIDE ANY STATE.—If the ac-  
13 cident resulting in injury occurs outside a State in which a  
14 no-fault plan is in effect, but in any other State, Puerto Rico,  
15 Canada, or Mexico, a victim or a survivor of a deceased  
16 victim is entitled to receive basic restoration benefits if such  
17 victim is or was—

18                   (1) an insured; or

19                   (2) the driver or other occupant of a secured  
20 vehicle.

21                   LIMITATIONS ON BENEFITS

22           SEC. 723. Aa State establishing a no-fault plan for motor  
23 vehicle insurance in accordance with this part—

24                   (a) may not limit basic restoration benefits for

1 allowable expense, as defined in section 703 (a) of this  
2 title;

3 (b) may limit basic restoration benefits for work  
4 loss to—

5 (1) a monthly amount equal to the lesser of the  
6 following—

7 (A) \$1,000 multiplied by a fraction whose  
8 numerator is the average per capita income in  
9 the State and whose denominator is the average  
10 per capita income in the United States, accord-  
11 ing to the latest available United States Depart-  
12 ment of Commerce figures; or

13 (B) the disclosed amount, in the case of a  
14 named insured who, prior to the accident result-  
15 ing in injury, voluntarily discloses his actual  
16 monthly earned income to his restoration obli-  
17 gor and agrees in writing with such obligor that  
18 such sum shall measure work loss; and

19 (2) a total amount equal to—

20 (A) \$25,000 multiplied by a fraction  
21 whose numerator is the average per capita in-  
22 come in the State and whose denominator is the  
23 average per capita income in the United States,

1           according to the latest available United States  
2           Department of Commerce figures; or

3           (B) such total amount as may be deter-  
4           mined by the State but in no event less than  
5           \$15,000;

6           (c) may provide reasonable exclusions from or  
7           monthly or total limitations on basic restoration benefits  
8           for replacement services loss;

9           (d) may provide reasonable exclusions from or  
10          monthly or total limitations on basic restoration benefits  
11          for survivor's loss;

12          (e) may provide that any contract of insurance for  
13          no-fault benefits allow an insurer to offer—

14               (1) a deductible not to exceed \$100 for each  
15               individual;

16               (2) a deductible not to exceed an amount  
17               deemed reasonable by the insurance commissioner  
18               of such State for each individual if he sustains injury  
19               while he is operating a motor vehicle having less  
20               than four wheels, is a passenger on such a vehicle,  
21               or both; or

22               (3) a waiting period not to exceed one week.  
23          Deductibles and waiting periods shall be applicable only  
24          to claims of insureds and, in the case of the death of an  
25          insured, to the claims of his survivors; and

1 (f) shall permit any legally constituted entity,  
2 which is providing benefits other than no-fault bene-  
3 fits on account of an injury, to coordinate such bene-  
4 fits with benefits payable by any restoration obligor  
5 on account of the same injury. In order for such coordi-  
6 nation to occur, there must be an equitable reduction or  
7 savings in the direct or indirect cost to the purchasers  
8 of benefits other than no-fault benefits. If benefits other  
9 than no-fault benefits are provided to an individual  
10 through a program, group, contract, or other arrange-  
11 ment for which some other person pays in whole or in  
12 part, then reduction or savings in the direct or indirect  
13 cost to such person of such benefits resulting from coor-  
14 dination shall be returned to such individual or utilized  
15 for his benefit.

#### 16 SOURCE OF BASIC RESTORATION BENEFITS

17 SEC. 724. (a) APPLICABLE SECURITY.—The security  
18 for the payment of basic restoration benefits applicable to an  
19 injury to—

20 (1) an employee, or to the spouse or other relative  
21 of an employee residing in the same household as the  
22 employee, if the accident resulting in injury occurs while  
23 the victim or deceased victim is driving or occupying a  
24 motor vehicle furnished by such employee's employer, is  
25 the security for the payment of basic restoration benefits

1 covering such motor vehicle or, if none, any other security  
2 applicable to such victim;

3 (2) an insured is the security under which the victim  
4 or deceased victim is an insured;

5 (3) the driver or other occupant of a motor vehicle  
6 involved in an accident resulting in injury who is not  
7 an insured is the security covering such vehicle;

8 (4) an individual who is not an insured or the  
9 driver or other occupant of a motor vehicle involved  
10 in an accident resulting in injury is the security covering  
11 any motor vehicle involved in such accident. For pur-  
12 poses of this paragraph, a parked and unoccupied motor  
13 vehicle is not a motor vehicle involved in an accident,  
14 unless it was parked so as to cause unreasonable risk  
15 of injury; and

16 (5) any other individual is the applicable assigned  
17 claims plan.

18 (b) MULTIPLE SOURCES OF EQUAL PRIORITY.—If  
19 two or more obligations to pay basic restoration benefits  
20 apply equally to an injury under the priorities set forth in  
21 subsection (a) of this section, the restoration obligor against  
22 whom a claim is asserted first shall process and pay the claim  
23 as if wholly responsible. Such obligor is thereafter entitled  
24 to recover contribution pro rata from any other such obligor  
25 for the basic restoration benefits paid and for the costs of

1 processing the claim. If contribution is sought among restora-  
2 tion obligors responsible under paragraph (4) of subsection  
3 (a) of this section proration shall be based on the number of  
4 involved motor vehicles.

5 RESTRICTIONS ON TORT LIABILITY

6 SEC. 725. (a) PARTIAL ABOLITION.—Tort liability is  
7 abolished with respect to any injury that takes place in a State  
8 in which a no-fault plan for motor vehicle insurance in  
9 accordance with this title is in effect prior to such injury, if  
10 such injury arises out of the maintenance or use of a motor  
11 vehicle, except that—

12 (1) An owner of a motor vehicle involved in an  
13 accident remains liable if, at the time of the accident,  
14 the vehicle was not a secured vehicle.

15 (2) A person in the business of designing, manu-  
16 facturing, repairing, servicing, or otherwise maintaining  
17 motor vehicles remains liable for injury arising out of a  
18 defect in such motor vehicle which is caused or not cor-  
19 rected by an act or omission in the course of such business,  
20 other than a defect in a motor vehicle which is operated  
21 by such business.

22 (3) An individual remains liable for injuring another  
23 individual, either intentionally or as a consequence of  
24 intending to injure himself.

25 (4) A person remains liable for loss which is not

1 compensated because of any limitation in accordance  
2 with section 723 (b) (2), (c), or (d) of this title.  
3 A person is not liable for loss which is not compensated  
4 because of limitations in accordance with subsection (b)  
5 (1) or (e) of section 723 of this title.

6 (5) A person remains liable for damages for non-  
7 economic detriment if the accident results in—

8 (A) death, serious and permanent disfigure-  
9 ment, or other serious and permanent injury; or

10 (B) more than ninety continuous days of total  
11 disability. As used in this subparagraph, “total dis-  
12 ability” means medically determinable physical or  
13 mental impairment which prevents the victim from  
14 performing all or substantially all of the material  
15 acts and duties which constitute his usual and  
16 customary daily activities.

17 (6) A person or government remains liable if such  
18 injury was caused or not corrected by an act or omission  
19 not connected with the maintenance or use of a motor  
20 vehicle.

21 (b) **NONREIMBURSABLE TORT FINE.**—Nothing in this  
22 section shall be construed to immunize an individual from  
23 liability to pay a fine on the basis of fault in any proceeding  
24 based upon any act or omission arising out of the maintenance  
25 or use of a motor vehicle: *Provided*, That such fine may not

1 be paid or reimbursed by an insurer or other restoration  
2 obligor.

3 WORK LOSS

4 SEC. 726. (a) REGULARLY EMPLOYED.—The work  
5 loss of a victim whose income prior to the injury was realized  
6 in regular increments shall be calculated by—

7 (1) determining his probable weekly income by di-  
8 viding his probable annual income by fifty-two; and

9 (2) multiplying that quantity by the number of  
10 work weeks, or fraction thereof, the victim sustains loss  
11 of income during the accrual period.

12 (b) SEASONALLY EMPLOYED.—The work loss of a  
13 victim whose income is realized in irregular increments shall  
14 be calculated by—

15 (1) determining his probable weekly income by  
16 dividing his probable annual income by the number  
17 of weeks he normally works; and

18 (2) multiplying that quantity by the number of  
19 work weeks, or fraction thereof, the victim was unable  
20 to perform and would have performed work during the  
21 accrual period but for the injury.

22 (c) NOT EMPLOYED.—The work loss of a victim who is  
23 not employed when the accident resulting in injury occurs  
24 shall be calculated by—

1           (1) determining his probable weekly income by  
2           dividing his probable annual income by 52; and

3           (2) multiplying that quantity by the number of  
4           work weeks, or fraction thereof, if any, the victim would  
5           reasonably have been expected to realize income during  
6           the accrual period.

7           (d) CHANGES IN BENEFITS.—(1) Sums for work loss  
8           shall be periodically increased in a manner corresponding to  
9           annual compensation increases that would predictably have  
10          resulted but for the injury.

11          (2) Beginning in 1978, and at five-year intervals there-  
12          after, whenever a dollar figure limits benefits for work loss,  
13          that figure shall be multiplied by a number whose numerator  
14          is the average weekly earnings of production or nonsupervi-  
15          sory workers in the private nonfarm economy for that year  
16          and whose denominator is the average weekly earnings of  
17          this group of workers in the base year 1973, according to the  
18          latest available figures published by the Bureau of Labor  
19          Statistics of the United States Department of Labor.

20          (e) DEFINITIONS.—As used in this section—

21          (1) “Probable annual income” means, absent a showing  
22          that it is or would be some other amount, the following—

23                  (A) twelve times the monthly gross income earned  
24                  by the victim from work in the month preceding the  
25                  month in which the accident resulting in injury occurs,

1 or the average annual income earned by the victim from  
2 work during the years, not to exceed three, preceding  
3 the year in which the accident resulting in injury occurs,  
4 whichever is greater, for a victim regularly employed at  
5 the time of the accident;

6 (B) the average annual gross income earned by the  
7 victim from work during the years in which he was em-  
8 ployed, not to exceed three, preceding the year in which  
9 the accident resulting in injury occurs, for a victim  
10 seasonally employed or not employed at the time of the  
11 accident; or

12 (C) the average annual gross income of a produc-  
13 tion or nonsupervisory worker in the private nonfarm  
14 economy in the State in which the victim is domiciled for  
15 the year in which the accident resulting in injury occurs,  
16 for a victim who has not previously earned income from  
17 work.

18 (2) "Work week" means the number of days an indi-  
19 vidual normally works in a seven-day period; "weekly in-  
20 come" means income earned during a work week.

21 NET LOSS

22 SEC. 728. (a) GENERAL.—Except as provided in para-  
23 graph (3) of subsection (a) of section 708 of this title, all  
24 benefits or advantages (less reasonably incurred collection  
25 costs) that an individual receives or is entitled to receive

1 from social security (except those benefits provided under  
2 title XIX of the Social Security Act), workmen's compen-  
3 sation, any State-required temporary, nonoccupational dis-  
4 ability insurance, and all other benefits (except the proceeds  
5 of life insurance) received by or available to an individual  
6 because of the injury from any government, unless the law  
7 authorizing or providing for such benefits or advantages  
8 makes them excess or secondary to the benefits in accordance  
9 with this title, shall be subtracted from loss in calculating  
10 net loss.

11 (b) TAX DEDUCTION.—If a benefit or advantage re-  
12 ceived to compensate for loss of income because of injury,  
13 whether from no-fault benefits or from any source of benefits  
14 or advantages subtracted under subsection (a) of this section,  
15 is not taxable income, the income tax saving that is attribut-  
16 able to such loss of income because of injury is subtracted in  
17 calculating net loss for work loss. Subtraction may not exceed  
18 fifteen per centum of the loss of income and shall be in  
19 such lesser amount as the insurer reasonably determines is  
20 appropriate based on a lower value of the income tax ad-  
21 vantage.

22 (c) ALLOWABLE EXPENSE DEDUCTION OPTION.—A  
23 State no-fault plan for motor vehicle insurance established in  
24 accordance with part II of this title shall include the substan-  
25 tive provisions of this subsection, unless such State finds and

1 reasonably determines, in the course of establishing such plan  
2 under section 720 (b) of this part, that the inclusion of such  
3 provisions in the plan would affect adversely or discriminate  
4 against the interests of persons required to provide security  
5 covering motor vehicles in such State: Benefits or advantages  
6 that an individual receives or is entitled to receive for allow-  
7 able expense from a source other than no-fault insurance  
8 shall be subtracted from loss in calculating net loss for allow-  
9 able expense where—

10           (1) such source other than no-fault insurance pro-  
11           vides or is obligated to provide such benefits or ad-  
12           vantages for allowable expense, as defined in section  
13           703 (2) of this title, without any limitation as to the  
14           total amount of such benefits or advantages obligated  
15           to be provided;

16           (2) such benefits or advantages are provided by  
17           such source other than no-fault insurance on terms and  
18           conditions which comply wholly with the provisions of  
19           sections 703 (6), (7), and (16), 709 (c) and (d),  
20           and 711 (d) of this title and subject to all authority  
21           set forth therein;

22           (3) such source other than no-fault insurance is  
23           required by the applicable State no-fault plan for motor  
24           vehicle insurance in accordance with this title to share,  
25           on an equitable basis, in the financial burdens and costs

1 of operation of plans established pursuant to sections  
2 705 and 708 of this title;

3 (4) such benefits or advantages are provided by  
4 such source other than no-fault insurance through group  
5 insurance where the individuals who are likely to be the  
6 beneficiaries under such group insurance have received  
7 notice that there will be such subtraction; and

8 (5) the commissioner finds that such subtraction  
9 will result in economic benefits greater than those which  
10 would result from coordination pursuant to section 723  
11 (f) of this title, on the basis of a hearing in which in-  
12 terested parties present competent evidence, and such  
13 finding is reviewed in a similar procedure by the com-  
14 missioner not less than once every three years.

15 The commissioner shall promulgate rules to assure that the  
16 economic benefits found under paragraph (5) of this sub-  
17 section are realized. As used in this subsection, (A) "group  
18 insurance" means any plan of insurance offered or provided  
19 to members of a group not organized solely for the purpose  
20 of obtaining insurance, under the terms of a master policy or  
21 operating agreement between an insurer and the group  
22 sponsor, and incorporating group average rating, guaran-  
23 teed issue with or without minimum eligibility requirements,  
24 group experience rating, employer contributions, and any  
25 other benefit to the members as insureds that they may be

1 unable to obtain in the ordinary channels of insurance mar-  
 2 keting on an individual basis; and (B) “group sponsor”  
 3 means the employer or other representative entity of an  
 4 employment-based group. Sections 703 (10), (11), and  
 5 (12) of this title are inapplicable with respect to such  
 6 definitions.

7                   ADDED RESTORATION BENEFITS

8           SEC. 728. (a) OPTIONAL OFFERING.—Restoration ob-  
 9 ligors providing security for the payment of basic restoration  
 10 benefits may offer or obligate themselves to provide added  
 11 restoration benefits for injury or damage arising out of the  
 12 ownership, maintenance, or use of a motor vehicle, includ-  
 13 ing—

14           (1) loss excluded from basic restoration benefits  
 15           by limits on allowable expense, work loss, replacement  
 16           services loss, and survivor’s loss;

17           (2) benefits for damage to property;

18           (3) benefits for loss of use of a motor vehicle; and

19           (4) benefits for expense for remedial religious treat-  
 20           ment and care.

21 Subject to the approval of terms and forms by the commis-  
 22 sioner, restoration obligors may offer or obligate themselves  
 23 to provide other added restoration coverages.

24           (b) MANDATORY OFFERING.—(1) Insurers providing

1 basic restoration insurance shall offer the following added  
2 restoration coverage:

3 (A) for physical damage to a motor vehicle, a cov-  
4 erage for all collision and upset damage, subject to an  
5 optional deductible of not to exceed \$100;

6 (B) for the payment of tort liability, if a State de-  
7 termines that security for the payment of tort liability is  
8 not required motor vehicle insurance;

9 (C) for economic detriment, a coverage for work  
10 loss sustained by a victim in excess of limitations on basic  
11 restoration benefits for work loss; and

12 (D) for basic restoration benefits, if a State deter-  
13 mines that a vehicle having less than four wheels is not  
14 a motor vehicle.

15 (2) The commissioner may adopt rules requiring that  
16 insurers providing basic restoration insurance offer, in ac-  
17 cordance with State law, any other specified added restoration  
18 coverages.

19 (c) TERRITORIAL APPLICABILITY.—All added res-  
20 toration coverages are applicable in any State, Puerto Rico,  
21 or Canada.

#### 22 INELIGIBLE CLAIMANTS

23 SEC. 729. (a) CONVERTER.—(1) Except as provided  
24 for assigned claims, a converter of a motor vehicle is ineligible  
25 to receive no-fault benefits, including benefits otherwise due

1 him as a survivor, from any source other than a contract of  
2 insurance under which he is an insured, for any injury  
3 arising out of the maintenance or use of the converted vehicle.  
4 If a converter dies from such injuries, his survivor or sur-  
5 vivors are not entitled to no-fault benefits for survivor's loss  
6 from any source other than a contract of insurance under  
7 which the converter is an insured.

8 (2) For purposes of this subsection and subsection (c)  
9 of section 711 of this title, an individual is not a converter of  
10 a motor vehicle if he used it in the good faith belief that he  
11 was legally entitled to do so.

12 (b) INTENTIONAL INJURIES.—(1) An individual who  
13 intentionally injures himself or another individual is ineligible  
14 to receive no-fault benefits for injury arising out of his acts,  
15 including benefits otherwise due him as a survivor. If an indi-  
16 vidual dies as a result of intentionally injuring himself, his  
17 survivor or survivors are not entitled to no-fault benefits for  
18 survivor's loss. An individual intentionally injures himself or  
19 another individual if he acts or fails to act for the purpose of  
20 causing such injury or with knowledge that such injury is  
21 substantially certain to follow. An individual does not inten-  
22 tionally injure himself or another individual—

23 (A) merely because his act or failure to act is inten-  
24 tional or done with his realization that it creates a grave  
25 risk of causing injury; or



1 in accordance with this part or part III of this title and pro-  
2 viding no-fault benefits or any required tort liability are  
3 subject to approval and regulation by the commissioner in  
4 such State. The commissioner shall approve only terms and  
5 conditions which are consistent with the purposes of this Act  
6 and fair and equitable to all persons whose interests may be  
7 affected. The commissioner may limit by rule the variety of  
8 coverage available in order to give purchasers of insurance a  
9 reasonable opportunity to compare the cost of insuring with  
10 various insurers.

### 11 PART III—ALTERNATIVE STATE NO-FAULT MOTOR

#### 12 VEHICLE INSURANCE PLAN

##### 13 PROVISIONS

14 SEC. 740. The alternative State no-fault plan for motor  
15 vehicle insurance (the State no-fault plan in accordance  
16 with this title), which becomes applicable and goes into  
17 effect in a State pursuant to subsection (e) of section 720 of  
18 this title, is composed of part I of this title, except sections  
19 701, 702, 712, and 713; sections 720 (d), 722, 729 (e) and  
20 (f), 724, 726, 727, 729, and 730 of part II of this title;  
21 and this part, except this section. A State may establish addi-  
22 tional requirements provided that they are not inconsistent  
23 with the provisions of the alternative State no-fault plan for  
24 motor vehicle insurance or the policy set forth and declared  
25 in section 702 of this title.

## LIMITATIONS ON BASIC RESTORATION BENEFITS

1           SEC. 741. Basic restoration benefits payable to a vic-  
2           tim or the survivor or survivors of a deceased victim for—

3                   (a) allowable expense, as defined in section 703 (2)  
4                   of this title, may not be limited;

5                   (b) work loss may not exceed a monthly amount  
6                   equal to \$1,000 multiplied by a fraction whose numerator  
7                   is the average per capita income in the State and whose  
8                   denominator is the average per capita income in the  
9                   United States, according to the latest available United  
10                  States Department of Commerce figures; and

11                  (c) replacement services loss and survivor's loss  
12                  may not exceed \$200 for the calendar week during which  
13                  the accident resulting in injury occurs and for each calen-  
14                  dar week thereafter.

## RESTRICTIONS ON TORT LIABILITY

16           SEC. 742. (a) PARTIAL ABOLITION.—Tort liability is  
17           abolished with respect to any injury that takes place in a State  
18           in which the alternative State no-fault plan for motor vehicle  
19           insurance is in effect, if such injury arises out of the mainte-  
20           nance or use of a motor vehicle, except that—

21                   (1) An owner of a motor vehicle involved in an  
22                   accident remains liable if, at the time of the accident, the  
23                   vehicle was not a secured vehicle;

24                   (2) A person in the business of designing, manu-  
25                   facturing, repairing, servicing, or otherwise maintaining  
26

1 motor vehicles remains liable for injury arising out of a  
 2 defect in such motor vehicle which is caused or not  
 3 corrected by an act or omission in the course of such  
 4 business, other than a defect in a motor vehicle which is  
 5 operated by such business; and

6 (3) An individual remains liable for intentionally  
 7 injuring himself or another individual.

8 (b) NONREIMBURSABLE TORT FINE.—Nothing in this  
 9 section shall be construed to immunize an individual from  
 10 liability to pay a fine on the basis of fault in any proceeding  
 11 based upon any act or omission arising out of the mainte-  
 12 nance or use of a motor vehicle: *Provided*, That such fine  
 13 may not be paid or reimbursed by an insurer or other  
 14 restoration obligor.

#### 15 ADDED RESTORATION BENEFITS

16 SEC. 733. (a) OPTIONAL OFFERING.—Restoration ob-  
 17 ligors providing security for the payment of basic restoration  
 18 benefits may offer or obligate themselves to provide added  
 19 restoration benefits for injury or damage arising out of the  
 20 ownership, maintenance, or use of a motor vehicle, including:

21 (1) loss excluded from basic restoration benefits by  
 22 limits on allowable expense, work loss, replacement serv-  
 23 ices loss, and survivor's loss;

24 (2) benefits for damage to property;

25 (3) benefits for loss of use of a motor vehicle; and

1           (4) benefits for expense for remedial religious treat-  
2           ment and care.

3   Subject to the approval of terms and forms by the commis-  
4   sioner, restoration obligors may offer or obligate themselves  
5   to provide other added restoration coverages.

6           (b) MANDATORY OFFERING.—(1) Insurers providing  
7   basic restoration insurance shall offer the following added  
8   restoration coverages:

9           (A) for physical damage to a motor vehicle, a  
10   coverage for all collision and upset damage, subject to  
11   an optional deductible of not to exceed \$100;

12           (B) for physical damage to a motor vehicle, a  
13   coverage for all collision and upset damage to the ex-  
14   tent that the insured has a valid claim in tort against  
15   another identified person; and

16           (C) for noneconomic detriment to a victim, a cover-  
17   age in such amounts and upon such conditions as the  
18   commissioner directs and the insured selects.

19           (2) The commissioner may adopt rules requiring that  
20   insurers providing basic restoration insurance offer, in ac-  
21   cordance with State law, any other specified added restora-  
22   tion coverages.

23           (c) TERRITORIAL APPLICABILITY.—All added resto-  
24   ration coverage are applicable in any State, Puerto Rico, or  
25   Canada.

## 1 TITLE VIII—CONSUMER PROTECTION AGENCY

## 2 ACT

## 3 SHORT TITLE

4 SEC. 801. This title may be cited as the “Consumer Pro-  
5 tection Agency Act”.

## 6 STATEMENT OF FINDINGS

7 SEC. 802. The Congress hereby finds that—

8 (1) Federal agencies administer many laws, programs,  
9 and activities which substantially affect the health, safety,  
10 welfare, and other interests of consumers.

11 (2) Federal agencies often fail to consider adequately  
12 the interests of consumers, in part because consumers lack  
13 effective representation before such agencies.

14 (3) Each year, as a result of this lack of effective repre-  
15 sentation before Federal agencies and courts, consumers  
16 suffer personal injury, economic harm, and other adverse  
17 consequences in the course of acquiring and using goods and  
18 services available in the marketplace.

19 (4) A governmental organization to represent the  
20 interests of consumers before Federal agencies and courts  
21 could help the agencies in the exercise of their statutory  
22 responsibilities in a manner consistent with the public interest  
23 and with effective and responsive government.

24 (5) A new independent Federal agency should there-  
25 fore be established for the purpose of representing and with



1 (B) preservation of consumer choice and a competi-  
2 tive market;

3 (C) prevention of unfair or deceptive trade prac-  
4 tices;

5 (D) maintenance of truthfulness and fairness in the  
6 advertising, promotion, and sale by a producer, distrib-  
7 utor, lender, retailer, or other supplier of such prop-  
8 erty, goods, services, and credit;

9 (E) furnishing of full, accurate, and clear instruc-  
10 tions, warnings, and other information by any such  
11 supplier concerning such property, goods, services, and  
12 credit; and

13 (F) protection of the legal rights and remedies of  
14 consumers.

15 (4) To achieve the foregoing purposes, this Act should  
16 be so interpreted by the executive branch and the courts as to  
17 give effect to the intent of Congress to protect and promote  
18 the interests of consumers.

