TRADE AGREEMENTS ACT OF 1979

39-139 O - 79 (39)

Public Law 96-39
96th Congress

An Act

July 26, 1979
[H.R. 4537]

To approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes.

Trade Agreements Act of 1979.
19 USC 2501 note.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the "Trade Agreements Act of 1979".

(b) TABLE OF CONTENTS.—

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Sec. 2. Approval of trade agreements.
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Sec. 105. Continuation of certain waivers.
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Sec. 222. Final list rate conversions.
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Sec. 1114. Effective date.

19 USC 2502.

(c) PURPOSES.—The purposes of this Act are—

19 USC 2101.

(1) to approve and implement the trade agreements negotiated under the Trade Act of 1974;

(2) to foster the growth and maintenance of an open world trading system;

(3) to expand opportunities for the commerce of the United States in international trade; and

(4) to improve the rules of international trade and to provide for the enforcement of such rules, and for other purposes.

SEC. 2. APPROVAL OF TRADE AGREEMENTS. 19 USC 2503.

(a) APPROVAL OF AGREEMENTS AND STATEMENTS OF ADMINISTRATIVE ACTION.—In accordance with the provisions of sections 102 and 151 of the Trade Act of 1974 (19 U.S.C. 2112 and 2191), the Congress approves the trade agreements described in subsection (c) submitted to the Congress on June 19, 1979, and the statements of administrative action proposed to implement such trade agreements submitted to the Congress on that date.

(b) ACCEPTANCE OF AGREEMENTS BY THE PRESIDENT.—

(1) IN GENERAL.—The President may accept for the United States the final legal instruments or texts embodying each of the trade agreements approved by the Congress under subsection (a). The President shall submit a copy of each final instrument or text to the Congress on the date such text or instrument is available, together with a notification of any changes in the instruments or texts, including their annexes, if any, as accepted and the texts of such agreements as submitted to the Congress under subsection (a). Such final legal instruments or texts shall be deemed to be the agreements submitted to and approved by the Congress under subsection (a) if such changes are— Agreement, submittal to Congress.

(A) only rectifications of a formal character or minor technical or clerical changes which do not affect the substance or meaning of the texts as submitted to the Congress on June 19, 1979, or

(B) changes in annexes to such agreements, and the President determines that the balance of United States rights and obligations under such agreements is maintained.

(2) APPLICATION OF AGREEMENT BETWEEN THE UNITED STATES AND OTHER COUNTRIES.—No agreement accepted by the President under paragraph (1) shall apply between the United States and any other country unless the President determines that such country—

(A) has accepted the obligations of the agreement with respect to the United States, and

(B) should not otherwise be denied the benefits of the agreement with respect to the United States because such country has not accorded adequate benefits, including substantially equal competitive opportunities for the commerce of the United States to the extent required under section 126(c) of the Trade Act of 1974 (19 U.S.C. 2136(c)), to the United States.

(3) LIMITATION ON ACCEPTANCE CONCERNING MAJOR INDUSTRIAL COUNTRIES.—The President may not accept an agreement described in paragraph (1), (2), (3), (4), (5), (6), (7), (9), (10), or (11) of subsection (c), unless he determines that each major industrial country (as defined in section 126(d) of the Trade Act of 1974 (19 U.S.C. 2136(d)) is also accepting the agreement. Notwithstanding the preceding sentence, the President may accept such an agreement, if he determines that only one major industrial country is not accepting that agreement and the acceptance of that agreement by that country is not essential to the effective operation of the agreement, and if—

(A) that country is not a major factor in trade in the products covered by that agreement,

(B) the President has authority to deny the benefits of the agreement to that country and has taken steps to deny the benefits of the agreement to that country, or

(C) a significant portion of United States trade would benefit from the agreement, notwithstanding such nonacceptance, and the President determines and reports to the Congress that it is in the national interest of the United States to accept the agreement.

European Communities.

For purposes of this paragraph, the acceptance of an agreement by the European Communities on behalf of its member countries shall also be treated as acceptance of that agreement by each member country, and acceptance of an agreement by all the member countries of the European Communities shall also be treated as acceptance of that agreement by the European Communities.

(c) TRADE AGREEMENTS TO WHICH THIS ACT APPLIES.—The trade agreements to which subsection (a) applies are the following:

26 UST 2083.

(1) The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (relating to customs valuation).

(2) The Agreement on Government Procurement.

(3) The Agreement on Import Licensing Procedures.

(4) The Agreement on Technical Barriers to Trade (relating to product standards).

(5) The Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures).

(6) The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures).

(7) The International Dairy Arrangement.

(8) Certain bilateral agreements on cheese, other dairy products, and meat.

(9) The Arrangement Regarding Bovine Meat.

(10) The Agreement on Trade in Civil Aircraft.

(11) Texts Concerning a Framework for the Conduct of World Trade.

(12) Certain Bilateral Agreements to Eliminate the Wine-Gallon Method of Tax and Duty Assessment.

(13) Certain other agreements to be reflected in Schedule XX of the United States to the General Agreement on Tariffs and Trade, including Agreements—

(A) to Modify United States Watch Marking Requirements, and to Modify United States Tariff Nomenclature and Rates of Duty for Watches,

(B) to Provide Duty-Free Treatment for Agricultural and Horticultural Machinery, Equipment, Implements, and Parts Thereof, and

(C) to Modify United States Tariff Nomenclature and Rates of Duty for Ceramic Tableware.

(14) The Agreement with the Hungarian People's Republic.

19 USC 2504.

SEC. 3. RELATIONSHIP OF TRADE AGREEMENTS TO UNITED STATES LAW.

(a) UNITED STATES STATUTES TO PREVAIL IN CONFLICT.—No provision of any trade agreement approved by the Congress under section 2(a), nor the application of any such provision to any person or circumstance, which is in conflict with any statute of the United States shall be given effect under the laws of the United States.

(b) IMPLEMENTING REGULATIONS.—Regulations necessary or appropriate to carry out actions proposed in any statement of proposed

administrative action submitted to the Congress under section 102 of the Trade Act of 1974 to implement each agreement approved under section 2(a) shall be issued within 1 year after the date of the entry into force of such agreement with respect to the United States. 19 USC 2112.

(c) CHANGES IN STATUTES TO IMPLEMENT A REQUIREMENT, AMENDMENT, OR RECOMMENDATION.—

(1) PRESIDENTIAL DETERMINATION.—Whenever the President determines that it is necessary or appropriate to amend, repeal, or enact a statute of the United States in order to implement any requirement of, amendment to, or recommendation under such an agreement, he shall submit to the Congress a draft of a bill to accomplish the amendment, repeal, or enactment and a statement of any administrative action proposed to implement the requirement, amendment, or recommendation. Not less than 30 days before submitting such a bill, the President shall consult with the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and each committee of the House or Senate which has jurisdiction over legislation involving subject matters which would be affected by such amendment, repeal, or enactment. The consultation shall treat all matters relating to the implementation of such requirement, amendment, or recommendation, as provided in paragraphs (2) and (3).

Draft, submittal to Congress.

Consultation with congressional committees.

(2) CONDITIONS FOR TAKING EFFECT UNDER UNITED STATES LAW.—No such amendment shall enter into force with respect to the United States, and no such requirement, amendment, or recommendation shall be implemented under United States law, unless—

(A) the President, after consultation with the Congress under paragraph (1), notifies the House of Representatives and the Senate of his determination and publishes notice of that determination in the Federal Register,

Publication in Federal Register.

(B) the President transmits a document to the House of Representatives and to the Senate containing a copy of the text of such requirement, amendment, or recommendation, together with—

Document, submittal to Congress.

(i) a draft of a bill to amend or repeal provisions of existing statutes or to create statutory authority and an explanation as to how the bill and any proposed administrative action affect existing law, and

(ii) a statement of how the requirement, amendment, or recommendation serves the interests of United States commerce and why the legislative and administrative action is necessary or appropriate to carry out the requirement, amendment, or recommendation, and

(C) the bill submitted by the President is enacted into law.

(3) RECOMMENDATIONS AS TO APPLICATION.—The President may make the same type of recommendations, in the same manner and subject to the same conditions, to the Congress with respect to the application of any such requirement, amendment, or recommendation as he may make, under section 102(f) of the Trade Act of 1974, with respect to a trade agreement. 19 USC 2112.

(4) CONGRESSIONAL PROCEDURES APPLICABLE.—The bill submitted by the President shall be introduced in accordance with the provisions of subsection (c)(1) of section 151 of the Trade Act of 1974, and the provisions of subsections (d), (e), (f), and (g) of such section shall apply to the consideration of the bill. For the purpose of applying section 151 of such Act to such bill— 19 USC 2191.

"Trade agreement."

(A) the term "trade agreement" shall be treated as a reference to the requirement, amendment, or recommendation, and

"Implementing bill."

(B) the term "implementing bill" or "implementing revenue bill", whichever is appropriate, shall be treated as a reference to the bill submitted by the President.

(e) CONGRESSIONAL LIAISON.—Paragraph (1) of section 161(b) of the Trade Act of 1974 (19 U.S.C. 2211(b)) is amended by inserting "or any requirement of, amendment to, or recommendation under, such agreement" immediately after "trade agreement".

(f) UNSPECIFIED PRIVATE REMEDIES NOT CREATED.—Neither the entry into force with respect to the United States of any agreement approved under section 2(a), nor the enactment of this Act, shall be construed as creating any private right of action or remedy for which provision is not explicitly made under this Act or under the laws of the United States.

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

SEC. 101. ADDITION OF NEW COUNTERVAILING AND ANTIDUMPING DUTIES TITLE TO TARIFF ACT OF 1930.

The Tariff Act of 1930 is amended by adding at the end thereof the following new title:

"TITLE VII—COUNTERVAILING AND ANTIDUMPING DUTIES

"Subtitle A—Imposition of Countervailing Duties

"Sec. 701. Countervailing duties imposed.
"Sec. 702. Procedures for initiating a countervailing duty investigation.
"Sec. 703. Preliminary determinations.
"Sec. 704. Termination or suspension of investigation.
"Sec. 705. Final determinations.
"Sec. 706. Assessment of duty.
"Sec. 707. Treatment of difference between deposit of estimated countervailing duty and final assessed duty under countervailing duty order.

"Subtitle B—Imposition of Antidumping Duties

"Sec. 731. Antidumping duties imposed.
"Sec. 732. Procedures for initiating an antidumping duty investigation.
"Sec. 733. Preliminary determinations.
"Sec. 734. Termination or suspension of investigation.
"Sec. 735. Final determinations.
"Sec. 736. Assessment of duty.
"Sec. 737. Treatment of difference between deposit of estimated antidumping duty and final assessed duty under antidumping duty order.
"Sec. 738. Conditional payment of antidumping duty.
"Sec. 739. Duties of customs officers.
"Sec. 740. Antidumping duty treated as regular duty for drawback purposes.

"Subtitle C—Review of Determinations

"Sec. 751. Administrative review of determinations.

"Subtitle D—General Provisions

"Sec. 771. Definitions; special rules.
"Sec. 772. United States price.
"Sec. 773. Foreign market value.
"Sec. 774. Hearings.
"Sec. 775. Subsidy practices discovered during an investigation.
"Sec. 776. Verification of information.
"Sec. 777. Access to information.
"Sec. 778. Interest on certain overpayments and underpayments.

"Subtitle A—Imposition of Countervailing Duties

19 USC 1671.

"SEC. 701. COUNTERVAILING DUTIES IMPOSED.

"(a) GENERAL RULE.—If—

"(1) the administering authority determines that—

"(A) a country under the Agreement, or

"(B) a person who is a citizen or national of such a country, or a corporation, association, or other organization organized in such a country,

is providing, directly or indirectly, a subsidy with respect to the manufacture, production, or exportation of a class or kind of merchandise imported into the United States, and

"(2) the Commission determines that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of that merchandise,

then there shall be imposed upon such merchandise a countervailing duty, in addition to any other duty imposed, equal to the amount of the net subsidy.

"(b) COUNTRY UNDER THE AGREEMENT.—For purposes of this subtitle, the term 'country under the Agreement' means a country—

"(1) between the United States and which the Agreement on Subsidies and Countervailing Measures applies, as determined under section 2(b) of the Trade Agreements Act of 1979,

"(2) which has assumed obligations with respect to the United States which are substantially equivalent to obligations under the Agreement, as determined by the President, or

"(3) with respect to which the President determines that—

"(A) there is an agreement in effect between the United States and that country which—

"(i) was in force on June 19, 1979, and

"(ii) requires unconditional most-favored-nation treatment with respect to articles imported into the United States,

"(B) the General Agreement on Tariffs and Trade does not apply between the United States and that country, and

"(C) the agreement described in subparagraph (A) does not expressly permit—

"(i) actions required or permitted by the General Agreement on Tariffs and Trade, or required by the Congress, or

"(ii) nondiscriminatory prohibitions or restrictions on importation which are designed to prevent deceptive or unfair practices.

"(c) CROSS REFERENCE.—

"For provisions of law applicable in the case of merchandise which is the product of a country other than a country under the Agreement, see section 303 of this Act.

"SEC. 702. PROCEDURES FOR INITIATING A COUNTERVAILING DUTY INVESTIGATION.

19 USC 1671a.

"(a) INITIATION BY ADMINISTERING AUTHORITY.—A countervailing duty investigation shall be commenced whenever the administering authority determines, from information available to it, that a formal

investigation is warranted into the question of whether the elements necessary for the imposition of a duty under section 701(a) exist.

"(b) INITIATION BY PETITION.—

"(1) PETITION REQUIREMENTS.—A countervailing duty proceeding shall be commenced whenever an interested party described in subparagraph (C), (D), or (E) of section 771(9) files a petition with the administering authority, on behalf of an industry, which alleges the elements necessary for the imposition of the duty imposed by section 701(a), and which is accompanied by information reasonably available to the petitioner supporting those allegations. The petition may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit.

Post, p. 176.

"(2) SIMULTANEOUS FILING WITH COMMISSION.—The petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority.

"(c) PETITION DETERMINATION.—Within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—

"(1) determine whether the petition alleges the elements necessary for the imposition of a duty under section 701(a) and contains information reasonably available to the petitioner supporting the allegations,

"(2) if the determination is affirmative, commence an investigation to determine whether a subsidy is being provided with respect to the class or kind of merchandise described in the petition, and provide for the publication of notice of the determination to commence an investigation in the Federal Register, and

Publication in Federal Register.

"(3) if the determination is negative, dismiss the petition, terminate the proceeding, notify the petitioner in writing of the reasons for the determination, and provide for the publication of notice of the determination in the Federal Register.

Publication in Federal Register.

"(d) NOTIFICATION TO COMMISSION OF DETERMINATION.—The administering authority shall—

"(1) notify the Commission immediately of any determination it makes under subsection (a) or (c), and

"(2) if the determination is affirmative, make available to the Commission such information as it may have relating to the matter under investigation, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

19 USC 1671b.

"SEC. 703. PRELIMINARY DETERMINATIONS.

"(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—Except in the case of a petition dismissed by the administering authority under section 702(c)(3), the Commission, within 45 days after the date on which a petition is filed under section 702(b) or on which it receives notice from the administering authority of an investigation commenced under section 702(a), shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable indication that—

"(1) an industry in the United States—

"(A) is materially injured, or

"(B) is threatened with material injury, or

"(2) the establishment of an industry in the United States is materially retarded,

by reason of imports of the merchandise which is the subject of the investigation by the administering authority. If that determination is negative, the investigation shall be terminated.

"(b) PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—Within 85 days after the date on which a petition is filed under section 702(b), or an investigation is commenced under section 702(a), but not before an affirmative determination by the Commission under subsection (a) of this section, the administering authority shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable basis to believe or suspect that a subsidy is being provided with respect to the merchandise which is the subject of the investigation. If the determination of the administering authority under this subsection is affirmative, the determination shall include an estimate of the net subsidy.

"(c) EXTENSION OF PERIOD IN EXTRAORDINARILY COMPLICATED CASES.—

"(1) IN GENERAL.—If—

"(A) the petitioner makes a timely request for an extension of the period within which the determination must be made under subsection (b), or

"(B) the administering authority concludes that the parties concerned are cooperating and determines that—

"(i) the case is extraordinarily complicated by reason of—

"(I) the number and complexity of the alleged subsidy practices;

"(II) the novelty of the issues presented;

"(III) the need to determine the extent to which particular subsidies are used by individual manufacturers, producers, and exporters; or

"(IV) the number of firms whose activities must be investigated; and

"(ii) additional time is necessary to make the preliminary determination,

then the administering authority may postpone making the preliminary determination under subsection (b) until not later than the 150th day after the date on which a petition is filed under section 702(b), or an investigation is commenced under section 702(a).

"(2) NOTICE OF POSTPONEMENT.—The administering authority shall notify the parties to the investigation, not later than 20 days before the date on which the preliminary determination would otherwise be required under subsection (b), if it intends to postpone making the preliminary determination under paragraph (1). The notification shall include an explanation of the reasons for the postponement. Notice of the postponement shall be published in the Federal Register.

Publication in Federal Register.

"(d) EFFECT OF DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the preliminary determination of the administering authority under subsection (b) is affirmative, the administering authority—

"(1) shall order the suspension of liquidation of all entries of merchandise subject to the determination which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the determination in the Federal Register,

"(2) shall order the posting of a cash deposit, bond, or other security, as it deems appropriate, for each entry of the merchandise concerned equal to the estimated amount of the net subsidy, and

"(3) shall make available to the Commission all information upon which its determination was based and which the Commission considers relevant to its injury determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

"(e) CRITICAL CIRCUMSTANCES DETERMINATIONS.—

"(1) IN GENERAL.—If a petitioner alleges critical circumstances in its original petition, or by amendment at any time more than 20 days before the date of a final determination by the administering authority, then the administering authority shall promptly determine, on the basis of the best information available to it at that time, whether there is a reasonable basis to believe or suspect that—

"(A) the alleged subsidy is inconsistent with the Agreement, and

"(B) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

"(2) SUSPENSION OF LIQUIDATION.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subsection (d)(1) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered.

Publication in Federal Register.

"(f) NOTICE OF DETERMINATIONS.—Whenever the Commission or the administering authority makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

19 USC 1671c.

"SEC. 704. TERMINATION OR SUSPENSION OF INVESTIGATION.

"(a) TERMINATION OF INVESTIGATION ON WITHDRAWAL OF PETITION.—An investigation under this subtitle may be terminated by either the administering authority or the Commission after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner. The Commission may not terminate an investigation under the preceding sentence before a preliminary determination is made by the administering authority under section 703(b).

"(b) AGREEMENTS TO ELIMINATE OR OFFSET COMPLETELY A SUBSIDY OR TO CEASE EXPORTS OF SUBSIDIZED MERCHANDISE.—The administering authority may suspend an investigation if the government of the country in which the subsidy practice is alleged to occur agrees, or exporters who account for substantially all of the imports of the merchandise which is the subject of the investigation agree—

"(1) to eliminate the subsidy completely or to offset completely the amount of the net subsidy, with respect to that merchandise exported directly or indirectly to the United States, within 6 months after the date on which the investigation is suspended, or

"(2) to cease exports of that merchandise to the United States within 6 months after the date on which the investigation is suspended.

"(c) AGREEMENTS ELIMINATING INJURIOUS EFFECT.—

"(1) GENERAL RULE.—If the administering authority determines that extraordinary circumstances are present in a case, it may suspend an investigation upon the acceptance of an agreement from a government described in subsection (b), or from exporters described in subsection (b), if the agreement will eliminate completely the injurious effect of exports to the United States of the merchandise which is the subject of the investigation.

"(2) CERTAIN ADDITIONAL REQUIREMENTS.—Except in the case of an agreement by a foreign government to restrict the volume of imports of the merchandise which is the subject of the investigation into the United States, the administering authority may not accept an agreement under this subsection unless—

"(A) the suppression or undercutting of price levels of domestic products by imports of that merchandise will be prevented, and

"(B) at least 85 percent of the net subsidy will be offset.

"(3) QUANTITATIVE RESTRICTIONS AGREEMENTS.—The administering authority may accept an agreement with a foreign government under this subsection to restrict the volume of imports of merchandise which is the subject of an investigation into the United States, but it may not accept such an agreement with exporters.

"(4) DEFINITION OF EXTRAORDINARY CIRCUMSTANCES.—

"(A) EXTRAORDINARY CIRCUMSTANCES.—For purposes of this subsection, the term 'extraordinary circumstances' means circumstances in which—

"(i) suspension of an investigation will be more beneficial to the domestic industry than continuation of the investigation, and

"(ii) the investigation is complex.

"(B) COMPLEX.—For purposes of this paragraph, the term 'complex' means—

"(i) there are a large number of alleged subsidy practices and the practices are complicated,

"(ii) the issues raised are novel, or

"(iii) the number of exporters involved is large.

"(d) ADDITIONAL RULES AND CONDITIONS.—

"(1) PUBLIC INTEREST; MONITORING.—The administering authority shall not accept an agreement under subsection (b) or (c) unless—

"(A) it is satisfied that suspension of the investigation is in the public interest, and

"(B) effective monitoring of the agreement by the United States is practicable.

"(2) EXPORTS OF MERCHANDISE TO UNITED STATES NOT TO INCREASE DURING INTERIM PERIOD.—The administering authority may not accept any agreement under subsection (b) unless that agreement provides a means of ensuring that the quantity of the merchandise covered by that agreement exported to the United States during the period provided for elimination or offset of the subsidy or cessation of exports does not exceed the quantity of such merchandise exported to the United States during the most

recent representative period determined by the administering authority.

"(3) REGULATIONS GOVERNING ENTRY OR WITHDRAWALS.—In order to carry out an agreement concluded under subsection (b) or (c), the administering authority is authorized to prescribe regulations governing the entry, or withdrawal from warehouse, for consumption of merchandise covered by such agreement.

"(e) SUSPENSION OF INVESTIGATION PROCEDURE.—Before an investigation may be suspended under subsection (b) or (c) the administering authority shall—

"(1) notify the petitioner of, and consult with the petitioner concerning, its intention to suspend the investigation, and notify other parties to the investigation and the Commission not less than 30 days before the date on which it suspends the investigation,

"(2) provide a copy of the proposed agreement to the petitioner at the time of the notification, together with an explanation of how the agreement will be carried out and enforced (including any action required of foreign governments), and of how the agreement will meet the requirements of subsections (b) and (d) or (c) and (d), and

"(3) permit all parties to the investigation to submit comments and information for the record before the date on which notice of suspension of the investigation is published under subsection (f)(1)(A).