19 **DEFINITIONS**

20 **SEC. 804.** As used in this title, unless the context other-  
21 wise requires—

22 (1) “Administrator” means the Administrator of  
23 the Consumer Protection Agency;

24 (2) “Agency” means the Consumer Protection  
25 Agency;

1           (3) “agency action” includes the whole or part of  
2           an agency rule, order, license, sanction, relief, or the  
3           equivalent or the denial thereof, or failure to act;

4           (4) “agency activity” means any agency process,  
5           or any phase thereof, conducted pursuant to any author-  
6           ity or responsibility under law, whether such process is  
7           formal or informal;

8           (5) “agency proceeding” means agency “rulemak-  
9           ing”, “adjudication”, or “licensing”, as defined in sec-  
10          tion 551 of title 5, United States Code;

11          (6) “commerce” means commerce among or be-  
12          tween the several States and commerce with foreign  
13          nations;

14          (7) “consumer” means any individual who uses,  
15          purchases, acquires, attempts to purchase or acquire,  
16          or is offered or furnished any real or personal property,  
17          tangible or intangible goods, services, or credit for per-  
18          sonal, family, or household purposes;

19          (8) “Federal agency” or “agency” means “agency”  
20          as defined in section 551 of title 5, United States Code.  
21          The term shall include the United States Postal Service,  
22          the Postal Rate Commission, and any other authority  
23          of the United States which is a corporation and which  
24          receives any appropriated funds.

25          (9) “Federal court” means any court of the United

1 States, including the Supreme Court of the United States,  
2 any United States court of appeals, any United States  
3 district court established under chapter 5 of title 28,  
4 United States Code, the District Court of Guam, the  
5 District Court of the Virgin Islands, the United States  
6 Customs Court, the United States Court of Customs and  
7 Patent Appeals, the United States Tax Court, and the  
8 United States Court of Claims;

9 (10) "individual" means a human being;

10 (11) "interest of consumers" means any health,  
11 safety, or economic concern of consumers involving real  
12 or personal property, tangible or intangible goods, serv-  
13 ices, or credit, or the advertising or other description  
14 thereof, which is or may become the subject of any busi-  
15 ness, trade, commercial, or marketplace offer or transac-  
16 tion affecting commerce, or which may be related to any  
17 term or condition of such offer or transaction. Such offer  
18 or transaction need not involve the payment or promise  
19 of a consideration;

20 (12) "participation" includes any form of sub-  
21 mission;

22 (13) "person" includes any individual, corpora-  
23 tion, partnership, firm, association, institution, or public  
24 or private organization other than a Federal agency;

25 (14) "State" means each of the several States of the

1 United States, the District of Columbia, the Common-  
2 wealth of Puerto Rico, the Virgin Islands, Canal Zone,  
3 Guam, American Samoa, and the Trust Territory of the  
4 Pacific Islands; and

5 (15) "submission" means participation through the  
6 presentation or communication of relevant evidence, doc-  
7 uments, arguments, or other information.

8 CONSUMER PROTECTION AGENCY

9 SEC. 805. (a) There is hereby established an independ-  
10 ent nonregulatory agency of the United States to be known  
11 as the Consumer Protection Agency.

12 (b) (1) The Agency shall be directed and administered  
13 by an Administrator. The Administrator shall be appointed  
14 by the President, by and with the advice and consent of the  
15 Senate, for a term coterminous with the term of the Presi-  
16 dent, not to exceed four years. The nominee shall be an in-  
17 dividual who, by reason of training, experience, and attain-  
18 ments, is especially qualified to represent independently the  
19 interests of consumers. On the expiration of his term, the  
20 Administrator shall continue in office until he is reappointed  
21 or his successor is appointed and qualifies. The Administra-  
22 tor may be removed by the President for inefficiency, neglect  
23 of duty, or malfeasance in office.

24 (2) All authorities, duties, and functions granted to the

1 Administrator by this title shall be exercised in accordance  
2 with the provisions of this section.

3 (c) (1) The functions and powers of the Agency shall  
4 be vested in the Administrator.

5 (2) The Administrator may from time to time delegate  
6 such of his functions as he deems appropriate.

7 (3) The Administrator shall exercise all executive and  
8 administrative functions of the Agency, including (A) the  
9 appointment and supervision of personnel employed by the  
10 Agency, (B) the distribution of business among such person-  
11 nel and among administrative units of the Agency, and (C)  
12 the use and expenditure of funds.

13 (d) There shall be in the Agency a Deputy Adminis-  
14 trator who shall be appointed by the President, by and with  
15 the advice and consent of the Senate. The Deputy Adminis-  
16 trator shall perform such functions and duties and exercise  
17 such powers as the Administrator may prescribe and shall be  
18 Acting Administrator during the absence or disability of, or  
19 in the event of a vacancy in the office of, the Administrator.

20 (e) There shall be in the Agency a General Council who  
21 shall be appointed by the Administrator. He shall, subject to  
22 the supervision and direction of the Administrator, be the  
23 chief legal officer of the Agency and shall perform such func-  
24 tions and duties as the Administrator may prescribe.

1 (f) The Administrator is authorized to appoint within  
2 the Agency not to exceed five Assistant Administrators.

3 (g) No officer or employee of the Agency, while serving  
4 in such position, may engage in any business, vocation, other  
5 employment, or have any other interests, inconsistent with  
6 his official responsibilities.

7 FUNCTIONS OF ADMINISTRATOR

8 SEC. 806. (a) The functions of the Administrator shall  
9 be to—

10 (1) represent the interests of consumers before Fed-  
11 eral agencies and Federal courts in accordance with this  
12 Act;

13 (2) receive and transmit complaints from consum-  
14 ers in accordance with section 810 of this title;

15 (3) conduct, support, and assist research and other  
16 information-gathering activities related to the interests of  
17 consumers in accordance with section 811 of this title;

18 (4) disseminate to the public information of concern  
19 to consumers consistent with section 812 of this title;

20 (5) publish, in language readily understandable  
21 by consumers, a consumer register which shall set forth  
22 the time, place, and subject matters of actions by Con-  
23 gress, Federal agencies, and Federal courts, and other  
24 information useful to consumers;

1           (6) encourage private enterprise in the promotion  
2 and protection of the interests of consumers;

3           (7) encourage the application and use of new tech-  
4 nology, including patents and inventions, for the promo-  
5 tion and protection of the interests of consumers;

6           (8) encourage the adoption and expansion of effec-  
7 tive consumer education programs;

8           (9) inform the appropriate committees and Mem-  
9 bers of Congress of the activities of the Agency and tes-  
10 tify, when asked or on his own initiative, before the  
11 committees of Congress on matters affecting the interests  
12 of consumers;

13           (10) encourage meaningful participation by con-  
14 sumers in the activities of the Agency;

15           (11) encourage the development of informal dispute  
16 settlement procedures involving consumers: *Provided,*  
17 That the Administrator shall not intervene or participate  
18 in any agency or judicial proceeding or activity di-  
19 rectly concerning a labor dispute within the meaning  
20 of section 13 of the Norris-La Guardia Act (29 U.S.C.  
21 113) or a labor management contract within the scope  
22 of section 301 of the Labor Management Relations  
23 Act, 1947 (29 U.S.C. 185) ; and

24           (12) perform such other related activities as he

1       deems necessary for the effective fulfillment of his duties  
2       and functions.

3       (b) The Administrator shall prepare and submit simul-  
4       taneously to the Congress and the President, not later than  
5       April 1 of each year beginning April 1, 1976, an annual re-  
6       port, which shall include—

7             (1) the activities of the Agency, including its repre-  
8       sentation of the interests of consumers before Federal  
9       agencies and Federal courts;

10            (2) the major Federal agency actions and Federal  
11       court decisions affecting the interests of consumers;

12            (3) the assistance given the Agency by other Fed-  
13       eral agencies in carrying out the purposes of this title;

14            (4) the performance of Federal agencies and the  
15       adequacy of their resources in enforcing consumer pro-  
16       tection laws and in otherwise protecting the interests of  
17       consumers, and the prospective results of alternative con-  
18       sumer protection programs;

19            (5) the appropriation by Congress for the Agency,  
20       the distribution of appropriated funds for the current  
21       fiscal year, and a general estimate of the resource re-  
22       quirements of the Agency for each of the next three  
23       fiscal years; and

24            (6) the extent of participation by consumers and  
25       the effectiveness of representation of consumers before

1 Federal agencies, together with recommendations for  
2 new legislation, new budget authority for the Agency,  
3 and administrative actions to deal with problems dis-  
4 cussed in the report, to protect and represent the interests  
5 of consumers more effectively, and to carry out the pur-  
6 poses of this title.

7 (c) (1) Whenever the Administrator submits any budget  
8 estimate or request to the President or the Office of Manage-  
9 ment and Budget, he shall concurrently transmit a copy of  
10 that estimate or request to the Congress.

11 (2) Whenever the Administrator submits any legislative  
12 recommendations, or testimony, or comments on legislation  
13 to the President or the Office of Management and Budget, he  
14 shall concurrently transmit a copy thereof to the Congress.  
15 No officer or agency of the United States shall have any au-  
16 thority to require nor shall require the Administrator to  
17 submit his legislative recommendations, or testimony, or com-  
18 ments on legislation, to any officer or agency of the United  
19 States for approval, comments, or review, prior to the sub-  
20 mission of such recommendations, testimony, or comments to  
21 the Congress.

22 REPRESENTATION OF CONSUMER INTERESTS BEFORE  
23 FEDERAL AGENCIES

24 SEC. 807. (a) Whenever the Administrator determines  
25 that the result of any Federal agency proceeding which is

1 subject to the provisions of section 553, 554, 556, or 557 of  
2 title 5, United States Code, relating to administrative pro-  
3 cedure, or which involves a hearing pursuant to the admin-  
4 istrative procedural requirements of any other statute, regu-  
5 lation, or practice, or which is conducted on the record after  
6 opportunity for an agency hearing, or with public notice and  
7 opportunity for comment, may substantially affect the inter-  
8 ests of consumers, he may intervene as of right as a party or  
9 otherwise participate for the purpose of representing the  
10 interests of consumers in such proceeding. The Administrator  
11 shall comply with agency statutes and rules of procedure of  
12 general applicability governing (1) intervention or partici-  
13 pation in such proceeding and (2) the conduct of such pro-  
14 ceeding. In any such proceeding, the Administrator shall re-  
15 frain from intervening as a party, unless he determines that  
16 such intervention is necessary to represent adequately an  
17 interest of consumers. The intervention of the Administrator  
18 in any such proceeding shall not affect the obligation of the  
19 Federal agency conducting such proceeding to assure pro-  
20 cedural fairness to all parties thereto.

21 (b) With respect to any Federal agency proceeding not  
22 covered by subsection (a) of this section, or any other Fed-  
23 eral agency activity, which the Administrator determines  
24 may substantially affect the interest of consumers, the Admin-  
25 istrator may participate by presenting written or oral sub-

1 missions, and the Federal agency shall give full consideration  
2 to such submissions of the Administrator. Such submissions  
3 shall be presented in an orderly manner and without causing  
4 undue delay.

5 (c) Each Federal agency shall review its rules of pro-  
6 cedure of general applicability, and, after consultation with  
7 the Administrator, issue any additional rules which may  
8 be necessary to provide for the Administrator's orderly  
9 intervention or participation in accordance with this section,  
10 in its proceedings and activities which may substantially affect  
11 the interest of consumers. Such additional rules shall be  
12 published in proposed and final form in the Federal Register.

13 (d) Whenever the Administrator determines that it  
14 would be in the interest of consumers to do so, he may  
15 request or petition any Federal agency to initiate a proceed-  
16 ing or activity or to take such other action as may be within  
17 the authority of such agency. If such agency fails so to act  
18 in any civil matter, it shall promptly notify the Administrator  
19 in writing of the reasons therefor and such notice shall  
20 be a matter of public record.

21 (e) In any Federal agency proceeding or activity in  
22 which he is intervening or participating, the Administrator  
23 is authorized to request the Federal agency to issue such  
24 orders as are appropriate under the agency's rules of prac-  
25 tice and procedure consistent with subsection (c) of this sec-

1 tion with respect to the summoning of witnesses, copying of  
2 documents, papers, and records, production of books and  
3 papers, and submission of information in writing. Such Fed-  
4 eral agency shall issue such orders unless it reasonably deter-  
5 mines that any such order requested is not relevant to the  
6 matter at issue, would be unnecessarily burdensome to the  
7 person specified, or would unduly interfere with such Fed-  
8 eral agency's discharge of its own statutory responsibilities.

9 (f) The Administrator is authorized to represent an in-  
10 terest of consumers which is presented to him for his consider-  
11 ation upon petition in writing by a substantial number of  
12 persons or by any organization which includes a substantial  
13 number of persons. The Administrator shall notify the prin-  
14 cipal sponsors of any such petition within a reasonable time  
15 after receipt of any such petition of the action taken or in-  
16 tended to be taken by him with respect to the interest of con-  
17 sumers presented in such petition. If the Administrator de-  
18 clines or is unable to represent such interest, he shall notify  
19 such sponsors and shall state his reasons therefor.

20

#### JUDICIAL REVIEW

21 SEC. 808. (a) The Administrator shall have standing to  
22 obtain, in the manner prescribed by law, judicial review of  
23 any Federal agency action reviewable under law. The Ad-  
24 ministrator may intervene as of right as a party or otherwise  
25 participate in any civil proceeding in a Federal court which

1 involves the enforcement of a Federal law or review or en-  
2 forcement of a Federal agency proceeding if he determines  
3 that such action substantially affects the interests of consum-  
4 ers and he intervened or participated in the Federal agency  
5 proceeding or activity out of which such court proceeding  
6 arises; or where he did not so intervene or participate, unless  
7 the court determines that intervention or participation under  
8 this subparagraph would adversely affect the interests of  
9 justice.

10 (b) Before instituting a proceeding in a Federal court  
11 to obtain review of any Federal agency action where he did  
12 not intervene or participate in the agency proceeding or ac-  
13 tivity out of which such action arose, the Administrator shall  
14 file, in the manner prescribed by law, a petition before such  
15 agency for rehearing or reconsideration if a petition for re-  
16 hearing or reconsideration is authorized by law of any per-  
17 son. Such agency shall act upon such petition within sixty  
18 days, except where otherwise expressly provided by statute.

19 (c) The participation of the Administrator in a pro-  
20 ceeding for judicial review of a Federal agency action shall  
21 not alter or affect the scope of review otherwise applicable to  
22 such agency action.

23 NOTICE

24 SEC. 809. (a) Each Federal agency considering any  
25 action which may substantially affect an interest of consumers

1 shall, upon request by the Administrator, notify him of any  
2 proceeding or activity at such time as public notice is given.

3 (b) Each Federal agency considering any action which  
4 may substantially affect an interest of consumers shall, upon  
5 specific request by the Administrator, promptly provide  
6 him—

7 (1) a brief status report which shall contain a state-  
8 ment of the subject at issue and a summary of proposed  
9 measures concerning such subject; and

10 (2) such other relevant notice and information, the  
11 provision of which would not be unreasonably burden-  
12 some to the agency and which would facilitate the Ad-  
13 ministrators timely and effective participation under sec-  
14 tion 807 of this title.

15 (c) Nothing in this section shall affect the authority or  
16 obligations of the Administrator or any Federal agency  
17 under section 811 (c) of this title.

18 CONSUMER COMPLAINTS

19 SEC. 810. (a) Whenever the Administrator receives  
20 from any person any signed complaint or other information  
21 which discloses—

22 (1) an apparent violation of law, agency rule or  
23 order, or a judgment, decree, or order of a State or  
24 Federal court relating to an interest of consumers; or

1           (2) a commercial, trade, or other practice which  
2           is detrimental to an interest of consumers;  
3           he shall, unless he determines that such complaint or informa-  
4           tion is frivolous, promptly transmit such complaint or in-  
5           formation to any Federal, State, or local agency which has  
6           the authority to enforce any relevant law or to take appro-  
7           priate action. Federal agencies shall keep the Administrator  
8           informed to the greatest practicable extent of any action  
9           which they are taking on complaints transmitted by the Ad-  
10          ministrators pursuant to this section.

11          (b) The Agency shall promptly notify producers, dis-  
12          tributors, retailers, lenders, or suppliers of goods and serv-  
13          ices of all complaints of any significance concerning them re-  
14          ceived or developed under this section unless the Administra-  
15          tor determines that to do is likely to prejudice or impede  
16          an action, investigation, or prosecution concerning an alleged  
17          violation of law.

18          (c) The Agency shall maintain a public document room  
19          containing, for public inspection and copying (without charge  
20          or at a reasonable charge, not to exceed cost), an up-to-date  
21          listing of all signed consumer complaints of any significance  
22          which the Agency has received, arranged in meaningful and  
23          useful categories, together with annotations of actions taken  
24          in response thereto. Unless the Administrator, for good cause,

1 determines not to make any specific complaint available, com-  
2 plaints listed shall be made available for public inspection and  
3 copying: *Provided, That—*

4 (1) the complainant's identity is protected when he  
5 has requested confidentiality;

6 (2) the party complained against has had a reason-  
7 able time to comment on such complaint and such com-  
8 ment, when received, is displayed together with the com-  
9 plaint; and

10 (3) the agency to which the complaint has been re-  
11 ferred has had a reasonable time to notify the Adminis-  
12 trator what action, if any, it intends to take with respect  
13 to the complaint.

14 INFORMATION GATHERING

15 SEC. 811. (a) The Administrator is authorized to con-  
16 duct, support, and assist research, studies, plans, investiga-  
17 tions, conferences, demonstration projects, and surveys con-  
18 cerning the interests of consumers.

19 (b) (1) In exercising the authority under subsection (a)  
20 of this section, the Administrator is authorized, to the extent  
21 required to protect the health or safety of consumers or to  
22 discover consumer fraud or other unconscionable conduct  
23 detrimental to an interest of consumers, to obtain data by  
24 requiring any person engaged in a trade, business, or indus-  
25 try which substantially affects interstate commerce and whose

1 activities he determines may substantially affect an interest of  
2 consumers, by general or specific order setting forth with par-  
3 ticularity the consumer interest involved and the purposes for  
4 which the information is sought, to file with him a report or  
5 answers in writing to specific questions concerning such activ-  
6 ities and other related information. Nothing in this paragraph  
7 shall be construed to authorize the inspection or copying of  
8 documents, papers, books, or records, or to compel the attend-  
9 ance of any person. Nor shall anything in this subsection  
10 require the disclosure of information which would violate  
11 any relationship privileged according to law. Any such re-  
12 ports or answers shall be made under oath, or otherwise as  
13 the Administrator may prescribe, and shall be filed with him  
14 within such reasonable period as he may prescribe. Any dis-  
15 trict court of the United States within the jurisdiction of which  
16 such person is found, or has his principal place of business,  
17 shall issue an order, on conditions and with such apportion-  
18 ment of costs as it deems just, requiring compliance with a  
19 valid order of the Administrator, upon petition by the Admin-  
20 istrator or on a motion to quash, upon the Administrator's  
21 carrying the burden of proving in court that such order is  
22 for information that substantially affects the health or safety  
23 of consumers or is necessary in the discovery of consumer  
24 fraud or other unconscionable conduct detrimental to an in-  
25 terest of consumers, and is relevant to the purposes for which

1 the information is sought, unless the person to whom the inter-  
2 rogatory is addressed shows that answering such interrogatory  
3 will be unnecessarily or excessively burdensome. Where ap-  
4 plicable, chapter 35 of title 44, United States Code, shall  
5 govern requests for reports under this subsection in the man-  
6 ner in which independent Federal regulatory agencies are  
7 subject to its provisions.

8       (2) The Administrator shall not exercise the authority  
9 under paragraph (1) of this subsection if the information  
10 sought (A) is available as a matter of public record; (B)  
11 can be obtained from another Federal agency pursuant to  
12 subsection (c) of this section; or (C) is for use in connection  
13 with his intervention in any pending agency proceeding  
14 against the person to whom the interrogatory is addressed.

15       (c) Upon written request by the Administrator, each  
16 Federal agency is authorized and directed to allow access to  
17 all documents, papers, and records in its possession which the  
18 Administrator deems necessary for the performance of his  
19 functions and to furnish at cost copies of specified documents,  
20 papers, and records. Notwithstanding this subsection, a Fed-  
21 eral agency may deny the Administrator access to and copies  
22 of—

23       (1) information classified in the interest of national  
24 defense or national security by an individual authorized  
25 to classify such information under the terms of Execu-

1        tive Order 10501 of November 5, 1953, and Executive  
2        Order 11652 of March 10, 1972, or any orders amend-  
3        ing or superseding such orders, and restricted data whose  
4        dissemination is controlled pursuant to the Atomic  
5        Energy Act (42 U.S.C. 2011 et seq.) ;

6            (2) policy and prosecutorial recommendations by  
7        agency personnel intended for internal agency use only;

8            (3) information concerning routine executive and  
9        administrative functions that are not otherwise a matter  
10       of public record;

11           (4) personnel and medical files and similar files  
12       the disclosure of which would constitute a clearly un-  
13       warranted invasion of personal privacy;

14           (5) information which such agency is expressly  
15       prohibited by law from disclosing to another Federal  
16       agency; and

17           (6) trade secrets and commercial or financial in-  
18       formation described in subsection (b) (4) of section 552  
19       of title 5, United States Code—

20            (A) obtained prior to the effective date of this  
21       Act by a Federal agency, if the agency had agreed  
22       to treat and has treated such information as privi-  
23       leged or confidential and states in writing to the  
24       Administrator that, taking into account the nature of  
25       the assurances given, the character of the informa-

1           tion requested, and the stated purpose for which  
2           access is sought, to permit such access would con-  
3           stitute a breach of faith by the agency; or

4           (B) obtained subsequent to the effective date  
5           of this Act by a Federal agency, if such agency has  
6           agreed in writing as a condition of receipt to treat  
7           such information as privileged or confidential, on  
8           the basis of his reasonable determination set forth  
9           in writing that such information was not obtainable  
10          without such an agreement and that failure to ob-  
11          tain such information would seriously impair the  
12          carrying out of the agency's program, and access to  
13          which is likely to cause substantial competitive in-  
14          jury to the person who provided the information.

15       Before granting the Administrator access to any such trade  
16       secrets and commercial or financial information, the agency  
17       shall notify the person who provided such information of its  
18       intention to do so and the reasons therefor, and shall af-  
19       ford such person a reasonable opportunity, not to exceed  
20       ten days, to comment or seek injunctive relief. Where access  
21       to information is denied to the Administrator by a Federal  
22       agency pursuant to this paragraph, the head of the agency  
23       and the Administrator shall seek to find a means of provid-  
24       ing the information in such other form, or under such condi-  
25       tions, as will meet the agency's objections.

1 (d) Consistent with the provisions of section 7213 of  
2 title 26, United States Code, nothing in this Act shall be  
3 construed as providing for or authorizing any Federal agency  
4 to divulge or to make known in any manner whatever to the  
5 Administrator the amount or source of income, profits, losses,  
6 expenditures, or any particular thereof, set forth or disclosed  
7 solely in any income return, or to permit any Federal in-  
8 come tax return filed pursuant to the provisions of title 26,  
9 United States Code, or copy thereof, or any book containing  
10 any abstracts or particulars thereof, to be seen or examined  
11 by the Administrator.

12 INFORMATION DISCLOSURE

13 SEC. 812. (a) The Administrator is authorized, subject  
14 to the provisions of this section, to disclose to the public  
15 or any member thereof so much of the information subject to  
16 his control as he determines appropriate to carry out the  
17 purposes of this title.

18 (b) The Administrator or any officer or employee of the  
19 Agency shall not disclose any information which has been  
20 obtained from a Federal agency or as a result of access to its  
21 records where such agency has specified that such informa-  
22 tion is exempted from disclosure under section 552 of title 5,  
23 United States Code, or any other applicable Federal statute,  
24 and should not be disclosed. If such agency has specified that  
25 information is exempted from required disclosure, but that it

1 may be disclosed in accordance with a particular form or  
2 manner of disclosure which such agency has prescribed, the  
3 Administrator shall follow such form and manner.

4 (c) The Administrator or any officer or employee of the  
5 Agency shall not disclose any trade secret or other confiden-  
6 tial business information described by section 1905 of title 18,  
7 United States Code, which it obtained other than pursuant  
8 to section 811 (c) of this title, except that such information  
9 may be disclosed (1) to the public only if the Administrator  
10 determines it necessary to protect health or safety; and (2)  
11 in a manner designed to preserve confidentiality, to duly au-  
12 thorize committees of the Congress, to courts and Federal  
13 agencies in representing the interests of consumers, and to  
14 thORIZED committees of the Congress, to courts and Federal  
15 officials concerned with the subject matter in issue.

16 (d) In the release of information to the public, the Ad-  
17 ministrator shall take all reasonable measures to assure that  
18 such information is accurate and not misleading or incom-  
19 plete. If such information is inaccurate, misleading, or in-  
20 complete, the Administrator shall promptly issue a retrac-  
21 tion, take such other reasonable action to correct any error,  
22 or release significant additional information which is likely  
23 to affect the accuracy or completeness of information pre-  
24 viously released. Where the release of information is likely to  
25 cause substantial injury to the reputation or goodwill of a

1 person or company, or its products or services, the Adminis-  
2 trator shall notify such person or company of the information  
3 to be released and afford an opportunity for comment or in-  
4 junctive relief, unless immediate release is necessary to pro-  
5 tect the health or safety of the public.

6 (e) In the release of information which discloses names  
7 of products or services, the Administrator shall—

8 (1) make clear that all products of a competitive  
9 nature have not been compared, if such is the case;

10 (2) make clear that there is no intent or purpose  
11 to rate products compared over those not compared or  
12 to imply that those compared are superior or preferable  
13 in quality to those not compared; and

14 (3) not indicate expressly that one product is a  
15 better buy than any other product.

16 (f) In any suit against the Administrator to obtain  
17 information pursuant to the provisions of section 552 of  
18 title 5, United States Code, where the sole basis for the  
19 refusal to produce the information is that another Federal  
20 agency has specified that the documents not be disclosed in  
21 accordance with the provisions of subsection (b) of this  
22 section, the other Federal agency shall be substituted as the  
23 defendant, and the Administrator shall thereafter have no  
24 duty to defend such suit.

## ADMINISTRATION

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SEC. 813. (a) The Administrator is authorized, in carrying out his functions under this title, to—

(1) determine the qualifications of, appoint, assign the duties of, and fix the compensation of, in accordance with civil service and classification laws, such officers and employees, including attorneys, as are necessary to perform the functions vested in him;

(2) employ experts, expert witnesses, and consultants in accordance with section 3109 of title 5, United States Code, and to compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day there are so employed;

(3) appoint advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him, and to compensate such persons, other than those employed by the Federal Government, at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day they are engaged in the actual performance of their duties as members of a committee and to pay such persons travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United

1 States Code: *Provided*, That all meetings of such com-  
2 mittees shall be open to the public and interested persons  
3 shall be permitted to attend, appear before, or file state-  
4 ments with any advisory committee, subject to such  
5 reasonable rules or regulations as the Administrator may  
6 prescribe;

7 (4) promulgate such rules, regulations, and proce-  
8 dures as may be necessary to carry out the functions  
9 vested in him and to delegate authority for the perform-  
10 ance of any such function only to any officer or employee  
11 under his direction and supervision;

12 (5) utilize, with their consent, the services, person-  
13 nel, and facilities of Federal, State, regional, local, and  
14 private agencies and instrumentalities, with or without  
15 reimbursement therefor, and to transfer funds made avail-  
16 able under this title to Federal, State, regional, local,  
17 and private agencies and instrumentalities as reimburse-  
18 ment for utilization of such services, personnel, and  
19 facilities;

20 (6) accept voluntary and uncompensated services,  
21 except where such services involve administrative pro-  
22 ceedings, investigations, or enforcement powers, not-  
23 withstanding the provisions of section 3679 of the Re-  
24 vised Statutes, as amended (31 U.S.C. 665) ;

25 (7) adopt an official seal, which shall be judicially

1       noticed. The provisions of section 709 of title 18, United  
2       States Code, shall apply to the use of the seal, after its  
3       adoption and publication in the Federal Register, except  
4       as authorized under rules or regulations issued by the  
5       Administrator;

6               (8) establish such regional offices as the Adminis-  
7       trator determines to be necessary to serve the interests  
8       of consumers;

9               (9) conduct conferences and hearings and other-  
10       wise secure data and expressions of opinion;

11              (10) accept unconditional gifts or donations of serv-  
12       ices, money or property, real, personal, or mixed, tangi-  
13       ble or intangible, except that the acceptance of donations  
14       of services shall be subject to the provisions of paragraph  
15       (6) of this section;

16              (11) without regard to section 3709 of the Revised  
17       Statutes, as amended (41 U.S.C. 5), enter into con-  
18       tracts, leases, cooperative agreements, or other trans-  
19       actions with any public agency or instrumentality or  
20       with any person;

21              (12) designate representatives to serve or assist on  
22       such committees as he may determine to be necessary  
23       to maintain effective liaison with Federal agencies and  
24       with State and local agencies carrying out programs and  
25       activities related to the interests of consumers; and



1           (d) Except as otherwise provided in this subsection, the  
2 Administrator shall be represented by attorneys designated  
3 by him. The Department of Justice shall represent the Ad-  
4 ministrator in all court proceedings authorized by this Act  
5 or otherwise, except that in any case in which the Adminis-  
6 trator seeks to challenge an agency action or any part  
7 thereof by intervention or by invoking judicial review, or  
8 in which the Department of Justice is representing or may  
9 represent a department, agency, officer or employee of the  
10 United States whose interests conflict with those of the Ad-  
11 ministrator, then the Administrator may be represented by  
12 attorneys he designates for such purpose. Unless the Attorney  
13 General notifies the Administrator within a reasonable time  
14 that he will represent the Administrator, such representation  
15 may be made by attorneys designated by the Administrator.  
16 In all litigation in the Supreme Court of the United States,  
17 the Solicitor General shall represent the Administrator; ex-  
18 cept that in any case in which the Solicitor General is repre-  
19 senting a department, agency, officer, or employee of the  
20 United States whose interests conflict with those of the  
21 Administrator, then the Administrator may be represented  
22 by attorneys he designates for such purpose. In any court  
23 proceeding in which the Department of Justice or the Solici-  
24 tor General is representing the Administrator, the Attorney  
25 General or the Solicitor General, as appropriate, shall con-

1 sult with the Administrator concerning the most effective  
2 means of representing the interest of consumers in such pro-  
3 ceedings. Upon the written request of the Administrator, the  
4 Attorney General or the Solicitor General shall advise the  
5 court of any substantial policy disagreements with the  
6 Administrator concerning the interest of consumers.

7 (e) (1) No act or omission by the Administrator or  
8 any Federal agency relating to the Administrator's authority  
9 under sections 807, 809, 810, 811, and 812 of this title  
10 shall affect the validity of any agency action or be subject  
11 to judicial review: *Provided, That*

12 (A) the Administrator may obtain judicial review  
13 to enforce his authority under sections 807, 809, and 811  
14 of this title: *Provided, That* he may obtain judicial  
15 review of the Federal agency determination under sec-  
16 tion 807 (e) of this title only after final agency action  
17 and only to the extent that such determination affected  
18 the validity of such action;

19 (B) a party to any agency proceeding or a par-  
20 ticipant in any agency activity in which the Adminis-  
21 trator intervened or participated may, where judicial  
22 review of the final agency action is otherwise accorded  
23 by law, obtain judicial review following such final agency  
24 action on the ground that the Administrator's interven-  
25 tion or participation resulted in prejudicial error to such

1 party or participant based on the record viewed as a  
2 whole; and

3 (C) any person who is substantially and adversely  
4 affected by the Administrator's action pursuant to sec-  
5 tion 807 (e), 811 (b), or 812 of this title may obtain  
6 judicial review, unless the court determines that such  
7 judicial review would be detrimental to the interests of  
8 justice.

9 (2) For the purposes of this subsection, a determination  
10 by the Administrator that the result of any agency proceed-  
11 ing or activity may substantially affect the interests of con-  
12 sumers or that his intervention in any proceeding is neces-  
13 sary to represent adequately the interests of consumers shall  
14 be deemed not to be a final agency action.

15 (f) In exercising the authority of section 806 (a) (2),  
16 (4); (5), 807 (f), 810, 811, and 812 of this title, the  
17 Administrator shall act in accordance with rules designed  
18 to assure fairness to affected persons, issued as soon as prac-  
19 ticable after the effective date of this title pursuant to sec-  
20 tion 553 of title 5, United States Code (notwithstanding  
21 the exception therein for procedural rules).

22 (g) Whenever the Administrator intervenes or seeks  
23 review under the provisions of section 807 (a) or 808 (a)  
24 of this Act, he shall explicitly and concisely set forth in a  
25 public statement the interest of consumers which he is

1 representing. He shall also, to the extent practicable, set  
2 forth any other substantial interest of consumers which he is  
3 not representing.

4           TRANSFER OF CONSUMER PRODUCT INFORMATION

5                           COORDINATION CENTER

6           SEC. 815. (a) All officers, employees, assets, liabilities,  
7 contracts, property, and records as are determined by the  
8 Director of the Office of Management and Budget to be em-  
9 ployed, held, or used primarily in connection with the func-  
10 tions of the Consumer Product Information Coordinating  
11 Center in the General Services Administration are trans-  
12 ferred to the Agency and all functions of the Administrator of  
13 General Services administered through the Consumer Prod-  
14 uct Information Coordinating Center are transferred to the  
15 Agency.

16           (b) (1) Except as provided in paragraph (2) of this  
17 subsection, personnel engaged in functions transferred under  
18 this section shall be transferred in accordance with applica-  
19 ble laws and regulations relating to transfer of functions.

20           (2) The transfer of personnel pursuant to subsection  
21 (a) of this subsection shall be without reduction in classifi-  
22 cation or compensation for one year after such transfer.

23                           PUBLIC PARTICIPATION

24           SEC. 816. (a) After reviewing its statutory authority  
25 and rules of procedure, relevant agency and judicial decisions,

1 and other relevant provisions of law, each Federal agency  
2 shall issue appropriate interpretations, guidelines, standards,  
3 or criteria, and rules of procedure, to the extent that such  
4 rules are appropriate and are not already in effect, relating  
5 to the rights of individuals who may be affected by agency  
6 action to—

7 (1) petition the agency for action;

8 (2) receive notice of agency proceedings;

9 (3) file official complaints (if appropriate) with  
10 the agency;

11 (4) obtain information from the agency; and

12 (5) participate in agency proceedings for the pur-  
13 pose of representing their interests.

14 Such interpretations, guidelines, standards, criteria, and rules  
15 of procedure shall be published in proposed and final form  
16 in the Federal Register.

17 (b) Each Federal agency shall take all reasonable  
18 measures to reduce or waive, where appropriate, procedural  
19 requirements for individuals for whom such requirements  
20 would be financially burdensome, or which would impede or  
21 prevent effective participation in agency proceedings.

22 (c) Any rules of procedure issued by any Federal  
23 agency pursuant to this section shall be published in a form  
24 and disseminated in a manner designed to inform and able  
25 to be understood by the general public.

## 1 SAVINGS PROVISIONS AND EXEMPTIONS

2 SEC. 817. (a) Nothing in this title shall be construed  
3 to affect the duty of the Administrator of General Services  
4 to represent the interests of the Federal Government as a  
5 consumer pursuant to section 201 (a) (4) of the Federal  
6 Property and Administrative Services Act of 1949 (40  
7 U.S.C. 481 (a) (4)).

8 (b) Nothing in this Act shall be construed to relieve  
9 any Federal agency of any responsibility to protect and  
10 promote the interests of consumers.

11 (c) Nothing in this title shall be construed to limit the  
12 right of any consumer or group or class of consumers to  
13 initiate, intervene in, or otherwise participate in any Federal  
14 agency or court proceeding or activity, nor to require any  
15 petition or notification to the Administrator as a condition  
16 precedent to the exercise of such right, nor to relieve any  
17 Federal agency or court of any obligation, or affect its dis-  
18 cretion, to permit intervention or participation by a con-  
19 sumer or group or class of consumers in any proceeding or  
20 activity.

21 (d) This title shall not apply to the Central Intelligence  
22 Agency, the Federal Bureau of Investigation, or the Na-  
23 tional Security Agency, or the national security or intelli-  
24 gence functions of the Department of Defense (including the  
25 Departments of the Army, Navy, and Air Force).

1 (e) This title shall not apply to any agency action in  
2 the Federal Communications Commission with respect to the  
3 renewal of any radio or television broadcasting license.

4 COMPENSATION

5 SEC. 818. (a) Section 5314 of title 5, United States  
6 Code, is amended by adding at the end thereof the following  
7 new paragraph:

8 “(59) Administrator, Consumer Protection  
9 Agency.”

10 (b) Section 5315 of title 5, United States Code, is  
11 amended by adding at the end thereof the following new  
12 paragraph:

13 “(97) Deputy Administrator, Consumer Protection  
14 Agency.”

15 (c) Section 5316 of title 5, United States Code, is  
16 amended by adding at the end thereof the following new  
17 paragraphs:

18 “(132) General Counsel, Consumer Protection  
19 Agency.

20 “(133) Assistant Administrators, Consumer Pro-  
21 tection Agency (5).”

22 SEPARABILITY

23 SEC. 819. If any provision of this title is declared un-  
24 constitutional, or the applicability thereof to any person or  
25 circumstance is held invalid, the constitutionality and effec-

1 tiveness of the remainder of this title and the applicability  
2 thereof to any persons and circumstances shall not be af-  
3 fected thereby.

4                   AUTHORIZATION OF APPROPRIATIONS

5       SEC. 820. There are authorized to be appropriated to  
6 carry out the provisions of this title not to exceed \$15,000,-  
7 000 for the fiscal year ending June 30, 1975, not to exceed  
8 \$20,000,000 for the fiscal year ending June 30, 1976, and  
9 not to exceed \$25,000,000 for the fiscal year ending June 30,  
10 1977.

11                   EFFECTIVE DATE

12       SEC. 821. (a) Except as provided in subsection (b) of  
13 this section, this title shall take effect when the Adminis-  
14 trator first takes office, or on such earlier date as the Pres-  
15 ident may prescribe, but no later than ninety calendar days  
16 after the date of enactment of this title. The Administrator  
17 may not intervene or otherwise participate as a matter of  
18 right in any Federal agency or Federal court proceeding  
19 which is pending on the effective date of this title if argu-  
20 ment has concluded or the record has been closed and all  
21 that remains before completion of such agency or court pro-  
22 ceeding is the rendering or issuance of a decision or the  
23 promulgation of a final order or rule by such agency or  
24 court.

1           (b) Any of the officers provided for in this title may be  
2 appointed in the manner provided for in this title at any time  
3 after the date of enactment of this title. Such officers shall  
4 be compensated from the date they first take office at the  
5 rates provided for in this title.

**Amdt. No. 2007**

**Calendar No. 1231**

93d CONGRESS  
2d Session

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end thereof, and after amendments to H.R. 10710, insert the following new title:

1                   **TITLE VII—NATURAL GAS**

2           SEC. 701. This title may be cited as the “Natural Gas  
3 Production and Conservation Act of 1974”.

4           SEC. 702. The Natural Gas Act (15 U.S.C. 717 et seq.)  
5 is amended by striking out section 24 thereof (15 U.S.C.  
6 717w) in its entirety and by inserting immediately after the  
7 enacting clause thereof and before section 1 thereof (15  
8 U.S.C. 717) the following: “That this Act may be cited as  
9 the ‘Natural Gas Act’.

**Amdt. No. 2008**



1 at 60 degrees Fahrenheit and containing at least  
2 1,000,000 British thermal units of energy;

3 “(5) ‘new natural gas’ means natural gas which is  
4 dedicated to interstate commerce for the life of the res-  
5 ervoir, but which the Commission in its discretion deter-  
6 mines was not dedicated to interstate commerce prior to  
7 the date of enactment of this title;

8 “(6) ‘old natural gas’ is natural gas which, prior  
9 to the date of enactment of this title, was dedicated to  
10 interstate commerce as determined by the Commission  
11 on the date such natural gas was first certified;

12 “(7) ‘producer’ means a person who produces and  
13 commits to interstate commerce more than 10,000,000  
14 Mcf of natural gas or who produces natural gas and does  
15 not qualify as a small producer;

16 “(8) ‘purchaser’ means a person who purchases  
17 or acquires natural gas from a producer or small pro-  
18 ducer;

19 “(9) ‘residential user’ means a person who uses  
20 natural gas for personal, family, or household purposes;

21 “(10) ‘small commercial user’ means a person or  
22 governmental entity using less than 50 Mcf on a peak  
23 day of natural gas usage in the preceding calendar year;

24 “(11) ‘small producer’ means a person who is not  
25 an affiliate of a person who produces and commits to in-  
26 terstate commerce more than 10,000,000 Mcf of natural

1 gas or of a person engaged in, or who is not himself en-  
2 gaged in, the transportation by pipeline of natural gas  
3 in interstate commerce and who, together with all af-  
4 filiates, has not produced and committed to sale in inter-  
5 state commerce more than 10,000,000 Mcf of natural  
6 gas in the calendar year preceding or during the year in  
7 which he wants to qualify for small producer pricing  
8 under section 204 of this title as determined by the Com-  
9 mission; and

10 “ (12) ‘user’ means a person or governmental entity  
11 using any natural gas which is supplied in interstate  
12 or intrastate commerce.

13 “NEW NATURAL GAS

14 “SEC. 203. (a) GENERAL.—Notwithstanding the provi-  
15 sions of sections 4 and 5 of this Act and except as pro-  
16 vided in subsection (c) of this section, new natural gas may  
17 be sold in interstate commerce by a producer following the  
18 date of enactment of this title, only if its price does not ex-  
19 ceed the sum of—

20 “ (1) a basic base price as determined in accordance  
21 with subsection (f) of this section;

22 “ (2) any applicable adjustment in accordance with  
23 subsection (b) of this section; and

24 “ (3) an additional amount, if any, authorized to be  
25 charged under subsection (c) or (d) of this section.

1       “(b) **BASE PRICE ADJUSTMENT.**—Commencing July 1,  
2 1975, and at annual intervals thereafter, the basic base  
3 price enumerated in subsection (a) (1) of this section shall  
4 be adjusted for any inflation by multiplying it by a number  
5 whose numerator is the annual implicit price deflator for  
6 gross national product as of the date of computation and  
7 whose denominator is the implicit price deflator for gross na-  
8 tional product for the base year 1974 as compiled by the  
9 Bureau of Economic Analysis as initially published by the  
10 Department of Commerce. The adjusted base price shall only  
11 be applicable to new natural gas sold in interstate commerce  
12 during the year for which such adjusted base price is appli-  
13 cable.

14       “(c) **ANNUAL PRICE INCREASE.**—A producer may,  
15 at the time of dedication of new natural gas to interstate  
16 commerce, provide by contract for an annual cumulative in-  
17 crease in the price of such natural gas which is delivered  
18 in a particular year. Such increase may not exceed 2 percent  
19 per year of the adjusted base price at the time of such com-  
20 mitment.

21       “(d) **SPECIAL PRICE.**—The Commission may authorize  
22 a person to charge for new liquefied or synthetic natural  
23 gas a special price, which is in excess of the price authorized  
24 in subsection (a) of this section, if such person establishes  
25 to the satisfaction of the Commission that such additional

1 charge is necessary or appropriate to permit such person to  
2 recover costs incurred plus a reasonable rate of return on  
3 investment in producing or making available to a purchaser  
4 such liquefied or synthetic natural gas.

5 “(e) EXCEPTION.—(1) The Commission is authorized  
6 and directed to prohibit a producer of new natural gas from  
7 selling such natural gas in interstate commerce at a price  
8 authorized in this section if—

9 “(A) such producer had discovered such natural  
10 gas on Federal lands 18 months or more prior to the  
11 date of enactment of this title; and

12 “(B) such producer does not establish to the satis-  
13 faction of the Commission that it was reasonable for  
14 such producer not to have dedicated such natural gas to  
15 interstate commerce prior to the date of enactment of  
16 this title.

17 “(2) A producer of new natural gas who is prohibited  
18 by paragraph (1) of this subsection from selling such natu-  
19 ral gas in interstate commerce at a price authorized under  
20 this section shall only be permitted to sell such natural gas  
21 in interstate commerce as if it were old natural gas.

22 “(f) COMMISSION BASIC BASE PRICE DETERMINA-  
23 TION.—(1) Within 180 days following the date of enact-  
24 ment of this title, the Commission shall establish a basic  
25 base price for new natural gas which shall be not less than  
26 40 cents per Mcf and not more than 60 cents per Mcf.

1       “(2) In establishing the basic base price for new natural  
2 gas within the range prescribed in paragraph (1) of this  
3 subsection, the Commission shall consider current costs of  
4 production of such natural gas and a reasonable rate of  
5 return on investment which is conducive to attracting capital  
6 necessary to increase supplies of such natural gas.

7       “(3) In establishing the basic base price for new natural  
8 gas the Commission shall proceed in accordance with the  
9 provisions of section 553, title 5, United States Code, and  
10 shall afford interested persons an opportunity to present  
11 testimony in oral hearings and shall permit limited cross-  
12 examination by representative parties on any issue of fact  
13 the Commission, in its discretion, determines is material  
14 if the Commission, in its discretion, determines such cross-  
15 examination is necessary and appropriate in light of the  
16 time constraint set forth in paragraph (1) of this subsection.

17       “(4) There shall be no review by any court of a decision  
18 of the Commission establishing a basic base price which is  
19 within the range prescribed in paragraph (1) of this  
20 subsection.

21                               “SMALL PRODUCER PRICING

22       “SEC. 204. (a) GENERAL.—Notwithstanding sections  
23 4 and 5 of this Act and except as provided in subsection (b)  
24 of this section, new natural gas sold in interstate commerce  
25 by a small producer may exceed by no more than 50 percent

1 the price authorized to be charged by a producer pursuant  
2 to section 203 of this title.

3 “(b) TRANSFERS.—New natural gas discovered by a  
4 producer, as determined by the Commission in its discretion,  
5 may be sold in interstate commerce by a small producer at a  
6 price not in excess of a price authorized to be charged by a  
7 producer pursuant to section 203 of this title.

8 “OTHER NATURAL GAS

9 “SEC. 205. (a) GENERAL.—Notwithstanding any other  
10 provision of law, the Commission may not authorize any  
11 increase in any price a producer may charge that yields a  
12 total price above a price which it has authorized a similarly  
13 situated producer to charge for natural gas which is old natu-  
14 ral gas, unless it finds that such increase is necessary to pro-  
15 vide a price that would cover the cost of production of such  
16 natural gas.

17 “(b) OTHER.—Notwithstanding the provisions of sec-  
18 tions 4 and 5 of this Act, natural gas other than new natural  
19 gas may not be sold in interstate commerce by a producer  
20 or small producer following the date of enactment of this  
21 title at a price which exceeds the national area rate for  
22 natural gas which the Commission has established prior to  
23 the date of enactment of this title.

24 “RESIDENTIAL AND SMALL COMMERCIAL USER

25 “SEC. 206. The Commission is authorized and directed  
26 to—

1           “(1) require any person to disclose the price and  
2 amount of old natural gas and new natural gas which  
3 enters any pipeline owned by such person; and

4           “(2) require that the price charged residential and  
5 small commercial users—

6                 “(A) is based upon the assumption that such  
7 users receive the old natural gas available in the  
8 pipeline before any other users receive any such old  
9 natural gas; and

10               “(B) includes an equitable assignment to such  
11 users transportation and others costs;

12           “(3) disapprove any sale by a natural gas com-  
13 pany to a person who is not complying with the require-  
14 ments of paragraph (2) of this section.

15           “INCREASING NATURAL GAS SUPPLIES

16           “SEC. 207. (a) PROMPT CERTIFICATION.—All appli-  
17 cations made under section 7 (c) of this Act (15 U.S.C.  
18 717f (c) ) for the sale of new natural gas by a producer or  
19 small producer shall be decided by the Commission in ac-  
20 cordance with this section. The Commission shall grant  
21 (with or without conditions) or deny such applications  
22 within 120 days of the filing of an application or within 120  
23 days after the date of enactment of this title, in the case of  
24 applications pending before the Commission on such date.  
25 The 120-day period shall commence with the date such appli-

1 cations contain all of the information required by the Com-  
2 mission. If the Commission fails to grant or deny any such  
3 application within such 120 days, the Commission shall be  
4 deemed to have approved such application as last submitted:  
5 *Provided*, That an application by a person claiming to be  
6 a small producer shall be deemed to be approved as if the  
7 applicant is a producer if the Commission later makes a  
8 determination that such applicant is not a small producer.  
9 Such application which is approved by the Commission or  
10 deemed to be approved shall be considered to be approved—

11 “(1) on the condition that new natural gas is ir-  
12 revocably dedicated to interstate commerce;

13 “(2) on the condition that the adjusted base price  
14 for the new natural gas so dedicated shall be the ad-  
15 justed base price in effect as of the date of such approval;  
16 and

17 “(3) on such other conditions as the Commission  
18 determines, or has by rule determined, to be necessary.

19 “(b) PRODUCTION REQUIREMENT.—(1) Notwith-  
20 standing any other provision of law, any agreement (includ-  
21 ing a renegotiation) pertaining to oil or gas development on  
22 Federal lands consummated on or after the date of enactment  
23 of this title shall require, as a condition to such agreement,  
24 that the person granted the right of development design  
25 and implement immediately an exploratory and development

1 program designed to obtain maximum production from such  
2 lands as soon as practicable, subject to submission of such  
3 program to, and its approval by, the Secretary of the In-  
4 terior. The person granted the right of development shall  
5 inform the Commission in writing immediately upon the dis-  
6 covery of natural gas on any such lands, and such person  
7 shall produce and begin selling such natural gas in inter-  
8 state commerce within 18 months of the date of discovery  
9 unless the Commission finds, upon the petition of the person  
10 granted such rights, that the volumes of natural gas discov-  
11 ered or developed are not sufficient to be commercially viable  
12 or that other valid reasons (not including market demand  
13 prorationing) exist which justify delaying the production  
14 until a subsequent date certain.

15 “(2) Unless such natural gas is produced and sold 18  
16 months after the date of discovery of natural gas on such  
17 lands, or unless such a petition is granted and in effect, the  
18 rights that had been granted the person to develop natural  
19 gas or oil on the Federal lands covered by such agreement  
20 shall terminate and any sum paid for such rights shall be  
21 forfeited.

22 “(3) With respect to agreements pertaining to oil or gas  
23 development on lands owned by the Government of the  
24 United States (other than lands containing Naval Petroleum  
25 Reserves) consummated prior to the date of enactment of

1 this title, the requirements of paragraphs (1) and (2) of this  
2 subsection shall be applicable to the fullest extent legally  
3 permissible and, to the extent not permissible, such agree-  
4 ments shall be terminated or renegotiated, by the earliest  
5 possible date.