"(f) EFFECTS OF SUSPENSION OF INVESTIGATION.—

"(1) IN GENERAL.—If the administering authority determines to suspend an investigation upon acceptance of an agreement described in subsection (b) or (c), then—

Suspension notice, publication.

"(A) it shall suspend the investigation, publish notice of suspension of the investigation, and issue an affirmative preliminary determination under section 703(b) with respect to the merchandise which is the subject of the investigation, unless it has previously issued such a determination in the same investigation,

"(B) the Commission shall suspend any investigation it is conducting with respect to that merchandise, and

"(C) the suspension of investigation shall take effect on the day on which such notice is published.

"(2) LIQUIDATION OF ENTRIES.—

"(A) CESSATION OF EXPORTS; COMPLETE ELIMINATION OF NET SUBSIDY.—If the agreement accepted by the administering authority is an agreement described in subsection (b), then—

"(i) notwithstanding the affirmative preliminary determination required under paragraph (1)(A), the liquidation of entries of merchandise which is the subject of the investigation shall not be suspended under section 703(d)(1),

"(ii) if the liquidation of entries of such merchandise was suspended pursuant to a previous affirmative preliminary determination in the same case with respect to such merchandise, that suspension of liquidation shall terminate, and

"(iii) the administering authority shall refund any cash deposit and release any bond or other security deposited under section 703(d)(1).

"(B) OTHER AGREEMENTS.—If the agreement accepted by the administering authority is an agreement described in

subsection (c), then the liquidation of entries of the merchandise which is the subject of the investigation shall be suspended under section 703(d)(1), or, if the liquidation of entries of such merchandise was suspended pursuant to a previous affirmative preliminary determination in the same case, that suspension of liquidation shall continue in effect, subject to subsection (h)(3), but the security required under section 703(d)(2) may be adjusted to reflect the effect of the agreement.

"(3) WHERE INVESTIGATION IS CONTINUED.—If, pursuant to subsection (g), the administering authority and the Commission continue an investigation in which an agreement has been accepted under subsection (b) or (c), then—

"(A) if the final determination by the administering authority or the Commission under section 705 is negative, the agreement shall have no force or effect and the investigation shall be terminated, or

"(B) if the final determinations by the administering authority and the Commission under such section are affirmative, the agreement shall remain in force, but the administering authority shall not issue a countervailing duty order in the case so long as—

"(i) the agreement remains in force,

"(ii) the agreement continues to meet the requirements of subsections (b) and (d) or (c) and (d), and

"(iii) the parties to the agreement carry out their obligations under the agreement in accordance with its terms.

"(g) INVESTIGATION TO BE CONTINUED UPON REQUEST.—If the administering authority, within 20 days after the date of publication of the notice of suspension of an investigation, receives a request for the continuation of the investigation from—

"(1) the government of the country in which the subsidy practice is alleged to occur, or

"(2) an interested party described in subparagraph (C), (D), or (E) of section 771(9) which is a party to the investigation, then the administering authority and the Commission shall continue the investigation.

Post, p. 176.

"(h) REVIEW OF SUSPENSION.—

"(1) IN GENERAL.—Within 20 days after the suspension of an investigation under subsection (c), an interested party which is a party to the investigation and which is described in subparagraph (C), (D), or (E) of section 771(9) may, by petition filed with the Commission and with notice to the administering authority, ask for a review of the suspension.

"(2) COMMISSION INVESTIGATION.—Upon receipt of a review petition under paragraph (1), the Commission shall, within 75 days after the date on which the petition is filed with it, determine whether the injurious effect of imports of the merchandise which is the subject of the investigation is eliminated completely by the agreement. If the Commission's determination under this subsection is negative, the investigation shall be resumed on the date of publication of notice of such determination as if the affirmative preliminary determination under section 703(b) had been made on that date.

"(3) SUSPENSION OF LIQUIDATION TO CONTINUE DURING REVIEW PERIOD.—The suspension of liquidation of entries of the merchandise which is the subject of the investigation shall terminate at

Publication in Federal Register.

the close of the 20-day period beginning on the day after the date on which notice of suspension of the investigation is published in the Federal Register, or, if a review petition is filed under paragraph (1) with respect to the suspension of the investigation, in the case of an affirmative determination by the Commission under paragraph (2), the date on which notice of the affirmative determination by the Commission is published. If the determination of the Commission under paragraph (2) is affirmative, then the administering authority shall—

"(A) terminate the suspension of liquidation under section 703(d)(1), and

"(B) release any bond or other security, and refund any cash deposit, required under section 703(d)(2).

"(i) VIOLATION OF AGREEMENT.—

"(1) IN GENERAL.—If the administering authority determines that an agreement accepted under subsection (b) or (c) is being, or has been, violated, or no longer meets the requirements of such subsection (other than the requirement, under subsection (c)(1), of elimination of injury) and subsection (d), then, on the date of publication of its determination, it shall—

"(A) suspend liquidation under section 703(d)(1) of unliquidated entries of the merchandise made on or after the later of—

"(i) the date which is 90 days before the date of publication of the notice of suspension of liquidation, or

"(ii) the date on which the merchandise, the sale or export to the United States of which was in violation of the agreement, or under an agreement which no longer meets the requirements of subsections (b) and (d) or (c) and (d), was first entered, or withdrawn from warehouse, for consumption,

"(B) if the investigation was not completed, resume the investigation as if its affirmative preliminary determination under section 703(b) were made on the date of its determination under this paragraph,

"(C) if the investigation was completed under subsection (g), issue a countervailing duty order under section 706(a) effective with respect to entries of merchandise the liquidation of which was suspended, and

Notification.

"(D) notify the petitioner, interested parties who are or were parties to the investigation, and the Commission of its action under this paragraph.

"(2) INTENTIONAL VIOLATION TO BE PUNISHED BY CIVIL PENALTY.—Any person who intentionally violates an agreement accepted by the administering authority under subsection (b) or (c) shall be subject to a civil penalty assessed in the same amount, in the same manner, and under the same procedure, as the penalty imposed for a fraudulent violation of section 592(a) of this Act.

19 USC 1592.

"(j) DETERMINATION NOT TO TAKE AGREEMENT INTO ACCOUNT.—In making a final determination under section 705, or in conducting a review under section 751, in a case in which the administering authority has terminated a suspension of investigation under subsection (i)(1), or continued an investigation under subsection (g), the Commission and the administering authority shall consider all of the merchandise which is the subject of the investigation, without regard to the effect of any agreement under subsection (b) or (c).

"SEC. 705. FINAL DETERMINATIONS. 19 USC 1671d.

"(a) FINAL DETERMINATION BY ADMINISTERING AUTHORITY.—

"(1) IN GENERAL.—Within 75 days after the date of its preliminary determination under section 703(b), the administering authority shall make a final determination of whether or not a subsidy is being provided with respect to the merchandise.

"(2) CRITICAL CIRCUMSTANCES DETERMINATIONS.—If the final determination of the administering authority is affirmative, then that determination, in any investigation in which the presence of critical circumstances has been alleged under section 703(e), shall also contain a finding as to whether—

"(A) the subsidy is inconsistent with the Agreement, and

"(B) there have been massive imports of the class or kind of merchandise involved over a relatively short period.

"(b) FINAL DETERMINATION BY COMMISSION.—

"(1) IN GENERAL.—The Commission shall make a final determination of whether—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a).

"(2) PERIOD FOR INJURY DETERMINATION FOLLOWING AFFIRMATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 703(b) is affirmative, then the Commission shall make the determination required by paragraph (1) before the later of—

"(A) the 120th day after the day on which the administering authority makes its affirmative preliminary determination under section 703(b), or

"(B) the 45th day after the day on which the administering authority makes its affirmative final determination under subsection (a).

"(3) PERIOD FOR INJURY DETERMINATION FOLLOWING NEGATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 703(b) is negative, and its final determination under subsection (a) is affirmative, then the final determination by the Commission under this subsection shall be made within 75 days after the date of that affirmative final determination.

"(4) CERTAIN ADDITIONAL FINDINGS.—

"(A) If the finding of the administering authority under subsection (a)(2) is affirmative, then the final determination of the Commission shall include findings as to whether—

"(i) there is material injury which will be difficult to repair, and

"(ii) the material injury was by reason of such massive imports of the subsidized merchandise over a relatively short period.

"(B) If the final determination of the Commission is that there is no material injury but that there is threat of material injury, then its determination shall also include a finding as to whether material injury by reason of imports of the merchandise with respect to which the administering

authority has made an affirmative determination under subsection (a) would have been found but for any suspension of liquidation of entries of that merchandise.

"(c) EFFECT OF FINAL DETERMINATIONS.—

"(1) EFFECT OF AFFIRMATIVE DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the determination of the administering authority under subsection (a) is affirmative, then—

"(A) the administering authority shall make available to the Commission all information upon which such determination was based and which the Commission considers relevant to its determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority, and

"(B) in cases where the preliminary determination by the administering authority under section 703(b) was negative, the administering authority shall order under paragraphs (1) and (2) of section 703(d) the suspension of liquidation and the posting of a cash deposit, bond, or other security.

"(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE DETERMINATION.—If the determinations of the administering authority and the Commission under subsections (a)(1) and (b)(1) are affirmative, then the administering authority shall issue a countervailing duty order under section 706(a). If either of such determinations is negative, the investigation shall be terminated upon the publication of notice of that negative determination and the administering authority shall—

"(A) terminate the suspension of liquidation under section 703(d)(1), and

"(B) release any bond or other security and refund any cash deposit required under section 703(d)(2).

"(3) EFFECT OF NEGATIVE DETERMINATIONS UNDER SUBSECTIONS (a)(2) AND (b)(4)(A).—If the determination of the administering authority or the Commission under subsection (a)(2) and (b)(4)(A), respectively, is negative, then the administering authority shall—

"(A) terminate any retroactive suspension of liquidation required under section 703(e)(2), and

"(B) release any bond or other security, and refund any cash deposit required, under section 703(d)(2) with respect to entries of the merchandise the liquidation of which was suspended retroactively under section 703(e)(2).

Publication in Federal Register.

"(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the administering authority or the Commission makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

19 USC 1671e.

"SEC. 706. ASSESSMENT OF DUTY.

"(a) PUBLICATION OF COUNTERVAILING DUTY ORDER.—Within 7 days after being notified by the Commission of an affirmative determination under section 705(b), the administering authority shall publish a countervailing duty order which—

"(1) directs customs officers to assess a countervailing duty equal to the amount of the net subsidy determined or estimated to exist, within 6 months after the date on which the administering authority receives satisfactory information upon which the assessment may be based, but in no event later than 12 months after the end of the annual accounting period of the manufactuer or exporter within which the merchandise is entered, or withdrawn from warehouse, for consumption,

"(2) includes a description of the class or kind of merchandise to which it applies, in such detail as the administering authority deems necessary, and

"(3) requires the deposit of estimated countervailing duties pending liquidation of entries of merchandise at the same time as estimated normal customs duties on that merchandise are deposited.

"(b) IMPOSITION OF DUTIES.—

"(1) GENERAL RULE.—If the Commission, in its final determination under section 705(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 703(d)(1), would have led to a finding of material injury, then entries of the merchandise subject to the countervailing duty order, the liquidation of which has been suspended under section 703(d)(1), shall be subject to the imposition of countervailing duties under section 701(a).

"(2) SPECIAL RULE.—If the Commission, in its final determination under section 705(b), finds threat of material injury, other than threat of material injury described in paragraph (1), or material retardation of the establishment of an industry in the United States, then merchandise subject to a countervailing duty order which is entered, or withdrawn from warehouse, for consumption on or after the date of publication of notice of an affirmative determination of the Commission under section 705(b) shall be subject to the imposition of countervailing duties under section 701(a), and the administering authority shall release any bond or other security, and refund any cash deposit made, to secure the payment of countervailing duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before that date.

"SEC. 707. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT OF ESTIMATED COUNTERVAILING DUTY AND FINAL ASSESSED DUTY UNDER COUNTERVAILING DUTY ORDER. 19 USC 1671f.

"(a) DEPOSIT OF ESTIMATED COUNTERVAILING DUTY UNDER SECTION 703(d)(2).—If the amount of a cash deposit, or the amount of any bond or other security, required as security for an estimated countervailing duty under section 703(d)(2) is different from the amount of the countervailing duty determined under a countervailing duty order issued under section 706, then the difference for entries of merchandise entered, or withdrawn from warehouse, for consumption before notice of the affirmative determination of the Commission under section 705(b) is published shall be—

"(1) disregarded, to the extent that the cash deposit, bond, or other security is lower than the duty under the order, or

"(2) refunded or released, to the extent that the cash deposit, bond, or other security is higher than the duty under the order.

"(b) DEPOSIT OF ESTIMATED COUNTERVAILING DUTY UNDER SECTION 706(a)(3).—If the amount of an estimated countervailing duty deposited under section 706(a)(3) is different from the amount of the

countervailing duty determined under a countervailing duty order issued under section 706, then the difference for entries of merchandise entered, or withdrawn from warehouse, for consumption after notice of the affirmative determination of the Commission under section 705(b) is published shall be—

"(1) collected, to the extent that the deposit under section 706(a)(3) is lower than the duty determined under the order, or

"(2) refunded, to the extent that the deposit under section 706(a)(3) is higher than the duty determined under the order, together with interest as provided by section 778.

Post, p. 188.

"Subtitle B—Imposition of Antidumping Duties

19 USC 1673.

"SEC. 731. ANTIDUMPING DUTIES IMPOSED.

"If—

"(1) the administering authority determines that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and

"(2) the Commission determines that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of that merchandise,

then there shall be imposed upon such merchandise an antidumping duty, in addition to any other duty imposed, in an amount equal to the amount by which the foreign market value exceeds the United States price for the merchandise.

19 USC 1673a.

"SEC. 732. PROCEDURES FOR INITIATING AN ANTIDUMPING DUTY INVESTIGATION.

"(a) INITIATION BY ADMINISTERING AUTHORITY.—An antidumping duty investigation shall be commenced whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a duty under section 731 exist.

"(b) INITIATION BY PETITION.—

"(1) PETITION REQUIREMENTS.—An antidumping proceeding shall be commenced whenever an interested party described in subparagraph (C), (D), or (E) of section 771(9) files a petition with the administering authority, on behalf of an industry, which alleges the elements necessary for the imposition of the duty imposed by section 731, and which is accompanied by information reasonably available to the petitioner supporting those allegations. The petition may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit.

"(2) SIMULTANEOUS FILING WITH COMMISSION.—The petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority.

"(c) PETITION DETERMINATION.—Within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—

"(1) determine whether the petition alleges the elements necessary for the imposition of a duty under section 731 and contains information reasonably available to the petitioner supporting the allegations,

"(2) if the determination is affirmative, commence an investigation to determine whether the class or kind of merchandise described in the petition is being, or is likely to be, sold in the United States at less than its fair value, and provide for the publication of notice of the determination in the Federal Register, and

Publication in Federal Register.

"(3) if the determination is negative, dismiss the petition, terminate the proceeding, notify the petitioner in writing of the reasons for the determination, and provide for the publication of notice of the determination in the Federal Register.

Publication in Federal Register.

"(d) NOTIFICATION TO COMMISSION OF DETERMINATION.—The administering authority shall—

"(1) notify the Commission immediately of any determination it makes under subsection (a) or (c), and

"(2) if the determination is affirmative, make available to the Commission such information as it may have relating to the matter under investigation, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

Availability of information.

"SEC. 733. PRELIMINARY DETERMINATIONS.

19 USC 1673b.

"(a) DETERMINATION BY COMMISSION OF REASONABLE INDICATION OF INJURY.—Except in the case of a petition dismissed by the administering authority under section 732(c)(3), the Commission, within 45 days after the date on which a petition is filed under section 732(b) or on which it receives notice from the administering authority of an investigation commenced under section 732(a), shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable indication that—

"(1) an industry in the United States—

"(A) is materially injured, or

"(B) is threatened with material injury, or

"(2) the establishment of an industry in the United States is materially retarded,

by reason of imports of the merchandise which is the subject of the investigation by the administering authority. If that determination is negative, the investigation shall be terminated.

"(b) PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—

"(1) PERIOD OF ANTIDUMPING DUTY INVESTIGATION.—Within 160 days after the date on which a petition is filed under section 732(b), or an investigation is commenced under section 732(a), but not before an affirmative determination by the Commission under subsection (a) of this section, the administering authority shall make a determination, based upon the best information available to it at the time of the determination, of whether there is a reasonable basis to believe or suspect that the merchandise is being sold, or is likely to be sold at less than fair value. If the determination of the administering authority under this subsection is affirmative, the determination shall include the estimated average amount by which the foreign market value exceeds the United States price.

"(2) PRELIMINARY DETERMINATION UNDER WAIVER OF VERIFICATION.—Within 75 days after the initiation of an investigation, the administering authority shall cause an official designated for such purpose to review the information concerning the case

received during the first 60 days of the investigation, and, if there appears to be sufficient information available upon which the preliminary determination can reasonably be based, to disclose to the petitioner and any interested party, then a party to the proceedings that requests such disclosure, all available nonconfidential information and all other information which is disclosed pursuant to section 777. Within 3 days (not counting Saturdays, Sundays, or legal public holidays) after such disclosure, the petitioner and each party which is an interested party described in subparagraph (C), (D), or (E) of section 771(9) to whom such disclosure was made may furnish to the administering authority an irrevocable written waiver of verification of the information received by the authority, and an agreement that it is willing to have a preliminary determination made on the basis of the record then available to the authority. If a timely waiver and agreement have been received from the petitioner and each party which is an interested party described in subparagraph (C), (D), or (E) of section 771(9) to whom the disclosure was made, and the authority finds that sufficient information is then available upon which the preliminary determination can reasonably be based, a preliminary determination shall be made within 90 days after the commencement of the investigation on the basis of the record established during the first 60 days after the investigation was commenced.

Post, p. 187.

"(c) EXTENSION OF PERIOD IN EXTRAORDINARILY COMPLICATED CASES.—

"(1) IN GENERAL.—If—

"(A) the petitioner makes a timely request for an extension of the period within which the determination must be made under subsection (b)(1), or

"(B) the administering authority concludes that the parties concerned are cooperating and determines that—

"(i) the case is extraordinarily complicated by reason of—

"(I) the number and complexity of the transactions to be investigated or adjustments to be considered,

"(II) the novelty of the issues presented, or

"(III) the number of firms whose activities must be investigated, and

"(ii) additional time is necessary to make the preliminary determination,

then the administering authority may postpone making the preliminary determination under subsection (b)(1) until not later than the 210th day after the date on which a petition is filed under section 732(b), or an investigation is commenced under section 732(a).

"(2) NOTICE OF POSTPONEMENT.—The administering authority shall notify the parties to the investigation, not later than 20 days before the date on which the preliminary determination would otherwise be required under subsection (b)(1), if it intends to postpone making the preliminary determination under paragraph (1). The notification shall include an explanation of the reasons for the postponement, and notice of the postponement shall be published in the Federal Register.

Publication in Federal Register.

"(d) EFFECT OF DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the preliminary determination of the administering authority under subsection (b) is affirmative, the administering authority—

"(1) shall order the suspension of liquidation of all entries of merchandise subject to the determination which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the determination in the Federal Register,

"(2) shall order the posting of a cash deposit, bond, or other security, as it deems appropriate, for each entry of the merchandise concerned equal to the estimated average amount by which the foreign market value exceeds the United States price, and

"(3) shall make available to the Commission all information upon which such determination was based and which the Commission considers relevant to its injury determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information to which confidential treatment has been given by the administering authority.

"(e) CRITICAL CIRCUMSTANCES DETERMINATIONS.—

"(1) IN GENERAL.—If a petitioner alleges critical circumstances in its original petition, or by amendment at any time more than 20 days before the date of a final determination by the administering authority, then the administering authority shall promptly determine, on the basis of the best information available to it at that time, whether there is a reasonable basis to believe or suspect that—

"(A)(i) there is a history of dumping in the United States or elsewhere of the class or kind of the merchandise which is the subject of the investigation, or

"(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

"(B) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

"(2) SUSPENSION OF LIQUIDATION.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subsection (d)(1) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered.

"(f) NOTICE OF DETERMINATIONS.—Whenever the Commission or the administering authority makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

Publication in Federal Register.

"SEC. 734. TERMINATION OR SUSPENSION OF INVESTIGATION.

19 USC 1673c.

"(a) TERMINATION OF INVESTIGATION ON WITHDRAWAL OF PETITION.—An investigation under this subtitle may be terminated by either the administering authority or the Commission after notice to all parties to the investigation, upon withdrawal of the petition by the petitioner. The Commission may not terminate an investigation under the preceding sentence before a preliminary determination is made by the administering authority under section 733(b).

"(b) AGREEMENTS TO ELIMINATE COMPLETELY SALES AT LESS THAN FAIR VALUE OR TO CEASE EXPORTS OF MERCHANDISE.—The administering authority may suspend an investigation if the exporters of the merchandise which is the subject of the investigation who account for substantially all of the imports of that merchandise agree—

"(1) to cease exports of the merchandise to the United States within 6 months after the date on which the investigation is suspended, or

"(2) to revise their prices to eliminate completely any amount by which the foreign market value of the merchandise which is the subject of the agreement exceeds the United States price of that merchandise.

"(c) AGREEMENTS ELIMINATING INJURIOUS EFFECT.—

"(1) GENERAL RULE.—If the administering authority determines that extraordinary circumstances are present in a case, it may suspend an investigation upon the acceptance of an agreement to revise prices from exporters of the merchandise which is the subject of the investigation who account for substantially all of the imports of that merchandise into the United States, if the agreement will eliminate completely the injurious effect of exports to the United States of that merchandise and if—

"(A) the suppression or undercutting of price levels of domestic products by imports of that merchandise will be prevented, and

"(B) for each entry of each exporter the amount by which the estimated foreign market value exceeds the United States price will not exceed 15 percent of the weighted average amount by which the estimated foreign market value exceeded the United States price for all less-than-fair-value entries of the exporter examined during the course of the investigation.

"(2) DEFINITION OF EXTRAORDINARY CIRCUMSTANCES.—

"(A) EXTRAORDINARY CIRCUMSTANCES.—For purposes of this subsection, the term 'extraordinary circumstances' means circumstances in which—

"(i) suspension of an investigation will be more beneficial to the domestic industry than continuation of the investigation, and

"(ii) the investigation is complex.

"(B) COMPLEX.—For purposes of this paragraph, the term 'complex' means—

"(i) there are a large number of transactions to be investigated or adjustments to be considered,

"(ii) the issues raised are novel, or

"(iii) the number of firms involved is large.

"(d) ADDITIONAL RULES AND CONDITIONS.—

"(1) PUBLIC INTEREST; MONITORING.—The administering authority shall not accept an agreement under subsection (b) or (c) unless—

"(A) it is satisfied that suspension of the investigation is in the public interest, and

"(B) effective monitoring of the agreement by the United States is practicable.

"(2) EXPORTS OF MERCHANDISE TO UNITED STATES NOT TO INCREASE DURING INTERIM PERIOD.—The administering authority may not accept any agreement under subsection (b)(1) unless that agreement provides a means of ensuring that the quantity of the merchandise covered by the agreement exported to the United

States during the period provided for cessation of exports does not exceed the quantity of such merchandise exported to the United States during the most recent representative period determined by the administering authority.

"(e) SUSPENSION OF INVESTIGATION PROCEDURE.—Before an investigation may be suspended under subsection (b) or (c) the administering authority shall—

"(1) notify the petitioner of, and consult with the petitioner concerning, its intention to suspend the investigation, and notify other parties to the investigation and the Commission not less than 30 days before the date on which it suspends the investigation, Notification.

"(2) provide a copy of the proposed agreement to the petitioner at the time of the notification, together with an explanation of how the agreement will be carried out and enforced, and of how the agreement will meet the requirements of subsections (b) and (d) or (c) and (d), and Copies of proposed agreement.

"(3) permit all parties to the investigation to submit comments and information for the record before the date on which notice of suspension of the investigation is published under subsection (f)(1)(A). Submittal of comments and information.

"(f) EFFECTS OF SUSPENSION OF INVESTIGATION.—

"(1) IN GENERAL.—If the administering authority determines to suspend an investigation upon acceptance of an agreement described in subsection (b) or (c), then—

"(A) it shall suspend the investigation, publish notice of suspension of the investigation, and issue an affirmative preliminary determination under section 733(b) with respect to the merchandise which is the subject of the investigation, unless it has previously issued such a determination in the same investigation, Notice.

"(B) the Commission shall suspend any investigation it is conducting with respect to that merchandise, and

"(C) the suspension of investigation shall take effect on the day on which such notice is published.

"(2) LIQUIDATION OF ENTRIES.—

"(A) CESSATION OF EXPORTS; COMPLETE ELIMINATION OF DUMPING MARGIN.—If the agreement accepted by the administering authority is an agreement described in subsection (b), then—

"(i) notwithstanding the affirmative preliminary determination required under paragraph (1)(A), the liquidation of entries of merchandise which is the subject of the investigation shall not be suspended under section 733(d)(1),

"(ii) if the liquidation of entries of such merchandise was suspended pursuant to a previous affirmative preliminary determination in the same case with respect to such merchandise, that suspension of liquidation shall terminate, and

"(iii) the administering authority shall refund any cash deposit and release any bond or other security deposited under section 733(d)(2).

"(B) OTHER AGREEMENTS.—If the agreement accepted by the administering authority is an agreement described in subsection (c), the liquidation of entries of the merchandise subject to the investigation shall be suspended under section 733(d)(1), or, if the liquidation of entries of such merchandise

was suspended pursuant to a previous affirmative preliminary determination in the same case, that suspension of liquidation shall continue in effect, subject to subsection (h)(3), but the security required under section 733(d)(2) may be adjusted to reflect the effect of the agreement.

"(3) WHERE INVESTIGATION IS CONTINUED.—If, pursuant to subsection (g), the administering authority and the Commission continue an investigation in which an agreement has been accepted under subsection (b) or (c), then—

"(A) if the final determination by the administering authority or the Commission under section 735 is negative, the agreement shall have no force or effect and the investigation shall be terminated, or

"(B) if the final determinations by the administering authority and the Commission under such section are affirmative, the agreement shall remain in force, but the administering authority shall not issue an antidumping duty order in the case so long as—

"(i) the agreement remains in force,

"(ii) the agreement continues to meet the requirements of subsections (b) and (d), or (c) and (d), and

"(iii) the parties to the agreement carry out their obligations under the agreement in accordance with its terms.

"(g) INVESTIGATION TO BE CONTINUED UPON REQUEST.—If the administering authority, within 20 days after the date of publication of the notice of suspension of an investigation, receives a request for the continuation of the investigation from—

"(1) an exporter or exporters accounting for a significant proportion of exports to the United States of the merchandise which is the subject of the investigation, or

"(2) an interested party described in subparagraph (C), (D), or (E) of section 771(9) which is a party to the investigation,

then the administering authority and the Commission shall continue the investigation.

"(h) REVIEW OF SUSPENSION.—

"(1) IN GENERAL.—Within 20 days after the suspension of an investigation under subsection (c), an interested party which is a party to the investigation and which is described in subparagraph (C), (D), or (E) of section 771(9) may, by petition filed with the Commission and with notice to the administering authority, ask for a review of the suspension.

"(2) COMMISSION INVESTIGATION.—Upon receipt of a review petition under paragraph (1), the Commission shall, within 75 days after the date on which the petition is filed with it, determine whether the injurious effect of imports of the merchandise which is the subject of the investigation is eliminated completely by the agreement. If the Commission's determination under this subsection is negative, the investigation shall be resumed on the date of publication of notice of such determination as if the affirmative preliminary determination under section 733(b) had been made on that date.

"(3) SUSPENSION OF LIQUIDATION TO CONTINUE DURING REVIEW PERIOD.—The suspension of liquidation of entries of the merchandise which is the subject of the investigation shall terminate at the close of the 20-day period beginning on the day after the date on which notice of suspension of the investigation is published in the Federal Register, or, if a review petition is filed under

paragraph (1) with respect to the suspension of the investigation, in the case of an affirmative determination by the Commission under paragraph (2), the date on which notice of an affirmative determination by the Commission is published. If the determination of the Commission under paragraph (2) is affirmative, then the administering authority shall—

"(A) terminate the suspension of liquidation under section 733(d)(1), and

"(B) release any bond or other security, and refund any cash deposit, required under section 733(d)(2).

"(i) VIOLATION OF AGREEMENT.—

"(1) IN GENERAL.—If the administering authority determines that an agreement accepted under subsection (b) or (c) is being, or has been, violated, or no longer meets the requirements of such subsection (other than the requirement, under subsection (c)(1), of elimination of injury) and subsection (d), then, on the date of publication of its determination, it shall—

"(A) suspend liquidation under section 733(d)(1) of unliquidated entries of the merchandise made on the later of—

"(i) the date which is 90 days before the date of publication of the notice of suspension of liquidation, or

"(ii) the date on which the merchandise, the sale or export to the United States of which was in violation of the agreement, or under an agreement which no longer meets the requirements of subsections (b) and (d), or (c) and (d), was first entered, or withdrawn from warehouse, for consumption,

"(B) if the investigation was not completed, resume the investigation as if its affirmative preliminary determination were made on the date of its determination under this paragraph,

"(C) if the investigation was completed under subsection (g), issue an antidumping duty order under section 736(a) effective with respect to entries of merchandise liquidation of which was suspended, and

"(D) notify the petitioner, interested parties who are or were parties to the investigation, and the Commission of its action under this paragraph. Notification.

"(2) INTENTIONAL VIOLATION TO BE PUNISHED BY CIVIL PENALTY.—Any person who intentionally violates an agreement accepted by the administering authority under subsection (b) or (c) shall be subject to a civil penalty assessed in the same amount, in the same manner, and under the same procedures, as the penalty imposed for a fraudulent violation of section 592(a) of this Act. 19 USC 1592.

"(j) DETERMINATION NOT TO TAKE AGREEMENT INTO ACCOUNT.—In making a final determination under section 735, or in conducting a review under section 751, in a case in which the administering authority has terminated a suspension of investigation under subsection (i)(1), or continued an investigation under subsection (g), the Commission and the administering authority shall consider all of the merchandise which is the subject of the investigation without regard to the effect of any agreement under subsection (b) or (c).

"SEC. 735. FINAL DETERMINATIONS. 19 USC 1673d.

"(a) FINAL DETERMINATION BY ADMINISTERING AUTHORITY.—

"(1) GENERAL RULE.—Within 75 days after the date of its preliminary determination under section 733(b), the administering authority shall make a final determination of whether the

merchandise which was the subject of the investigation is being, or is likely to be, sold in the United States at less than its fair value.

"(2) EXTENSION OF PERIOD FOR DETERMINATION.—The administering authority may postpone making the final determination under paragraph (1) until not later than the 135th day after the date on which it published notice of its preliminary determination under section 733(b) if a request in writing for such a postponement is made by—

"(A) exporters who account for a significant proportion of exports of the merchandise which is the subject of the investigation, in a proceeding in which the preliminary determination by the administering authority under section 733(b) was affirmative, or

"(B) the petitioner, in a proceeding in which the preliminary determination by the administering authority under section 733(b) was negative.

"(3) CRITICAL CIRCUMSTANCES DETERMINATIONS.—If the final determination of the administering authority is affirmative, then that determination, in any investigation in which the presence of critical circumstances has been alleged under section 733(e), shall also contain a finding of whether—

"(A)(i) there is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

"(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

"(B) there have been massive imports of the merchandise which is the subject of the investigation over a relatively short period.

"(b) FINAL DETERMINATION BY COMMISSION.—

"(1) IN GENERAL.—The Commission shall make a final determination of whether—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a)(1).

"(2) PERIOD FOR INJURY DETERMINATION FOLLOWING AFFIRMATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority under section 733(b) is affirmative, then the Commission shall make the determination required by paragraph (1) before the later of—

"(A) the 120th day after the day on which the administering authority makes its affirmative preliminary determination under section 733(b), or

"(B) the 45th day after the day on which the administering authority makes its affirmative final determination under subsection (a).

"(3) PERIOD FOR INJURY DETERMINATION FOLLOWING NEGATIVE PRELIMINARY DETERMINATION BY ADMINISTERING AUTHORITY.—If the preliminary determination by the administering authority

under section 733(b) is negative, and its final determination under subsection (a) is affirmative, then the final determination by the Commission under this subsection shall be made within 75 days after the date of that affirmative final determination.

"(4) CERTAIN ADDITIONAL FINDINGS.—

"(A) If the finding of the administering authority under subsection (a)(2) is affirmative, then the final determination of the Commission shall include a finding as to whether the material injury is by reason of massive imports described in subsection (a)(3) to an extent that, in order to prevent such material injury from recurring, it is necessary to impose the duty imposed by section 731 retroactively on those imports.

"(B) If the final determination of the Commission is that there is no material injury but that there is threat of material injury, then its determination shall also include a finding as to whether material injury by reason of the imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a) would have been found but for any suspension of liquidation of entries of the merchandise.

"(c) EFFECT OF FINAL DETERMINATIONS.—

"(1) EFFECT OF AFFIRMATIVE DETERMINATION BY THE ADMINISTERING AUTHORITY.—If the determination of the administering authority under subsection (a) is affirmative, then—

"(A) the administering authority shall make available to the Commission all information upon which such determination was based and which the Commission considers relevant to its determination, under such procedures as the administering authority and the Commission may establish to prevent disclosure, other than with the consent of the party providing it or under protective order, of any information as to which confidential treatment has been given by the administering authority, and

"(B) in cases where the preliminary determination by the administering authority under section 733(b) was negative, the administering authority shall order under paragraphs (1) and (2) of section 733(d) the suspension of liquidation and the posting of a cash deposit, bond, or other security.

"(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE DETERMINATION.—If the determinations of the administering authority and the Commission under subsections (a)(1) and (b)(1) are affirmative, then the administering authority shall issue an antidumping duty order under section 736(a). If either of such determinations is negative, the investigation shall be terminated upon the publication of notice of that negative determination and the administering authority shall—

"(A) terminate the suspension of liquidation under section 703(d)(1), and

"(B) release any bond or other security, and refund any cash deposit, required under section 733(d)(2).

"(3) EFFECT OF NEGATIVE DETERMINATIONS UNDER SUBSECTIONS (a)(3) AND (b)(4)(A).—If the determination of the administering authority or the Commission under subsection (a)(3) or (b)(4)(A), respectively, is negative, then the administering authority shall—

"(A) terminate any retroactive suspension of liquidation required under section 733(e)(2), and

"(B) release any bond or other security, and refund any cash deposit required, under section 733(d)(2) with respect to entries of the merchandise the liquidation of which was suspended retroactively under section 733(e)(2).

Publication in Federal Register.

"(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the administering authority or the Commission makes a determination under this section, it shall notify the petitioner, other parties to the investigation, and the other agency of its determination and of the facts and conclusions of law upon which the determination is based, and it shall publish notice of its determination in the Federal Register.

19 USC 1673e.

"SEC. 736. ASSESSMENT OF DUTY.

"(a) PUBLICATION OF ANTIDUMPING DUTY ORDER.—Within 7 days after being notified by the Commission of an affirmative determination under section 735(b), the administering authority shall publish an antidumping duty order which—

"(1) directs customs officers to assess an antidumping duty equal to the amount by which the foreign market value of the merchandise exceeds the United States price of the merchandise, within 6 months after the date on which the administering authority receives satisfactory information upon which the assessment may be based, but in no event later than—

"(A) 12 months after the end of the annual accounting period of the manufacturer or exporter within which the merchandise is entered, or withdrawn from warehouse, for consumption, or

"(B) in the case of merchandise not sold prior to its importation into the United States, 12 months after the end of the annual accounting period of the manufacturer or exporter within which it is sold in the United States to a person who is not the exporter of that merchandise,

"(2) includes a description of the class or kind of merchandise to which it applies, in such detail as the administering authority deems necessary, and

"(3) requires the deposit of estimated antidumping duties pending liquidation of entries of merchandise at the same time as estimated normal customs duties on that merchandise are deposited.

"(b) IMPOSITION OF DUTY.—

"(1) GENERAL RULE.—If the Commission, in its final determination under section 735(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 733(d)(1) would have led to a finding of material injury, then entries of the merchandise subject to the antidumping duty order, the liquidation of which has been suspended under section 733(d)(1), shall be subject to the imposition of antidumping duties under section 731.

"(2) SPECIAL RULE.—If the Commission, in its final determination under section 735(b), finds threat of material injury, other than threat of material injury described in paragraph (1), or material retardation of the establishment of an industry in the United States, then merchandise subject to an antidumping duty order which is entered, or withdrawn from warehouse, for consumption on or after the date of publication of notice of an affirmative determination of the Commission under section 735(b) shall be subject to the assessment of antidumping duties under section 731, and the administering authority shall release

any bond or other security, and refund any cash deposit made, to secure the payment of antidumping duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before that date.

"(c) SECURITY IN LIEU OF ESTIMATED DUTY PENDING EARLY DETERMINATION OF DUTY.—

"(1) CONDITIONS FOR WAIVER OF DEPOSIT OF ESTIMATED DUTIES.—The administering authority may permit, for not more than 90 days after the date of publication of an order under subsection (a), the posting of a bond or other security in lieu of the deposit of estimated antidumping duties required under subsection (a)(3) if, on the basis of information presented to it by any manufacturer, producer, or exporter in such form and within such time as it may require, it is satisfied that it will be able to determine, within 90 days after the date of publication of an order under subsection (a), the foreign market value and the United States price for all merchandise of such manufacturer, producer, or exporter described in that order which was entered, or withdrawn from warehouse, for consumption on or after the date of publication of—

"(A) an affirmative preliminary determination by the administering authority under section 733(b), or

"(B) if its determination under section 733(b) was negative, an affirmative final determination by the administering authority under section 735(a),

and before the date of publication of the affirmative final determination by the Commission under section 735(b).

"(2) NOTICE; HEARING.—If the administering authority permits the posting of a bond or other security in lieu of the deposit of estimated antidumping duties under paragraph (1), it shall—

"(A) publish notice of its action in the Federal Register, and

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"(B) upon the request of any interested party, hold a hearing in accordance with section 774 before determining the foreign market value and the United States price of the merchandise.

"(3) DETERMINATIONS TO BE BASIS OF ANTIDUMPING DUTY.—The administering authority shall publish notice in the Federal Register of the results of its determination of foreign market value and United States price, and that determination shall be the basis for the assessment of antidumping duties on entries of merchandise to which the notice under this subsection applies and also shall be the basis for the deposit of estimated antidumping duties on future entries of merchandise of manufacturers, producers, or exporters described in paragraph (1) to which the order issued under subsection (a) applies.

Publication in Federal Register.

"SEC. 737. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT OF ESTIMATED ANTIDUMPING DUTY AND FINAL ASSESSED DUTY UNDER ANTIDUMPING DUTY ORDER.

19 USC 1673f.

"(a) DEPOSIT OF ESTIMATED ANTIDUMPING DUTY UNDER SECTION 733(d)(2).—If the amount of a cash deposit collected as security for an estimated antidumping duty under section 733(d)(2) is different from the amount of the antidumping duty determined under an antidumping duty order published under section 736, then the difference for entries of merchandise entered, or withdrawn from warehouse, for consumption before notice of the affirmative determination of the Commission under section 735(b) is published shall be—

"(1) disregarded, to the extent the cash deposit collected is lower than the duty under the order, or

"(2) refunded, to the extent the cash deposit is higher than the duty under the order.

"(b) DEPOSIT OF ESTIMATED ANTIDUMPING DUTY UNDER SECTION 736(a)(3).—If the amount of an estimated antidumping duty deposited under section 736(a)(3) is different from the amount of the antidumping duty determined under an antidumping duty order published under section 736, then the difference for entries of merchandise entered, or withdrawn from warehouse, for consumption after notice of the affirmative determination of the Commission under section 735 (b) is published shall be—

"(1) collected, to the extent that the deposit under section 736(a)(3) is lower than the duty determined under the order, or

"(2) refunded, to the extent that the deposit under section 736(a)(3) is higher than the duty determined under the order, together with interest as provided by section 778.

19 USC 1673g.

"SEC. 738. CONDITIONAL PAYMENT OF ANTIDUMPING DUTY.

"(a) GENERAL RULE.—For all entries, or withdrawals from warehouse, for consumption of merchandise subject to an antidumping duty order on or after the date of publication of such order, no customs officer may deliver merchandise of that class or kind to the person by whom or for whose account it was imported unless that person complies with the requirements of subsection (b) and deposits with the appropriate customs officer an estimated antidumping duty in an amount determined by the administering authority.

"(b) IMPORTER REQUIREMENTS.—In order to meet the requirements of this subsection, a person shall—

"(1) furnish, or arrange to have furnished, to the appropriate customs officer such information as the administering authority deems necessary for determining the United States price of the merchandise imported by or for the account of that person, and such other information as the administering authority deems necessary for ascertaining any antidumping duty to be imposed under this title;

"(2) maintain and furnish to the customs officer such records concerning the sale of the merchandise as the administering authority, by regulation, requires;

"(3) state under oath before the customs officer that he is not an exporter, or if he is an exporter, declare under oath at the time of entry the exporter's sales price of the merchandise to the customs officer if it is then known, or, if not, so declare within 30 days after the merchandise has been sold, or has been made the subject of an agreement to be sold, in the United States; and

"(4) pay, or agree to pay on demand, to the customs officer the amount of antidumping duty imposed under section 731 on that merchandise.

19 USC 1673h.

"SEC. 739. DUTIES OF CUSTOMS OFFICERS.

"In the case of all imported merchandise of a class or kind as to which the administering authority has published an antidumping duty order under section 736 under which entries have not been liquidated, the appropriate customs officer shall, by all reasonable ways and means and consistently with the provisions of this title, ascertain and determine, or estimate, the foreign market value, the United States price, and any other information which the administer-

ing authority deems necessary for the purposes of administering this title.

"SEC. 740. ANTIDUMPING DUTY TREATED AS REGULAR DUTY FOR DRAWBACK PURPOSES. 19 USC 1673i.

"The antidumping duty imposed by section 731 shall be treated in all respects as a normal customs duty for the purpose of any law relating to the drawback of customs duties.

"Subtitle C—Review of Determinations

"SEC. 751. ADMINISTRATIVE REVIEW OF DETERMINATIONS. 19 USC 1675.

"(a) PERIODIC REVIEW OF AMOUNT OF DUTY.—

"(1) IN GENERAL.—At least once during each 12-month period beginning on the anniversary of the date of publication of a countervailing duty order under this title or under section 303 of this Act, an antidumping duty order under this title or a finding under the Antidumping Act, 1921, or a notice of the suspension of an investigation, the administering authority, after publication of notice of such review in the Federal Register, shall— Publication in Federal Register. 19 USC 1303. 19 USC 160 note.

"(A) review and determine the amount of any net subsidy,

"(B) review, and determine (in accordance with paragraph (2)), the amount of any antidumping duty, and

"(C) review the current status of, and compliance with, any agreement by reason of which an investigation was suspended, and review the amount of any net subsidy or margin of sales at less than fair value involved in the agreement,

and shall publish the results of such review, together with notice of any duty to be assessed, estimated duty to be deposited, or investigation to be resumed in the Federal Register. Publication in Federal Register.

"(2) DETERMINATION OF ANTIDUMPING DUTIES.—For the purpose of paragraph (1)(B), the administering authority shall determine—

"(A) the foreign market value and United States price of each entry of merchandise subject to the antidumping duty order and included within that determination, and

"(B) the amount, if any, by which the foreign market value of each such entry exceeds the United States price of the entry.

The administering authority, without revealing confidential information, shall publish notice of the results of the determination of antidumping duties in the Federal Register, and that determination shall be the basis for the assessment of antidumping duties on entries of the merchandise included within the determination and for deposits of estimated duties. Publication in Federal Register.

"(b) REVIEWS UPON INFORMATION OR REQUEST.—

"(1) IN GENERAL.—Whenever the administering authority or the Commission receives information concerning, or a request for the review of, an agreement accepted under section 704 or 734 or an affirmative determination made under section 704(h)(2), 705(a), 705(b), 734(h)(2), 735(a), or 735(b), which shows changed circumstances sufficient to warrant a review of such determination, it shall conduct such a review after publishing notice of the review in the Federal Register. In reviewing its determination under section 704(h)(2) or 734(h)(2), the Commission shall consider whether, in the light of changed circumstances, an Publication in Federal Register.

agreement accepted under section 704(c) or 734(c) continues to eliminate completely the injurious effects of imports of the merchandise.