6 “(c) REPORT.—The Secretary of the Interior, to aid in  
7 enforcement of subsection (b) of this section, shall report to  
8 Congress and the Commission within 90 days after the date  
9 of enactment of this title, and annually thereafter, on the  
10 status of all Federal lands leased for oil and gas development.  
11 Each such report shall list all parcels leased, the holder of  
12 such lease, the Interior Department’s prelease evaluation of  
13 probable quantities and values of oil and gas underlying such  
14 lease, the number of exploratory and developmental wells  
15 drilled to date, whether oil and gas have been discovered at  
16 the time of the report, the date on which any oil or natural  
17 gas not being produced was discovered, estimated reserves  
18 of oil and gas, and annual production of oil and gas there-  
19 from.

20 “(d) RESERVE INFORMATION.—Each producer and  
21 small producer shall make available to the Commission on a  
22 current basis an up-to-date account of the natural gas reserves  
23 which it has discovered on a reservoir-by-reservoir basis.  
24 The Commission is authorized and directed to take such  
25 steps as are necessary to verify and, if necessary, correct

1 such reserve information, and shall make such reserve infor-  
2 mation available to the Congress and the public in a mean-  
3 ingful and understandable form.

4 "NATURAL GAS CONSERVATION

5 "SEC. 208. (a) GENERAL.—The Commission by rule  
6 shall prohibit boiler fuel use of natural gas and propane  
7 in interstate and intrastate commerce not contracted for prior  
8 to the date of enactment of this title by users other than  
9 residential or small commercial users unless, upon petition  
10 by a user, the Commission determines that—

11 " (1) such user has a plan to convert as soon as pos-  
12 sible to alternative fuels produced in any State; or

13 " (2) it is not feasible to utilize such alternative  
14 fuels at the time of such Commission determination.

15 " (b) EXISTING CONTRACTS.—The Commission shall  
16 prohibit as soon as practicable boiler fuel use of natural gas  
17 and propane contracted for prior to January 1, 1975, by  
18 users other than residential or small commercial users. In  
19 determining practicability, the Commission shall consider  
20 all relevant factors, including, but not limited to, the avail-  
21 ability of alternative energy supplies produced in any State,  
22 the ability to satisfy applicable pollution prevention stand-  
23 ards when using such alternative fuels, and the need to  
24 avoid imposing unreasonable economic hardships.

25 " (c) PROCEDURE.—In implementing the provisions of

1 this section with respect to intrastate commerce, the Com-  
2 mission shall apply the provisions of section 17 of this Act  
3 (15 U.S.C. 717p).

4 “(d) EFFECT ON OTHER LAWS.—Nothing in this title  
5 shall impair any requirement in any State or Federal law  
6 pertaining to safety or environmental protection, and the  
7 Commission in determining feasibility or practicability as  
8 required in this section shall not assume that there will be  
9 any lessening of safety or environmental requirements estab-  
10 lished pursuant to State or Federal law.

11 “NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

12 “SEC. 209. (a) GENERAL.—Notwithstanding any other  
13 provision of law or of any natural gas allocation or curtail-  
14 ment plan in effect under existing law, the Commission shall  
15 prohibit any interruption or curtailment of natural gas and  
16 take such other steps as are necessary to assure as soon as  
17 possible the availability in interstate commerce of sufficient  
18 quantities of natural gas for use as a raw material feedstock  
19 or process fuel, for which there is no substitute except pro-  
20 pane, in the production of fertilizer and essential agricultural  
21 chemicals in existing plants (for present or expanded capac-  
22 ity) and in new plants. As used in this section ‘sufficient  
23 quantities’ means the amounts of natural gas which the Sec-  
24 retary of Agriculture certifies to the Commission are neces-  
25 sary to provide sufficient fertilizer and essential agricultural

1 chemicals (1) to meet domestic requirements; and (2) to  
2 meet the Nation's obligations to carry out humanitarian ob-  
3 jectives, except to the extent that any such amounts are  
4 required to maintain natural gas service to existing residen-  
5 tial and small commercial users.

6 “(b) INTRASTATE COMMERCE.—Notwithstanding any  
7 other provision of law, the rule implemented by the Com-  
8 mission pursuant to subsection (a) of this section shall also  
9 apply with respect to the availability of natural gas sold in  
10 intrastate commerce in any State which has not, within 90  
11 days after the date of enactment of this title, adopted a rule  
12 to implement the purposes of such subsection. The Commis-  
13 sion shall formulate rules and regulations to implement this  
14 subsection.”.

15 SEC. 4. Section 16 of the Natural Gas Act (15 U.S.C.  
16 717o) is amended by deleting the title thereof and inserting  
17 in lieu thereof “ADMINISTRATION”; (2) by inserting “(a)”  
18 immediately before the first sentence thereof; and (3) by  
19 adding at the end thereof the following two new subsections:

20 “(b) Notwithstanding any other provision of law, the  
21 Commission is authorized in any civil action to act in its  
22 own name and through its own attorneys, and attorneys for  
23 the Commission shall supervise, and may, at the discretion  
24 of the Commission, conduct litigation in any civil action to  
25 which the Commission is a party. Upon request by the Com-

1 mission, the Attorney General or the United States attorney  
2 for the applicable district shall assist the Commission.

3 “(c) No Commissioner and no full-time officer or em-  
4 ployee of the Commission compensated at any time after such  
5 date at a rate in excess of that prescribed for grade GS-14 of  
6 the General Schedule, under section 5332 of title 5, United  
7 States Code, shall accept, directly or indirectly, employment  
8 or any compensation or fees for services performed from any  
9 natural gas company or other person subject to regulation  
10 by the Commission for a period of 12 months after the date  
11 of termination of employment with the Commission.”.

12 SEC. 5. Section 2 of the Natural Gas Act (15 U.S.C.  
13 717a) is amended (a) by inserting in paragraph (7)  
14 thereof after “thereof,” and before “but only insofar” the  
15 following: “or between a point upon Federal lands within a  
16 State and any other point,”; and (b) by inserting in para-  
17 graph (5) thereof after “unmixed,” and before “or any  
18 mixture” the following: “synthetic natural gas,”.

19 SEC. 6. The Bureau of Economic Analysis shall continue  
20 to compile, and the Department of Commerce shall continue  
21 to publish, the implicit price deflator for gross national prod-  
22 uct, in accordance with procedures consistent with those in  
23 effect on November 2, 1974, in order to carry out the pur-  
24 poses of this Act.

**Amdt. No. 2008**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end thereof, and after amendments to H.R. 10710, insert the following new title:

- 1 TITLE VII—INSULATION DEDUCTION
- 2 SEC. 701. AMENDMENT OF INTERNAL REVENUE CODE
- 3 TO ALLOW DEDUCTIONS FOR ENERGY-CONSERVING AL-
- 4 TERATIONS OF TAXPAYERS' RESIDENCES.—Part VII of
- 5 subchapter B of chapter 1 of the Internal Revenue Code of
- 6 1954 (relating to additional itemized deductions for indi-
- 7 viduals) is amended by redesignating section 219 as 220,
- 8 and by inserting after section 218 the following new section:

**Amdt. No. 2009**

1   **“SEC. 219. ENERGY-CONSERVING IMPROVEMENTS OF TAX-**  
2                   **PAYER’S RESIDENCE.**

3           “(a) **IN GENERAL.**—A taxpayer may elect to treat  
4 energy-conserving residential improvement expenses paid or  
5 incurred by him during the taxable year as expenses which  
6 are not chargeable to capital account. The expenditures so  
7 treated shall be allowed as a deduction for that taxable year.  
8 An election under this subsection shall be made at such time  
9 and in such manner as the Secretary or his delegate pre-  
10 scribes by regulation.

11           “(b) **LIMITATION.**—The deduction allowed a taxpayer  
12 under this section for any taxable year shall not exceed  
13 \$1,000.

14           “(c) **DEFINITION.**—For purposes of this section, the  
15 term ‘energy-conserving residential improvement expense’  
16 means any ordinary or necessary expense paid or incurred  
17 during the taxable year for repairs or improvements, de-  
18 signed to reduce heat loss in winter and heat gain in summer,  
19 to property used by the taxpayer as his principal residence,  
20 and includes, without being limited to, the installation of  
21 insulation, storm windows, caulking, humidifiers, other ef-  
22 forts designed for energy conservation, and any device or  
23 system designed to utilize solar energy to provide heating  
24 or cooling which meets performance criteria established by  
25 the National Bureau of Standards.”.

1 (b) The table of sections for such part VII is amended  
2 by striking out

“Sec. 219. Energy-conserving improvements of taxpayer’s  
residence.

“Sec. 220. Cross references.”.

3 (c) Section 62 of such Code (relating to definition of  
4 adjusted gross income) is amended by inserting after para-  
5 graph (9) the following paragraph:

6 “(10) ENERGY-CONSERVING IMPROVEMENTS OF  
7 TAXPAYER’S RESIDENCE.—The deduction allowed by  
8 section 219.”.

9 SEC. 702. The amendments made by this Act shall  
10 apply with respect to taxable years ending after the date  
11 of the enactment of this Act.

**Amdt. No. 2009**

**Calendar No. 1231**

98<sup>th</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. Moss to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. STEVENSON to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end of the bill insert the following new title:

1 TITLE VIII—OIL AND GAS PRICING AMEND-  
2 MENTS OF 1974

3 Chapter I

4 SECTION 1. This part may be cited as the “Oil Consumer  
5 Price Protection Act of 1974”.

6 SEC. 2. Section 4 of the Emergency Petroleum Alloca-  
7 tion Act of 1973 is amended by adding at the end thereof  
8 the following new subsection:

9 “(h) (1) Within 15 days after the date of enactment of

**Amdt. No. 2010**



1 domestic demand for petroleum products refined or pro-  
2 duced from such crude oil;

3 “(C) the extent to which such price regulation has  
4 reduced the rate of inflation in the United States, in-  
5 creased the real income of consumers, and restored eco-  
6 nomic stability; and

7 “(D) any effect which such price regulation has  
8 had or may have on the profit margins of major oil  
9 companies and on investment by such companies in  
10 exploration for and production of oil and gas and in  
11 research and development leading to new energy  
12 sources.”.

13 “(3) The regulation under subsection (a) of this sec-  
14 tion shall be amended so as to provide that any reduction in  
15 the price of crude oil (or any classification thereof), of  
16 residual fuel oil, or of a refined petroleum product (includ-  
17 ing propane) resulting from the provisions of this subsection  
18 is passed through on a dollar-for-dollar basis to any subse-  
19 quent purchaser, reseller, or final consumer in the United  
20 States. Such passthrough of price reductions shall, to the  
21 extent practicable and consistent with the objectives of this  
22 section, be allocated among products refined from such crude  
23 oil on a proportional basis, taking into consideration histori-  
24 cal price relations among such products.”.

1 **Chapter II**

2 SECTION 1. This part may be cited as the "Natural Gas  
3 Production and Conservation Act of 1974".

4 SEC. 2. The Natural Gas Act (15 U.S.C. 717 et seq.)  
5 is amended by striking out section 24 thereof (15 U.S.C.  
6 717w) in its entirety and by inserting immediately after the  
7 enacting clause thereof and before section 1 thereof (15  
8 U.S.C. 717) the following: "That this Act may be cited as  
9 the 'Natural Gas Act'.

10 "TITLE I—GENERAL PROVISIONS".

11 SEC. 3. The Natural Gas Act (15 U.S.C. 717 et seq.)  
12 is amended by adding at the end thereof the following new  
13 title:

14 "TITLE II—PRODUCTION AND CONSERVATION  
15 INCENTIVES

16 "SHORT TITLE

17 "SEC. 201. This title may be cited as the 'National Gas  
18 Production and Conservation Incentive Act.'

19 "DEFINITIONS

20 "SEC. 202. As used in this title, the term—

21 "(1) 'affiliate' means any person directly or indi-  
22 rectly controlling, controlled by, or under common con-  
23 trol or ownership with any other person. The Commis-  
24 sion is authorized and directed to define the terms 'con-  
25 trol' and 'ownership'.

1           “(2) ‘boiler fuel use of natural gas’ means the use  
2 of natural gas as the primary source of fuel for the pur-  
3 pose of generating steam or electricity;

4           “(3) ‘intrastate commerce’ means commerce be-  
5 tween points within the same State, unless one such  
6 point is located upon Federal land within such State or  
7 unless such commerce passes through any place outside  
8 such State;

9           “(4) ‘Mcf’ means a thousand cubic feet of natural  
10 gas of pipeline quality at 14.73 pounds per square inch  
11 at 60 degrees Fahrenheit and containing at least  
12 1,000,000 British thermal units of energy;

13           “(5) ‘new natural gas’ means natural gas which is  
14 dedicated to interstate commerce for the life of the reser-  
15 voir, but which the Commission in its discretion deter-  
16 mines was not dedicated to interstate commerce prior to  
17 the date of enactment of this title;

18           “(6) ‘old natural gas’ is natural gas which, prior  
19 to the date of enactment of this title, was dedicated to  
20 interstate commerce as determined by the Commission  
21 on the date such natural gas was first certified;

22           “(7) ‘producer’ means a person who produces and  
23 commits to interstate commerce more than 10,000,000  
24 Mcf of natural gas or who produces natural gas and does  
25 not qualify as a small producer;

1           “(8) ‘purchaser’ means a person who purchases  
2 or acquires natural gas from a producer or small pro-  
3 ducer;

4           “(9) ‘residential user’ means a person who uses  
5 natural gas for personal, family, or household purposes;

6           “(10) ‘small commercial user’ means a person or  
7 governmental entity using less than 50 Mcf on a peak  
8 day of natural gas usage in the preceding calendar year;

9           “(11) ‘small producer’ means a person who is not  
10 an affiliate of a person who produces and commits to in-  
11 terstate commerce more than 10,000,000 Mcf of natural  
12 gas or of a person engaged in, or who is not himself en-  
13 gaged in, the transportation by pipeline of natural gas  
14 in interstate commerce and who, together with all af-  
15 filiates, has not produced and committed to sale in inter-  
16 state commerce more than 10,000,000 Mcf of natural  
17 gas in the calendar year preceding or during the year in  
18 which he wants to qualify for small producer pricing  
19 under section 204 of this title as determined by the Com-  
20 mission; and

21           “(12) ‘user’ means a person or governmental entity  
22 using any natural gas which is supplied in interstate  
23 or intrastate commerce.

## 1 "NEW NATURAL GAS

2 "SEC. 203. (a) GENERAL.—Notwithstanding the provi-  
3 sions of sections 4 and 5 of this Act and except as pro-  
4 vided in subsection (c) of this section, new natural gas may  
5 be sold in interstate commerce by a producer following the  
6 date of enactment of this title, only if its price does not ex-  
7 ceed the sum of—

8 " (1) a basic base price as determined in accordance  
9 with subsection (f) of this section;

10 " (2) any applicable adjustment in accordance with  
11 subsection (b) of this section; and

12 " (3) an additional amount, if any, authorized to be  
13 charged under subsection (c) or (d) of this section.

14 " (b) BASE PRICE ADJUSTMENT.—Commencing July  
15 1, 1975, and at annual intervals thereafter, the basic base  
16 price enumerated in subsection (a) (1) of this section shall  
17 be adjusted for any inflation by multiplying it by a number  
18 whose numerator is the annual implicit price deflator for  
19 gross national product as of the date of computation and  
20 whose denominator is the implicit price deflator for gross na-  
21 tional product for the base year 1974 as compiled by the  
22 Bureau of Economic Analysis as initially published by the  
23 Department of Commerce. The adjusted base price shall only

1 be applicable to new natural gas sold in interstate commerce  
2 during the year for which such adjusted base price is appli-  
3 cable.

4 “(c) ANNUAL PRICE INCREASE.—A producer may,  
5 at the time of dedication of new natural gas to interstate  
6 commerce, provide by contract for an annual cumulative in-  
7 crease in the price of such natural gas which is delivered  
8 in a particular year. Such increase may not exceed 2 percent  
9 per year of the adjusted base price at the time of such com-  
10 mitment.

11 “(d) SPECIAL PRICE.—The Commission may authorize  
12 a person to charge for new liquefied or synthetic natural  
13 gas a special price, which is in excess of the price authorized  
14 in subsection (a) of this section, if such person establishes  
15 to the satisfaction of the Commission that such additional  
16 charge is necessary or appropriate to permit such person to  
17 recover costs incurred plus a reasonable rate of return on  
18 investment in producing or making available to a purchaser  
19 such liquefied or synthetic natural gas.

20 “(e) EXCEPTION.—(1) The Commission is authorized  
21 and directed to prohibit a producer of new natural gas from  
22 selling such natural gas in interstate commerce at a price  
23 authorized in this section if—

24 “(A) such producer had discovered such natural

1 gas on Federal lands 18 months or more prior to the  
2 date of enactment of this title; and

3 “(B) such producer does not establish to the satis-  
4 faction of the Commission that it was reasonable for  
5 such producer not to have dedicated such natural gas to  
6 interstate commerce prior to the date of enactment of  
7 this title.

8 “(2) A producer of new natural gas who is prohibited  
9 by paragraph (1) of this subsection from selling such natural  
10 gas in interstate commerce at a price authorized under this  
11 section shall only be permitted to sell such natural gas in  
12 interstate commerce as if it were old natural gas.

13 “(f) COMMISSION BASIC BASE PRICE DETERMINA-  
14 TION.—(1) Within 180 days following the date of enact-  
15 ment of this title, the Commission shall establish a basic  
16 base price for new natural gas which shall be not less than  
17 40 cents per Mcf and not more than 60 cents per Mcf.

18 “(2) In establishing the basic base price for new natural  
19 gas within the range prescribed in paragraph (1) of this  
20 subsection, the Commission shall consider current costs of  
21 production of such natural gas and a reasonable rate of  
22 return on investment which is conducive to attracting capital  
23 necessary to increase supplies of such natural gas.

24 “(3) In establishing the basic base price for new natural

1 gas the Commission shall proceed in accordance with the  
2 provisions of section 553, title 5, United States Code, and  
3 shall afford interested persons an opportunity to present  
4 testimony in oral hearings and shall permit limited cross-  
5 examination by representative parties on any issue of fact  
6 the Commission, in its discretion, determines is material  
7 if the Commission, in its discretion, determines such cross-  
8 examination is necessary and appropriate in light of the  
9 time constraint set forth in paragraph (1) of this subsection.

10 “(4) There shall be no review by any court of a decision  
11 of the Commission establishing a basic base price which is  
12 within the range prescribed in paragraph (1) of this  
13 subsection.

14 “SMALL PRODUCER PRICING

15 “SEC. 204. (a) GENERAL.—Notwithstanding sections  
16 4 and 5 of this Act and except as provided in subsection (b)  
17 of this section, new natural gas sold in interstate commerce  
18 by a small producer may exceed by no more than 50 percent  
19 the price authorized to be charged by a producer pursuant  
20 to section 203 of this title.

21 “(b) TRANSFERS.—New natural gas discovered by a  
22 producer, as determined by the Commission in its discretion,  
23 may be sold in interstate commerce by a small producer at a  
24 price not in excess of a price authorized to be charged by a  
25 producer pursuant to section 203 of this title.

## 1 "OTHER NATURAL GAS

2 "SEC. 205. (a) GENERAL.—Notwithstanding any other  
3 provision of law, the Commission may not authorize any  
4 increase in any price a producer may charge that yields a  
5 total price above a price which it has authorized a similarly  
6 situated producer to charge for natural gas which is old natu-  
7 ral gas, unless it finds that such increase is necessary to pro-  
8 vide a price that would cover the cost of production of such  
9 natural gas.

10 "(b) OTHER.—Notwithstanding the provisions of sec-  
11 tions 4 and 5 of this Act, natural gas other than new natural  
12 gas may not be sold in interstate commerce by a producer  
13 or small producer following the date of enactment of this  
14 title at a price which exceeds the national area rate for  
15 natural gas which the Commission has established prior to  
16 the date of enactment of this title.

## 17 "RESIDENTIAL AND SMALL COMMERCIAL USER

18 "SEC. 206. The Commission is authorized and directed  
19 to—

20 "(1) require any person to disclose the price and  
21 amount of old natural gas and new natural gas which  
22 enters any pipeline owned by such person; and

23 "(2) require that the price charged residential and  
24 small commercial users—

25 "(A) is based upon the assumption that such

1           users receive the old natural gas available in the  
2           pipeline before any other users receive any such old  
3           natural gas; and

4           “(B) includes an equitable assignment to such  
5           users transportation and others costs;

6           “(3) disapprove any sale by a natural gas com-  
7           pany to a person who is not complying with the require-  
8           ments of paragraph (2) of this section.

9           “INCREASING NATURAL GAS SUPPLIES

10          “SEC. 207. (a) PROMPT CERTIFICATION.—All appli-  
11          cations made under section 7 (c) of this Act (15 U.S.C.  
12          717f (c) ) for the sale of new natural gas by a producer or  
13          small producer shall be decided by the Commission in ac-  
14          cordance with this section. The Commission shall grant  
15          (with or without conditions) or deny such applications  
16          within 120 days of the filing of an application or within 120  
17          days after the date of enactment of this title, in the case of  
18          applications pending before the Commission on such date.  
19          The 120-day period shall commence with the date such appli-  
20          cations contain all of the information required by the Com-  
21          mission. If the Commission fails to grant or deny any such  
22          application within such 120 days, the Commission shall be  
23          deemed to have approved such application as last submitted:  
24          *Provided*, That an application by a person claiming to be  
25          a small producer shall be deemed to be approved as if the

1 applicant is a producer if the Commission later makes a  
2 determination that such applicant is not a small producer.  
3 Such application which is approved by the Commission or  
4 deemed to be approved shall be considered to be approved—

5 “(1) on the condition that new natural gas is ir-  
6 revocably dedicated to interstate commerce;

7 “(2) on the condition that the adjusted base price  
8 for the new natural gas so dedicated shall be the ad-  
9 justed base price in effect as of the date of such approval;  
10 and

11 “(3) on such other conditions as the Commission  
12 determines, or has by rule determined, to be necessary.

13 “(b) **PRODUCTION REQUIREMENT.**—(1) Notwith-  
14 standing any other provision of law, any agreement (includ-  
15 ing a renegotiation) pertaining to oil or gas development on  
16 Federal lands consummated on or after the date of enactment  
17 of this title shall require, as a condition to such agreement,  
18 that the person granted the right of development design  
19 and implement immediately an exploratory and development  
20 program designed to obtain maximum production from such  
21 lands as soon as practicable, subject to submission of such  
22 program to, and its approval by, the Secretary of the In-  
23 terior. The person granted the right of development shall  
24 inform the Commission in writing immediately upon the dis-  
25 covery of natural gas on any such lands, and such person

1 shall produce and begin selling such natural gas in inter-  
2 state commerce within 18 months of the date of discovery  
3 unless the Commission finds, upon the petition of the person  
4 granted such rights, that the volumes of natural gas discov-  
5 ered or developed are not sufficient to be commercially viable  
6 or that other valid reasons (not including market demand  
7 prorationing) exist which justify delaying the production  
8 until a subsequent date certain.

9 “(2) Unless such natural gas is produced and sold 18  
10 months after the date of discovery of natural gas on such  
11 lands, or unless such a petition is granted and in effect, the  
12 rights that had been granted the person to develop natural  
13 gas or oil on the Federal lands covered by such agreement  
14 shall terminate and any sum paid for such rights shall be  
15 forfeited.

16 “(3) With respect to agreements pertaining to oil or gas  
17 development on lands owned by the Government of the  
18 United States (other than lands containing Naval Petroleum  
19 Reserves) consummated prior to the date of enactment of  
20 this title, the requirements of paragraphs (1) and (2) of this  
21 subsection shall be applicable to the fullest extent legally  
22 permissible and, to the extent not permissible, such agree-  
23 ments shall be terminated or renegotiated, by the earliest  
24 possible date.

1       “(c) REPORT.—The Secretary of the Interior, to aid in  
2 enforcement of subsection (b) of this section, shall report to  
3 Congress and the Commission within 90 days after the date  
4 of enactment of this title, and annually thereafter, on the  
5 status of all Federal lands leased for oil and gas development.  
6 Each such report shall list all parcels leased, the holder of  
7 such lease, the Interior Department’s prelease evaluation of  
8 probable quantities and values of oil and gas underlying such  
9 lease, the number of exploratory and developmental wells  
10 drilled to date, whether oil and gas have been discovered at  
11 the time of the report, the date on which any oil or natural  
12 gas not being produced was discovered, estimated reserves  
13 of oil and gas, and annual production of oil and gas there-  
14 from.

15       “(d) RESERVE INFORMATION.—Each producer and  
16 small producer shall make available to the Commission on a  
17 current basis an up-to-date account of the natural gas reserves  
18 which it has discovered on a reservoir-by-reservoir basis.  
19 The Commission is authorized and directed to take such  
20 steps as are necessary to verify and, if necessary, correct  
21 such reserve information, and shall make such reserve infor-  
22 mation available to the Congress and the public in a mean-  
23 ingful and understandable form.

## 1 "NATURAL GAS CONSERVATION

2 "SEC. 208. (a) GENERAL.—The Commission by rule  
3 shall prohibit boiler fuel use of natural gas and propane  
4 in interstate and intrastate commerce not contracted for prior  
5 to the date of enactment of this title by users other than  
6 residential or small commercial users unless, upon petition  
7 by a user, the Commission determines that—

8 " (1) such user has a plan to convert as soon as possible  
9 to alternate fuels produced in any State; or

10 " (2) it is not feasible to utilize such alternative  
11 fuels at the time of such Commission determination.