"(2) LIMITATION ON PERIOD FOR REVIEW.—In the absence of good cause shown—

"(A) the Commission may not review a determination under section 705(b) or 735(b), and

"(B) the administering authority may not review a determination under section 705(a) or 735(a), or the suspension of an investigation suspended under section 704 or 734,

less than 24 months after the date of publication of notice of that determination or suspension.

"(c) REVOCATION OF COUNTERVAILING DUTY ORDER OR ANTIDUMPING DUTY ORDER.—The administering authority may revoke, in whole or in part, a countervailing duty order or an antidumping duty order, or terminate a suspended investigation, after review under this section. Any such revocation or termination shall apply with respect to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on and after a date determined by the administering authority.

"(d) HEARINGS.—Whenever the administering authority or the Commission conducts a review under this section it shall, upon the request of any interested party, hold a hearing in accordance with section 774(b) in connection with that review.

"(e) DETERMINATION THAT BASIS FOR SUSPENSION NO LONGER EXISTS.—If the determination of the Commission under the last sentence of subsection (b)(1) is negative, the agreement shall be treated as not accepted, beginning on the date of the publication of the Commission's determination, and the administering authority and the Commission shall proceed, under section 704(i) or 734(i), as if the agreement had been violated on that date, except that no duty under any order subsequently issued shall be assessed on merchandise entered, or withdrawn from warehouse, for consumption before that date.

"Subtitle D—General Provisions

19 USC 1677.

"SEC. 771. DEFINITIONS; SPECIAL RULES.

"For purposes of this title—

"(1) ADMINISTERING AUTHORITY.—The term 'administering authority' means the Secretary of the Treasury, or any other officer of the United States to whom the responsibility for carrying out the duties of the administering authority under this title are transferred by law.

"(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

"(3) COUNTRY.—The term 'country' means a foreign country, a political subdivision, dependent territory, or possession of a foreign country, and, except for the purpose of antidumping proceedings, may include an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of countries into a customs union outside the United States.

"(4) INDUSTRY.—

"(A) IN GENERAL.—The term 'industry' means the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product.

"(B) RELATED PARTIES.—When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term 'industry' may be applied in appropriate circumstances by excluding such producers from those included in that industry.

"(C) REGIONAL INDUSTRIES.—In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if—

"(i) the producers within such market sell all or almost all of their production of the like product in question in that market, and

"(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of subsidized or dumped imports into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the subsidized or dumped imports.

"(D) PRODUCT LINES.—The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available data permit the separate identification of production in terms of such criteria as the production process or the producer's profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided.

"(5) SUBSIDY.—The term 'subsidy' has the same meaning as the term 'bounty or grant' as that term is used in section 303 of this Act, and includes, but is not limited to, the following: 19 USC 1303.

"(A) Any export subsidy described in Annex A to the Agreement (relating to illustrative list of export subsidies).

"(B) The following domestic subsidies, if provided or required by government action to a specific enterprise or industry, or group of enterprises or industries, whether publicly or privately owned, and whether paid or bestowed directly or indirectly on the manufacture, production, or export of any class or kind of merchandise:

"(i) The provision of capital, loans, or loan guarantees on terms inconsistent with commercial considerations.

"(ii) The provision of goods or services at preferential rates.

"(iii) The grant of funds or forgiveness of debt to cover operating losses sustained by a specific industry.

"(iv) The assumption of any costs or expenses of manufacture, production, or distribution.

"(6) NET SUBSIDY.—For the purpose of determining the net subsidy, the administering authority may subtract from the gross subsidy the amount of—

"(A) any application fee, deposit, or similar payment paid in order to qualify for, or to receive, the benefit of the subsidy,

"(B) any loss in the value of the subsidy resulting from its deferred receipt, if the deferral is mandated by Government order, and

"(C) export taxes, duties, or other charges levied on the export of merchandise to the United States specifically intended to offset the subsidy received.

"(7) MATERIAL INJURY.—

"(A) IN GENERAL.—The term 'material injury' means harm which is not inconsequential, immaterial, or unimportant.

"(B) VOLUME AND CONSEQUENT IMPACT.—In making its determinations under sections 703(a), 705(b), 733(a), and 735(b), the Commission shall consider, among other factors—

"(i) the volume of imports of the merchandise which is the subject of the investigation,

"(ii) the effect of imports of that merchandise on prices in the United States for like products, and

"(iii) the impact of imports of such merchandise on domestic producers of like products.

"(C) EVALUATION OF VOLUME AND OF PRICE EFFECTS.—For purposes of subparagraph (B)—

"(i) VOLUME.—In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.

"(ii) PRICE.—In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether—

"(I) there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States, and

"(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

"(iii) IMPACT ON AFFECTED INDUSTRY.—In examining the impact on the affected industry, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to—

"(I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

"(II) factors affecting domestic prices, and

"(III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.

"(D) SPECIAL RULES FOR AGRICULTURAL PRODUCTS.—

"(i) The Commission shall not determine that there is no material injury or threat of material injury to United States producers of an agricultural commodity merely because the prevailing market price is at or above the minimum support price.

"(ii) In the case of agricultural products, the Commission shall consider any increased burden on government income or price support programs.

"(E) SPECIAL RULES.—For purposes of this paragraph—

"(i) NATURE OF SUBSIDY.—In determining whether there is a threat of material injury, the Commission shall consider such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement) provided by a foreign country and the effects likely to be caused by the subsidy.

"(ii) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) or (D) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.

"(8) AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES; AGREEMENT.—The terms 'Agreement on Subsidies and Countervailing Measures' and 'Agreement' mean the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures) approved under section 2(a) of the Trade Agreements Act of 1979. 26 UST 3083.

"(9) INTERESTED PARTY.—The term 'interested party' means—

"(A) a foreign manufacturer, producer, or exporter, or the United States importer, of merchandise which is the subject of an investigation under this title or a trade or business association a majority of the members of which are importers of such merchandise,

"(B) the government of a country in which such merchandise is produced or manufactured,

"(C) a manufacturer, producer, or wholesaler in the United States of a like product,

"(D) a certified union or recognized union or group of workers which is representative of an industry engaged in the manufacture, production, or wholesale in the United States of a like product, and

"(E) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product in the United States.

"(10) LIKE PRODUCT.—The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.

"(11) AFFIRMATIVE DETERMINATIONS BY DIVIDED COMMISSION.—If the Commissioners voting on a determination by the Commission are evenly divided as to whether the determination should be affirmative or negative, the Commission shall be deemed to have made an affirmative determination. For the purpose of applying this paragraph when the issue before the Commission is to determine whether there is—

"(A) material injury to an industry in the United States,

"(B) threat of material injury to such an industry, or

"(C) material retardation of the establishment of an industry in the United States,

by reason of imports of the merchandise, an affirmative vote on any of the issues shall be treated as a vote that the determination should be affirmative.

"(12) ATTRIBUTION OF MERCHANDISE TO COUNTRY OF MANUFACTURE OR PRODUCTION.—For purposes of subtitle A, merchandise shall be treated as the product of the country in which it was manufactured or produced without regard to whether it is imported directly from that country and without regard to whether it is imported in the same condition as when exported from that country or in a changed condition by reason of remanufacture or otherwise.

"(13) EXPORTER.—For the purpose of determining United States price, the term 'exporter' includes the person by whom or for whose account the merchandise is imported into the United States if—

"(A) such person is the agent or principal of the exporter, manufacturer, or producer;

"(B) such person owns or controls, directly or indirectly, through stock ownership or control or otherwise, any interest in the business of the exporter, manufacturer, or producer;

"(C) the exporter, manufacturer, or producer owns or controls, directly or indirectly, through stock ownership or control or otherwise, any interest in any business conducted by such person; or

"(D) any person or persons, jointly or severally, directly or indirectly, through stock ownership or control or otherwise, own or control in the aggregate 20 percent or more of the voting power or control in the business carried on by the person by whom or for whose account the merchandise is imported into the United States, and also 20 percent or more of such power or control in the business of the exporter, manufacturer, or producer.

"(14) SOLD OR, IN THE ABSENCE OF SALES, OFFERED FOR SALE.—The term 'sold or, in the absence of sales, offered for sale' means sold or, in the absence of sales, offered—

"(A) to all purchasers at wholesale, or

"(B) in the ordinary course of trade to one or more selected purchasers at wholesale at a price which fairly reflects the market value of the merchandise,

without regard to restrictions as to the disposition or use of the merchandise by the purchaser except that, where such restrictions are found to affect the market value of the merchandise, adjustment shall be made therefor in calculating the price at which the merchandise is sold or offered for sale.

"(15) ORDINARY COURSE OF TRADE.—The term 'ordinary course of trade' means the conditions and practices which, for a reasonable time prior to the exportation of the merchandise which is the subject of an investigation, have been normal in the trade under consideration with respect to merchandise of the same class or kind.

"(16) SUCH OR SIMILAR MERCHANDISE.—The term 'such or similar merchandise' means merchandise in the first of the following categories in respect of which a determination for the purposes of subtitle B of this title can be satisfactorily made:

"(A) The merchandise which is the subject of an investigation and other merchandise which is identical in physical characteristics with, and was produced in the same country by the same person as, that merchandise.

"(B) Merchandise—

"(i) produced in the same country and by the same person as the merchandise which is the subject of the investigation,

"(ii) like that merchandise in component material or materials and in the purposes for which used, and

"(iii) approximately equal in commercial value to that merchandise.

"(C) Merchandise—

"(i) produced in the same country and by the same person and of the same general class or kind as the merchandise which is the subject of the investigation,

"(ii) like that merchandise in the purposes for which used, and

"(iii) which the administering authority determines may reasonably be compared with that merchandise.

"(17) USUAL WHOLESALE QUANTITIES.—The term 'usual wholesale quantities', in any case in which the merchandise which is the subject of the investigation is sold in the market under consideration at different prices for different quantities, means the quantities in which such merchandise is there sold at the price or prices for one quantity in an aggregate volume which is greater than the aggregate volume sold at the price or prices for any other quantity.

"SEC. 772. UNITED STATES PRICE. 19 USC 1677a.

"(a) UNITED STATES PRICE.—For purposes of this title, the term 'United States price' means the purchase price, or the exporter's sales price, of the merchandise, whichever is appropriate.

"(b) PURCHASE PRICE.—For purposes of this section, the term 'purchase price' means the price at which merchandise is purchased, or agreed to be purchased, prior to the date of importation, from the manufacturer or producer of the merchandise for exportation to the United States. Appropriate adjustments for costs and expenses under subsection (d) shall be made if they are not reflected in the price paid by the person by whom, or for whose account, the merchandise is imported.

"(c) EXPORTER'S SALES PRICE.—For purposes of this section, the term 'exporter's sales price' means the price at which merchandise is sold or agreed to be sold in the United States, before or after the time of importation, by or for the account of the exporter, as adjusted under subsections (d) and (e).

"(d) ADJUSTMENTS TO PURCHASE PRICE AND EXPORTER'S SALES PRICE.—The purchase price and the exporter's sales price shall be adjusted by being—

"(1) increased by—

"(A) when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States,

"(B) the amount of any import duties imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States;

"(C) the amount of any taxes imposed in the country of exportation directly upon the exported merchandise or components thereof, which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States, but only to the extent that such taxes are added to or included in the price of such or similar merchandise when sold in the country of exportation; and

"(D) the amount of any countervailing duty imposed on the merchandise under subtitle A of this title or section 303 of this Act to offset an export subsidy, and

19 USC 1303.

"(2) reduced by—

"(A) except as provided in paragraph (1)(D), the amount, if any, included in such price, attributable to any additional costs, charges, and expenses, and United States import duties, incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States; and

"(B) the amount, if included in such price, of any export tax, duty, or other charge imposed by the country of exportation on the exportation of the merchandise to the United States other than an export tax, duty, or other charge described in section 771(6)(C).

"(e) ADDITIONAL ADJUSTMENTS TO EXPORTER'S SALES PRICE.—For purposes of this section, the exporter's sales price shall also be adjusted by being reduced by the amount, if any, of—

"(1) commissions for selling in the United States the particular merchandise under consideration,

"(2) expenses generally incurred by or for the account of the exporter in the United States in selling identical or substantially identical merchandise, and

"(3) any increased value, including additional material and labor, resulting from a process of manufacture or assembly performed on the imported merchandise after the importation of the merchandise and before its sale to a person who is not the exporter of the merchandise.

19 USC 1677b.

"SEC. 773. FOREIGN MARKET VALUE.

"(a) DETERMINATION; FICTITIOUS MARKET; SALES AGENCIES.—For purposes of this title—

"(1) IN GENERAL.—The foreign market value of imported merchandise shall be the price, at the time of exportation of such merchandise to the United States—

"(A) at which such or similar merchandise is sold or, in the absence of sales, offered for sale in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade for home consumption, or

"(B) if not so sold or offered for sale for home consumption, or if the administering authority determines that the quantity sold for home consumption is so small in relation to the quantity sold for exportation to countries other than the United States as to form an inadequate basis for comparison, then the price at which so sold or offered for sale for exportation to countries other than the United States,

increased by, when not included in such price, the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for shipment to the United States, except that in the case

of merchandise purchased or agreed to be purchased by the person by whom or for whose account the merchandise is imported, prior to the time of importation, the foreign market value shall be ascertained as of the date of such purchase or agreement to purchase. In the ascertainment of foreign market value for the purposes of this title no pretended sale or offer for sale, and no sale or offer for sale intended to establish a fictitious market, shall be taken into account.

"(2) USE OF CONSTRUCTED VALUE.—If the administering authority determines that the foreign market value of imported merchandise cannot be determined under paragraph (1)(A), then, notwithstanding paragraph (1)(B), the foreign market value of the merchandise may be the constructed value of that merchandise, as determined under subsection (e).

"(3) INDIRECT SALES AND OFFERS FOR SALE.—If such or similar merchandise is sold or, in the absence of sales, offered for sale through a sales agency or other organization related to the seller in any of the respects described in section 771(13), the prices at which such or similar merchandise is sold or, in the absence of sales, offered for sale by such sales agency or other organization may be used in determining the foreign market value.

"(4) OTHER ADJUSTMENTS.—In determining foreign market value, if it is established to the satisfaction of the administering authority that the amount of any difference between the United States price and the foreign market value (or that the fact that the United States price is the same as the foreign market value) is wholly or partly due to—

"(A) the fact that the wholesale quantities, in which such or similar merchandise is sold or, in the absence of sales, offered for sale, for exportation to, or in the principal markets of, the United States, as appropriate, in the ordinary course of trade, are less or are greater than the wholesale quantities in which such or similar merchandise is sold or, in the absence of sales, offered for sale, in the principal markets of the country of exportation in the ordinary course of trade for home consumption (or, if not so sold for home consumption, then for exportation to countries other than the United States);

"(B) other differences in circumstances of sale; or

"(C) the fact that merchandise described in paragraph (B) or (C) of section 771(16) is used in determining foreign market value,

then due allowance shall be made therefor.

"(b) SALES AT LESS THAN COST OF PRODUCTION.—Whenever the administering authority has reasonable grounds to believe or suspect that sales in the home market of the country of exportation, or, as appropriate, to countries other than the United States, have been made at prices which represent less than the cost of producing the merchandise in question, it shall determine whether, in fact, such sales were made at less than the cost of producing the merchandise. If the administering authority determines that sales made at less than cost of production—

"(1) have been made over an extended period of time and in substantial quantities, and

"(2) are not at prices which permit recovery of all costs within a reasonable period of time in the normal course of trade,

such sales shall be disregarded in the determination of foreign market value. Whenever sales are disregarded by virtue of having

been made at less than the cost of production and the remaining sales, made at not less than cost of production, are determined to be inadequate as a basis for the determination of foreign market value under subsection (a), the administering authority shall employ the constructed value of the merchandise to determine its foreign market value.

"(c) STATE-CONTROLLED ECONOMIES.—If available information indicates to the administering authority that the economy of the country from which the merchandise is exported is State-controlled to an extent that sales or offers of sales of such or similar merchandise in that country or to countries other than the United States do not permit a determination of foreign market value under subsection (a) of this section, the administering authority shall determine the foreign market value of the merchandise on the basis of the normal costs, expenses, and profits as reflected by either—

"(1) the prices, determined in accordance with subsection (a) of this section, at which such or similar merchandise of a non-State-controlled-economy country or countries is sold either—

"(A) for consumption in the home market of that country or countries, or

"(B) to other countries, including the United States; or

"(2) the constructed value of such or similar merchandise in a non-State-controlled-economy country or countries as determined under subsection (e).

"(d) SPECIAL RULE FOR CERTAIN MULTINATIONAL CORPORATIONS.—Whenever, in the course of an investigation under this title, the administering authority determines that—

"(1) merchandise exported to the United States is being produced in facilities which are owned or controlled, directly or indirectly, by a person, firm or corporation which also owns or controls, directly or indirectly, other facilities for the production of such or similar merchandise which are located in another country or countries;

"(2) the sales of such or similar merchandise by the company concerned in the home market of the exporting country are nonexistent or inadequate as a basis for comparison with the sales of the merchandise to the United States; and

"(3) the foreign market value of such or similar merchandise produced in one or more of the facilities outside the country of exportation is higher than the foreign market value of such or similar merchandise produced in the facilities located in the country of exportation,

it shall determine the foreign market value of such merchandise by reference to the foreign market value at which such or similar merchandise is sold in substantial quantities by one or more facilities outside the country of exportation. The administering authority, in making any determination under this paragraph, shall make adjustments for the difference between the costs of production (including taxes, labor, materials, and overhead) of such or similar merchandise produced in facilities outside the country of exportation and costs of production of such or similar merchandise produced in the facilities in the country of exportation, if such differences are demonstrated to its satisfaction. For the purposes of this subsection, in determining foreign market value of such or similar merchandise produced in a country outside of the country of exportation, the administering authority shall determine its price at the time of exportation from the country of exportation and shall make any adjustments required by subsection (a) of this section for the cost of all containers and

coverings and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for shipment to the United States by reference to such costs in the country of exportation.

"(e) CONSTRUCTED VALUE.—

"(1) DETERMINATION.—For the purposes of this title, the constructed value of imported merchandise shall be the sum of—

"(A) the cost of materials (exclusive of any internal tax applicable in the country of exportation directly to such materials or their disposition, but remitted or refunded upon the exportation of the article in the production of which such materials are used) and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise under consideration which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"(B) an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise under consideration which are made by producers in the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, except that—

"(i) the amount for general expenses shall not be less than 10 percent of the cost as defined in subparagraph (A), and

"(ii) the amount for profit shall not be less than 8 percent of the sum of such general expenses and cost; and

"(C) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise under consideration in condition, packed ready for shipment to the United States.

"(2) TRANSACTIONS DISREGARDED; BEST EVIDENCE.—For the purposes of this subsection, a transaction directly or indirectly between persons specified in any one of the subparagraphs in paragraph (3) of this subsection may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales in the market under consideration of merchandise under consideration. If a transaction is disregarded under the preceding sentence and there are no other transactions available for consideration, then the determination of the amount required to be considered shall be based on the best evidence available as to what the amount would have been if the transaction had occurred between persons not specified in any one of the subparagraphs in paragraph (3) of this section.

"(3) RELATED PARTIES.—The persons referred to in paragraph (2) of this subsection are:

"(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

"(B) Any officer or director of an organization and such organization.

"(C) Partners.

"(D) Employer and employee.

"(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the

outstanding voting stock or shares of any organization and such organization.

"(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

"(f) AUTHORITY TO USE SAMPLING TECHNIQUES AND TO DISREGARD INSIGNIFICANT ADJUSTMENTS.—For the purpose of determining foreign market value under this section, the administering authority may—

"(1) use averaging or generally recognized sampling techniques whenever a significant volume of sales is involved or a significant number of adjustments to prices is required, and

"(2) decline to take into account adjustments which are insignificant in relation to the price or value of the merchandise.

19 USC 1677c.

"SEC. 774. HEARINGS.

"(a) INVESTIGATION HEARINGS.—The administering authority and the Commission shall each hold a hearing in the course of an investigation upon the request of any party to the investigation before making a final determination under section 705 or 735.

Publication in Federal Register.

"(b) PROCEDURES.—Any hearing required or permitted under this title shall be conducted after notice published in the Federal Register, and a transcript of the hearing shall be prepared and made available to the public. The hearing shall not be subject to the provisions of subchapter II of chapter 5 of title 5, United States Code, or to section 702 of such title.

5 USC 551.
Ante, p. 151.
19 USC 1677d.

"SEC. 775. SUBSIDY PRACTICES DISCOVERED DURING AN INVESTIGATION.

"If, in the course of an investigation under this title, the administering authority discovers a practice which appears to be a subsidy, but was not included in the matters alleged in a countervailing duty petition, then the administering authority—

"(1) shall include the practice in the investigation if it appears to be a subsidy with respect to the merchandise which is the subject of the investigation, or

"(2) shall transfer the information concerning the practice (other than confidential information) to the library maintained under section 777(a)(1), if the practice appears to be a subsidy with respect to any other merchandise.

19 USC 1677e.

"SEC. 776. VERIFICATION OF INFORMATION.

"(a) GENERAL RULE.—Except with respect to information the verification of which is waived under section 733(b)(2), the administering authority shall verify all information relied upon in making a final determination in an investigation. In publishing such a determination, the administering authority shall report the methods and procedures used to verify such information. If the administering authority is unable to verify the accuracy of the information submitted, it shall use the best information available to it as the basis for its determination, which may include the information submitted in support of the petition.

"(b) DETERMINATIONS TO BE MADE ON BEST INFORMATION AVAILABLE.—In making their determinations under this title, the administering authority and the Commission shall, whenever a party or any other person refuses or is unable to produce information requested in a timely manner and in the form required, or otherwise significantly impedes an investigation, use the best information otherwise available.

"SEC. 777. ACCESS TO INFORMATION. 19 USC 1677f.

"(a) INFORMATION GENERALLY MADE AVAILABLE.—

"(1) PUBLIC INFORMATION FUNCTION.—There shall be established a library of information relating to foreign subsidy practices and countervailing measures. Copies of material in the library shall be made available to the public upon payment of the costs of preparing such copies.

"(2) PROGRESS OF INVESTIGATION REPORTS.—The administering authority and the Commission shall, from time to time upon request, inform the parties to an investigation of the progress of that investigation.

"(3) EX PARTE MEETINGS.—The administering authority and the Commission shall maintain a record of ex parte meetings between—

"(A) interested parties or other persons providing factual information in connection with an investigation, and

"(B) the person charged with making the determination, and any person charged with making a final recommendation to that person, in connection with that investigation.

The record of the ex parte meeting shall include the identity of the persons present at the meeting, the date, time, and place of the meeting, and a summary of the matters discussed or submitted. The record of the ex parte meeting shall be included in the record of the proceeding.

"(4) SUMMARIES; NONCONFIDENTIAL SUBMISSIONS.—The administering authority and the Commission may disclose—

"(A) any confidential information received in the course of a proceeding if it is disclosed in a form which cannot be associated with, or otherwise be used to identify, operations of a particular person, and

"(B) any information submitted in connection with a proceeding which is not designated as confidential by the person submitting it.

"(b) CONFIDENTIAL INFORMATION.—

"(1) CONFIDENTIALITY MAINTAINED.—Except as provided in subsection (a)(4)(A) and subsection (c), information submitted to the administering authority or the Commission which is designated as confidential by the person submitting it shall not be disclosed to any person (other than an officer or employee of the administering authority or the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted) without the consent of the person submitting it. The administering authority and the Commission may require that information for which confidential treatment is requested be accompanied by a non-confidential summary in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence, or a statement that the information is not susceptible to summary, accompanied by a statement of the reasons in support of the contention.

"(2) UNWARRANTED DESIGNATION.—If the administering authority or the Commission determines, on the basis of the nature and extent of the information or its availability from public sources, that designation of any information as confidential is unwarranted, then it shall notify the person who submitted it and ask for an explanation of the reasons for the designation. Unless that person persuades the administering authority or the Commission that the designation is warranted,

or withdraws the designation, the administering authority or the Commission, as the case may be, shall return it to the party submitting it.

"(c) LIMITED DISCLOSURE OF CERTAIN CONFIDENTIAL INFORMATION UNDER PROTECTIVE ORDER.—

"(1) DISCLOSURE BY ADMINISTERING AUTHORITY OR COMMISSION.—

"(A) IN GENERAL.—Upon receipt of an application, which describes with particularity the information requested and sets forth the reasons for the request, the administering authority and the Commission may make confidential information submitted by any other party to the investigation available under a protective order described in subparagraph (B).

"(B) PROTECTIVE ORDER.—The protective order under which information is made available shall contain such requirements as the administering authority or the Commission may determine by regulation to be appropriate. The administering authority and the Commission shall provide by regulation for such sanctions as the administering authority and the Commission determine to be appropriate, including disbarment from practice before the agency.

"(2) DISCLOSURE UNDER COURT ORDER.—If the administering authority denies a request for information under paragraph (1), or the Commission denies a request for confidential information submitted by the petitioner or an interested party in support of the petitioner concerning the domestic price or cost of production of the like product, then application may be made to the United States Customs Court for an order directing the administering authority or the Commission to make the information available. After notification of all parties to the investigation and after an opportunity for a hearing on the record, the court may issue an order, under such conditions as the court deems appropriate, which shall not have the effect of stopping or suspending the investigation, directing the administering authority or the Commission to make all or a portion of the requested information described in the preceding sentence available under a protective order and setting forth sanctions for violation of such order if the court finds that, under the standards applicable in proceedings of the court, such an order is warranted, and that—

"(A) the administering authority or the Commission has denied access to the information under subsection (b)(1),

"(B) the person on whose behalf the information is requested is an interested party who is a party to the investigation in connection with which the information was obtained or developed, and

"(C) the party which submitted the information to which the request relates has been notified, in advance of the hearing, of the request made under this section and of its right to appear and be heard.

19 USC 1677g.

"SEC. 778. INTEREST ON CERTAIN OVERPAYMENTS AND UNDERPAYMENTS.

"(a) GENERAL RULE.—Interest shall be payable on overpayments and underpayments of amounts deposited on merchandise entered, or withdrawn from warehouse, for consumption on and after the date on which notice of an affirmative determination by the Commission under section 705(b) or 735(b) with respect to such merchandise is published.

"(b) RATE.—The rate at which such interest is payable shall be 8 percent per annum, or, if higher, the rate in effect under section 6621 of the Internal Revenue Code of 1954 on the date on which the rate or amount of the duty is finally determined.".

SEC. 102. PENDING INVESTIGATIONS.

19 USC 1671 note.

(a) PENDING INVESTIGATIONS OF BOUNTIES OR GRANTS.—If, on the effective date of the application of title VII of the Tariff Act of 1930 to imports from a country, there is an investigation in progress under section 303 of that Act as to whether a bounty or grant is being paid or bestowed on imports from such country, then:

Ante, p. 150.

(1) If the Secretary of the Treasury has not yet made a preliminary determination under section 303 of that Act as to whether a bounty or grant is being paid or bestowed, he shall terminate the investigation under section 303 and the matter previously under investigation shall be subject to this title as if the affirmative determination called for in section 702 of that Act were made with respect to that matter on the effective date of the application of title VII of that Act to such country.

19 USC 1303.

Ante, p. 151.

(2) If the Secretary has made a preliminary determination under such section 303, but not a final determination, as to whether a bounty or grant is being paid or bestowed, he shall terminate the investigation under such section 303 and the matter previously under investigation shall be subject to the provisions of title VII of that Act as if the preliminary determination under section 303 were a preliminary determination under section 703 of that title made on the effective date of the application of that title to such country.

(b) PENDING INVESTIGATIONS OF LESS-THAN-FAIR-VALUE SALES.—If, on the effective date of title VII of the Tariff Act of 1930, there is an investigation in progress under the Antidumping Act, 1921, as to whether imports from a country are being, or are likely to be, sold in the United States or elsewhere at less than fair value, then:

19 USC 160 note.

(1) If the Secretary has not yet made a preliminary determination under the Antidumping Act, 1921, as to the question of less-than-fair-value sales, he shall terminate the investigation and the United States International Trade Commission shall terminate any investigation under section 201(c)(2) of the Antidumping Act, 1921, and the matter previously under investigation shall be subject to the provisions of title VII of the Tariff Act of 1930 as if the affirmative determination called for in section 732 were made with respect to such matter on the effective date of title VII of the Tariff Act of 1930.

19 USC 160.

(2) If the Secretary has made under the Antidumping Act, 1921, a preliminary determination, but not a final determination, that imports from such country are being or are likely to be sold in the United States or elsewhere at less than fair value, the investigation shall be terminated and the matter previously under investigation shall be subject to the provisions of title VII of the Tariff Act of 1930 as if the preliminary determination under the Antidumping Act, 1921, were a preliminary determination under section 733 of that title made on the effective date of title VII of the Tariff Act of 1930.

(c) PENDING INVESTIGATIONS OF INJURY.—If, on the effective date of the application of title VII of the Tariff Act of 1930 to imports from a country, the United States International Trade Commission is conducting an investigation under section 303 of the Tariff Act of 1930 or section 201(a) of the Antidumping Act, 1921, as to whether an

industry in the United States is being, or is likely to be injured, or is prevented from being established, it shall terminate any such investigation and initiate an investigation, under subtitle A or B of title VII of the Tariff Act of 1930, which shall be completed within 75 days, and—

Ante, p. 150.

(1) treat any final determination of the Secretary of the Treasury under section 303 as a final determination under section 705(a) of the Tariff Act of 1930 and consider the net amount of the bounty or grant estimated or determined under section 303 as the net subsidy amount under subtitle A of that title; and

Infra.
Ante, p. 159.

(2) treat any final determination of the Secretary of the Treasury under the Antidumping Act, 1921, as a final determination under section 735(a) of the Tariff Act of 1930.

Ante, p. 169.

SEC. 103. AMENDMENT OF SECTION 303 OF THE TARIFF ACT OF 1930.

(a) APPLICATION OF SECTION 303.—Paragraph (1) of section 303(a) of the Tariff Act of 1930 (19 U.S.C. 1303(a)) is amended by striking out "Whenever" and inserting in lieu thereof the following: "Except in the case of an article or merchandise which is the product of a country under the Agreement (within the meaning of section 701(b) of this Act), whenever".

(b) CERTAIN PROVISIONS OF NEW LAW TO APPLY.—Section 303 of such Act (19 U.S.C. 1303) is amended—

(1) by striking out paragraphs (3) through (6) of subsection (a),

(2) by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsection:

"(b) The duty imposed under subsection (a) shall be imposed, under regulations prescribed by the administering authority (as defined in section 771(1)), in accordance with title VII of this Act (relating to the imposition of countervailing duties) except that, in the case of any imported article or merchandise which is not free of duty—

"(1) no determination by the United States International Trade Commission under section 703(a), 704, or 705(b) shall be required,

Ante, pp. 152, 154, 159.

"(2) an investigation may not be suspended under section 704(c),

"(3) no determination as to the presence of critical circumstances shall be made under section 703(e) or 705 (a)(2) or (b)(4)(A), and

"(4) any reference to determinations by the Commission, or to the suspension of an investigation under section 704(c) which are not permitted or required by this subsection shall be disregarded.", and

(3) by adding at the end thereof the following new subsection:

"(f) CROSS REFERENCE.—

"For provisions of law applicable in the case of articles and merchandise which are the product of countries under the Agreement within the meaning of section 701(b) of this Act, see title VII of this Act.".

(c) CONFORMING AMENDMENT.—Paragraph 2 of section 303(a) of such Act (19 U.S.C. 1303(a)) is amended—

(1) by striking out "is an affirmative determination" and inserting in lieu thereof "are affirmative determinations", and

(2) by striking out "subsection (b)(1)" and inserting in lieu thereof "title VII".

19 USC 1671 note.

SEC. 104. TRANSITION RULES FOR COUNTERVAILING DUTY ORDERS.

(a) WAIVED COUNTERVAILING DUTY ORDERS.—

(1) NOTIFICATION OF COMMISSION.—The administering authority shall notify the United States International Trade Commission by January 7, 1980, of any countervailing duty order in effect on January 1, 1980—

(A)(i) for which the Secretary of the Treasury has waived the imposition of countervailing duties under section 303(d) of the Tariff Act of 1930 (19 U.S.C. 1303(d)), and

(ii) which applies to merchandise other than quota cheese (as defined in section 701(c)(1) of this Act), which is a product of a country under the Agreement, *Post*, p. 268.

(B) published on or after the date of the enactment of this Act, and before January 1, 1980, with respect to products of a country under the Agreement (as defined in section 701(b) of the Tariff Act of 1930), or *Ante*, p. 151.

(C) applicable to frozen, boneless beef from the European Communities under Treasury Decision 76-109,

and shall furnish to the Commission the most current information it has with respect to the net subsidy benefitting the merchandise subject to the countervailing duty order.

(2) DETERMINATION BY THE COMMISSION.—Within 180 days after the date on which it receives the information from the administering authority under paragraph (1), the Commission shall make a determination of whether—

(A) an industry in the United States—

(i) is materially injured, or

(ii) is threatened with material injury, or

(B) the establishment of an industry in the United States is materially retarded,

by reason of imports of the merchandise subject to the order.

(3) EFFECT OF DETERMINATION.—

(A) AFFIRMATIVE DETERMINATION.—Upon being notified by the Commission of an affirmative determination under paragraph (2), the administering authority shall terminate the waiver of imposition of countervailing duties for merchandise subject to the order, if any. The countervailing duty order under section 303 of the Tariff Act of 1930 which applies to that merchandise shall remain in effect until revoked, in whole or in part, under section 751(d) of such Act.

(B) NEGATIVE DETERMINATION.—Upon being notified by the Commission of a negative determination under paragraph (2), the administering authority shall revoke the countervailing duty order, and publish notice in the Federal Register of the revocation.

(b) OTHER COUNTERVAILING DUTY ORDERS.—

(1) REVIEW BY COMMISSION UPON REQUEST.—In the case of a countervailing duty order issued under section 303 of the Tariff Act of 1930 (19 U.S.C. 1303)—

(A) which is not a countervailing duty order to which subsection (a) applies,

(B) which applies to merchandise which is the product of a country under the Agreement, and

(C) which is in effect on January 1, 1980, or which is issued pursuant to court order in an action brought under section 516(d) of that Act before that date, 19 USC 1516.

the Commission, upon the request of the government of such a country or of exporters accounting for a significant proportion of exports to the United States of merchandise which is covered by the order, submitted within 3 years after the effective date of

Post, p. 150.

title VII of the Tariff Act of 1930 shall make a determination under paragraph (2) of this subsection.

(2) DETERMINATION BY THE COMMISSION.—In a case described in paragraph (1) with respect to which it has received a request for review, the Commission shall commence an investigation to determine whether—

(A) an industry in the United States—

(i) would be materially injured, or

(ii) would be threatened with material injury, or

(B) the establishment of an industry in the United States would be materially retarded,

by reason of imports of the merchandise covered by the countervailing duty order if the order were to be revoked.

Notification.

(3) SUSPENSION OF LIQUIDATION; INVESTIGATION TIME LIMITS.—Whenever the Commission receives a request under paragraph (1), it shall promptly notify the administering authority and the administering authority shall suspend liquidation of entries of the affected merchandise made on or after the date of receipt of the Commission's notification, or in the case of butter from Australia, entries of merchandise subject to the assessment of countervailing duties under Treasury Decision 42937, as amended, and collect estimated countervailing duties pending the determination of the Commission. The Commission shall issue its determination in any investigation under this subsection not later than 3 years after the date of commencement of such investigation.

(4) EFFECT OF DETERMINATION.—

(A) AFFIRMATIVE DETERMINATION.—Upon being notified of an affirmative determination under paragraph (2) by the Commission, the administering authority shall liquidate entries of merchandise the liquidation of which was suspended under paragraph (3) of this subsection and impose countervailing duties in the amount of the estimated duties required to be deposited. The countervailing duty order shall remain in effect until revoked, in whole or in part, under section 751(c) of the Tariff Act of 1930.

Publication in Federal Register.

(B) NEGATIVE DETERMINATION.—Upon being notified of a negative determination under paragraph (2) by the Commission, the administering authority shall revoke the countervailing duty order then in effect, publish notice thereof in the Federal Register, and refund, without payment of interest, any estimated countervailing duties collected during the period of suspension of liquidation.

(c) ALL OUTSTANDING COUNTERVAILING DUTY ORDERS.—Subject to the provisions of subsections (a) and (b), any countervailing duty order issued under section 303 of the Tariff Act of 1930 which is—

Ante, p. 190.

(1) in effect on the effective date of title VII of the Tariff Act of 1930 (as added by section 101 of this Act), or

(2) issued pursuant to court order in a proceeding brought before that date under section 516(d) of the Tariff Act of 1930,

shall remain in effect after that date and shall be subject to review under section 751 of the Tariff Act of 1930.

Publication in Federal Register.

(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the Commission makes a determination under subsection (a) or (b), it shall publish notice of that determination in the Federal Register and notify the administering authority of its determination.

(e) DEFINITIONS.—Whenever any term which is defined in section 771 of the Tariff Act of 1930 is used in this section, it has the same meaning as when it is used in title VII of that Act.

Ante, p. 150.

SEC. 105. CONTINUATION OF CERTAIN WAIVERS.

(a) WAIVERS.—Subparagraph (B) of section 303(d)(4) of the Tariff Act of 1930 (19 U.S.C. 1303(d)(4)) is amended to read as follows:

"(B) Any determination made by the Secretary under this subsection with respect to merchandise of a country which, if title VII of the Tariff Act of 1930 were in effect, would, as determined by the President, be a country under the Agreement (within the meaning of section 701(b) of such Act), which is in effect on September 29, 1979, or on the day before the date of the enactment of the Trade Agreements Act of 1979 (whichever of such dates first occurs), shall remain in effect until whichever of the following dates first occurs:

Ante, p. 151.

"(i) The date on which the United States International Trade Commission makes a determination under section 104 of the Trade Agreements Act of 1979.

"(ii) The date such determination is revoked under paragraph (3).

"(iii) The date of adoption of a resolution of disapproval of such determination under subsection (e)(2)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

19 USC 1303 note.

SEC. 106. CONFORMING CHANGES.

(a) REPEAL OF OLD LAW.—The Antidumping Act, 1921 (19 U.S.C. 160 et seq.) is hereby repealed but findings in effect on the effective date of this Act, or issued pursuant to court order in an action brought before that date, shall remain in effect, subject to review under section 751 of the Tariff Act of 1930.

(b) CONFORMING AMENDMENTS.—

(1) Section 337(b)(3) of the Tariff Act of 1930 (19 U.S.C. 1337(b)(3)) is amended by striking out "the Antidumping Act, 1921" and inserting in lieu thereof "subtitle B of title VII of the Tariff Act of 1930".

(2) Section 503 of the Automotive Products Trade Act of 1965 (19 U.S.C. 2033) is amended by striking out "the Anti-Dumping Act, 1921 (19 U.S.C. 160-173)" and inserting in lieu thereof "subtitle B of title VII of the Tariff Act of 1930,".

(3) Section 201(b)(6) of the Trade Act of 1974 (19 U.S.C. 2251(b)(6)) is amended by striking out "the Antidumping Act, 1921, section 303 or 337" and inserting in lieu thereof "subtitles A and B of title VII or section 337".

SEC. 107. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by it shall take effect on January 1, 1980, if—

19 USC 1671 note.

(1) the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures), and

(2) the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures),

approved by the Congress under section 2(a) of this Act have entered into force with respect to the United States as of that date.

TITLE II—CUSTOMS VALUATION

Subtitle A—Valuation Standards Amendments

SEC. 201. VALUATION OF IMPORTED MERCHANDISE.

(a) VALUATION STANDARDS.—Section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a) is amended to read as follows:

"SEC. 402. VALUE.

"(a) IN GENERAL.—(1) Except as otherwise specifically provided for in this Act, imported merchandise shall be appraised, for the purposes of this Act, on the basis of the following:

"(A) The transaction value provided for under subsection (b).

"(B) The transaction value of identical merchandise provided for under subsection (c), if the value referred to in subparagraph (A) cannot be determined, or can be determined but cannot be used by reason of subsection (b)(2).

"(C) The transaction value of similar merchandise provided for under subsection (c), if the value referred to in subparagraph (B) cannot be determined.

"(D) The deductive value provided for under subsection (d), if the value referred to in subparagraph (C) cannot be determined and if the importer does not request alternative valuation under paragraph (2).

"(E) The computed value provided for under subsection (e), if the value referred to in subparagraph (D) cannot be determined.

"(F) The value provided for under subsection (f), if the value referred to in subparagraph (E) cannot be determined.

"(2) If the value referred to in paragraph (1)(C) cannot be determined with respect to imported merchandise, the merchandise shall be appraised on the basis of the computed value provided for under paragraph (1)(E), rather than the deductive value provided for under paragraph (1)(D), if the importer makes a request to that effect to the customs officer concerned within such time as the Secretary shall prescribe. If the computed value of the merchandise cannot subsequently be determined, the merchandise may not be appraised on the basis of the value referred to in paragraph (1)(F) unless the deductive value of the merchandise cannot be determined under paragraph (1)(D).

"(3) Upon written request therefor by the importer of merchandise, and subject to provisions of law regarding the disclosure of information, the customs officer concerned shall provide the importer with a written explanation of how the value of that merchandise was determined under this section.

"(b) TRANSACTION VALUE OF IMPORTED MERCHANDISE.—(1) The transaction value of imported merchandise is the price actually paid or payable for the merchandise when sold for exportation to the United States, plus amounts equal to—

"(A) the packing costs incurred by the buyer with respect to the imported merchandise;

"(B) any selling commission incurred by the buyer with respect to the imported merchandise;

"(C) the value, apportioned as appropriate, of any assist;

"(D) any royalty or license fee related to the imported merchandise that the buyer is required to pay, directly or indirectly, as a condition of the sale of the imported merchandise for exportation to the United States; and

"(E) the proceeds of any subsequent resale, disposal, or use of the imported merchandise that accrue, directly or indirectly, to the seller.

The price actually paid or payable for imported merchandise shall be increased by the amounts attributable to the items (and no others) described in subparagraphs (A) through (E) only to the extent that each such amount (i) is not otherwise included within the price actually paid or payable; and (ii) is based on sufficient information. If sufficient information is not available, for any reason, with respect to any amount referred to in the preceding sentence, the transaction value of the imported merchandise concerned shall be treated, for purposes of this section, as one that cannot be determined.

"(2)(A) The transaction value of imported merchandise determined under paragraph (1) shall be the appraised value of that merchandise for the purposes of this Act only if—

"(i) there are no restrictions on the disposition or use of the imported merchandise by the buyer other than restrictions that—

"(I) are imposed or required by law,

"(II) limit the geographical area in which the merchandise may be resold, or

"(III) do not substantially affect the value of the merchandise;

"(ii) the sale of, or the price actually paid or payable for, the imported merchandise is not subject to any condition or consideration for which a value cannot be determined with respect to the imported merchandise;

"(iii) no part of the proceeds of any subsequent resale, disposal, or use of the imported merchandise by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment therefor can be made under paragraph (1)(E); and

"(iv) the buyer and seller are not related, or the buyer and seller are related but the transaction value is acceptable, for purposes of this subsection, under subparagraph (B).

"(B) The transaction value between a related buyer and seller is acceptable for the purposes of this subsection if an examination of the circumstances of the sale of the imported merchandise indicates that the relationship between such buyer and seller did not influence the price actually paid or payable; or if the transaction value of the imported merchandise closely approximates—

"(i) the transaction value of identical merchandise, or of similar merchandise, in sales to unrelated buyers in the United States;

"(ii) the deductive value or computed value for identical merchandise or similar merchandise; or

"(iii) the transaction value determined under this subsection in sales to unrelated buyers of merchandise, for exportation to the United States, that is identical in all respects to the imported merchandise but was not produced in the country in which the imported merchandise was produced;

but only if each value referred to in clause (i), (ii) or (iii) that is used for comparison relates to merchandise that was exported to the United States at or about the same time as the imported merchandise. No two sales to unrelated buyers may be used for comparison for purposes of clause (iii) unless the sellers are unrelated.

"(C) In applying the values used for comparison purposes under subparagraph (B), there shall be taken into account differences with respect to the sales involved (if such differences are based on

sufficient information whether supplied by the buyer or otherwise available to the customs officer concerned) in—

"(i) commercial levels;

"(ii) quantity levels;

"(iii) the costs, commissions, values, fees, and proceeds described in paragraph (1); and

"(iv) the costs incurred by the seller in sales in which he and the buyer are not related that are not incurred by the seller in sales in which he and the buyer are related.