12 " (b) EXISTING CONTRACTS.—The Commission shall  
13 prohibit as soon as practicable boiler fuel use of natural gas  
14 and propane contracted for prior to January 1, 1975, by  
15 users other than residential or small commercial users. In  
16 determining practicability, the Commission shall consider  
17 all relevant factors, including, but not limited to, the availability  
18 of alternative energy supplies produced in any State,  
19 the ability to satisfy applicable pollution prevention standards  
20 when using such alternative fuels, and the need to  
21 avoid imposing unreasonable economic hardships.

22 " (c) PROCEDURE.—In implementing the provisions of  
23 this section with respect to intrastate commerce, the Commission  
24 shall apply the provisions of section 17 of this Act  
25 (15 U.S.C. 717 p).

1       “(d) EFFECT ON OTHER LAWS.—Nothing in this title  
2 shall impair any requirement in any State or Federal law  
3 pertaining to safety or environmental protection, and the  
4 Commission in determining feasibility or practicability as  
5 required in this section shall not assume that there will be  
6 any lessening of safety or environmental requirements estab-  
7 lished pursuant to State or Federal law.

8       “NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

9       “SEC. 209. (a) GENERAL.—Notwithstanding any other  
10 provision of law or of any natural gas allocation or curtail-  
11 ment plan in effect under existing law, the Commission shall  
12 prohibit any interruption or curtailment of natural gas and  
13 take such other steps as are necessary to assure as soon as  
14 possible the availability in interstate commerce of sufficient  
15 quantities of natural gas for use as a raw material feedstock  
16 or process fuel, for which there is no substitute except pro-  
17 pane, in the production of fertilizer and essential agricultural  
18 chemicals in existing plants (for present or expanded capac-  
19 ity) and in new plants. As used in this section ‘sufficient  
20 quantities’ means the amounts of natural gas which the Sec-  
21 retary of Agriculture certifies to the Commission are neces-  
22 sary to provide sufficient fertilizer and essential agricultural  
23 chemicals (1) to meet domestic requirements; and (2) to  
24 meet the Nation’s obligations to carry out humanitarian ob-  
25 jectives, except to the extent that any such amounts are

1 required to maintain natural gas service to existing residen-  
2 tial and small commercial users.

3 “(b) INTRASTATE COMMERCE.—Notwithstanding any  
4 other provision of law, the rule implemented by the Com-  
5 mission pursuant to subsection (a) of this section shall also  
6 apply with respect to the availability of natural gas sold in  
7 intrastate commerce in any State which has not, within 90  
8 days after the date of enactment of this title, adopted a rule  
9 to implement the purposes of such subsection. The Commis-  
10 sion shall formulate rules and regulations to implement this  
11 subsection.”.

12 SEC. 4. Section 16 of the Natural Gas Act (15 U.S.C.  
13 717o) is amended by deleting the title thereof and inserting  
14 in lieu thereof “ADMINISTRATION”; (2) by inserting “(a)”  
15 immediately before the first sentence thereof; and (3) by  
16 adding at the end thereof the following two new subsections:

17 “(b) Notwithstanding any other provision of law, the  
18 Commission is authorized in any civil action to act in its  
19 own name and through its own attorneys, and attorneys for  
20 the Commission shall supervise, and may, at the discretion  
21 of the Commission, conduct litigation in any civil action to  
22 which the Commission is a party. Upon request by the Com-  
23 mission, the Attorney General or the United States attorney  
24 for the applicable district shall assist the Commission.

25 “(c) No Commissioner and no full-time officer or em-

1 ployee of the Commission compensated at any time after such  
2 date at a rate in excess of that prescribed for grade GS-14 of  
3 the General Schedule, under section 5332 of title 5, United  
4 States Code, shall accept, directly or indirectly, employment  
5 or any compensation or fees for services performed from any  
6 natural gas company or other person subject to regulation  
7 by the Commission for a period of 12 months after the date  
8 of termination of employment with the Commission.”.

9 SEC. 5. Section 2 of the Natural Gas Act (15 U.S.C.  
10 717a) is amended (a) by inserting in paragraph (7)  
11 thereof after “thereof,” and before “but only insofar” the  
12 following: “or between a point upon Federal lands within a  
13 State and any other point,”; and (b) by inserting in para-  
14 graph (5) thereof after “unmixed,” and before “or any  
15 mixture” the following: “synthetic natural gas,”.

16 SEC. 6. The Bureau of Economic Analysis shall continue  
17 to compile, and the Department of Commerce shall continue  
18 to publish, the implicit price deflator for gross national prod-  
19 uct, in accordance with procedures consistent with those in  
20 effect on November 2, 1974, in order to carry out the pur-  
21 poses of this Act.

**Amdt. No. 2010**

**Calendar No. 1231**

**93<sup>d</sup> CONGRESS  
2<sup>d</sup> Session**

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. STEVENSON to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HART to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page , line , insert the following:

1 TITLE VIII—PROMOTION OF ENERGY INDUSTRY

2 COMPETITION

3 DECLARATION OF POLICY

4 SEC. 801. Congress hereby declares the continuing com-  
5 mitment of the United States to the goal of a free enterprise  
6 and free market economy which functions fairly and ef-  
7 ficiently to allocate resources at the best possible price to  
8 the consumer and in a manner consistent with the values  
9 of a free society.

Amdt. No. 2011

## DEFINITIONS

1

2

SEC. 802. As used in this title:

3

4

5

(1) "Affiliate" means a person controlled by or controlling or under or subject to common control with respect to any other person.

6

7

8

9

10

(2) "Asset" means any property (tangible or intangible; real, personal, or mixed) and includes stock in any corporation which is engaged (directly or through a subsidiary or affiliate) in the business of producing, transporting, refining, or marketing energy resource products.

11

12

13

14

(3) "Commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between any State and foreign nation.

15

16

17

18

19

20

(4) "Control" means direct or indirect legal or beneficial interest or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements.

21

22

23

(5) "Energy resource product" means petroleum, natural gas, tar sands, oil shale, coal, or products refined therefrom.

24

(6) "Energy marketing asset" means any asset used

1 in the marketing or retail distribution of energy resource  
2 products.

3 (7) "Energy transportation asset" means any asset used  
4 in the transportation by pipeline, tanker, or gathering line  
5 of energy resource products.

6 (8) "Energy refinery asset" means any asset used  
7 in the refining of energy resource products.

8 (9) "Energy production asset" means any asset used  
9 in the exploration for, development of, or production of  
10 energy resource products.

11 (10) "Person" means an individual or a corporation,  
12 partnership, joint-stock company, business trust, trustee in  
13 bankruptcy, receiver in reorganization, association, or any  
14 organized group whether or not incorporated.

15 (11) "State" means any State of the United States,  
16 the District of Columbia, the Commonwealth of Puerto Rico,  
17 the Virgin Islands, Guam, and the Trust Territory of the  
18 Pacific Islands.

19

#### UNLAWFUL RETENTION

20 SEC. 803. It shall be unlawful for any of the twenty  
21 largest major integrated petroleum companies affecting  
22 commerce, as identified by the Federal Trade Commission,  
23 engaged in the business of exploration for, development of,  
24 or production of energy resource products, to own or control

1 any interest, directly or through an affiliate, in any energy  
2 refinery asset, energy transportation asset, or energy market-  
3 ing asset.

4 SEC. 804. It shall be unlawful for any of the twenty  
5 largest major integrated petroleum companies affecting com-  
6 merce, as identified by the Federal Trade Commission,  
7 engaged in the business of transporting energy resource  
8 products by energy transportation assets, to own or control  
9 any interest, directly or through an affiliate, in any energy  
10 production asset, energy refinery asset, or energy market-  
11 ing asset.

#### 12 REPORTS

13 SEC. 805. Each of the twenty largest major integrated  
14 petroleum companies affecting commerce, as identified by  
15 the Federal Trade Commission, owning or controlling, on  
16 the date of enactment of this title, any asset which such  
17 person is prohibited from owning or controlling under this  
18 title, shall, within one hundred and twenty days after such  
19 date, file with the Federal Trade Commission such informa-  
20 tion and reports relating to such assets and, from time to  
21 time, such additional information and reports relating to  
22 such assets, as the Federal Trade Commission may require.

#### 23 ENFORCEMENT

24 SEC. 806. The Federal Trade Commission, in accord-  
25 ance with such rules, regulations, or orders as it may deem

1 necessary or appropriate to carry out the purposes of this  
2 title, shall require each of the twenty largest major inte-  
3 grated petroleum companies affecting commerce, as identi-  
4 fied by the Federal Trade Commission, owning or control-  
5 ling any assets which such person is prohibited from owning  
6 or controlling under this title, to submit, within one year  
7 from the date of enactment of this title, a plan or plans  
8 for the divestment of such assets. If, after notice and op-  
9 portunity for hearing, the Commission shall find such plan,  
10 as submitted or as may be modified by Commission  
11 order, necessary or appropriate to effectuate the provi-  
12 sions of this title and fair and equitable to the persons  
13 affected by it, the Commission by order shall approve such  
14 plan and shall thereafter take such action by application  
15 to a court for such other order as may be necessary to en-  
16 force such plan: *Provided, however,* That the Commission  
17 shall not approve any plan which will not substantially  
18 accomplish the necessary divestment on or before a date  
19 not more than five years after enactment of this title.

20 SEC. 807. (a) In addition, the Federal Trade Commis-  
21 sion shall institute suits in the district courts of the United  
22 States requesting the issuance of such relief as is appropriate  
23 to assure compliance with this title, including orders of  
24 divestiture, declaratory judgments, mandatory or prohibitive  
25 injunctive relief, interim equitable relief, the appointment of

1 temporary or permanent receivers or trustees, and punitive  
2 damages for willful failure to comply with lawful Commis-  
3 sion orders.

4 (b) In carrying out the provisions of this title, the  
5 Federal Trade Commission may utilize all other powers con-  
6 ferred upon it by other provisions of law.

7 PENALTIES

8 SEC. 808. Any person who knowingly violates any pro-  
9 vision of this title shall, upon conviction, be punished, in the  
10 case of an individual, by a fine of not to exceed \$500,000  
11 or by imprisonment for a period not to exceed ten years, or  
12 both, or in the case of a corporation, by a fine of not to exceed  
13 \$5,000,000 or by suspension of the right to do business in  
14 interstate commerce for a period not to exceed ten years,  
15 or both. A violation by a corporation shall be deemed to  
16 be also a violation by the individual directors, officers,  
17 receivers, trustees, or agents of such corporation who shall  
18 have authorized, ordered, or done any of the acts constitut-  
19 ing the violation in whole or in part, or who shall have  
20 omitted to authorize, order, or do any acts which would  
21 terminate, prevent, or correct conduct violative of this title.  
22 Failure to obey any order of the court pursuant to this title  
23 shall be punishable by such court as a contempt of court.

## 1 RELATIONSHIP TO NATURAL GAS ACT AMENDMENTS

2 SEC. 809. The Natural Gas Act Amendments of 1974  
3 shall not become effective as to any of the twenty largest  
4 major integrated petroleum companies affecting commerce,  
5 as identified by the Federal Trade Commission, until the  
6 Federal Trade Commission files a certificate stating that  
7 such person is in compliance with the provisions of this  
8 title.

**Amdt. No. 2011**

**Calendar No. 1231**

**93<sup>rd</sup> CONGRESS  
2<sup>d</sup> SESSION**

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARR to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. DOMENICI to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1       On page 264, after line 18, insert the following:
- 2       “SEC. 409. FURNISHING OF INFORMATION ON AGRICUL-
- 3                           TURAL COMMODITIES.
- 4       “(a) On or after the date of the enactment of this Act,
- 5       products from any nonmarket economy country shall not be
- 6       eligible to receive nondiscriminatory treatment (most-
- 7       favored-nation treatment), such country shall not participate
- 8       in any program of the Government of the United States

**Amdt. No. 2012**

1 which extends credits or credit guarantees or investment  
2 guarantees, directly or indirectly, and the President of the  
3 United States shall not conclude any commercial agreement  
4 with any such country, during the period beginning with the  
5 date on which the President determines that such country—

6 “(1) has failed to enter into an agreement with the  
7 United States providing for a mutual exchange on a  
8 regular basis of information, including forward estimates,  
9 on production, consumption, demand, and trade of major  
10 agricultural commodities; or

11 “(2) is not fulfilling an agreement described in  
12 paragraph (1),

13 and ending on the date on which the President determines  
14 that such country is no longer in violation of paragraph  
15 (1) or (2).

16 “(b) After the date of the enactment of this Act, (A)  
17 products of a nonmarket economy country may be eligible  
18 to receive nondiscriminatory treatment (most-favored-nation  
19 treatment), (B) such country may participate in any pro-  
20 gram of the Government of the United States which extends  
21 credits or credit guarantees or investment guarantees, and  
22 (C) the President may conclude a commercial agreement  
23 with such country, only after the President has submitted  
24 to the Congress a report indicating that such country is  
25 not in violation of paragraph (1) or (2) of subsection

1 (a). Such report with respect to such country shall include  
2 information as to the nature and scope of the agreement  
3 described in paragraph (1) of subsection (a) with such  
4 country and the implementation of such agreement by such  
5 country and the United States. The report required by this  
6 subsection shall be submitted initially as provided herein  
7 and, with current information, on or before each June 30  
8 and December 31 thereafter so long as such treatment is  
9 received, such credits or guarantees are extended, or such  
10 commercial agreement is in effect.

11 “(c) This section shall not apply to any country the  
12 products of which are eligible for the rates set forth in rate  
13 column numbered 1 of the Tariff Schedules of the United  
14 States on the date of the enactment of this Act.”.

15 On page 261, lines 2 and 6, strike out “402 (b) or  
16 403 (b)” and insert “402 (b), 403 (b), or 409 (b)”.

17 On page 262, line 24, strike out “402 (b) or 403 (b)”  
18 and insert “402 (b), 403 (b), or 409 (b)”.

19 On page 90, line 17, strike out “‘402 (b)’ or ‘403 (b)’”  
20 and insert “‘402 (b)’, ‘403 (b)’, or ‘409 (b)’”.

**Amdt. No. 2012**

**Calendar No. 1231**

**93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION**

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. DOMENICI to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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**DECEMBER 9, 1974**

**Ordered to lie on the table and to be printed**

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1 On page 292, line 14, insert “(a)” before “It”.

2 On page 292, after line 22, insert the following:

3 “(b) (1) The Automotive Products Trade Act of 1965  
4 (other than title IV) is repealed.

5 “(2) Effective with respect to articles entered, or  
6 withdrawn from warehouse, for consumption on or after  
7 the 90th day after the date of enactment of this Act any  
8 modification of the Tariff Schedules of the United States

**Amdt. No. 2014**

1 proclaimed by the President under the authority granted  
2 by section 201 of such Act shall cease to apply.

3 “(3) Title IV of such Act is repealed as of the 90th  
4 day after the date of enactment of this Act.”.

**Amdt. No. 2014**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. HARTKE to  
H.R. 10710, an Act to promote the develop-  
ment of an open, nondiscriminatory, and  
fair world economic system, to stimulate the  
economic growth of the United States, and  
for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARTKE to an amendment proposed by the Committee on Finance to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 292, beginning with line 13, strike out through line 22 and insert in lieu thereof the following:

**1 SEC. 612. SENSE OF THE CONGRESS WITH RESPECT TO**  
**2 TRADE WITH CANADA.**

**3** It is the sense of the Congress that the United States  
**4** should enter into a trade agreement with Canada which will  
**5** guarantee continued stability to the economies of the United  
**6** States and Canada. In order to promote such economic sta-  
**7** bility, the President may initiate negotiations for a trade

**Amdt. No. 2015**

1 agreement with Canada to establish a free trade area cover-  
2 ing the United States and Canada. Nothing in this section  
3 shall be construed as prior approval of any legislation which  
4 may be necessary to implement such a trade agreement.

5 **SEC. 613. FOREIGN SOURCE OIL AND GAS.**

6 (a) Section 263 (c) of the Internal Revenue Code of  
7 1954 (relating to intangible drilling and development costs  
8 in the case of oil and gas wells) is amended by adding at the  
9 end thereof the following new sentence: "Such regulations  
10 shall not apply to intangible drilling and development costs  
11 incurred in connection with oil and gas wells located outside  
12 of the United States."

13 (b) Section 613 of such Code (relating to percentage  
14 depletion) is amended by—

15 (1) inserting after "gas wells" where it appears in  
16 subsection (b) (1) (A) the following: "located within  
17 the United States", and

18 (2) adding at the end thereof the following new  
19 subsection:

20 "(e) **SECTION NOT TO APPLY TO FOREIGN OIL AND**  
21 **GAS WELLS.**—The provisions of this section do not apply  
22 with respect to any oil or gas well which is not located within  
23 the United States."

24 (c) The amendments made by this section apply to tax-  
25 able years beginning after December 31, 1974.

**Amdt. No. 2015**

**Calendar No. 1231**

**93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION**

**H. R. 10710**

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# **AMENDMENT**

Intended to be proposed by Mr. HARTKE to an amendment proposed by the Committee on Finance to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the appropriate place insert the following section:

1 SEC. . FOREIGN SOURCE OIL AND GAS.

2 (a) Section 263 (c) of the Internal Revenue Code of  
3 1954 (relating to intangible drilling and development costs  
4 in the case of oil and gas wells) is amended by adding at the  
5 end thereof the following new sentence: "Such regulations  
6 shall not apply to intangible drilling and development costs  
7 incurred in connection with oil and gas wells located outside  
8 of the United States."

**Amdt. No. 2016**

1 (b) Section 613 of such Code (relating to percentage  
2 depletion) is amended by—

3 (1) inserting after “gas wells” where it appears in  
4 subsection (b) (1) (A) the following: “located within  
5 the United States”, and

6 (2) adding at the end thereof the following new  
7 subsection:

8 “(e) SECTION NOT TO APPLY TO FOREIGN OIL AND  
9 GAS WELLS.—The provisions of this section do not apply  
10 with respect to any oil or gas well which is not located within  
11 the United States.”.

12 (c) The amendments made by this section apply to  
13 taxable years beginning after December 31, 1974.

**Amdt. No. 2016**

**Calendar No. 1231**

98<sup>th</sup> CONGRESS  
2<sup>d</sup> Session

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the appropriate place insert the following new section:

1   **SEC. . ELIMINATION OF FOREIGN TAX CREDIT FOR**  
2                   **TAXES PAID IN CONNECTION WITH FOREIGN**  
3                   **OIL RELATED INCOME; SPECIAL RATE OF TAX**  
4                   **FOR SUCH INCOME.**

5       (a) **ELIMINATION OF TAX CREDIT.**—Section 901 (e)  
6 of the Internal Revenue Code of 1954 (relating to foreign  
7 taxes on mineral income) is amended by adding at the end  
8 thereof the following:

**Amdt. No. 2018**

1           “(3) TERMINATION OF CREDIT FOR FOREIGN  
2 TAXES ON OIL-RELATED INCOME.—

3           “(A) In the case of a corporation, no credit is  
4 allowed under this subpart for income, war profits,  
5 or excess profits taxes paid or accrued during the  
6 taxable year to any foreign country or possession  
7 of the United States with respect to foreign oil-  
8 related income from sources within such country or  
9 possession.

10           “(B) FOREIGN OIL RELATED INCOME.—The  
11 term ‘foreign oil related income’ means the taxable  
12 income derived from sources outside the United  
13 States and its possessions from—

14           “(i) the extraction (by the taxpayer or  
15 any other person) of minerals from oil or gas  
16 wells,

17           “(ii) the processing of such minerals into  
18 their primary products,

19           “(iii) the transportation of such minerals  
20 or primary products,

21           “(iv) the distribution or sale of such min-  
22 erals or primary products, or

23           “(v) the sale or exchange of assets used in  
24 the trade or business described in clause (i),  
25 (ii), (iii), or (iv).

1           “(C) DIVIDENDS, PARTNERSHIP DISTRIBUTIONS, ETC.—The term ‘foreign oil related income’  
2 includes—  
3

4           “(i) dividends from a foreign corporation  
5 in respect of which taxes are deemed paid by  
6 the taxpayer under section 902,

7           “(ii) amounts with respect to which taxes  
8 are deemed paid under section 960 (a), and

9           “(iii) the taxpayer’s distributive share of  
10 the income of partnerships,

11 to the extent such dividends, amounts, or distributive  
12 share is attributable to foreign oil related income.

13           “(D) CERTAIN LOSSES.—If for any foreign  
14 country for any taxable year the taxpayer would  
15 have a net operating loss if only items from sources  
16 within such country (including deductions properly  
17 apportioned or allocated thereto) which relate to the  
18 extraction of minerals from oil or gas wells were  
19 taken into account, such items shall be taken into  
20 account in computing foreign oil related income for  
21 such year.

22           “(E) DISREGARD OF CERTAIN POSTED PRICES,  
23 ETC.—For purposes of this chapter, in determining  
24 the amount of taxable income in the case of foreign  
25 oil and gas extraction income, if the oil or gas is

1 disposed of, or is acquired other than from the gov-  
 2 ernment of a foreign country, at a posted price (or  
 3 other pricing arrangement) which differs from the  
 4 fair market value for such oil or gas, such fair mar-  
 5 ket value shall be used in lieu of such posted price  
 6 (or other pricing arrangement). For purposes of  
 7 this subparagraph, the term ‘foreign oil and gas ex-  
 8 traction income’ means foreign oil related income  
 9 described in subparagraph (B) (i) and income de-  
 10 rived from sources without the United States and  
 11 its possessions from the sale or exchange of assets  
 12 used in connection with the foreign oil related in-  
 13 come described in subparagraph (B) (i).”.

14 (b) TAXATION OF FOREIGN OIL RELATED INCOME.—

15 (1) Section 11 (e) of such Code (relating to ex-  
 16 ceptions from tax imposed on corporations) is amended  
 17 to read as follows:

18 “(e) EXCEPTIONS.—

19 “(1) FOREIGN OIL RELATED INCOME.—Subsection  
 20 (a) does not apply to foreign oil related income (as de-  
 21 fined by section 901 (e) (3) (B)).

22 “(2) CERTAIN CORPORATIONS.—Subsection (a)  
 23 does not apply to a corporation subject to a tax imposed  
 24 by—

1           “(A) section 594 (relating to mutual savings  
2           banks conducting life insurance business),

3           “(B) subchapter L (section 801 and follow-  
4           ing, relating to insurance companies), or

5           “(C) subchapter M (section 851 and following,  
6           relating to regulated investment companies and real  
7           estate investment trusts).”.

8           (2) Part II of subchapter A of chapter 1 of such  
9           Code (relating to tax on corporations) is amended by  
10          redesignating section 12 as 13, and by inserting after  
11          section 11 the following new section:

12       **“SEC. 12. FOREIGN OIL-RELATED INCOME.**

13          “(a) **IN GENERAL.**—There is imposed for each taxable  
14          year a tax of 24 percent on the taxable income of every cor-  
15          poration which is foreign oil related income (as defined in  
16          section 904 (e) (3) (B)).

17          “(b) **EXCEPTION.**—Subsection (a) does not apply to  
18          any corporation described in section 11 (e) (2).

19          “(c) **REGULATIONS.**—The Secretary or his delegate  
20          shall prescribe such regulations as may be necessary to carry  
21          out the provisions of this section, including, but not limited to,  
22          regulations providing that deductions, credits, and other com-  
23          putations properly allocable to computing foreign oil related  
24          income are properly allocated in computing such income.”.

1           (3) The table of sections for such part is amended  
2           by striking out the item relating to section 12 and insert-  
3           ing in lieu thereof the following:

                  “Sec. 12. Foreign oil related income.

                  “Sec. 13. Cross references relating to tax on corporations.”.

4           (c) The amendments made by this section apply to  
5           taxable years beginning after the date of enactment of this  
6           Act.

**Amdt. No. 2018**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARRIS to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HARTKE to an amendment proposed by the Committee on Finance to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1       On page 292, line 14, insert “(a)” before “It”.
- 2       On page 292, after line 22, insert the following:
- 3       “(b) (1) The Automotive Products Trade Act of 1965
- 4 (other than title IV) is repealed.
- 5       “(2) Effective with respect to articles entered, or with-
- 6 drawn from warehouse, for consumption on or after the
- 7 90th day after the date of enactment of this Act any modifi-
- 8 cation of the Tariff Schedules of the United States proclaimed

**Amdt. No. 2019**

1 by the President under the authority granted by section 201  
2 of such Act shall cease to apply.

3 “(3) Title IV of such Act is repealed as of the 90th day  
4 after the date of enactment of this Act.”.

**Amdt. No. 2019**

**Calendar No. 1231**

**93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION**

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. HARTKE to  
an amendment proposed by the Committee  
on Finance to H.R. 10710, an Act to promote  
the development of an open, nondiscrimina-  
tory, and fair world economic system, to  
stimulate the economic growth of the United  
States, and for other purposes.