"(3) The transaction value of imported merchandise does not include any of the following, if identified separately from the price actually paid or payable and from any cost or other item referred to in paragraph (1):

"(A) Any reasonable cost or charge that is incurred for—

"(i) the construction, erection, assembly, or maintenance of, or the technical assistance provided with respect to, the merchandise after its importation into the United States; or

"(ii) the transportation of the merchandise after such importation.

"(B) The customs duties and other Federal taxes currently payable on the imported merchandise by reason of its importation, and any Federal excise tax on, or measured by the value of, such merchandise for which vendors in the United States are ordinarily liable.

"(4) For purposes of this subsection—

"Price actually paid or payable."

"(A) The term 'price actually paid or payable' means the total payment (whether direct or indirect, and exclusive of any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation in the United States) made, or to be made, for imported merchandise by the buyer to, or for the benefit of, the seller.

"(B) Any rebate of, or other decrease in, the price actually paid or payable that is made or otherwise effected between the buyer and seller after the date of the importation of the merchandise into the United States shall be disregarded in determining the transaction value under paragraph (1).

"(c) TRANSACTION VALUE OF IDENTICAL MERCHANDISE AND SIMILAR MERCHANDISE.—(1) The transaction value of identical merchandise, or of similar merchandise, is the transaction value (acceptable as the appraised value for purposes of this Act under subsection (b) but adjusted under paragraph (2) of this subsection) of imported merchandise that is—

"(A) with respect to the merchandise being appraised, either identical merchandise or similar merchandise, as the case may be; and

"(B) exported to the United States at or about the time that the merchandise being appraised is exported to the United States.

"(2) Transaction values determined under this subsection shall be based on sales of identical merchandise or similar merchandise, as the case may be, at the same commercial level and in substantially the same quantity as the sales of the merchandise being appraised. If no such sale is found, sales of identical merchandise or similar merchandise at either a different commercial level or in different quantities, or both, shall be used, but adjusted to take account of any such difference. Any adjustment made under this paragraph shall be based on sufficient information. If in applying this paragraph with

respect to any imported merchandise, two or more transaction values for identical merchandise, or for similar merchandise, are determined, such imported merchandise shall be appraised on the basis of the lower or lowest of such values.

"(d) DEDUCTIVE VALUE.—(1) For purposes of this subsection, the term 'merchandise concerned' means the merchandise being appraised, identical merchandise, or similar merchandise. "Merchandise concerned."

"(2)(A) The deductive value of the merchandise being appraised is whichever of the following prices (as adjusted under paragraph (3)) is appropriate depending upon when and in what condition the merchandise concerned is sold in the United States:

"(i) If the merchandise concerned is sold in the condition as imported at or about the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise concerned is sold in the greatest aggregate quantity at or about such date.

"(ii) If the merchandise concerned is sold in the condition as imported but not sold at or about the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise concerned is sold in the greatest aggregate quantity after the date of importation of the merchandise being appraised but before the close of the 90th day after the date of such importation.

"(iii) If the merchandise concerned was not sold in the condition as imported and not sold before the close of the 90th day after the date of importation of the merchandise being appraised, the price is the unit price at which the merchandise being appraised, after further processing, is sold in the greatest aggregate quantity before the 180th day after the date of such importation. This clause shall apply to appraisement of merchandise only if the importer so elects and notifies the customs officer concerned of that election within such time as shall be prescribed by the Secretary.

"(B) For purposes of subparagraph (A), the unit price at which merchandise is sold in the greatest aggregate quantity is the unit price at which such merchandise is sold to unrelated persons, at the first commercial level after importation (in cases to which subparagraph (A) (i) or (ii) applies) or after further processing (in cases to which subparagraph (A)(iii) applies) at which such sales take place, in a total volume that is (i) greater than the total volume sold at any other unit price, and (ii) sufficient to establish the unit price. Unit price.

"(3)(A) The price determined under paragraph (2) shall be reduced by an amount equal to—

"(i) any commission usually paid or agreed to be paid, or the addition usually made for profit and general expenses, in connection with sales in the United States of imported merchandise that is of the same class or kind, regardless of the country of exportation, as the merchandise concerned;

"(ii) the actual costs and associated costs of transportation and insurance incurred with respect to international shipments of the merchandise concerned from the country of exportation to the United States;

"(iii) the usual costs and associated costs of transportation and insurance incurred with respect to shipments of such merchandise from the place of importation to the place of delivery in the United States, if such costs are not included as a general expense under clause (i);

"(iv) the customs duties and other Federal taxes currently payable on the merchandise concerned by reason of its importation, and any Federal excise tax on, or measured by the value of, such merchandise for which vendors in the United States are ordinarily liable; and

"(v) (but only in the case of a price determined under paragraph (2)(A)(iii)) the value added by the processing of the merchandise after importation to the extent that the value is based on sufficient information relating to cost of such processing.

"(B) For purposes of applying paragraph (A)—

"(i) the deduction made for profits and general expenses shall be based upon the importer's profits and general expenses, unless such profits and general expenses are inconsistent with those reflected in sales in the United States of imported merchandise of the same class or kind, in which case the deduction shall be based on the usual profit and general expenses reflected in such sales, as determined from sufficient information; and

"(ii) any State or local tax imposed on the importer with respect to the sale of imported merchandise shall be treated as a general expense.

"(C) The price determined under paragraph (2) shall be increased (but only to the extent that such costs are not otherwise included) by an amount equal to the packing costs incurred by the importer or the buyer, as the case may be, with respect to the merchandise concerned.

"(D) For purposes of determining the deductive value of imported merchandise, any sale to a person who supplies any assist for use in connection with the production or sale for export of the merchandise concerned shall be disregarded.

"(e) COMPUTED VALUE.—(1) The computed value of imported merchandise is the sum of—

"(A) the cost or value of the materials and the fabrication and other processing of any kind employed in the production of the imported merchandise;

"(B) an amount for profit and general expenses equal to that usually reflected in sales of merchandise of the same class or kind as the imported merchandise that are made by the producers in the country of exportation for export to the United States;

"(C) any assist, if its value is not included under subparagraph (A) or (B); and

"(D) the packing costs.

"(2) For purposes of paragraph (1)—

"(A) the cost or value of materials under paragraph (1)(A) shall not include the amount of any internal tax imposed by the country of exportation that is directly applicable to the materials or their disposition if the tax is remitted or refunded upon the exportation of the merchandise in the production of which the materials were used; and

"(B) the amount for profit and general expenses under paragraph (1)(B) shall be based upon the producer's profits and expenses, unless the producer's profits and expenses are inconsistent with those usually reflected in sales of merchandise of the same class or kind as the imported merchandise that are made by producers in the country of exportation for export to the United States, in which case the amount under paragraph (1)(B) shall be based on the usual profit and general expenses of such producers in such sales, as determined from sufficient information.

"(f) VALUE IF OTHER VALUES CANNOT BE DETERMINED OR USED.—(1) If the value of imported merchandise cannot be determined, or

otherwise used for the purposes of this Act, under subsections (b) through (e), the merchandise shall be appraised for the purposes of this Act on the basis of a value that is derived from the methods set forth in such subsections, with such methods being reasonably adjusted to the extent necessary to arrive at a value.

"(2) Imported merchandise may not be appraised, for the purposes of this Act, on the basis of—

Imported merchandise, appraisal.

"(A) the selling price in the United States of merchandise produced in the United States;

"(B) a system that provides for the appraisement of imported merchandise at the higher of two alternative values;

"(C) the price of merchandise in the domestic market of the country of exportation;

"(D) a cost of production, other than a value determined under subsection (e) for merchandise that is identical merchandise or similar merchandise to the merchandise being appraised;

"(E) the price of merchandise for export to a country other than the United States;

"(F) minimum values for appraisement; or

"(G) arbitrary or fictitious values.

This paragraph shall not apply with respect to the ascertainment, determination, or estimation of foreign market value or United States price under title VII.

Ante, p. 150.

"(g) SPECIAL RULES.—(1) For purposes of this section, the persons specified in any of the following subparagraphs shall be treated as persons who are related:

"(A) Members of the same family, including brothers and sisters (whether by whole or half blood), spouse, ancestors, and lineal descendants.

"(B) Any officer or director of an organization and such organization.

"(C) An officer or director of an organization and an officer or director of another organization, if each such individual is also an officer or director in the other organization.

"(D) Partners.

"(E) Employer and employee.

"(F) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and such organization.

"(G) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

"(2) For purposes of this section, merchandise (including, but not limited to, identical merchandise and similar merchandise) shall be treated as being of the same class or kind as other merchandise if it is within a group or range of merchandise produced by a particular industry or industry sector.

"(3) For purposes of this section, information that is submitted by an importer, buyer, or producer in regard to the appraisement of merchandise may not be rejected by the customs officer concerned on the basis of the accounting method by which that information was prepared, if the preparation was in accordance with generally accepted accounting principles. The term 'generally accepted accounting principles' refers to any generally recognized consensus or substantial authoritative support regarding—

Generally accepted accounting principles.

"(A) which economic resources and obligations should be recorded as assets and liabilities;

"(B) which changes in assets and liabilities should be recorded;

"(C) how the assets and liabilities and changes in them should be measured;

"(D) what information should be disclosed and how it should be disclosed; and

"(E) which financial statements should be prepared.

The applicability of a particular set of generally accepted accounting principles will depend upon the basis on which the value of the merchandise is sought to be established.

"(h) DEFINITIONS.—As used in this section—

"(1)(A) The term 'assist' means any of the following if supplied directly or indirectly, and free of charge or at reduced cost, by the buyer of imported merchandise for use in connection with the production or the sale for export to the United States of the merchandise:

"(i) Materials, components, parts, and similar items incorporated in the imported merchandise.

"(ii) Tools, dies, molds, and similar items used in the production of the imported merchandise.

"(iii) Merchandise consumed in the production of the imported merchandise.

"(iv) Engineering, development, artwork, design work, and plans and sketches that are undertaken elsewhere than in the United States and are necessary for the production of the imported merchandise.

"(B) No service or work to which subparagraph (A)(iv) applies shall be treated as an assist for purposes of this section if such service or work—

"(i) is performed by an individual who is domiciled within the United States;

"(ii) is performed by that individual while he is acting as an employee or agent of the buyer of the imported merchandise; and

"(iii) is incidental to other engineering, development, artwork, design work, or plans or sketches that are undertaken within the United States.

"(C) For purposes of this section, the following apply in determining the value of assists described in subparagraph (A)(iv):

"(i) The value of an assist that is available in the public domain is the cost of obtaining copies of the assist.

"(ii) If the production of an assist occurred in the United States and one or more foreign countries, the value of the assist is the value thereof that is added outside the United States.

"(2) The term 'identical merchandise' means—

"(A) merchandise that is identical in all respects to, and was produced in the same country and by the same person as, the merchandise being appraised; or

"(B) if merchandise meeting the requirements under subparagraph (A) cannot be found (or for purposes of applying subsection (b)(2)(B) (i), regardless of whether merchandise meeting such requirements can be found), merchandise that is identical in all respects to, and was produced in the same country as, but not produced by the same person as, the merchandise being appraised.

Such term does not include merchandise that incorporates or reflects any engineering, development, artwork, design work, or plan or sketch that—

"(I) was supplied free or at reduced cost by the buyer of the merchandise for use in connection with the production or the sale for export to the United States of the merchandise; and

"(II) is not an assist because undertaken within the United States.

"(3) The term 'packing costs' means the cost of all containers and coverings of whatever nature and of packing, whether for labor or materials, used in placing merchandise in condition, packed ready for shipment to the United States.

"(4) The term 'similar merchandise' means—

"(A) merchandise that—

"(i) was produced in the same country and by the same person as the merchandise being appraised,

"(ii) is like the merchandise being appraised in characteristics and component material, and

"(iii) is commercially interchangeable with the merchandise being appraised; or

"(B) if merchandise meeting the requirements under subparagraph (A) cannot be found (or for purposes of applying subsection (b)(2)(B)(i), regardless of whether merchandise meeting such requirements can be found), merchandise that—

"(i) was produced in the same country as, but not produced by the same person as, the merchandise being appraised, and

"(ii) meets the requirement set forth in subparagraph (A) (ii) and (iii).

Such term does not include merchandise that incorporates or reflects any engineering, development, artwork, design work, or plan or sketch that—

"(I) was supplied free or at reduced cost by the buyer of the merchandise for use in connection with the production or the sale for export to the United States of the merchandise; and

"(II) is not an assist because undertaken within the United States.

"(5) The term 'sufficient information', when required under this section for determining—

"(A) any amount—

"(i) added under subsection (b)(1) to the price actually paid or payable,

"(ii) deducted under subsection (d)(3) as profit or general expense or value from further processing, or

"(iii) added under subsection (e)(2) as profit or general expense;

"(B) any difference taken into account for purposes of subsection (b)(2)(C); or

"(C) any adjustment made under subsection (c)(2);

means information that establishes the accuracy of such amount, difference, or adjustment.".

(b) REPEAL OF EXISTING ALTERNATIVE VALUATION STANDARDS.—Section 402a of the Tariff Act of 1930 (19 U.S.C. 1402) is repealed.

SEC. 202. CONFORMING AMENDMENTS.

(a) TARIFF ACT OF 1930.—The Tariff Act of 1930 (19 U.S.C. 1202 et seq.) is amended as follows:

(1) Paragraph (2) of section 332(e) is amended to read as follows: 19 USC 1332.

"(2) The term 'import cost' means the transaction value of the imported merchandise determined in accordance with section 402(b) plus, when not included in the transaction value, all necessary expenses, exclusive of customs duties, of bringing such merchandise to the United States.".

Ante, p. 194.

19 USC 1336.

(2) Section 336 is amended—

(A) by striking out subsection (b);

(B) by striking out "and in basis of value" in subsection (c);

(C) by striking out "or in basis of value" in each of subsections (d), (f), and (k); and

(D) by striking out subsection (j).

19 USC 1351.

(3) Paragraph (2)(D)(ii) of section 350(a) is amended by striking out "or 402a".

19 USC 1500.

(4) Paragraph (a) of section 500 is amended to read as follows:

"(a) appraise merchandise by ascertaining or estimating the value thereof, under section 402, by all reasonable ways and means in his power, any statement of cost or costs of production in any invoice, affidavit, declaration, other document to the contrary notwithstanding;".

(b) TARIFF SCHEDULES OF THE UNITED STATES.—The Tariff Schedules of the United States (19 U.S.C. 1202) are further amended as follows:

(1) General headnote 6(b)(i) is amended by striking out "or section 402a".

(2) Each of the following headnotes is amended by striking out "or 402a" wherever it appears therein:

(A) Headnote 4 to subpart E of part 3 of schedule 6.

(B) Headnote 1 to subpart B of part 11 of schedule 7.

(C) Headnote 2 to part 1 of schedule 8.

(D) Headnotes 2(a), 2(c), and 3(a) to subpart B of part 1 of schedule 8.

(c) OTHER LAWS.—

(1) TRADE ACT OF 1974.—Section 601(4) of the Trade Act of 1974 (19 U.S.C. 2481(4)) is amended by striking out "(19 U.S.C. sec. 1401a or 1402)" and inserting in lieu thereof "(as in effect before the effective date of the amendments made by title II of the Trade Agreements Act of 1979) or in section 402 of such Act of 1930 (as in effect on the effective date of such title II amendments) whichever is".

26 USC 993.

(2) INTERNAL REVENUE CODE OF 1954.—Paragraph (1) of section 993(c) of the Internal Revenue Code of 1954 is amended by striking out "402a of the Tariff Act of 1930 (19 U.S.C. sec. 1401a or 1402)" and inserting in lieu thereof "of the Tariff Act of 1930 (19 U.S.C. 1401a)".

SEC. 203. PRESIDENTIAL REPORT ON OPERATION OF THE AGREEMENT.

19 USC 1401a note.

As soon as practicable after the close of the 2-year period beginning on the date on which the amendments made by this title (other than section 223(b), relating to certain rubber footwear) take effect, the President shall prepare and submit to Congress a report containing an evaluation of the operation of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade approved under section 2(a) (hereinafter in this subtitle referred to as the "Agreement"), both domestically and internationally, during that period.

Ante, p. 147.

SEC. 204. TRANSITION TO VALUATION STANDARDS UNDER THIS TITLE.

19 USC 1401a note.

(a) EFFECTIVE DATE OF AMENDMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this title (except the amendments made by section 223(b)) shall take effect on—

(A) January 1, 1981, if the Agreement enters into force with respect to the United States by that date; or

(B) if subparagraph (A) does not apply, that date after January 1, 1981, on which the Agreement enters into such force;

and shall apply with respect to merchandise that is exported to the United States on or after whichever of such dates applies.

(2) EARLIER EFFECTIVE DATE UNDER CERTAIN CIRCUMSTANCES.—If the President determines before January 1, 1981, that—

(A) the European Economic Community has accepted the obligations of the Agreement with respect to the United States; and

(B) each of the member states of the European Economic Community has implemented the Agreement under its laws;

the President shall by proclamation announce such determination and the amendments made by this title (except the amendments made by section 223(b)) shall take effect on the date specified in the proclamation (but not before July 1, 1980) and shall apply with respect to merchandise that is exported to the United States on or after such date; except that unless the Agreement enters into force with respect to the United States by January 1, 1981, all provisions of law that were amended by such amendments are revived (as in effect on the day before such amendments took effect) on January 1, 1981, and such provisions—

(i) shall remain in effect until the date on which the Agreement enters into force with respect to the United States (and on such date the amendments made by this title (except the amendments made by section 223(b)) are revived and shall apply with respect to merchandise exported to the United States on or after such date); and

(ii) shall apply with respect to merchandise exported to the United States on or after January 1, 1981, and before the date on which the Agreement enters into such force.

(b) APPLICATION OF OLD LAW VALUATION STANDARDS.—For purposes of the administration of the customs laws, all merchandise (other than merchandise to which subsections (a) and (c) apply) shall be appraised on the same basis, and in the same manner, as if the amendments made by this title had not been enacted.

(c) SPECIAL TREATMENT FOR CERTAIN RUBBER FOOTWEAR.—The amendments made by section 223(b) shall take effect July 1, 1981, or, if later, the date on which the Agreement enters into force with respect to the United States, and shall apply, together with the other amendments made by this title, to rubber footwear exported to the United States on or after such date. For purposes of the administration of the customs laws, all rubber footwear (other than rubber footwear to which the preceding sentence applies) shall be appraised on the same basis, and in the same manner, as if the amendments made by this title had not been enacted.

(d) DEFINITION.—For purposes of this section, the term "rubber footwear" means articles described in item 700.60 of the Tariff Schedules of the United States (as in effect on the day before the day on which the amendments made by section 223(b) take effect). 19 USC 1202.

Subtitle B—Final List and American Selling Price Rate Conversions

SEC. 221. AMENDMENT OF TARIFF SCHEDULES.

Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule or other provision, the reference shall be considered to be made to a schedule or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

SEC. 222. FINAL LIST RATE CONVERSIONS.

19 USC 1202.

(a) BALL AND ROLLER BEARINGS.—Schedule 6, part 4, subpart J is amended—

(1) by striking out items 680.35 and 680.36 and inserting in lieu thereof the following:

"		Other:		
	680.37	Ball bearings and parts thereof	11% ad val.	67% ad val.
	680.38	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	
	680.39	Other	13% ad val.	67% ad val.
	680.41	If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	”;

and

(2) by redesignating item 680.40 as item 680.42.

(b) PNEUMATIC TIRES.—Schedule 7, part 12, subpart C is amended by striking out “4% ad val.” in rate column numbered 1 of item 772.51 and inserting in lieu thereof “5.7% ad val.”.

SEC. 223. AMERICAN SELLING PRICE RATE CONVERSIONS.

19 USC 1202.

(a) CLAMS.—Schedule 1, part 3, subpart E is amended—

(1) by striking out the headnote; and

(2) by striking out item 114.05 and inserting in lieu thereof the following new items:

"		Other:		
	114.04	Boiled clams, whether whole, minced, or chopped, and whether or not salted, but not otherwise prepared or preserved, in immediate containers the contents of which do not exceed 24 ounces gross weight	22.2% ad val.	110% ad val.
	114.06	Other	14% ad val.	35% ad val. ”.

(b) FOOTWEAR.—Schedule 7, part 1, subpart A is amended—

(1) by striking out headnote 3(b) and redesignating headnote 3(a) as headnote 3;

(2) by striking out item 700.60 and inserting in lieu thereof the following new items:

"		Other:		
	700.57	Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather	37.5% ad val.	66% ad val.
	700.59	Footwear with open toes or open heels; footwear of the slip-on type, that is held to the foot without the use of laces or buckles or other fasteners, the foregoing except footwear provided for in item 700.57 and except footwear having a foxing or foxing-like band wholly or almost wholly of rubber or plastics applied or molded at the sole and overlapping the upper	37.5% ad val.	66% ad val.

	Other:		
	Footwear having soles (or midsoles, if any) of rubber or plastics which are affixed to the upper exclusively with an adhesive (any midsoles also being affixed exclusively to one another and to the outsole with an adhesive); the foregoing except footwear having a foxing or foxing-like band applied to or molded at the sole and overlapping the upper and except footwear with soles which overlap the upper other than at the toe or heel:		
700.61	Valued not over $6.50 per pair	37.5% ad val.	66% ad val.
700.62	Valued over $6.50 but not over $12 per pair	90¢ per pair +20% ad val.	$1.58 per pair +35% ad val.
700.63	Valued over $12 per pair	20% ad val.	35% ad val.
	Other:		
700.64	Valued not over $3.00 per pair	48% ad val.	84% ad val.
700.67	Valued over $3.00 but not over $6.50 per pair	90¢ per pair +37.5% ad val.	$1.58 per pair +66% ad val.
700.69	Valued over $6.50 but not over $12 per pair	90¢ per pair +20% ad val.	$1.58 per pair +35% ad val.
700.71	Valued over $12 per pair	20% ad val.	35% ad val.

";

and

(3) by redesignating items 700.58, 700.66, 700.68, and 700.70 as items 700.56, 700.72, 700.73, and 700.74, respectively.

(c) WOOL KNIT GLOVES.—Schedule 7, part 1, subpart C is amended—

(1) by striking out headnote 4; and

(2) by striking out "(see headnote 4 of this subpart)" in item 704.55.

(d) CHEMICALS.—Schedule 4, part 1, is amended—

(1) by striking out headnotes 4 and 5, and

(2) by striking out subparts B and C and inserting in lieu thereof the following:

"

Subpart B.—Industrial Organic Chemicals

Subpart B headnotes:

1. The provisions of items 402.00 to 406.61, inclusive, in this subpart shall apply not only to the products described therein when obtained, derived, or manufactured in whole or in part from products described in subpart A of this part, but shall also apply to products of like chemical composition having a benzenoid, quinoid, or modified benzenoid structure artificially produced by synthesis, whether or not obtained, derived, or manufactured in whole or in part from products described in said subpart A.