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DECEMBER 9, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HELMS (for himself and Mr. THURMOND) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1 On page 264, after line 18, insert the following:

2 "SEC. 409. FREEDOM TO VISIT, AND TO EMIGRATE TO

3 JOIN, A VERY CLOSE RELATIVE IN THE

4 UNITED STATES.

5 "(a) To assure the continued dedication of the United

6 States to the fundamental human rights and welfare of its

7 own citizens, and notwithstanding any other provision of

8 law, on or after the date of the enactment of this Act, no

9 nonmarket economy country shall participate in any pro-

Amdt. No. 2022

1 gram of the Government of the United States which extends  
2 credits or credit guarantees or investment guarantees, directly  
3 or indirectly, and the President of the United States shall not  
4 conclude any commercial agreement with any such country,  
5 during the period beginning with the date on which the  
6 President determines that such country—

7 “(1) denies its citizens the right or opportunity  
8 to visit, or to join permanently through emigration, a  
9 very close relative in the United States, such as a spouse,  
10 parent, child, brother, or sister;

11 “(2) imposes more than a nominal tax on the  
12 visas or other documents required for a visit or emigra-  
13 tion described in paragraph (1); or

14 “(3) imposes more than a nominal tax, levy, fine,  
15 fee, or other charge on any citizen as a consequence of  
16 the desire of such citizen to make a visit or to emigrate  
17 as described in paragraph (1),

18 and ending on the date on which the President determines  
19 that such country is no longer in violation of paragraph (1),  
20 (2), or (3).

21 “(b) After the date of the enactment of this Act, (A)  
22 a nonmarket economy country may participate in any pro-  
23 gram of the Government of the United States which extends  
24 credits or credit guarantees or investment guarantees, and  
25 (B) the President may conclude a commercial agreement

1 with such country, only after the President has submitted to  
2 the Congress a report indicating that such country is not  
3 in violation of paragraph (1), (2), or (3) of subsection  
4 (a). Such report with respect to such country shall include  
5 information as to the nature and implementation of its laws  
6 and policies and restrictions or discrimination applied to or  
7 against persons wishing to visit close relatives in the United  
8 States or to emigrate to the United States to join them.  
9 The report required by this subsection shall be submitted  
10 initially as provided herein and, with current information,  
11 on or before each June 30 and December 31 thereafter, so  
12 long as such credits or guarantees are extended or such  
13 agreement is in effect.”.

14 On page 261, lines 2 and 6, strike out “402 (b) or 403  
15 (b)” and insert “402 (b), 403 (b), or 409 (b)”.

16 On page 262, line 24, strike out “402 (b) or 403 (b)”  
17 and insert “402 (b), 403 (b), or 409 (b)”.

18 On page 263, line 17, after the period insert the follow-  
19 ing: “Clause (A) shall not apply with respect to a report  
20 submitted under section 409 (b).”

21 On page 90, line 17, strike out “ ‘402 (b)’ or ‘403 (b)’ ”  
22 and insert “ ‘402 (b)’, ‘403 (b)’, or ‘409 (b)’ ”.

**Amdt. No. 2022**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> Session

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. HERMS (for himself and Mr. THURMOND) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 10, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARRY F. BYRD, JR. to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the appropriate place in the bill, insert the following new section:

1 **SEC. . LIMITATION ON CREDIT TO RUSSIA.**

2       After the date of enactment of the Trade Reform Act  
3 of 1974, no agency of the Government of the United States  
4 shall approve any loans, guarantees, insurance, or any com-  
5 bination thereof, in connection with exports to the Union of  
6 Soviet Socialist Republics in an aggregate amount in excess  
7 of \$300,000,000 without prior congressional approval.

**Amdt. No. 2026**

**Amdt. No. 2026**

**Calendar No. 1231**

**93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION**

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARRY F. BYRD, Jr., to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARRY F. BYRD, Jr., to H.R. 10710, an Act to promote the development of an open, non-discriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the appropriate place in the bill, insert the following new section:

1 **SEC. . LIMITATION ON CREDIT TO RUSSIA.**

2 After the date of enactment of the Trade Reform Act  
3 of 1974, the Export-Import Bank of the United States shall  
4 not approve any loans, guarantees, insurance, or any com-  
5 bination thereof, in connection with exports to the Union  
6 of Soviet Socialist Republics in an aggregate amount  
7 in excess of \$300,000,000, without prior congressional  
8 approval.

**Amdt. No. 2027**

**Amdt. No. 2027**

**Calendar No. 1231**

**93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION**

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HARRY F. BYRD, JR., to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. CHURCH to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes. viz;

1       On page 22, beginning with line 3, strike out through  
2 line 7 and insert in lieu thereof the following: "international  
3 trade, he shall submit such agreement, together with—

4               “(A) a draft of an implementing bill (described in  
5 section 151 (b) ) and a statement of any administrative  
6 action proposed to implement such agreement, to the  
7 Congress as provided in subsection (e), and

8               “(B) an employment impact statement setting forth  
9 in detail, and substantiated with factual information, job

**Amdt. No. 2028**

1 losses and gains which may be expected as a result of  
2 such agreement, and  
3 such agreement shall enter into”.

4 On page 97, line 12, after the period, insert the follow-  
5 ing: “Such statement shall include an employment impact  
6 statement setting forth in detail job losses and gains which  
7 may be expected as a result of such agreement. To the maxi-  
8 mum extent possible, the employment statement shall be sub-  
9 stantiated with factual information.”.

**Amdt. No. 2028**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. Church to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. CHURCH to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 191, beginning with line 11, strike out through line 23 and insert in lieu thereof the following:

1 **SEC. 282. TRADE MONITORING SYSTEM.**

2 The Secretary of Commerce and the Secretary of Labor  
3 shall establish and maintain programs—

4 (1) to monitor imports of articles into the United  
5 States which will reflect changes in the volume of such  
6 imports, the relation of such imports to changes in do-  
7 mestic production, changes in employment within do-  
8 mestic industries producing articles like or directly  
9 competitive with such imports, and the extent to which

**Amdt. No. 2029**

1 such changes in production and employment are con-  
2 centrated in specific geographic regions of the United  
3 States, and

4 (2) to systematically gather information about the  
5 international operations of each multinational corpora-  
6 tion doing business in the United States including—

7 (A) the amount of total direct investment by  
8 such corporation in each foreign affiliate of such cor-  
9 poration by product line, amount of income received  
10 by such corporation from each such affiliate, the  
11 amount of consolidated net income of each such for-  
12 eign affiliate, the amount of taxes actually paid by  
13 such corporation and by each such foreign affiliate  
14 with respect to foreign affiliate operations, and infor-  
15 mation about all mergers, acquisitions, liquidations,  
16 and investments in foreign countries involving such  
17 corporation;

18 (B) the gross sales by product line of such  
19 corporation and of each foreign affiliate of such cor-  
20 poration in each foreign country in which such affili-  
21 ate is doing business, the dollar amount by product  
22 line of articles which such corporation imports from  
23 each foreign country and of articles which such cor-  
24 poration exports to each foreign country, the dollar

1 amount of trade by product line which such corpora-  
2 tion carries on with each such foreign affiliate,

3 (C) employment data showing the number of  
4 foreign employees of such corporation and of each  
5 foreign affiliate of such corporation by country and  
6 by the level of compensation of such employees,

7 (D) the dollar amount of research and develop-  
8 ment expenditures by such corporation in foreign  
9 countries by country and by activity, and

10 (E) the location and name of all branches of  
11 such corporation and each foreign affiliate of such  
12 corporation located in foreign countries, and the total  
13 assets, income, and a description of the product line  
14 of such branch and such affiliate.

15 A summary of the information gathered under subsections  
16 (a) and (b) shall be published regularly and provided to  
17 the Adjustment Assistance Coordinating Committee, the  
18 International Trade Commission, and to the Congress.

**Amdt. No. 2029**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. Church to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

(Ordered to lie on the table and to be printed)

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HASKELL (for himself, Mr. CHURCH, and Mr. HARTKE) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate economic growth of the United States, and for other purposes, viz: At the end of the bill add the following new title:

1       **TITLE VII—AMENDMENTS TO**  
2       **INTERNAL REVENUE CODE**

3       **SEC. 701. FOREIGN TAX CREDIT.**

4       (a) ROYALTIES.—

5       (1) IN GENERAL.—Section 903 of the Internal  
6       Revenue Code of 1954 (relating to definition of credit-  
7       able taxes) is amended to read as follows:

8       “(a) IN GENERAL.—For purposes of this subpart and  
9       sections 164 (a) and 275 (a), the term ‘income, war profits,

1 and excess profits taxes' means a tax paid in lieu of a tax on  
2 income, war profits, or excess profits otherwise generally  
3 imposed by any foreign country or by any foreign possession  
4 of the United States.

5 " (b) ROYALTIES.—

6 " (1) IN GENERAL.—For purposes of this subpart  
7 and section 164 (a) and 275 (a), in the case of taxes  
8 paid or accrued to any foreign country with respect to  
9 income derived from the extraction, production, or  
10 refining of oil or gas in such country, the term 'income,  
11 war profits, and excess profits taxes' does not include  
12 any amount paid as a royalty.

13 " (2) DETERMINATION BY SECRETARY OR HIS  
14 DELEGATE.—The Secretary or his delegate shall deter-  
15 mine, in accordance with the provisions of paragraph  
16 (3), with respect to payments made to any foreign  
17 country in connection with income from the extraction,  
18 production, or refining of oil or gas in such country, what  
19 portion (if any) of that payment constitutes the payment  
20 of a royalty.

21 " (3) BASIC RULES.—In the case of any foreign  
22 country which imposes an income, war profits, or excess  
23 profits tax on income from activities other than the  
24 extraction, production, or refining of oil or gas in that  
25 country, any part of a payment made to that country  
26 as an income, war profits, or excess profits tax which

1 is not reasonably similar (in terms of the rate of tax,  
2 or of the amount of tax paid for the income or profits  
3 involved) to the amount payable with respect to income  
4 or profits arising out of other activities, as determined  
5 by the Secretary or his delegate, is considered to be a  
6 royalty payment. In the case of any other foreign coun-  
7 try, any part of a payment made to that country as an  
8 income, war profits, or excess profits tax which is deter-  
9 mined by the Secretary or his delegate, on account of  
10 the manner in which it is determined, the rate or amount  
11 involved, or any other reason, to constitute the payment  
12 of a royalty is considered to be a royalty payment.”.

13 (2) CARRYOVERS.—Section 904 (f) (4) of such  
14 Code (relating to transitional rules for carrybacks and  
15 carryovers) is amended by adding at the end thereof  
16 the following new subparagraph:

17 “(C) CARRYOVERS TO YEARS BEGINNING  
18 AFTER DECEMBER 31, 1973.—

19 “(i) Whenever pre-1974 taxes are, under  
20 the provisions of subsection (d), deemed to be  
21 post-1973 taxes, the pre-1974 taxes shall be  
22 redetermined in accordance with the provisions  
23 of section 903 (b) (relating to royalties) as if  
24 those provisions applied to the taxable year in  
25 which the pre-1974 taxes were paid or accrued.

1           “(ii) For purposes of this subparagraph,  
2           the term ‘pre-1974 taxes’ means taxes paid or  
3           accrued to any foreign country or possession  
4           of the United States in any taxable year ending  
5           before January 1, 1974, and the term ‘post-  
6           1973 taxes’ means taxes paid or accrued to  
7           any foreign country or possession of the United  
8           States in any taxable year beginning after De-  
9           cember 31, 1973.”.

10       (b) REPEAL OF OVERALL LIMITATION.—

11           (1) IN GENERAL.—Section 904 of the Internal  
12       Revenue Code of 1954 (relating to limitation on credit)  
13       is amended—

14           (A) by striking out subsection (a) and insert-  
15           ing in lieu thereof the following:

16           “(a) LIMITATION.—The amount of credit in respect  
17       of tax paid or accrued to any foreign country or possession  
18       of the United States shall not exceed the same proportion  
19       of the tax against which such credit is taken which the tax-  
20       payer’s taxable income from sources within such country or  
21       possession (but not in excess of the taxpayer’s entire taxable  
22       income) bears to his entire taxable income for the same  
23       taxable year.”;

24           (B) by striking out subsection (b) ;

1 (C) by redesignating subsection (c) as (b)  
2 and by striking out “applicable” in that subsection;

3 (D) by redesignating subsection (d) as (c)  
4 and by striking out “applicable” each time it ap-  
5 pears in that subsection;

6 (E) by striking out subsection (c);

7 (F) by redesignating subsection (f) as (d) and  
8 by striking out “(c), (d), and (c)” in paragraph  
9 (1) of that subsection and inserting in lieu thereof  
10 the following: “(b) and (c)”;

11 (G) by striking out subsection (d) (3) (as re-  
12 designated under paragraph (6));

13 (H) by redesignating subsection (d) (4) (as  
14 redesignated under paragraph (6)) as (d) (3) and  
15 by striking out “(d)” each time it appears in that  
16 subsection and inserting in lieu thereof “(c)”;

17 (I) by redesignating subsection (d) (5) (as  
18 redesignated under paragraph (6)) as (d) (4) and  
19 by striking “(1)” after “(a)”;

20 (J) by striking out subsection (g) and insert-  
21 ing in lieu thereof the following:

22 “(e) CROSS REFERENCE.—

“For increase of limitation under subsection (a) for taxes paid with respect to amounts received which were included in the gross income of the taxpayer for a period taxable year as a United States shareholder with respect to a controlled foreign corporation, see section 960(b).”.

1           (2) TECHNICAL AMENDMENTS.—

2           (A) Section 901 of the Internal Revenue Code  
3 of 1954 (relating to taxes of foreign countries and  
4 of possessions of the United States) is amended—

5           (i) by striking out “applicable” the first  
6 time it appears in subsection (a); and

7           (ii) by striking out “applicable” the first  
8 time it appears in subsection (b).

9           (B) Section 960 of such Code (relating to  
10 special rules for foreign tax credits) is amended by  
11 striking out “applicable” each time it appears in sub-  
12 section (b);

13           (C) Section 1503 of such Code (relating to  
14 computation and payment of tax) is amended—

15           (i) by striking out “(a) GENERAL  
16 RULE.—”; and

17           (ii) by striking out subsection (b).

**Amdt. No. 2032**

**Calendar No. 1231**

98<sup>th</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. HASKELL (for himself, Mr. CHURCH, and Mr. HARTKE) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. CHURCH (for himself, Mr. HARTKE, and Mr. HASKELL) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end of the bill add the following new title:

1       **TITLE VII—AMENDMENTS TO**  
2       **INTERNAL REVENUE CODE**

3       **SEC. 701. TAXATION OF EARNINGS AND PROFITS OF CON-**  
4       **TROLLED FOREIGN CORPORATIONS.**

5       (a) Part III of subchapter N of chapter 1 of the Inter-  
6       nal Revenue Code of 1954 (relating to income from sources  
7       without the United States) is amended by inserting after  
8       subpart H thereof the following new subpart:

**Amdt. No. 2033**

1           **“Subpart I—Controlled Foreign Corporations**

          “Sec. 985. Amounts included in gross income of United States shareholders.

          “Sec. 986. Definitions.

          “Sec. 987. Rules for determining stock ownership.

          “Sec. 988. Exclusion from gross income of previously taxed earnings and profits.

          “Sec. 989. Adjustments to basis of stock in controlled foreign corporations and of other property.

          “Sec. 990. Records and accounts of United States shareholders.

2   **“SEC. 985. AMOUNTS INCLUDED IN GROSS INCOME OF**  
 3                           **UNITED STATES SHAREHOLDERS.**

4           “(a) AMOUNTS INCLUDED.—

5           “(1) IN GENERAL.—If a foreign corporation is a  
 6           controlled foreign corporation for an uninterrupted period  
 7           of 30 days or more during any taxable year, every  
 8           United States shareholder of such corporation who owns  
 9           (within the meaning of section 987 (a) ) stock in such  
 10          corporation on the last day in such year on which such  
 11          corporation is a controlled foreign corporation shall in-  
 12          clude in its gross income, for its taxable year in which or  
 13          with which such taxable year of the corporation ends,  
 14          its pro rata share of the corporation’s earnings and profits  
 15          for such year.

16          “(2) PRO RATA SHARE OF EARNINGS AND PROF-  
 17          ITS.—A United States shareholder’s pro rata share re-  
 18          ferred to in paragraph (1) is the amount—

19                 “(A) which would have been distributed with  
 20                 respect to the stock which such shareholder owns

1 (within the meaning of section 987 (a) ) in such  
2 corporation if on the last day, in its taxable year,  
3 on which the corporation is a controlled foreign  
4 corporation it had distributed pro rata to its share-  
5 holders an amount (i) which bears the same ratio  
6 to its earnings and profits for the taxable year, as  
7 (ii) the part of such year during which the corpora-  
8 tion is a controlled foreign corporation bears to the  
9 entire year, reduced by

10 “(B) an amount (i) which bears the same  
11 ratio to the amount determined under subparagraph  
12 (A), as (ii) the part of such year described in  
13 subparagraph (A) (ii) during which such share-  
14 holder did not own (within the meaning of section  
15 987 (a) ) such stock bears to the entire year.

16 “(b) EARNINGS AND PROFITS.—For purposes of this  
17 subpart, under regulations prescribed by the Secretary or  
18 his delegate, the earnings and profits of any foreign corpora-  
19 tion, and the deficit in earnings and profits of any foreign  
20 corporation, for any taxable year—

21 “(1) except as provided in section 312 (m) (3),  
22 shall be determined according to rules substantially sim-  
23 ilar to those applicable to domestic corporations,

24 “(2) shall be appropriately adjusted for deficits in  
25 earnings and profits of such corporation for any prior

1 taxable year beginning after the date of the enactment  
2 of the Trade Reform Act of 1974,

3 “(3) shall not include any item of income which  
4 is effectively connected with the conduct by such cor-  
5 poration of a trade or business within the United States  
6 unless such item is exempt from taxation (or is subject to  
7 a reduced rate of tax) pursuant to a treaty obligation of  
8 the United States, and

9 “(4) shall not include any amount of earnings and  
10 profits which could not have been distributed by such  
11 corporation because of currency or other restrictions or  
12 limitations imposed under the laws of any foreign  
13 country.

14 “(c) COORDINATION WITH ELECTION OF A FOREIGN  
15 INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A  
16 United States shareholder who, for his taxable year, is a  
17 qualified shareholder (within the meaning of section 1247  
18 (c)) of a foreign investment company with respect to which  
19 an election under section 1247 is in effect shall not be re-  
20 quired to include in gross income, for such taxable year, any  
21 amount under subsection (a) with respect to such company.

22 “(d) COORDINATION WITH FOREIGN PERSONAL  
23 HOLDING COMPANY PROVISIONS.—In the case of a United  
24 States shareholder who, for his taxable year, is subject to tax  
25 under section 551 (b) (relating to foreign personal holding

1 company income included in gross income of United States  
2 shareholders) on income of a controlled foreign corporation,  
3 the amount required to be included in gross income by such  
4 shareholder under subsection (a) with respect to such com-  
5 pany shall be reduced by the amount included in gross in-  
6 come by such shareholder under section 551 (b).

7 **“SEC. 986. DEFINITIONS.**

8       “(a) UNITED STATES SHAREHOLDER DEFINED.—For  
9 purposes of this subpart, the term ‘United States shareholder’  
10 means, with respect to any foreign corporation, a United  
11 States person (as defined in section 957 (d)) who owns  
12 (within the meaning of section 987 (a)), or is considered as  
13 owning by applying the rules of ownership of section 987  
14 (b), 1 percent or more of the total combined voting power  
15 of all classes of stock entitled to vote of such foreign corpora-  
16 tion.

17       “(b) CONTROLLED FOREIGN CORPORATION DEFINED.—  
18 For purposes of this subpart, the term ‘controlled foreign  
19 corporation’ means any foreign corporation of which more  
20 than 50 percent of the total combined voting power of all  
21 classes of stock entitled to vote is owned (within the mean-  
22 ing of section 987 (a)), or is considered as owned by apply-  
23 ing the rules of ownership of section 987 (b), by United  
24 States shareholders on any day during the taxable year of  
25 such foreign corporation.

1 **“SEC. 987. RULES FOR DETERMINING STOCK OWNERSHIP.**

2 “(a) **DIRECT AND INDIRECT OWNERSHIP.—**

3 “(1) **GENERAL RULE.—**For purposes of this sub-  
4 part, stock owned means—

5 “(A) stock owned directly, and

6 “(B) stock owned with the application of para-  
7 graph (2).

8 “(2) **STOCK OWNERSHIP THROUGH FOREIGN EN-**  
9 **TITIES.—**For purposes of subparagraph (B) of para-  
10 graph (1), stock owned, directly or indirectly, by or for  
11 a foreign corporation or foreign estate (within the  
12 meaning of section 7701 (a) (31) ) or by or for a part-  
13 nership or trust shall be considered as being owned  
14 proportionately by its shareholders, partners, or bene-  
15 ficiaries. Stock considered to be owned by a person by  
16 reason of the application of the preceding sentence shall,  
17 for purposes of applying such sentence, be treated as  
18 actually owned by such person.

19 “(b) **CONSTRUCTIVE OWNERSHIP.—**For purposes of  
20 section 986, section 318 (a) (relating to constructive owner-  
21 ship of stock) shall apply to the extent that the effect is to  
22 treat any United States person as a United States share-  
23 holder within the meaning of section 986 (a), or to treat a  
24 foreign corporation as a controlled foreign corporation under  
25 section 986 (b), except that—



1 such amounts are distributed directly, or indirectly through  
2 a chain of ownership described under section 987 (a), to—

3 “(1) such shareholder (or any other United States  
4 person who acquires from any person any portion of the  
5 interest of such United States shareholder in such foreign  
6 corporation, but only to the extent of such portion, and  
7 subject to such proof of the identity of such interest as  
8 the Secretary or his delegate may by regulations pre-  
9 scribe), or

10 “(2) a trust (other than a foreign trust) or which

11 “(2) a trust (other than a foreign trust) of which  
12 such shareholder is a beneficiary,

13 be again included in the gross income of such United States  
14 shareholder (or of such United States person or of such  
15 trust).

16 “(b) EXCLUSION FROM GROSS INCOME OF CERTAIN  
17 FOREIGN SUBSIDIARIES.—For purposes of section 985 (a),  
18 the earnings and profits for a taxable year of a controlled  
19 foreign corporation attributable to amounts which are, or  
20 have been, included in the gross income of a United States  
21 shareholder under section 985 (a), shall not, when distrib-  
22 uted through a chain of ownership described under section  
23 987 (a), be also included in the gross income of another  
24 controlled foreign corporation in such chain for purposes of  
25 the application of section 985 (a) to such other controlled

1 foreign corporation with respect to such United States  
 2 shareholder (or to any other United States shareholder who  
 3 acquires from any person any portion of the interest of  
 4 such United States shareholder in the controlled foreign  
 5 corporation, but only to the extent of such portion, and  
 6 subject to such proof of identity of such interest as the  
 7 Secretary or his delegate may prescribe by regulations).

8 “(c) ALLOCATION OF DISTRIBUTIONS.—For purposes  
 9 of subsections (a) and (b), section 316 (a) shall be applied  
 10 by applying paragraph (2) thereof, and then paragraph (1)  
 11 thereof—

12 “(1) first, to earnings and profits attributable to  
 13 amounts included in gross income under section 985 (a),  
 14 and

15 “(2) then to other earnings and profits.

16 “(d) DISTRIBUTIONS EXCLUDED FROM GROSS IN-  
 17 COME NOT TO BE TREATED AS DIVIDENDS.—Any dis-  
 18 tribution excluded from gross income under subsection (a)  
 19 shall be treated, for purposes of this chapter, as a distribution  
 20 which is not a dividend.

21 **“SEC. 989. ADJUSTMENTS TO BASIS OF STOCK IN CON-**  
 22 **TROLLED FOREIGN CORPORATIONS AND OF**  
 23 **OTHER PROPERTY.**

24 “(a) INCREASE IN BASIS.—Under regulations pre-  
 25 scribed by the Secretary or his delegate, the basis of a

1 United States shareholder's stock in a controlled foreign  
2 corporation, and the basis of property of a United States  
3 shareholder by reason of which it is considered under sec-  
4 tion 987 (a) (2) as owning stock of a controlled foreign  
5 corporation shall be increased by the amount required to  
6 be included in its gross income under section 985 (a) with  
7 respect to such stock or with respect to such property, as  
8 the case may be, but only to the extent to which such amount  
9 was included in the gross income of such United States  
10 shareholder.

11 “(b) REDUCTION IN BASIS.—

12 “(1) IN GENERAL.—Under regulations prescribed  
13 by the Secretary or his delegate, the adjusted basis of  
14 stock or other property with respect to which a United  
15 States shareholder or a United States person receives  
16 an amount which is excluded from gross income under  
17 section 988 (a) shall be reduced by the amount so  
18 excluded.

19 “(2) AMOUNT IN EXCESS OF BASIS.—To the ex-  
20 tent that an amount excluded from gross income under  
21 section 988 (a) exceeds the adjusted basis of the stock  
22 or other property with respect to which it is received,  
23 the amount shall be treated as gain from the sale or  
24 exchange of property.

1   **“SEC. 990. RECORDS AND ACCOUNTS OF UNITED STATES**  
2                   **SHAREHOLDERS.**

3           **“(a) RECORDS AND ACCOUNTS TO BE MAINTAINED.—**  
4   The Secretary or his delegate may by regulations require  
5   each person who is, or has been, a United States shareholder  
6   of a controlled foreign corporation to maintain such records  
7   and accounts as may be prescribed by such regulations as  
8   necessary to carry out the provisions of this subpart.

9           **“(b) TWO OR MORE PERSONS REQUIRED TO MAIN-**  
10   **TAIN OR FURNISH THE SAME RECORDS AND ACCOUNTS**  
11   **WITH RESPECT TO THE SAME FOREIGN CORPORATION.—**

12   Where, but for this subsection, two or more persons would  
13   be required to maintain or furnish the same records and  
14   accounts as may by regulations be required under subsection  
15   (a) with respect to the same controlled foreign corporation  
16   for the same period, the Secretary or his delegate may by  
17   regulations provide that the maintenance or furnishing of  
18   such records and accounts by only one such person shall  
19   satisfy the requirements of subsection (a) for such other  
20   persons.”.

21           **(b) TECHNICAL AND CONFORMING AMENDMENTS.—**

22           (1) Section 864(c)(4)(D) of such Code is  
23           amended to read as follows:

24                   **“(D) No income from sources without the**

1 United States shall be treated as effectively con-  
2 nected with the conduct of a trade or business within  
3 the United States if it consists of dividends, interest,  
4 or royalties paid by a foreign corporation in which  
5 the taxpayer owns (within the meaning of section  
6 958 (a) ), or is considered as owning (by applying  
7 the ownership rules of section 958 (b) ), more than  
8 50 percent of the total combined voting power of  
9 all classes of stock entitled to vote.”.

10 (2) Section 951 of such Code is amended by adding  
11 at the end thereof the following:

12 “(e) TAXABLE YEARS ENDING AFTER ENACTMENT  
13 OF THE TRADE REFORM ACT OF 1974.—No amount shall  
14 be required to be included in the gross income of a United  
15 States shareholder under subsection (a) (other than para-  
16 graph (1) (A) (ii), or paragraph (1) (B) of such sub-  
17 section) with respect to a taxable year of a controlled foreign  
18 corporation beginning after the date of the enactment of the  
19 Trade Reform Act of 1974.”.

20 (3) Section 1016 (a) (20) of such Code is amended  
21 by striking out “section 961” and inserting in lieu there-  
22 of “sections 961 and 990”.

23 (4) Section 1246 (a) (2) (B) of such Code is  
24 amended by inserting “or 985” after “section 951” and  
25 by inserting “or 988” after “section 959.”.

1           (5) Section 1248 (d) (1) of such Code is amended  
2 to read as follows:

3           “(1) AMOUNTS INCLUDED IN GROSS INCOME  
4 UNDER SECTION 951 OR 985.—Earnings and profits of  
5 the foreign corporation attributable to any amount pre-  
6 viously included in the gross income of such person under  
7 section 951 or 985, with respect to the stock<sup>1</sup> sold or  
8 exchanged, but only to the extent the inclusion of such  
9 amount did not result in an exclusion of an amount from  
10 gross income under section 959 or 988.”.

11           (c) The table of subparts of part III of subchapter N  
12 of chapter 1 of the Internal Revenue Code of 1954 is  
13 amended by adding at the end thereof the following:

          “Subpart I. Controlled foreign corporations.”.

14           (d) EFFECTIVE DATE.—The amendments made by this  
15 section shall apply with respect to taxable years of foreign  
16 corporations beginning after the date of the enactment of  
17 this Act, and to taxable years of United States shareholders  
18 within which or with which such taxable years of such  
19 foreign corporations end.

20       **SEC. 702. ELIMINATION OF WESTERN HEMISPHERE**  
21           **TRADE CORPORATION PROVISIONS.**

22           (a) Section 921 of the Internal Revenue Code of 1954  
23 (relating to Western Hemisphere trade corporations) is  
24 amended by—

1           (1) inserting “(a)” before the first word of the  
2 text of that section, and

3           (2) adding at the end thereof the following new  
4 subsection:

5           “(b) No corporation shall be treated as a Western  
6 Hemisphere trade corporation for any taxable year beginning  
7 after the date of enactment of the Trade Reform Act of  
8 1974.”.

9           (b) (1) Section 170 (b) (2) of such Code (relating to  
10 charitable deductions for corporations) is amended by strik-  
11 ing out subparagraph (d).

12           (2) Section 172 (d) (5) of such Code (relating to the  
13 net operating loss deduction) is amended by striking out  
14 “or under section 922 (relating to Western Hemisphere  
15 trade corporations)”.

16           (3) Section 1503 of such Code (relating to consoli-  
17 dated returns) is amended by striking out subsection (b),  
18 and by deleting “(a) GENERAL RULE.—” from such section.

19           (4) Section 1562 (b) (4) of such Code (relating to  
20 multiple surtax exemptions) is amended by—

21           (1) inserting “and” before “804 (a) (3) (relating  
22 to deductions for partially tax-exempt utilities)” and

23           (2) striking out “and 922 (relating to special de-  
24 duction for Western Hemisphere trade corporations)”.

25           (c) The amendments made by this section apply to

1 taxable years beginning after the date of enactment of this  
2 Act.

3 **SEC. 703. TERMINATION OF SPECIAL TAX TREATMENT**  
4 **FOR DOMESTIC INTERNATIONAL SALES COR-**  
5 **PORATIONS.**

6 (a) Section 991 of the Internal Revenue Code of 1954  
7 (relating to tax exemption of a DISC) is amended by add-  
8 ing at the end thereof the following: "This section shall not  
9 apply to any taxable year beginning after the date of the  
10 enactment of the Trade Reform Act of 1974."

11 (b) Section 992 (a) of such Code (relating to defini-  
12 tion of DISC) is amended by adding at the end thereof the  
13 following new paragraph:

14 " (4) **TERMINATION.**—Notwithstanding any other  
15 provision of this part, no corporation shall be treated as  
16 a DISC or former DISC for any taxable year beginning  
17 after the date of the enactment of the Trade Reform Act  
18 of 1974."

19 (b) (1) Section 1014 (b) (relating to basis of property  
20 acquired from a decedent) is amended by striking out para-  
21 graphs (5) and (6).

22 (2) Paragraph (9) of section 1014 (b) is amended by  
23 inserting the word "and" at the end of subparagraph (A),  
24 by striking out subparagraph (B) and by redesignating  
25 subparagraph (C) as subparagraph (B).

1           (c) The amendments made by this section shall be  
2 applicable only with respect to decedents dying after the date  
3 of the enactment of this Act.

4 **SEC. 704. TERMINATION OF PREFERENTIAL TREATMENT**  
5 **OF DIVIDENDS OF LESS DEVELOPED COUNTRY**  
6 **CORPORATIONS.**

7           Section 902 (relating to credit for corporate stockholder  
8 in foreign corporations) is amended as follows:

9           (1) Subsection (a) is amended to read as follows:

10          “(a) **TREATMENT OF TAXES PAID BY FOREIGN COR-**  
11 **PORATION.**—For purposes of this subpart, a domestic cor-  
12 poration which owns at least 10 percent of the voting stock  
13 of a foreign corporation from which it receives dividends in  
14 any taxable year shall be deemed to have paid the same  
15 proportion of any income, war profits, or excess profits taxes  
16 paid or deemed to be paid by such foreign corporation to any  
17 foreign country or to any possession of the United States  
18 on or with respect to accumulated profits, which the amount  
19 of such dividends (determined without regard to section 78)  
20 bears to the amount of such accumulated profits in excess of  
21 such income, war profits, and excess profits taxes (other  
22 than those deemed paid).”.

23           (2) Subsection (b) (1) and (2) are amended to  
24 read as follows:

25          “(1) If the foreign corporation described in sub-  
26 section (a) (hereinafter in this subsection referred to

1 as the 'first foreign corporation') owns 10 percent or  
2 more of the voting stock of a second foreign corporation  
3 from which it receives dividends in any taxable year,  
4 it shall be deemed to have paid the same proportion of  
5 any income, war profits, or excess profits taxes paid  
6 or deemed to be paid by such second foreign corpora-  
7 tion to any foreign country or to any possession of the  
8 United States on or with respect to the accumulated  
9 profits of the corporation from which such dividends were  
10 paid which the amount of such dividends bears to the  
11 amount of the accumulated profits of such second for-  
12 eign corporation from which such dividends were paid  
13 in excess of such income, war profits, and excess profits  
14 taxes.

15 “(2) If such first foreign corporation owns 10 per-  
16 cent or more of the voting stock of a second foreign cor-  
17 poration which, in turn, owns 10 percent or more of  
18 the voting stock of a third foreign corporation from  
19 which the second foreign corporation receives dividends  
20 in any taxable year, the second foreign corporation shall  
21 be deemed to have paid the same proportion of any  
22 income, war profits, or excess profits taxes paid by such  
23 third foreign corporation to any foreign country or to  
24 any possession of the United States on or with respect  
25 to the accumulated profits of the corporation from which  
26 such dividends were paid which the amount of such

1 dividends bears to the amount of the accumulated profits  
2 of such third foreign corporation from which such divi-  
3 dends were paid in excess of such income, war profits,  
4 and excess profits taxes.”.

5 (3) Subsection (c) (1) is amended to read as  
6 follows:

7 “(1) ACCUMULATED PROFITS DEFINED.—For  
8 purposes of this section, the term ‘accumulated profits’  
9 means, with respect to any foreign corporation, the  
10 amount of its gains, profits, or income computed without  
11 reduction by the amount of the income, war profits, and  
12 excess profits taxes imposed on or with respect to such  
13 profits or income by any foreign country or any posses-  
14 sion of the United States. The Secretary or his delegate  
15 shall have full power to determine from the accumulated  
16 profits of what year or years such dividends were paid,  
17 treating dividends paid in the first 60 days of any year  
18 as having been paid from the accumulated profits of the  
19 preceding year or years (unless to his satisfaction shown  
20 otherwise), and in other respects treating dividends as  
21 having been paid from the most recently accumulated  
22 gains, profits, or earnings.

23 (4) Subsection (d) is repealed.

24 (5) Subsection (e) is redesignated as subsection  
25 (d).

**Amdt. No. 2033**

**Calendar No. 1231**

**93D CONGRESS  
2D SESSION**

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. СнУРСОН (for himself, Mr. НАГГКЕ, and Mr. НАСКЕНД) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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**DECEMBER 11, 1974**

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 63, between lines 14 and 15, insert the fol-  
2       lowing flush language: "Representatives from each com-  
3       mittee established under subsection (c) shall participate  
4       directly in any negotiation of any trade agreement referred  
5       to in section 101 or 102 to the same extent as a representa-  
6       tive of a comparable committee or sector participates in such  
7       negotiations on behalf of any foreign country or instrumen-  
8       tality."

9       On page 69, beginning with line 5, strike out through  
10      line 8.

**Amdt. No. 2036**

**Amdt. No. 2036**

**Calendar No. 1231**

**93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION**

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 21, line 20, beginning with "If", strike out  
2 through line 24 and insert in lieu thereof the following:  
3 "The scope of each trade agreement entered into under this  
4 section with respect to its effect on United States law and  
5 administrative practice shall be limited to one subject matter  
6 area. Each trade agreement entered into under this section  
7 shall be implemented independently of every other such  
8 trade agreement."

9       On page 76, lines 7 and 8, strike out "one or more

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1 protection, consumer information, health, safety, labor stand-  
2 ards, taxation (except as provided in section 101), or em-  
3 ployment promotion.”.

4 On page 76, beginning with line 22, strike out through  
5 line 25.

6 On page 77, line 1, strike out “(3)” and insert in lieu  
7 thereof “(2)”.

8 On page 80, beginning with line 16, strike out through  
9 line 7 on page 81.

10 On page 81, strike out line 8 and insert in lieu thereof  
11 the following:

12 “(2) For purposes of paragraph (1), in”.

**Amdt. No. 2037**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

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93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. SCHWEICKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1        On page 20, line 20, immediately after “(b)”, insert
- 2        “(1)”.
- 3        On page 21, between lines 8 and 9, insert the following:
- 4        “(2) Before the President enters into any negotiations
- 5        for a trade agreement under this section providing for the
- 6        harmonization, reduction, or elimination of a barrier to (or
- 7        other distortion of) international trade, he shall report sepa-
- 8        rately to the Congress each subject matter area of United
- 9        States law and administrative practice which he intends
- 10       to affect under any trade agreement arising out of such

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1 negotiations. If such report states that the President intends  
 2 to negotiate with respect to the subject matter area of con-  
 3 sumer protection, employee health and safety, labor stand-  
 4 ards, or environmental standards, then the President may not  
 5 enter into negotiations under this section with respect to such  
 6 subject matter area unless the Congress approves such nego-  
 7 tiations under the provisions of paragraph (3).

8 “(3) Negotiations may be entered into under this sec-  
 9 tion with respect to each subject matter area described in  
 10 paragraph (2) only if negotiation of such subject matter  
 11 area is specifically approved by the Congress by the adoption  
 12 of a negotiation approval resolution (described in section 151  
 13 (b)).”.

14 On page 75, line 19, immediately after the comma, insert  
 15 the following: “negotiation approval resolutions described  
 16 in subsection (b) (4).”.

17 On page 77, between lines 9 and 10, insert the following:

18 “(4) The term ‘negotiation approval resolution’ means  
 19 only a concurrent resolution of the two Houses of the Con-  
 20 gress, the matter after the resolving clause of which is as  
 21 follows: ‘That the Congress approves the negotiation of the  
 22 following subject matter area of United States law and ad-  
 23 ministrative practice as stated in the report  
 24 transmitted by the President to the Congress on .’,  
 25 the first blank space filled with the subject matter area

1 involved and the second blank space being filled with the  
2 appropriate date.”.

3       On page 79, between lines 5 and 6, insert the follow-  
4 ing new paragraph:

5       “(3) On the day on which a proposed subject matter  
6 report is transmitted to the House of Representatives and  
7 the Senate under section 102 (b) (2), a negotiations approval  
8 resolution with respect to such report shall be introduced  
9 (by request) in the House by the majority leader of the  
10 House, for himself and the minority leader of the House, or  
11 by Members of the House designated by the majority leader  
12 and minority leader of the House; and shall be introduced  
13 (by request) in the Senate by the majority leader of the  
14 Senate, for himself and the minority leader of the Senate, or  
15 by Members of the Senate designated by the majority leader  
16 and the minority leader of the Senate. If either House is not  
17 in session on the day on which such a report is transmitted,  
18 the negotiation approval resolution with respect to such agree-  
19 ment shall be introduced in that House, as provided in the  
20 preceding sentence, on the first day thereafter on which that  
21 House is in session. The negotiation approval resolution intro-  
22 duced in the House shall be referred to the Committee on  
23 Ways and Means and the negotiation approval resolution  
24 introduced in the Senate shall be referred to the Committee  
25 on Finance.”.

1       On page 79, line 7, strike out “or approval resolution”  
2 and insert in lieu thereof a comma and the following: “ap-  
3 proval resolution, or negotiation approval resolution”.

4       On page 79, line 18, strike out “or approval resolution”  
5 and insert in lieu thereof a comma and the following: “ap-  
6 proval resolution, or negotiation approval resolution”.

7       On page 80, lines 5 and 6, strike out “or approval  
8 resolution” and insert in lieu thereof a comma and the  
9 following: “approval resolution, or negotiation approval  
10 resolution”.

11       On page 80, line 7, strike out “or approval resolution”  
12 and insert in lieu thereof a comma and the following: “ap-  
13 proval resolution, or negotiation approval resolution”.

14       On page 80, lines 10 and 11, strike out “or approval  
15 resolution” and insert in lieu thereof a comma and the fol-  
16 lowing: “approval resolution, or negotiation approval  
17 resolution”.

18       On page 80, line 14, strike out “or approval resolution”  
19 and insert in lieu thereof a comma and the following: “ap-  
20 proval resolution, or negotiation approval resolution”.

21       On page 81, line 15, strike out “or approval resolution”  
22 and insert in lieu thereof a comma and the following: “ap-  
23 proval resolution, or negotiation approval resolution”.

24       On page 81, line 20, strike out “or approval resolution”

1 and insert in lieu thereof a comma and the following: “ap-  
2 proval resolution, or negotiation approval resolution”.

3 On page 82, line 1, strike out “or approval resolution”  
4 and insert in lieu thereof a comma and the following: “ap-  
5 proval resolution, or negotiation approval resolution”.

6 On page 82, lines 2 and 3, strike out “or approval resolu-  
7 tion” and insert in lieu thereof a comma and the following:  
8 “approval resolution, or negotiation approval resolution”.

9 On page 82, line 6, strike out “or approval resolution”  
10 and insert in lieu thereof a comma and the following: “ap-  
11 proval resolution, or negotiation approval resolution”.

12 On page 82, line 12, strike out “or approval resolution”  
13 and insert in lieu thereof a comma and the following: “ap-  
14 proval resolution, or negotiation approval resolution”.

15 On page 82, line 16, strike out “or approval resolution”  
16 and insert in lieu thereof a comma and the following: “ap-  
17 proval resolution, or negotiation approval resolution”.

18 On page 82, line 22, strike out “or approval resolution”  
19 and insert in lieu thereof a comma and the following: “ap-  
20 proval resolution, or negotiation approval resolution”.

21 On page 83, line 4, strike out “or approval resolution”  
22 and insert in lieu thereof a comma and the following: “ap-  
23 proval resolution, or negotiation approval resolution”.

24 On page 83, lines 10 and 11, strike out “or approval

1 resolution” and insert in lieu thereof a comma and the fol-  
2 lowing: “approval resolution, or negotiation approval res-  
3 olution”.

4 On page 83, lines 18 and 19, strike out “or approval  
5 resolution” and insert in lieu thereof a comma and the fol-  
6 lowing: “approval resolution, or negotiation approval res-  
7 olution”.

8 On page 83, line 24, strike out “or approval resolution”  
9 and insert in lieu thereof a comma and the following: “ap-  
10 proval resolution, or negotiation approval resolution”.

**Amdt. No. 2038**

**Calendar No. 1231**

**93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION**

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

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Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 14, line 23, immediately after “(a)”, insert  
2 “(1)”.

3       On page 15, beginning with line 16, strike out through  
4 line 19 and insert in lieu thereof the following:

5       “(2) Nothing in this subsection shall be construed as  
6 prior approval of any legislation which may be necessary  
7 to implement an agreement concerning barriers to (or other  
8 distortions of) international trade.

9       “(3) The President may not negotiate trade agree-  
10 ments under this subsection with respect to any United  
11 States law or administrative practice which affects consumer

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1 protection, consumer information, health, safety, labor stand-  
2 ards, taxation (except as provided in section 101), or em-  
3 ployment promotion.”.

4 On page 76, beginning with line 22, strike out through  
5 line 25.

6 On page 77, line 1, strike out “(3)” and insert in lieu  
7 thereof “(2)”.

8 On page 80, beginning with line 16, strike out through  
9 line 7 on page 81.

10 On page 81, strike out line 8 and insert in lieu thereof  
11 the following:

12 “(2) For purposes of paragraph (1), in”.

**Amdt. No. 2040**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

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93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 119, beginning with line 23, strike out through  
2 line 4 on page 121 and insert in lieu thereof the following:

3       “(f) (1) For purposes of subsections (a) and (c), the  
4 suspension of the designation of any article as an eligible  
5 article for purposes of title V shall be treated as an increase  
6 in duty.

7       “(2) No proclamation which provides solely for a sus-  
8 pension referred to in paragraph (1) with respect to any  
9 article shall be made under subsection (a) or (c) unless the  
10 Commission, in addition to making an affirmative determi-  
11 nation with respect to such article under section 201 (b),

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1 determines in the course of its investigation under section  
2 201 (b) that the serious injury (or threat thereof) substan-  
3 tially caused by imports to the domestic industry producing a  
4 like or directly competitive article results from the designa-  
5 tion of the article as an eligible article for the purposes of  
6 title V.”.

7 On page 192, between lines 17 and 18, insert the fol-  
8 lowing:

9 **“SEC. 284. REPEAL OF SPECIAL CLASSIFICATION PROVI-**  
10 **SIONS OF THE TARIFF SCHEDULES RELATING**  
11 **TO ARTICLES ASSEMBLED, REPAIRED, AL-**  
12 **TERED, PROCESSED, OR OTHERWISE CHANGED**  
13 **IN CONDITION ABROAD.**

14 “(a) Subpart B of part I of schedule 8 of the Tariff  
15 Schedules of the United States is amended by striking out  
16 item 806.30 and item 807.00.

17 “(b) The amendment made by this section applies with  
18 respect to articles entered, or withdrawn from warehouse,  
19 for consumption on or after the 90th day after the date of  
20 enactment of this Act.”

21 On page 192, line 18, strike “SEC. 284” and insert in lieu  
22 thereof “SEC. 285”.

23 On page 192, line 19, strike “Chapters” and insert in lieu  
24 thereof the following: “Except as provided in section 284,  
25 chapters”.

**Amdt. No. 2041**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 11, 1974

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93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HARTKE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: At the end of the Act insert the following new title:

1       **TITLE VII—QUANTITATIVE RE-**  
2               **STRAINTS ON IMPORTS**

3   **SEC. 701. QUANTITATIVE RESTRAINTS FOR 1975 AND SUC-**  
4               **CEEDING YEARS.**

5       (a) The total quantity of each category of goods (as  
6 defined in section 703 (f) ), produced in any foreign country  
7 which may be entered during the calendar year 1975 shall  
8 not exceed the average annual quantity as determined by the  
9 International Trade Commission of such category produced

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1 in such country and entered during the calendar years 1965  
2 to 1969.

3 (b) (1) The total quantity of each category of goods  
4 produced in any foreign country which may be entered  
5 during any calendar year after 1975 shall not exceed the  
6 sum of—

7 (A) the total quantity determined for such category  
8 for such country under subsection (a) of this subsection  
9 for the immediately preceding calendar year, and

10 (B) the increase (or decrease) applicable under  
11 paragraph (2).

12 (2) (A) The Commission shall increase (or decrease)  
13 the total quantity of each category of goods produced in  
14 any foreign country which may be entered during any cal-  
15 endar year after 1975 by an amount which the Commission  
16 estimates is necessary in order to make the total quantity  
17 of imports in each category bear the same relationship to  
18 United States production of the goods in such category as  
19 existed during the period 1965 to 1969.

20 (B) The Commission may make additional decreases  
21 in quotas where it determines that the level of imports pro-  
22 vided for under this section is inhibiting the production of  
23 any manufactured product.

24 (C) Any increase (or decrease) under this paragraph  
25 for any category for any calendar year shall be the same  
26 percentage for all foreign countries.

1 (D) A determination shall be made under this para-  
2 graph for each category for each foreign country for each  
3 calendar year after 1972 without regard to the nonappli-  
4 cation (or partial nonapplication) of this subsection to such  
5 category for such country for such year by reason of sub-  
6 section (d) of this section or section 702.

7 (c) (1) Any annual quantitative limitations under sub-  
8 section (a) or (b) shall be applied on a calendar quarter or  
9 other intra-annual basis if the Commission determines that  
10 such application is necessary or appropriate to carry out  
11 the purposes of this section.

12 (2) If the application of subsection (a) or (b) to any  
13 category for any foreign country begins or resumes after the  
14 first day of any calendar year, the amount of the quantitative  
15 limitation for such category for such country for the remain-  
16 der of such calendar year shall be the annual amount deter-  
17 mined under subsection (a) or (b), adjusted pro rata ac-  
18 cording to the number of full months remaining in the  
19 calendar year after the date of such beginning or such  
20 resumption.

21 (d) The quantitative restraints provided for in this sec-  
22 tion shall not be applied to any category of goods for which  
23 the Commission has determined that—

24 (1) a voluntary bilateral or multilateral govern-  
25 ment-to-government agreement has been entered into

1 pursuant to section 702 which effectively limits imports  
2 of such category, or

3 (2) quantitative controls have been imposed pur-  
4 suant to some other law, or listing government-to-  
5 government international agreement, or

6 (3) failure to import the goods would cause long-  
7 term disruption of United States markets, or

8 (4) the domestic industry producing competing  
9 goods have consistently failed to make technological in-  
10 novations required to remain competitive with foreign  
11 products.

12 (c) Any quota established under this section for an  
13 item which is used in the production of goods in the United  
14 States, may be increased by the Commission to a level which  
15 will not inhibit the production of such goods.

16 (f) If, at any time, the Commission determines that  
17 any country quota established under this section will not be  
18 filled, it shall so inform the President, and shall distribute the  
19 quota among new or existing suppliers as the President may  
20 direct.

21 (g) Any action taken under subsection (d), (e), or  
22 (f) of this section shall not take effect before the thirtieth  
23 day after the day on which notice of such action is published  
24 in the Federal Register.

1 SEC. 702. ARRANGEMENTS OR AGREEMENTS REGULATING  
2 IMPORTS.

3 (a) The President is authorized to conclude bilateral  
4 or multilateral arrangements or agreements with govern-  
5 ments of foreign countries regulating, by category, the quan-  
6 tities of articles produced in such foreign countries which may  
7 be exported to the United States or entered and to issue  
8 regulations necessary to carry out the terms of such arrange-  
9 ments or agreements. In concluding any arrangement or  
10 agreement under this subsection, the President shall take into  
11 account conditions in the United States market, the need  
12 to avoid disruption of that market; and such other factors  
13 as he deems appropriate in the national interest.

14 (b) Whenever a multilateral arrangement or agreement  
15 concluded under subsection (a) is in effect among the coun-  
16 tries, including the United States, which account for a signif-  
17 icant part of world trade in the article concerned and such  
18 arrangement or agreement contemplates the establishment  
19 of limitations on the trade in the article produced in countries  
20 not parties to such arrangement or agreement, the Commis-  
21 sion may by regulation prescribe the total quantity of the  
22 article produced in each country not a party to such arrange-  
23 ment or agreement which may be entered.

1 **SEC. 703. ADMINISTRATION.**

2 (a) The rulemaking provisions of subchapter II of  
3 chapter 5 of title 5, United States Code, shall apply with  
4 respect to proceedings under this chapter.