2. For the purpose of classification of merchandise provided for under items 402.36 to 406.61, inclusive, the following provisions shall govern:

(a) The term "derivatives" refers to only those derivatives which may be obtained by one or more of the following processes: Halogenation, nitration, nitrosation, or sulfonation, and is to be understood to include sulfonyl halides.

(b) A compound with functional groups described in two or more items under items 402.36 to 406.61, inclusive, is to be classified in the latest applicable item. For example, 4-

	acetamido-2-aminophenol, which contains three functional groups, will be classified in 405.12 (Amides), rather than in 404.92 to 405.08, inclusive (Aminophenols), or in 404.84 and 404.88 (Amines), or in 403.51 (Phenols). When applicable, classification should be made in accordance with the following principles:		
	(i) Salts of organic acids (including phenols) with inorganic bases and salts of organic bases with inorganic acids are to be classified under the same superior heading as the organic acid or base; salts of organic acids with organic bases are to be classified either under the superior heading which describes the functional groups present in the free acid or under the one which describes the functional groups present in the free base, whichever is listed later...		
	(ii) Esters of organic acids are to be classified either under the superior heading which describes the functional groups present in the free acid or under the one which describes the functional groups present in the free alcohol or phenol, whichever is listed later.....		
	(iii) The above provisions apply also in cases where the component having the functional groups described under the later superior heading is not of benzenoid origin. For example, benzyl acetate is classified under carboxylic acids (404.24 to 404.46, inclusive) rather than under alcohols (403.45).....		
	Cyclic organic chemical products in any physical form having a benzenoid, quinoid, or modified benzenoid structure, not provided for in subpart A or C of this part:		
402.00	Anthracene having a purity of 30% or more by weight..	1.4¢ per lb. +9.3% ad val.	7¢ per lb. +46.5% ad val.
402.04	Carbazole having a purity of 65% or more by weight....	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
402.08	Naphthalene which after the removal of all water present has a solidifying point of 79° C. or above.....	0.7¢ per lb. +4% ad val.	7¢ per lb. +40% ad val.
402.12	Phthalic anhydride.....	1.2¢ per lb. +8.6% ad val.	7¢ per lb. +49% ad val.
402.16	Styrene.....	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
	All distillates of coal tar, blast-furnace tar, oil-gas tar, and water-gas tar, which on being subjected to distillation yield in the portion distilling below 190° C. a quantity of tar acids equal to or more than 5 % by weight of the original distillate or which on being subjected to distillation yield in the portion distilling below 215° C. a quantity of tar acids equal to or more than 75% by weight of the original distillate:		
402.20	Phenol (carbolic acid) which on being subjected to distillation yields in the portion distilling below 190° C. a quantity of tar acids equal to or more than 5% by weight of the original distillate.....	1.5¢ per lb. +12.5% ad val.	3.5¢ per lb. +29.5% ad val.
402.24	Cresylic acid which on being subjected to distillation yields in the portion distilling below 215° C. a quantity of tar acids equal to or more than 75% by		

	weight of the original distillate	0.85¢ per lb. +5% ad val.	3.5¢ per lb. +20% ad val.
402.28	Metacresol, orthocresol, paracresol, and metaparacresol, all the foregoing having a purity of 75% or more by weight	0.8¢ per lb. +5.3% ad val.	7¢ per lb. +42.5% ad val.
402.32	Other	1.7¢ per lb. +8.4% ad val.	7¢ per lb. +33.5% ad val.
	Other:		
	Hydrocarbons:		
402.36	Alkylbenzenes and polyalkylbenzenes	1.7¢ per lb. +17.3% ad val.	7¢ per lb. +55% ad val.
402.40	Bi- and polyphenyls	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
402.44	α-Methylstyrene	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
402.48	Vinyltoluene	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
402.52	Other	1.7¢ per lb. +21.4% ad val.	7¢ per lb. +68.5% ad val.
	Halogenated hydrocarbons:		
402.56	Benzyl chloride (α-Chlorotoluene)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
402.60	Benzotrichloride (α,α,α, - Trichloro - toluene)	1.7¢ per lb. +15.2% ad val.	7¢ per lb. +48% ad val.
	Chlorobenzenes, mono-, di-, and tri-:		
402.64	Monochlorobenzene	1.7¢ per lb. +28.6% ad val.	7¢ per lb. 91.5% ad val.
402.68	Orthodichlorobenzene	1.7¢ per lb. +26.3% ad val.	7¢ per lb. +84% ad val.
402.72	Other	1.7¢ per lb +12.6% ad val.	7¢ per lb +40.5% ad val.
402.76	Chlorinated biphenyl	1.7¢ per lb. +12.[illegible] ad val.	7¢ per lb. +39% ad val.
402.80	Other	1.7¢ per lb. +22.3% ad val.	7¢ per lb. +71% ad val.
	Hydrocarbon derivatives:		
402.84	Monochloromononitrobenzenes	1.7¢ per lb. +18.4% ad val.	7¢ per lb. +59% ad val.
402.88	4,4′ - Dinitrostilbene - 2,2′ - disulfonic acid	1.7¢ per lb. +15.6% ad val.	7¢ per lb. +50% ad val.
	Nitrated benzene, toluene, or naphthalene:		
402.96	p - Nitrotoluene	1.4¢ per lb. +10% ad val.	7¢ per lb. +40% ad val.

402.98	Other	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
403.00	Nitrotoluenesulfonic acids	1.7¢ per lb. +23.3% ad val.	7¢ per lb. +74.5% ad val.
403.05	p - Toluenesulfonyl chloride	1.7¢ per lb. +13% ad val.	7¢ per lb. +41.5% ad val.
	Other:		
403.09	m - Benzenedisulfonic acid, sodium salt; 1 - Bromo - 2 - nitrobenzene; 1 - Chloro - 3,4 - dinitrobenzene; 1,2 - Dichloro - 4 - nitrobenzene; o - Fluoronitrobenzene; 1,5 - Naphthalenedisulfonic acid; p - Nitro - o - xylene; and o - (and p) - Toluenesulfonic acid, methyl ester	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
403.12	Other	1.7¢ per lb. +15.9% ad val.	7¢ per lb. +51% ad val.
	Alcohols, phenols, ethers (including epoxides and acetals), aldehydes, ketones, alcohol peroxides, ether peroxides, ketone peroxides, and their derivatives:		
403.16	Alkyl cresols	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +40.5% ad val.
403.20	Alkyl phenols	1.7¢ per lb. +25% ad val.	7¢ per lb. +80% ad val.
403.24	6 - Chloro - m - cresol [OH = 1]	1.5¢ per lb. +10.2% ad val.	7¢ per lb. +41% ad val.
403.28	Naphthols	1.7¢ per lb. +22.7% ad val.	7¢ per lb. +73% ad val.
403.32	2 - Naphthol - 3,6 - disulfonic acid and its salts	1.4¢ per lb. +13.5% ad val.	7¢ per lb. +54% ad val.
403.36	Nitrophenols	1.7¢ per lb. +16.1% ad val.	7¢ per lb. +51.5% ad val.
403.41	Resorcinol	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
	Other:		
403.45	Alcohols	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
	Phenols and phenol - alcohols:		
403.49	4,4′ - Isopropylidenediphenol (Bisphenol A)	1.7¢ per lb. +13.7% ad val.	7¢ per lb. +44% ad val.
403.51	Other	1.7¢ per lb. +13.7% ad val.	7¢ per lb. +44% ad val.

	Halogenated, sulfonated, nitrated, or nitrosated derivatives of phenols or phenol - alcohols:		
403.52	m - Chlorophenol; 2,5 - Dihydroxybenzene - sulfonic acid, potassium salt; 3,6 - Dihydroxy - 2,7 - naphthalenedisulfonic acid; 3,6 - Dihydroxy - 2,7 - naphthalenedisulfonic acid, sodium salt; Dinitro - o - cresol; 4-Hydroxy-1-naphthalene-sulfonic acid; 4-Hydroxy-1-naphthalene-sulfonic acid, sodium salt (1 - Naphthol - 4 - sulfonic acid); 1 - Naphthol - 3,6 - disulfonic acid; and 4 - Nitro - m - cresol	1.7¢ per lb. +14.3% ad val.	7¢ per lb. +45.5% ad val.
403.56	Other	1.7¢ per lb. +19.4% ad val.	7¢ per lb. +62% ad val.
	Ethers, ether - alcohols, ether - phenols, ether - alcohol - phenols, peroxides of alcohols, ethers, and ketones, and their halogenated, sulfonated, nitrated, or nitrosated derivatives:		
403.61	5 - Chloro - 2 - nitroanisole; Dimethyl diphenyl ether; 4 - Ethylguaiacol; 2-(α-Hydroxyethoxy) phenol; and Nitrochlorohydroquinone, dimethyl ester	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
403.64	Other	1.7¢ per lb. +22% ad val.	7¢ per lb. +70.5% ad val.
403.68	Epoxides, epoxyalcohols, epoxy - phenols, and epoxyethers, with a three- or four - member ring, and their halogenated, sulfonated, nitrated, or nitrosated derivatives	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
403.72	Acetals and hemiacetals and single and complex oxygen function acetals and hemiacetals, and their halogenated, sulfonated, nitrated, or nitrosated derivatives	1.7¢ per lb. +13% ad val.	7¢ per lb. +41.5% ad val.
403.76	Aldehydes, aldehyde-alcohols, aldehyde-ethers, aldehyde-phenols, and other single or complex oxygen - function aldehydes; cyclic polymers of aldehydes and paraformaldehyde	1.7¢ per lb +12.9% ad val.	7¢ per lb. +41% ad val.
403.81	Halogenated, sulfonated, nitrated, or nitrosated derivatives of aldehydes,		

	aldehyde - alcohols, aldehyde - ethers, aldehyde - phenols, and other single or complex oxygen - function aldehydes, cyclic polymers of aldehydes and paraformaldehyde	1.7¢ per lb +24.3% ad val.	7¢ per lb. +77.5% ad val.
	Ketones, ketone - alcohols, ketone-phenols, ketone - aldehydes, quinones, quinone - alcohols, quinone - phenols, quinone - aldehydes, and other single or complex oxygen - function ketones and quinones, and their halogenated, sulfonated, nitrated, or nitrosated derivatives:		
403.88	2,3 - Dichloro - 1,4 - naphthoquinone	1.4¢ per lb. +13% ad val.	7¢ per lb. +52% ad val.
403.92	1,8 - Dihydroxy - 4,5 - dinitroanthraquinone	1.5¢ per lb. +10.8% ad val.	7¢ per lb. +43% ad val.
403.96	Other	1.7¢ per lb. +13.1% ad val.	7¢ per lb. +42% ad val.
	Carboxylic acids, anhydrides, halides, acyl peroxides, peroxyacids, and their derivatives:		
404.00	1,2,4 - Benzenetricarboxylic acid, 1,2 - dianhydride (Trimellitic anhydride)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.04	Benzoic acid	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.08	Benzoyl chloride	1.7¢ per lb. +13.7% ad val.	7¢ per lb. +44% ad val.
404.12	Isophthalic acid	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.16	Terephthalic acid	1.7¢ per lb. +24% ad val.	7¢ per lb. +77% ad val.
404.20	Terephthalic acid, dimethyl ester	1.7¢ per lb. +13.1% ad val.	7¢ per lb. +42% ad val.
	Other:		
	Monocarboxylic acids and their anhydrides, halides, peroxides, and peracids, and their halogenated, sulfonated, nitrated, or nitrosated derivatives:		
404.24	Benzoic anhydride; tert - Butyl peroxybenzoate; 4 - Chloro - 3 - nitrobenzoic acid; m - Chloroperoxybenzoic acid; Metrizoic acid; p - Nitrobenzoyl chloride; 2 - Nitro - m - toluic acid; 3 - Nitro - o - toluic acid; and		

	Phenylacetic acid (α - Toluic acid) ...	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +40.5% ad val.
404.28	Other	1.7¢ per lb. +17.9% ad val.	7¢ per lb. +57% ad val.
	Polycarboxylic acids and their anhydrides, halides, peroxides, and peracids, and their halogenated, sulfonated, nitrated, or nitrosated derivatives:		
404.32	Naphthalic anhydride; Phthalic acid; 4 - Sulfo - 1,8 - naphthalic anhydride; and Terephthalaldehyde	1.7¢ per lb. +11.6% ad val.	7¢ per lb. +37% ad val.
404.36	Other	1.7¢ per lb. +22.7% ad val.	7¢ per lb. +73% ad val.
	Carboxylic acids with alcohol, phenol, aldehyde, or ketone function and other single or complex oxygen - function carboxylic acids and their anhydrides, halides, peroxides, and peracids, and their halogenated, sulfonated, nitrated, or nitrosated derivatives:		
404.40	p - Anisic acid; Benzilic acid; Benzilic acid, methyl ester; 2,3 - Cresotic acid; m - Hydroxybenzoic acid; 2 - Hydroxybenzoic acid, calcium salt; 1 - Hydroxy - 2 - naphthoic acid; 2 - Hydroxy - 1 - naphthoic acid; 1 - Hydroxy - 2 - naphthoic acid, phenyl ester; 3 - Phenoxybenzoic acid; α - Resorcylic acid; γ - Resorcylic acid; and 5 - Sulfosalicylic acid.....	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.44	Gentisic acid; p - Hydroxybenzoic acid; and Hydroxycinnamic acid and its salts ..	1.4¢ per lb. +12.1% ad val.	7¢ per lb. +48.5% ad val.
404.46	Other	1.7¢ per lb. +17.9% ad val.	7¢ per lb. +57% ad val.
404.48	Esters of inorganic acids (except hydrocyanic acid, hydrogen halides, and hydrogen sulfide) and their derivatives.....	1.7¢ per lb. +13.4% ad val.	7¢ per lb. +43% ad val.
	Amines and their derivatives:		
404.52	7 - Amino - 1,3 - naphthalenedisulfonic acid and its salts; 5 - Amino - 2 - naphthalenesulfonic acid and its salts;		

	8 - Amino - 1 - naphthalenesulfonic acid and its salts;		
	4 - Amino - 2 - stilbenesulfonic acid and its salts;		
	m - Phenylenediamine;		
	o - Phenylenediamine;		
	N - Phenyl - 2 - naphthylamine;		
	Toluene - 2,4 - diamine; and 2,4-Xylidine	1.4¢ per lb. +12.1% ad val.	7¢ per lb. +48.5% ad val.
404.56	8 - Amino - 2 - naphthalenesulfonic acid and its salts	1.4¢ per lb. +9.7% ad val.	7¢ per lb. +39% ad val.
404.60	Aniline	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +43.5% ad val.
404.64	4,4′ - Diamino - 2,2′ - stilbenedisulfonic acid	1.7¢ per lb. +25% ad val.	7¢ per lb. +80% ad val.
404.68	N,N - Dimethylaniline	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.72	N - Methylaniline; and 2,4,6 - Trimethylaniline (Mesidine)	1.5¢ per lb. +9.3% ad val.	7¢ per lb. +37% ad val.
404.76	4,4′ - Methylenedianiline	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
404.80	Nitrodiphenylamine	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
	Other:		
404.84	5 - Amino - 2 - (p - aminoanilino) benzenesulfonic acid;		
	o - Aminobenzenesulfonic acid (Orthanilic acid);		
	p - Aminobenzoylamino - naphthalene sulfonic acid;		
	3 - Amino - 2,7 - naphthalene - disulfonic acid;		
	4 - Amino - 1 - naphthalene - sulfonic acid, sodium salt;		
	5 - Amino - 1 - naphthalene - sulfonic acid (Laurent's acid);		
	7 - Amino - 1,3,6 - naphthalene - trisulfonic acid;		
	Aminophenol, substituted;		
	8 - Anilino - 1 - naphthalene - sulfonic acid (Phenyl Peri acid);		
	6 - Chlorometanilic acid;		
	2 - Chloro - 5 - nitroaniline;		
	4 - Chloro - 3 - nitroaniline;		
	4 - Chloro - o - toluidine [$NH_2=1$] and hydrochloride;		
	5 - Chloro - o - toluidine [$NH_2=1$] (Chloro - o - toluidine [$CH_3=1$]);		
	6 - Chloro - o - toluidine [$NH_2=1$];		
	4,4′ - Diamino - 3 - biphenyl - sulfonic acid (3 - Benzidine - sulfonic acid);		
	2,3 - Dichloroaniline;		
	2,4 - Dichloroaniline;		
	3,5 - Dichloroaniline;		

	2,6 - Dichloro - m - toluidine;		
	N,N - Diethylmetanilic acid;		
	2,4 - Difluoroaniline;		
	3,3′ - Dimethylbenzidine (o - Tolidine);		
	3,3′ - Dimethylbenzidine hydrochloride;		
	N,N - Dimethyl - p - toluidine;		
	p - Ethylaniline;		
	3 - (N - Ethylanilino)propionic acid, methyl ester;		
	N - Ethyl - N - benzyl - m - toluidine;		
	N - Ethyl - N,N′ - dimethyl - N′ - phenylethylenediamine;		
	N - Ethyl - 1 - naphthylamine;		
	p - Fluoroaniline;		
	4,4′ - Methylenebis[2 - chloroaniline];		
	1,8 - Naphthalenediamine;		
	m - Nitroaniline;		
	1 - (p - Nitrophenyl) - 2 - amino - 1,3 - propane diol;		
	4 - Nitro - m - phenylenediamine;		
	Toluene - 2,5 - diamine;		
	Toluidine carbonate;		
	2,4,5 - Trichloroaniline;		
	2,3 - Xylidine; and		
	3,4 - Xylidine	1.7¢ per lb. +12.4% ad val.	7¢ per lb. +39.5% ad val.
404.88	Other	1.7¢ per lb. +18.8% ad val.	7¢ per lb. +60% ad val.
	Amines having one or more oxygen functions, and their derivatives:		
404.92	p - Acetaminobenzaldehyde;		
	2′ - Aminoacetophenone;		
	m - Aminobenzoic acid, technical;		
	Aminobisphenol ester;		
	2 - Amino - 4 - chlorophenol;		
	2 - Amino - 4 - chlorophenol hydrochloride;		
	2 - Amino - p - cresol;		
	4 - Amino - o - cresol;		
	6 - Amino - 2,4 - dichloro - 3 - methyl - phenol;		
	4 - Amino - 5 - hydroxy - 1,3 - naphthalenedisulfonic acid (Chicago acid);		
	4 - Amino - 5 - hydroxy - 1,3 - naphthalenesulfonic acid, potassium salt;		
	4 - Amino - 5 - hydroxy - 2,7 - naphthalenedisulfonic acid, potassium salt (H acid, monopotassium salt);		
	4 - Amino - 5 - hydroxy - 2,7 - naphthalenedisulfonic acid, monosodium salt (H acid, monosodium salt);		
	4 - Amino - 5 - hydroxy - 1,3 - naphthalenedisulfonic acid, sodium salt;		
	4 - Amino - 3 - hydroxy - 1 - naphtha - lenesulfonic acid;		
	2 - (3 - Amino - 4 - hydroxyphenyl - sulfonyl)ethanol;		
	2 - Amino - 4 - nitrophenol;		
	2 - Amino - 5 - nitrophenol;		
	2 - Amino - 4 - nitrophenol, sodium salt;		
	m - Aminophenol;		
	2 - (4′ - Aminophenoxy)ethylsulfate;		
	1,4 - Bis[1 - anthraquinonylamino] - anthraquinone;		

	4,4', - Bis(dimethylamino)benzhydrol (Michler's hydrol);		
	5 - Chloro - 2[2',4' - dichlorophenoxy]- aniline;		
	3,5 - Diaminobenzoic acid;		
	DL - 3 - (3,4 - Dihydroxyphenyl) - alanine;		
	1,4 - Dimesidinoanthraquinone;		
	3,4 - Dimethoxyphenethylamine (Homoveratrylamine);		
	4 - Dimethylaminobenzaldehyde;		
	2 - Hydroxy - 5 - nitrometanilic acid;		
	β - (β - Methoxyethoxyethyl) - 4 - aminobenzoate;		
	4 - Methoxymetanilic acid;		
	6' - Methoxymetanilic acid;		
	4 - Methoxy - m - phenylenediamine;		
	5 - Methoxy - m - phenylenediamine sulfate;		
	6 - (Methylamino) - 1 - naphthol - 3 - sulfonic acid;		
	7 - (Methylamino) - 1 - naphthol - 3 - sulfonic acid;		
	2 - Methyl - p - anisidine [$NH_2 = 1$];		
	Nitra acid amide (1-amino-9,10-dihydro-N-(3-methoxypropyl)-4-nitro-9,10-dioxo-2-anthramide); and		
	L - Phenylalanine	1.7¢ per lb. +12.2% ad val.	7¢ per lb. +39% ad val.
404.96	3' - Aminoacetophenone;		
	o - Anisidine;		
	p - Anisidine;		
	m - Diethylaminophenol;		
	3 - Ethylamino - p - cresol;		
	Iminodianthraquinone;		
	5 - Methoxy - m - phenylenediamine; and		
	dl - Phenylephrine base	1.5¢ per lb. +16.2% ad val.	7¢ per lb. +65% ad val.
405.00	p - Aminobenzoic acid;		
	6 - Amino - 1 - naphthol - 3 - sulfonic acid and its salts;		
	8 - Amino - 1 - naphthol - 5 - sulfonic acid and its salts;		
	m - Dimethylaminophenol; and		
	p - Phenetidine	1.4¢ per lb. +12.7% ad val.	7¢ per lb. +51% ad val.
405.03	4 - Chloro - 2,5 - dimethoxyaniline [$NH_2 = 1$]; and		
	2,4 - Dimethoxyaniline	1.5¢ per lb. +10.4% ad val.	7¢ per lb. +41.5% ad val.
405.08	Other	1.7¢ per lb. +15.6% ad val.	7¢ per lb. +50% ad val.
	Amides and their derivatives:		
405.12	4 - Acetamido - 2 - aminophenol	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
405.16	2 - Acetamido - 3 - chloro- anthraquinone;		
	o - Acetoacetanisidide;		
	o - Acetoacetotoluidide;		
	2',4' - Acetoacetoxylidide; and		