5 (b) All quantitative limitations established under this  
6 title or pursuant to any arrangement or agreement entered  
7 into under this title, all exemptions established under this  
8 title and all extensions or terminations thereof, and all regula-  
9 tions promulgated to carry out this title shall be published  
10 in the Federal Register. The International Trade Commis-  
11 sion shall certify to the Secretary of the Treasury for each  
12 period the total quantity of each category of goods produced  
13 in each foreign country the entry of which is affected by  
14 such a quantitative limitation on importation; and the Secre-  
15 tary of the Treasury shall take such action as may be neces-  
16 sary to insure that the total quantity so entered during such  
17 period shall not exceed the total quantity so certified.

18 (c) There shall be promulgated as a part of the appendix  
19 to the Tariff Schedules of the United States all quantitative  
20 limitations and exemptions established under this title or  
21 pursuant to any arrangement or agreement entered into under  
22 this title and all quantitative limitations otherwise estab-  
23 lished pursuant to law, or to an agreement entered into pur-  
24 suant to section 702.

25 (d) One year after the enactment of this Act, and by

1 July 1 of each succeeding year, the Commission shall pub-  
2 lish a report to the Congress reviewing actions taken by it  
3 under this title during that year.

4 (e) The term "category" means a grouping of goods  
5 as determined by the Commission, for the purposes of this  
6 title, using the five-digit and seven-digit item numbers ap-  
7 plied to such articles in the Tariff Schedules of the United  
8 States as published by the United States Tariff Commission.  
9 Groupings shall not be made that will adversely affect the  
10 assembly or production of any item or component in the  
11 United States.

12 (f) In order to make the estimate required by section  
13 701 (b) (2) (A) the Commission shall each year make an  
14 estimate of the United States production during the preced-  
15 ing United States fiscal year of the goods, commercially the  
16 same as those contained in each category of goods. Such  
17 estimate shall be based on the best information available at  
18 the time when the estimate is made, and shall be reviewed  
19 and updated annually. Such estimates of the United States  
20 production together with the resulting import quotas for the  
21 succeeding year shall be published by the Commission on or  
22 before October 1 of each year. The Commission shall change  
23 its estimates when it determines that existing estimates for  
24 that year are substantially in error.

1 (g) The term "entered" means entered, or withdrawn  
2 from warehouse, for consumption in the customs territory  
3 of the United States.

4 (h) The term "produced" means manufactured or pro-  
5 duced.

6 (i) The term "foreign country" includes a foreign in-  
7 strumentality.

**Amdt. No. 2042**

**Calendar No. 1231**

**98<sup>th</sup> CONGRESS  
2<sup>d</sup> SESSION**

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. HARKE to  
H.R. 10710, an Act to promote the develop-  
ment of an open, nondiscriminatory, and  
fair world economic system, to stimulate the  
economic growth of the United States, and  
for other purposes.

DECEMBER 11, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. ROBERT C. BYRD to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1 On page 142, line 11, immediately before "after", insert
- 2 "before or".

**Amdt. No. 2045**

**Amdt. No. 2045**

**Calendar No. 1231**

93<sup>rd</sup> CONGRESS  
2<sup>d</sup> Session

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. ROBERT C. BYRD to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. ROBERT C. BYRD to H.R. 10710, an Act to promote the development of an open, non-discriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1       On page 141, line 6, strike out the period and insert in
- 2 lieu thereof the following: “or (in the case of a worker
- 3 who has been referred to training by the Secretary) within
- 4 a reasonable period of time after the conclusion of such train-
- 5 ing period”.

**Amdt. No. 2046**

**Amdt. No. 2046**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. ROBERT C. BYRD to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to be printed

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## AMENDMENTS

Proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       Strike out "Trade Reform Act of 1974" every place it  
2 appears as follows therein and insert in lieu thereof "Trade  
3 Act of 1974":

4           page 1, line 4;  
5           page 89, line 19;  
6           page 89, line 23;  
7           page 90, line 15;  
8           page 100, line 3;  
9           page 100, line 11;  
10          page 144, line 13;

**Amdt. No. 2047**

- 1 page 144, line 17;
- 1821 of page 181, line 5;
- 3 page 181, line 21;
- 4 page 183, line 4;
- 5 page 183, line 15;
- 6 page 229, line 6;
- 7 page 229, line 14;
- 8 page 283, line 14;
- 9 page 283, line 19;
- 10 page 283, line 24;
- 11 page 284, line 5; and
- 12 page 284, line 11.

**Amdt. No. 2047**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

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Proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, non-discriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

DECEMBER 12, 1974

Ordered to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1        On page 70, line 2, strike out "compensation and".

2        On page 70, between lines 14 and 15, insert the follow-  
3 ing new paragraph:

4        (3) (A) Section 5312 of title 5, United States Code, is  
5 amended by adding at the end thereof the following new para-  
6 graph:

7        "(13) Special Representative for Trade Negotia-  
8 tions."

9        (B) Section 5314 of such title is amended by adding at  
10 the end thereof the following new paragraph:

**Amdt. No. 2048**

1           “(60) Deputy Special Representatives for Trade  
2           Negotiations (2).”

3           On page 101, line 22, strike out “(60)” and insert  
4           “(61)”.

**Amdt. No. 2048**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

## AMENDMENTS

Intended to be proposed by Mr. LONG (for himself, Mr. ROTH, and Mr. HARRY F. BYRD, JR.) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1 On page 79, between lines 5 and 6, insert the following  
2 new paragraph:

3 “(3) On the day on which an East-West Foreign  
4 Trade Board determination report is transmitted to the  
5 House of Representatives and the Senate under section  
6 410 (c) (4), an export disapproval resolution, if re-  
7 quired under section 410 (d) (1), with respect to such  
8 report shall be introduced, (by request) in the House by  
9 the majority leader of the House, for himself and the

Amdt. No. 2049

1 minority leader of the House, or by Members of the  
2 House designated by the majority leader and minority  
3 leader of the House; and shall be introduced (by re-  
4 quest) in the Senate by the majority leader of the Sen-  
5 ate, for himself and the minority leader of the Senate, or  
6 by Members of the Senate designated by the majority  
7 leader and the minority leader of the Senate. If either  
8 House is not in session on the day on which such a  
9 report is transmitted, the export disapproval resolution  
10 with respect to such report shall be introduced in that  
11 House, as provided in the preceding sentence, on the  
12 first day thereafter on which that House is in session.  
13 The export disapproval resolution introduced in the  
14 House shall be referred to the Committee on Ways and  
15 Means and the export disapproval resolution introduced  
16 in the Senate shall be referred to the Committee on  
17 Finance.”.

18 On page 79, line 6, strike out “or approval resolution”  
19 and insert in lieu thereof a comma and the following:  
20 “approval resolution, or export-disapproval resolution”.

21 On page 79, line 18, strike out “or approval resolution”  
22 and insert in lieu thereof a comma and the following:  
23 “approval resolution, or export disapproval resolution”.

24 On page 80, lines 5 and 6, strike out “or approval resolu-

1 tion” and insert in lieu thereof a comma and the following:  
2 “approval resolution, or export disapproval resolution”.

3 On page 80, line 7, strike out “or approval resolution”  
4 and insert in lieu thereof a comma and the following:  
5 “approval resolution, or export disapproval resolution”.

6 On page 80, lines 10 and 11, strike out “or approval  
7 resolution” and insert in lieu thereof a comma and the  
8 following: “approval resolution, or export disapproval  
9 resolution”.

10 On page 80, line 14, strike “or approval resolution”  
11 and insert in lieu thereof a comma and the following:  
12 “approval resolution, or export disapproval resolution”.

13 On page 81, line 15, strike out “or approval resolution”  
14 and insert in lieu thereof a comma and the following:  
15 “approval resolution, or export disapproval resolution”.

16 On page 81, line 20, strike out “or approval resolution”  
17 and insert in lieu thereof a comma and the following:  
18 “approval resolution, or export disapproval resolution”.

19 On page 82, line 1, strike out “or approval resolution”  
20 and insert in lieu thereof a comma and the following: “ap-  
21 proval resolution, or export disapproval resolution”.

22 On page 82, lines 2 and 3, strike out “or approval resolu-  
23 tion” and insert in lieu thereof a comma and the following:  
24 “approval resolution, or export disapproval resolution”.

25 On page 82, line 6, strike out “or approval resolution”.

1 and insert in lieu thereof a comma and the following: “ap-  
2 proval resolution, or export disapproval resolution reso-  
3 lution”.

4 On page 82, line 12, strike out “or approval resolution”  
5 and insert in lieu thereof a comma and the following: “ap-  
6 proval resolution, or export disapproval resolution”.

7 On page 82, line 16, strike out “or approval resolution”  
8 and insert in lieu thereof a comma and the following: “ap-  
9 proval resolution, or export disapproval resolution”.

10 On page 82, line 22, strike out “or approval resolution”  
11 and insert in lieu thereof a comma and the following: “ap-  
12 proval resolution, or export disapproval resolution”.

13 On page 83, line 4, strike out “or approval resolution”  
14 and insert in lieu thereof a comma and the following: “ap-  
15 proval resolution, or export disapproval resolution”.

16 On page 83, lines 10 and 11, strike out “or approval  
17 resolution” and insert in lieu thereof a comma and the fol-  
18 lowing: “approval resolution, or export disapproval reso-  
19 lution”.

20 On page 83, lines 18 and 19, strike out “or approval  
21 resolution” and insert in lieu thereof a comma and the fol-  
22 lowing: “approval resolution, or export disapproval reso-  
23 lution”.

24 On page 83, line 24, strike out “or approval resolution”.

1 and insert in lieu thereof a comma and the following: "ap-  
2 proval resolution, or export disapproval resolution".

3 On page 264, between lines 18 and 19, insert the  
4 following:

5 **"SEC. 409. EAST-WEST TRADE STATISTICS MONITORING**  
6 **SYSTEM.**

7 "The International Trade Commission shall establish  
8 and maintain a program to monitor imports of articles into  
9 the United States from nonmarket economy countries and  
10 exports of articles from the United States to nonmarket  
11 economy countries. To the extent feasible, the Commission  
12 shall coordinate such program with any relevant data gather-  
13 ing programs presently conducted by the Secretary of Com-  
14 merce. The Secretary of Commerce shall provide the Com-  
15 mission with any information which, in the determination  
16 of the Commission, is necessary to carry out this section.  
17 The Commission shall publish a detailed summary of the  
18 data collected under the East-West Trade Statistics Monitor-  
19 ing System not less frequently than once each calendar quar-  
20 ter and shall transmit such publication to the East-West  
21 Foreign Trade Board and to Congress. Such publication shall  
22 include data on the effect of such imports, if any, on the  
23 production of like, or directly competitive, articles in the  
24 United States and on employment within the industry which

1 produces like, or directly competitive, articles in the United  
2 States.

3 **"SEC. 410. EAST-WEST FOREIGN TRADE BOARD.**

4 " (a) (1) There is established within the executive  
5 branch of the Government of the United States a board to  
6 be known as the East-West Foreign Trade Board (herein-  
7 after referred to as the 'Board').

8 " (2) The Board shall be composed of the Special Rep-  
9 resentative for Trade Negotiations, who shall serve as  
10 Chairman, the Secretary of State, the Secretary of Defense,  
11 the Secretary of the Treasury, the Secretary of Commerce,  
12 the Secretary of Agriculture, the Secretary of Interior, the  
13 Chairman of the Board of Governors of the Federal Reserve  
14 System, the President of the Export-Import Bank of the  
15 United States, the Chairman of the Federal Power Com-  
16 mission, the Administrator of the Energy Research Develop-  
17 ment Administration, and the Director of the National  
18 Science Foundation:

19 " (3) Six members of the Board shall constitute a  
20 quorum.

21 " (4) The Board shall have an official seal which shall  
22 be judicially noticed.

23 " (5) The Chairman of the Board shall appoint and  
24 fix the compensation of such personnel as are necessary to

1 fulfill the duties of the Board in accordance with the pro-  
2 visions of title 5, United States Code.

3 “(6) The Board may obtain the services of experts  
4 and consultants in accordance with section 3109 of title 5,  
5 United States Code.

6 “(7) In carrying out its responsibilities under this sec-  
7 tion, the Board shall, to the fullest extent practicable, avail  
8 itself of the assistance, including personnel and facilities, of  
9 any agency of the United States. Each agency of the United  
10 States shall make available to the Board such personnel,  
11 facilities, and other assistance, with or without reimburse-  
12 ment, as the Board may request.

13 “(b) The Board shall coordinate the policies and opera-  
14 tions of all agencies of the United States which regulate or  
15 participate in trade with nonmarket economy countries or  
16 instrumentalities of such countries, including those agencies  
17 which provide credits or investment guarantees to such  
18 countries or instrumentalities. The Board shall also oversee  
19 the activities of persons within the United States who par-  
20 ticipate in trade with nonmarket economy countries or in-  
21 strumentalities of such countries to encourage the expansion  
22 of such trade and to insure that such trade will promote  
23 the national interest of the United States.

1       “(c) (1) Any agency of the United States which is  
2 involved in negotiations to provide credits or investment  
3 guarantees in an amount in excess of \$5,000,000 to any  
4 nonmarket economy country or to any instrumentality of  
5 such a country, and any person who is involved in negotia-  
6 tions with respect to the export from the United States to  
7 such country or instrumentality of technology vital to the  
8 national security of the United States, shall file a report with  
9 the Board with respect to the provision of such credits or  
10 guarantees or the export of such technology, in the form and  
11 containing the information which the Board requires, not less  
12 than 90 days before such provision or such export.

13       “(2) The Board shall provide an opportunity for inter-  
14 ested parties to be heard, under the provisions of chapter 5  
15 of title 5, United States Code, with respect to each report  
16 filed under the provisions of paragraph (1) and shall make  
17 a determination with respect to each report as to whether  
18 the proposed provision of credits and investment guarantees  
19 or export of technology will promote the national interests  
20 of the United States.

21       “(3) No person may provide credits or investment  
22 insurance to any nonmarket economy country or to any in-  
23 strumentality of such a country and no person may export  
24 technology to such a country or instrumentality if the Board  
25 determines under paragraph (2) that such provision or such

1. export will not promote the national interest of the United  
2 States.

3       “(4) Each determination by the Board under paragraph  
4 (2) shall be published in the Federal Register and shall be  
5 reported to the Congress. Such report shall include a state-  
6 ment of the impact of the provision of such credits or invest-  
7 ment guarantees or the export of such technology on the  
8 national security of the United States, on the production in  
9 the United States of relevant articles, on employment in  
10 the United States in relevant industries, and on consumers  
11 in the United States.

12       “(d) (1) If the Board determines under subsection (c)  
13 that the provision of credits or investment guarantees or the  
14 export of technology will promote the national interest of  
15 the United States, and if the dollar amount of such credits or  
16 guarantees exceeds \$50,000,000, then no person may pro-  
17 vide such credits or guarantees or export such technology if  
18 the Congress disapproves of such determination by the adop-  
19 tion of an export disapproval resolution (described in section  
20 151 (b)).

21       “(2) For purposes of paragraph (1) and subsection  
22 (c) (1), if the total amount of credits and investment guar-  
23 antees which an agency of the United States provides to all  
24 nonmarket economy countries and the instrumentalities of  
25 such countries exceeds \$50,000,000, or \$5,000,000, as

1 applicable, during a calendar year, then all subsequent pro-  
2 visions of credits or investment guarantees, in any amount,  
3 during such year shall be subject to congressional disapproval  
4 under this subsection or shall be reported to the Board, as  
5 applicable.

6 “(e) The East-West Foreign Trade Board shall submit  
7 to the Congress an annual report on trade between the United  
8 States and nonmarket economy countries. Such report shall  
9 include a review of the status of negotiations for bilateral  
10 trade agreements between the United States and such coun-  
11 tries under title IV of this Act, the activities of joint trade  
12 commissions created pursuant to such agreements, the resolu-  
13 tion of commercial disputes between the United States and  
14 such countries, any exports from such countries which have  
15 caused disruption of United States markets, and recommenda-  
16 tions from the promotion of East-West trade in the national  
17 interests of the United States.”

18 On page 75, line 18, immediately after the comma, insert  
19 the following: “export disapproval resolution described in  
20 subsection (b) (4)”.

21 On page 77, between lines 9 and 10, insert the following:

22 “(4) The term ‘export disapproval resolution’ means  
23 only a concurrent resolution of the two Houses of the Con-  
24 gress, the matter after the resolving clause of which is as fol-  
25 lows: “That the Congress disapproves the determination of

1 the East-West Foreign Trade Board with respect to the fol-  
2 lowing proposed provision of credits or investment guarantees  
3 or export of technology as stated in the report  
4 transmitted by the Board to the Congress on .”,  
5 the first blank space being filled in with the proposed provi-  
6 sion of credits or guarantees or expert of technology involved  
7 and the second blank being filled in with the appropriate  
8 date.”.

Amdt. No. 2049

Calendar No. 1231

93<sup>rd</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

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Intended to be proposed by Mr. LONE (for himself, Mr. ROTH, and Mr. HARRY F. BYRD, Jr.) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 178, beginning with line 7, strike out through  
2 line 14 and insert in lieu thereof the following:

3       “(d) The Secretary is authorized to guarantee loans  
4 for—

5           “(1) the acquisition, construction, installation,  
6 modernization, development, conversion, or expansion  
7 of land, plant, buildings, equipment, facilities, or  
8 machinery, and

9           “(2) working capital,

**Amdt. No. 2050**

1 made to private borrowers by private lending institutions in  
2 connection with projects in trade impacted areas subject to  
3 the same terms and conditions to which loan guarantees are  
4 subject under section 202 of the Public Works and Eco-  
5 nomic Development Act of 1965, including record and  
6 audit requirements and penalties, except that—”.

**Amdt. No. 2050**

**Calendar No. 1231**

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. LONG to  
H.R. 10710, an Act to promote the develop-  
ment of an open, nondiscriminatory, and  
fair world economic system, to stimulate the  
economic growth of the United States, and  
for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1       On page 216, line 15, beginning with "Within" strike  
2 out all through the period in line 22 and insert the following:

3 "Within 30 days after a determination by the Secretary—

4       “(1) under section 201 of the Antidumping Act,  
5 1921 (19 U.S.C. 160), that a class or kind of foreign  
6 merchandise is not being, nor likely to be, sold in the  
7 United States at less than its fair value, or

8       “(2) under section 303 of this Act that a bounty  
9 or grant is not being paid or bestowed,

10 an American manufacturer, producer, or wholesaler of mer-

**Amdt. No. 2051**

1   chandise of the same class or kind as that described in such  
2   determination may file with the Secretary a written notice  
3   of a desire to contest such determination.”

4         On page 217, line 20, after “value” insert “, or under  
5   section 303 of the Tariff Act of 1930 that a bounty or grant  
6   is not being paid or bestowed”.

7         On page 218, line 17, after “proceeding.” insert the  
8   following: “Upon service of the summons on the Secretary  
9   of the Treasury or his designee in an action contesting the  
10   Secretary’s determination under section 303 of the Tariff  
11   Act of 1930 that a bounty or grant is not being paid or  
12   bestowed, the Secretary or his designee shall forthwith trans-  
13   mit to the United States Customs Court, as the official record  
14   of the civil action, a certified copy of the transcript of all  
15   hearings held by the Secretary in the proceeding which  
16   resulted in such determination and certified copies of all  
17   notices, determinations, or other matters which the Secre-  
18   tary has caused to be published in the Federal Register in  
19   connection with such proceeding.”.

20         On page 231, line 13, strike out “and”.

21         On page 231, line 15, after “any,” insert “and the spe-  
22   cial duty described in section 202 of the Antidumping Act,  
23   1921 (hereinafter in this section referred to as ‘antidumping  
24   duties’), if any,”.

1        On page 231, line 21, after “duties” insert “or anti-  
2 dumping duties”.

3        On page 232, lines 1, 8, 10, and 22, after “duties”  
4 insert “or antidumping duties”.

5        On page 232, line 11, after “duty” insert “and anti-  
6 dumping duty”.

7        On page 232, line 18, after the period insert the follow-  
8 ing: “For antidumping duty purposes, the procedures set  
9 forth in section 201 of the Antidumping Act, 1921, shall  
10 apply.”.

11        On page 233, lines 3, 7, and 15, after “duties” insert  
12 “or antidumping duties”.

**Amdt. No. 2051**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. LONG to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

Calendar No. 1231

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. MONDALE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

On page 267, strike out lines 22 and 23 and insert the following:

- 1           “(1) if such country is a Communist country, unless
- 2           (A) the products of such country receive nondiscrimina-
- 3           tory treatment, (B) such country is a contracting party
- 4           to the General Agreement on Tariffs and Trade and a
- 5           member of the International Monetary Fund, and (C)
- 6           such country is not dominated or controlled by interna-
- 7           tional communism;”.

**Amdt. No. 2052**

**Amdt. No. 2052**

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93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. MONDARE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

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Calendar No. 1231

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. McINTYRE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: On page 14, at the end of section 101, insert the following new section:

- 1 (d) Notwithstanding other provisions of this Act, if
- 2 imports of an article or grouping thereof exceed  $33\frac{1}{3}$  per
- 3 centum of apparent domestic consumption during three of
- 4 the preceding five calendar years, and if a domestic in-
- 5 dustry exists producing articles like or directly competitive
- 6 with the imported articles, the President shall be precluded
- 7 from making any reduction in tariffs, duties, or import
- 8 restrictions on such articles unless the President makes an
- 9 affirmative determination that such reductions would not

**Amdt. No. 2053**

- 1 injure or threaten to injure a domestic industry producing
- 2 like or directly competitive with the imported article.

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2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. McINTYRE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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DECEMBER 12, 1974

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93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HATHAWAY (for himself, Mr. KENNEDY, and Mr. MCINTYRE) to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: Strike everything between page 228, line 21 and page 231, line 4 and insert in lieu thereof the following:

1       (d) INTERNATIONAL NEGOTIATIONS.—(1) It is the  
2 sense of the Congress that the President, to the extent  
3 practicable and consistent with United States interests, seek  
4 through negotiations the establishment of internationally  
5 agreed rules and procedures governing the use of subsidies  
6 (and other export incentives) and the application of  
7 countervailing duties.

8       (2) No trade agreement or international code negotiated

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1 pursuant to subsection (d) (1) shall enter force unless ap-  
2 proved by majority vote of the House of Representatives  
3 and the Senate.

**Amdl. No. 2054**

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2<sup>D</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. HATHAWAY  
(for himself, Mr. KENNEDY, and Mr. McINTYRE)  
to H.R. 10710, an Act to promote the development  
of an open, nondiscriminatory, and fair world  
economic system, to stimulate the economic growth  
of the United States, and for other purposes.

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DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. HATHAWAY (for himself, Mr. EAGLETON, Mr. McINTYRE, and Mr. SYMINGTON), to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1 On page 226, line 11, strike the period and insert the
- 2 following: “, except that he shall make such final determi-
- 3 nation within six months of the date of the enactment of
- 4 this Act for those petitions filed with him prior to December
- 5 1, 1974, if no such determination was made by him as of
- 6 such date. The provisions of section 303 (d) (2) of this Act
- 7 shall not apply in those cases where petitions were filed prior
- 8 to December 1, 1974, and for which no determination was
- 9 made as of the date of such enactment.”.

Amdt. No. 2055

**Amdt. No. 2055**

**Calendar No. 1231**

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**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. HATHAWAY  
(for himself, Mr. EAGERON, Mr. McINTYRE,  
and Mr. SYMINGTON) to H.R. 10710,  
an Act to promote the development of an  
open, nondiscriminatory, and fair world  
economic system, to stimulate the economic  
growth of the United States, and for other  
purposes.

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DECEMBER 12, 1974

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93<sup>D</sup> CONGRESS  
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# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

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## AMENDMENTS

Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

1        On page 120, beginning with line 3, strike out through  
2 line 6.

3        On page 120, line 7, strike out “(3)” and insert in lieu  
4 thereof “(2)”.

5        On page 120, beginning with line 19, strike out through  
6 line 4 on page 121.

7        On page 264, beginning with line 19, strike out through  
8 line 25 on page 279.

**Amdt. No. 2056**

**Amdt. No. 2056**

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93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

**H. R. 10710**

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## **AMENDMENTS**

Intended to be proposed by Mr. SCHWEIKER to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 1974

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## AMENDMENT

Intended to be proposed by Mr. COTTON to H.R. 10710, an act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz: Section 503 is amended by adding the following subsection:

- 1       (b) The authority to extend preferences pursuant to this
- 2 title shall not apply to textile and footwear products, which
- 3 are determined by the Special Representative for Trade
- 4 Negotiations to be considered import-sensitive.

**Amdt. No. 2058**

**Amdt. No. 2058**

**Calendar No. 1231**

93<sup>RD</sup> CONGRESS  
2<sup>ND</sup> SESSION

**H. R. 10710**

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## **AMENDMENT**

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Intended to be proposed by Mr. CORSON to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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# H. R. 10710

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IN THE SENATE OF THE UNITED STATES

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## AMENDMENT

Intended to be proposed by Mr. DOLE to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes, viz:

- 1 On page 25, line 10, delete the comma following the
- 2 word "feasible" and insert therefor "and consistent with the
- 3 provisions of section 103,".

**Amdt. No. 2060**

**Amdt. No. 2060**

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**H. R. 10710**

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## **AMENDMENT**

Intended to be proposed by Mr. Dole to H.R. 10710, an Act to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

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