	1 - Amino - 5 - benzamidoanthraquinone	1.5¢ per lb. +13.2% ad val.	7¢ per lb. +53% ad val.
405.21	Benzanilide	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
405.24	Biligrafin acid; and 3,5 - Diacetamido - 2,4,6 - triiodobenzoic acid	1.4¢ per lb. +8.5% ad val.	7¢ per lb. +34% ad val.
	Other:		
405.28	p - Acetanisidide; Acetoacetbenzylamide; Acetoacet - 5 - chloro - 2 - toluidide; p - Acetoacetophenetidide; N - Acetyl - 2,6 - xylidine (N - Acetyl - 2,6 - dimethylaniline); p - Aminobenzoic acid isooctyl - amide; 2 - Amino - 4 - chlorobenzamide; 4 - Aminohippuric acid; 4′ - Amino - N - methylacetanilide; p - Aminophenyl urethane; 1 - Benzamido - 4 - chloro - anthraquinone; 1 - Benzamido - 5 - chloro - anthraquinone; 4′ - Chloroacetoacetanilide; 3 - (N,N - Dihydroxy - ethylamino)benzanilide; 2,5 - Dihydroxy - N - (2 - hydroxyethyl)benzamide; 2,5 - Dimethoxyacetanilide; Gentisamide; N - (7 - Hydroxy - 1 - naphthyl)acetamide; and Phenacetin, technical	1.7¢ per lb. +12.4% ad val.	7¢ per lb. +39.5% ad val.
405.32	Other	1.7¢ per lb. +18.1% ad val.	7¢ per lb. +58% ad val.
	Other nitrogen-function compounds (except those in which the only nitrogen function is a nitro ($-NO_2$) or a nitroso ($-NO$) group, or an ammonium salt of an organic acid) and their derivatives:		
405.36	Benzonitrile	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
405.41	Diazoaminobenzene (1,3 - Diphenyl - triazene)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
405.44	Toluenediisocyanates (unmixed)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
	Other:		
405.48	Quaternary ammonium salts and hydroxides	1.7¢ per lb. +11.2% ad val.	7¢ per lb. +36% ad val.
405.52	Carboxyimide-function compounds (including orthobenzoic sulfimide and		

	its salts) and imine-function compounds	1.7¢ per lb. +19.1% ad val.	7¢ per lb. +61% ad val.
	Nitrile-function compounds:		
405.56	2 - Amino - 4 - chlorobenzonitrile (5 - Chloro - 2 - cyanoaniline); 2 - Amino - 5 - chlorobenzo - nitrile; 4 - Amino - 2 - chlorobenzo - nitrile; 2 - Amino - 5 - nitrobenzonitrile; (Cyanoethyl)(hydroxyethyl) - m - toluidine; 2 - Cyano - 4 - nitroaniline; Dichlorobenzonitrile; Phthalonitrile; and Tetrachloro - 3 - cyanobenzoic acid, methyl ester	1.7¢ per lb. +12.7% ad val.	7¢ per lb. +41% ad val.
405.60	Other	1.7¢ per lb. +20.5% ad val.	7¢ per lb. +65.5% ad val.
	Diazo-, azo-, and azoxy - compounds:		
405.64	p - Aminoazobenzenedisulfonic acid; 4 - Aminoazobenzenedisulfonic acid, monosodium salt; 6 - Amino - 3,4′ - azodibenzene - sulfonic acid (C.I. acid yellow 9); and 6 - Bromo - 5 - methyl - 1H - imidazo [4,5 - b]pyridine	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +40.5% ad val.
405.68	Other	1.7¢ per lb. +19.9% ad val.	7¢ per lb. +63.5% ad val.
405.72	Organic derivatives of hydrazine or hydroxylamine	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +43.5% ad val.
	Compounds with other nitrogen functions:		
405.76	Bitolylene diisocyanate (TODI); o-Isocyanic acid, o-tolyl ester; and Xylene diisocyanate	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
405.80	Other	1.7¢ per lb. +16.2% ad val.	7¢ per lb. +52% ad val.
	Organo-inorganic compounds (i.e., compounds having an atom other than carbon, hydrogen, oxygen, nitrogen, chlorine or other halogen attached directly to a carbon atom), and their derivatives:		
405.84	Benzenethiol (Thiophenol)	1.7¢ per lb. +12% ad val.	7¢ per lb. +38.5% ad val.
405.88	Phenylsulfone	1.5¢ per lb. +13.3% ad val.	7¢ per lb. +53% ad val.
405.92	Sodium tetraphenylboron	1.5¢ per lb. +10% ad val.	7¢ per lb. +40% ad val.

405.96	2,4,4′, 5′ - Tetrachlorophenylsulfone	1.4¢ per lb. +10.4% ad val.	7¢ per lb. +41.5% ad val.
	Other:		
406.00	Organo-sulfur compounds	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +40.5% ad val.
406.05	Organo-mercury compounds	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
406.08	Other	1.7¢ per lb. +21.4% ad val.	7¢ per lb. +68.5% ad val.
	Heterocyclic compounds and their derivatives (including lactones and lactams but excluding epoxides with three membered rings, anhydrides and imides of polybasic acids, and cyclic esters of polyhydric alcohols with polybasic acids):		
406.12	1,2 Dihydro - 2,2,4 - trimethylquinoline	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
406.16	2,2′ - Dithiobisbenzothiazole	1.7¢ per lb. +17.9% ad val.	7¢ per lb. +57% ad val.
406.20	Ethoxyquin (1,2 - Dihydro - 6 - ethoxy - 2,2,4-trimethylquinoline)	1.7¢ per lb. +17.1% ad val.	7¢ per lb. +55% ad val.
406.24	1 - Hydroxy - 2 - carbazolecarboxylic acid; 2 - Hydroxy - 3 - dibenzofuran - carboxylic acid; and 7 - Nitronaphth[1,2]oxadiazole - 5 - sulfonic acid and its salts	1.4¢ per lb. +16.6% ad val.	7¢ per lb. +66.5% ad val.
406.28	2 - Mercaptobenzothiazole, sodium salt (2 - Benzothiazolethiol, sodium salt)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
406.32	2 - Pyridinecarboxaldehyde; and Vinylcarbazole, mono	1.5¢ per lb. +10% ad val.	7¢ per lb. +40% ad val.
	Other:		
406.36	4 - Aminoantipyrine; 2 - Amino - 6 - methoxy - benzothiazole; 2 - Amino - 6 - methyl - benzothiazole; Aminomethylphenylpyrazole (Phenylmethylaminopyrazole); 5 - Amino - 3 - phenyl - 1,2,4 - thiadiazole (3 - phenyl - 5 - amino - 1,2,4 - thiadiazole); 3 - Amino - 1 - (2,4,6 - trichloro - phenyl) - 5 - pyrazolone; p - Chloro - 2 - benzylpyridine; 4 - Chloro - 3 - (3 - methyl - 5 - oxo-2 - pyrazolin - 1 - yl) - benzenesulfonic acid; 4 - Chloro - 1 - methylpiperidine hydrochloride; 1 - (m - Chlorophenyl) - 3 - methyl - 2 - pyrazolin - 5 - one; 1 - (2′,5′- Dichlorophenyl) - 3 - methyl - 2		

	- pyrazolin - 5 - one;		
	2,3 - Dichloro - 6 - quinoxaline - carbonyl chloride;		
	1,4 - Dimethyl - 6 - hydroxy - 3 - cyanpyridone - 2;		
	6 - Ethoxy - 2 - benzothiazolethiol;		
	o - Ethylpyrazolone;		
	2 - Hydroxy - 3 - carbazolecarboxylic acid;		
	2 - Hydroxy - 3 - carbazole - carboxylic acid, sodium salt;		
	Iminodibenzyl (10,11 - dihydro - 5H - dibenz[b,f]azepine;		
	5 - Imino - 3 - methyl - 1 - (m - sulfophenyl)pyrazole;		
	5 - Imino - 3 - methyl - 1 - phenyl - pyrazole;		
	Iminopyrazole - 3 - sulfonic acid;		
	Indoline;		
	Isoquinoline;		
	3 - Methylbenzo[f]quinoline;		
	3 - Methylbenzothiazole - 2 - hydrazone;		
	2 - Methylindoline;		
	1 - methyl - 2 - phenylindole;		
	Methylpyrazine;		
	8 - Methylquinoline;		
	2 - Phenylbenzimidazole;		
	p - Phenylimidazole;		
	2 - Phenylimidazole;		
	2 - Phenylindole;		
	4 - Phenylpropylpyridine;		
	p - Phenylpyridylacetic acid, methyl ester;		
	Picolinic acid;		
	Primuline base;		
	Pyrazole (3 - carboxy - 1 - 4 - sulphophenylpyrazole - 5 - one);		
	2,5 - Pyridinedicarboxylic acid;		
	3 - Quinuclidinol;		
	Tetramethylpyrazine;		
	1,9 - Thianthrenedicarboxylic acid;		
	Thioxanthen - 9 - one (Thioxanthone);		
	1 - (2,4,6 - Trichlorophenyl) - 3 - aminopyrazolone;		
	2 - (Trifluoromethyl) - phenothiazine;		
	2,3,5 - Triphenyltetrazolium chloride;		
	DL - Tryptophan; and		
	Xanthen - 9 - one	1.7¢ per lb. +12.4% ad val.	7¢ per lb. +39.5% ad val.
406.40	Other	1.7¢ per lb. +16.2% ad val.	7¢ per lb. +52% ad val.
	Sulfonamides, sultones, sultams, and other organic compounds:		
406.44	Copper phthalocyanine ([Phthalocyanato(2 -)] copper)	1.7¢ per lb. +20.9% ad val.	7¢ per lb. +67% ad val.
	Sulfonamides:		
406.48	4 - Amino - 6 - chloro - m - benzenedisulfonamide;		
	2 - Amino - N - ethylbenzene - sulfonanilide;		

	5 - Amino - α,α,α - trifluoro - toluene - 2,4 - disulfonamide; Benzenesulfonamide; Benzenesulfonyl hydrazide; 2 - Chloro - 4 - amino - 5 - hydroxybenzenesulfonamide; 2,5 - Dimethoxysulfanilide; and Metanilamide	1.7¢ per lb. +12.8% ad val.	7¢ per lb. +41% ad val.
406.52	o - Toluenesulfonamide	1.4¢ per lb. +14.4% ad val.	7¢ per lb. +57.5% ad val.
406.56	Other	1.7¢ per lb. +18% ad val.	7¢ per lb. +57.5% ad val.
406.61	Other	1.7¢ per lb. +14.5% ad val.	7¢ per lb. +46.5% ad val.
	All other products, by whatever name known, not provided for in subpart A or C of this part, including acyclic organic chemical products, which are obtained, derived, or manufactured in whole or in part from any of the cyclic products having a benzenoid, quinoid, or modified benezenoid structure provided for in the foregoing provisions of this subpart or in subpart A of this part:		
406.64	Acetone	1.7¢ per lb. +18.7% ad val.	7¢ per lb. +60% ad val.
406.68	Adipic acid	1.7¢ per lb. +19.8% ad val.	7¢ per lb. +63% ad val.
406.72	Caprolactam monomer	1.5¢ per lb. +10% ad val.	7¢ per lb. +40% ad val.
406.76	Cyclohexane	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
406.81	Cyclohexanone	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
406.84	Fumaric acid	1.7¢ per lb. +27.2% ad val.	7¢ per lb. +87% ad val.
406.86	Hexamethylene adipamide	1.5¢ per lb. +11.5% ad val.	7¢ per lb. +46% ad val.
406.92	Hexamethylenediamine	1.7¢ per lb. +20.8% ad val.	7¢ per lb. +66.5% ad val.
406.96	Maleic anhydride	1.7¢ per lb. +15.6% ad val.	7¢ per lb. +50% ad val.
407.00	Methylcyclohexanone	1.5¢ per lb. +10% ad val.	7¢ per lb. +40% ad val.
407.05	Other	1.7¢ per lb. +16.8% ad val.	7¢ per lb. +53.5% ad val.
	Mixtures in whole or in part of any of the products provided for in this subpart:		
407.09	Solvents which contain over 25 percent by weight of		

	any of the products provided for in this subpart	1.7¢ per lb. +13.6% ad val., but not less than the highest rate applicable to any component material	7¢ per lb. +43.5% ad val., but not less than the highest rate applicable to any component material
407.15	Other	1.7¢ per lb. +13.6% ad val., but not less than the highest rate applicable to any component material	7¢ per lb. +43.5% ad val., but not less than the highest rate applicable to any component material

Subpart C.—Finished Organic Chemical Products

Subpart C headnotes:

1. The provisions of this subpart providing for products obtained, derived, or manufactured in whole or in part from products described in subpart A or B of this part shall also apply to products of like chemical composition having a benzenoid, quinoid, or modified benzenoid structure artificially produced by synthesis, whether or not obtained, derived, or manufactured in whole or in part from products described in the said subpart A or B.

2. The term "pesticides" in items 408.16 to 408.36, inclusive, means products, such as insecticides, rodenticides, fungicides, herbicides, fumigants, and seed disinfectants, chiefly used to destroy undesired animal or plant life.

3. The term "plastics materials" in items 408.44 to 409.18, inclusive, embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which plasticizers, fillers, colors, or extenders may have been added. The term includes, but is not limited to, phenolic and other tar - acid resins, styrene resins, alkyd and polyester resins based on phthalic anhydride, coumarone-indene resins, urethane, epoxy, toluene sulfonamide, maleic, fumaric, aniline, and polyamide resins, and other synthetic resins. The plastics materials may be in solid, semi-solid, or liquid condition, such as flakes, powders, pellets, granules, solutions, emulsions, and other basic forms not further processed.

4. For the purpose of the classification of merchandise provided for under items 408.44 to 409.18, inclusive, the following provisions shall apply:

(a) The term "thermoplastic resins" means those materials in unfinished forms which in their final state as finished articles are capable of being repeatedly softened by increase of temperature and hardened by decrease of temperature.

(b) The term "thermosetting resins" (or thermosets) means those materials in unfinished forms which in their final state as finished articles are substantially infusible. Thermosetting resins are often liquids at some stage in their manufacture or processing and are cured by heat, catalysis, or other chemical means. After being fully cured, thermosets cannot be resoftened by heat.

(c) Copolymers and terpolymers not specially provided for shall be classified as if they consisted entirely of that monomer which is present in the largest amount by weight on a resin content basis (i.e., excluding the weight of plasticizers, liquid diluents, fillers, or other additives). Any polymer consisting of two or more monomers which are present in equal amounts shall be classified as if it consisted entirely of that monomer whose polymer is listed first under the thermoplastic or thermosetting resins, as appropriate.

5. The term "paints and enamel paints" in this subpart covers dispersions of pigments or pigment-like materials with a liquid (vehicle) which are suitable for application to surfaces as a thin layer, and which dry (harden) to an opaque, solid film. The vehicle of paints consists of drying oils or resins which bind the pigment particles together in the film; the vehicle of enamel paints is principally varnish. Paints and enamel paints may also contain thinners, driers, plasticizers, or other agents.

6. The term "varnishes" in this subpart covers liquid surface-coating products which contain no pigments or pigment-like materials, and which dry (harden) to a transparent or translucent film. Shellac varnishes are solutions of shellac or any other form of lac in a volatile solvent such as ethyl alcohol. Oleoresinous varnishes consist of resins dissolved in or reacted with a drying oil, to which thinners, driers, and plasticizers may be added. Cellulose-derivative varnishes (lacquers) are solutions of cellulose nitrate or other cellulose derivatives in a volatile solvent.

7. The term "stains" in this subpart covers liquids containing transparent or semi-transparent pigments, dyes, or chemicals, chiefly used to deepen or otherwise alter the color of wood, but which will not obscure its grain, texture, or markings.

8. For the purposes of this subpart—

(a) The term "surface-active agents" means synthetic organic compounds, or mixtures thereof, which function as surface tension modifiers and are chiefly used for any one or combination of the following purposes: as detergents, wetting agents, emulsifiers, dispersants, or foaming agents.

(b) The term "synthetic detergents" embraces formulated materials which are used chiefly for household, laundry, and industrial cleaning purposes, and which consist of one or more surface-active agents as the active ingredients in combination with colors, brighteners, perfumes, inert diluents, builders, and extenders such as inorganic salts, polyphosphates, polysilicates or sodium carboxymethylcellulose.

9. The term "plasticizers" in item 409.34 means substances which may be incorporated into a material (usually a plastic, resin material, or an elastomer) to increase its softness, flexibility, workability, or distensibility.

10. The term "drugs" in this subpart means those substances having therapeutic or medicinal properties and chiefly used as medicines or as ingredients in medicines.

11. For the purposes of the provisions of this subpart relating to "colors, dyes, stains, and related products" (except products provided for in items 410.36 to 410.44, inclusive)—

(a) the specific duties shall be based on standards of strength which shall be established by the Secretary of the Treasury, and upon all importations of such articles which exceed such standards of strength the specific duty shall be computed on the weight which the article would have if it were diluted to the standard strength, but in no case shall any such articles of whatever strength be subject to a less specific duty than that provided in the respective items of

	this subpart; (b) it shall be unlawful to import or bring into the United States any such product unless the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such product; (c) it shall be unlawful to import or bring into the United States any such product, if the immediate container or the invoice bears any statement, design, or device regarding the product or the ingredients or substances contained therein which is false, fraudulent, or misleading in any particular; and (d) in the enforcement of the foregoing provisions of this headnote the Secretary of the Treasury shall adopt a standard of strength for each dye or other product which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914. If a dye or other product has been introduced into commercial use since said date then the standard of strength for such dye or other product shall conform as nearly as practicable to the commercial strength in ordinary use. If a dye or other product was or is ordinarily used in more than one commercial strength, then the lowest commercial strength shall be adopted as the standard of strength for such dye or other product. 12. Any product described in two or more of the items under items 411.32 to 412.68, inclusive, is to be classified in the first applicable item.		
	Products obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part:		
	Explosives:		
	Trinitrotoluene:		
408.00	Valued not over 15 cents per pound	1.7¢ per lb. +11% ad val.	7¢ per lb. +45% ad val.
408.04	Valued over 15 cents per pound	Free	7¢ per lb. +45% ad val.
408.08	Other	1.7¢ per lb. +11% ad val.	7¢ per lb. +45% ad val.
408.12	Ink powders	1.7¢ per lb. +11% ad val.	7¢ per lb. +45% ad val.
	Pesticides:		
	Not artificially mixed:		
408.16	Fungicides	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
	Herbicides (including plant growth regulators):		
408.21	S - (4 - Chlorobenzyl) - N,N - diethylthiocarbamate (Benthiocarb); 2 - (4 - Chloro - 2 - methyl - phenoxy) propionic acid and its salts; p - Chlorophenoxyacetic acid; 3-(p - Chlorophenyl) - 1,1 - dimethylurea (Monuron); 3,5 - Dibromo - 4 - hydroxy - benzonitrile (Bromoxynil); 2 - (2,4 - Dichlorophenoxy) - propionic acid;		

	2, 2 - Dimethyl - 1,3 - benzodioxol-4 - yl methylcarbamate (Bendiocarb); 1,1 - Dimethyl - 3 - (α,α,α - tri - fluoro - m - tolyl)urea (Fluometuron); o - Diquat dibromide (1,1′ - Ethylene - 2,2′ - dipyridylium dibromide); 3 - Ethoxycarbonylaminophenyl - N - phenylcarbamate (Desmedipham); 2 - Ethoxy - 2,3 - dihydro - 3,3 - dimethyl - 5 - benzofuranyl - methanesulfonate; 3 - Isopropyl - 1H - 2,1,3 - benzothiadiazin - 4 (3H) - one - 2,2 - dioxide (Bentazon); Isopropyl - N - (3 - chlorophenyl) carbamate (CIPC); Methyl - 4 - aminobenzenesulfonyl - carbamate (Asulam); and		
	o - Paraquat dichloride	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +40.5% ad val.
408.22	Other	1.7¢ per lb. +15.1% ad val.	7¢ per lb. +48.5% ad val.
	Insecticides:		
408.24	1,2 - Benzisothiazolin - 3 - one; N′ - (4 - Chloro - o - tolyl) - N,N - dimethylformamidine; 1,1 - Dichloro - 2,2 - bis(p - ethyl - phenyl) ethane; 0,0 - Diethyl - S - [(6 - chloro - 2 - oxo - benzoxazolin - 3 - yl) methyl]phosphorodithioate (Phosalone); and		
	0,0 - Dimethyl - O - (4 - nitro - m - tolyl)phosphorothioate (Fenitrothion)	1.7¢ per lb. +12.8% ad val.	7¢ per lb. +41% ad val.
408.28	Other	1.7¢ per lb. +20.1% ad val.	7¢ per lb. +64.5% ad val.
408.32	Other	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +40% ad val.
408.36	Other	1.7¢ per lb. +9.7% ad val.	7¢ per lb. +31% ad val.
408.41	Photographic chemicals	3¢ per lb. +21% ad val.	7¢ per lb. +50% ad val.
	Plastics materials:		
408.44	Concentrated dispersions of pigments in plastics materials	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
408.48	Paints and enamel paints	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
408.52	Varnishes and lacquers	1.4¢ per lb. +11.4% ad val.	7¢ per lb. +57% ad val.
	Other:		
	Thermoplastic resins:		

408.54	Petroleum hydrocarbon and coumarone - indene resins	1.4¢ per lb. +9.8% ad val.	7¢ per lb. +49% ad val.
408.61	Polyamide resins, nylon type	1.4¢ per lb. +10.3% ad val.	7¢ per lb. +51.5% ad val.
408.64	Polycarbonate resins	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
408.68	Polyester resins, saturated	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
408.72	Acrylonitrile - butadiene - styrene (ABS) resins	1.4¢ per lb. +9.4% ad val.	7¢ per lb. +47% ad val.
408.76	Methyl methacrylate - butadiene - styrene (MBS) resins	1.4¢ per lb. +13.5% ad val.	7¢ per lb. +67.5% ad val.
408.81	Styrene - acrylonitrile (SAN) resins	1.4¢ per lb. +9.1% ad val.	7¢ per lb. +45.5% ad val.
408.84	Polystyrene resins and styrene copolymers, terpolymers (except ABS, MBS, and SAN resins)	1.4¢ per lb. +9.2% ad val.	7¢ per lb. +46% ad val.
408.88	Other	1.4¢ per lb. +9.8% ad val.	7¢ per lb. +49% ad val.
	Thermosetting resins:		
408.92	Alkyd resins	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
408.96	Allyl resins (e.g., diallyl phthalate)	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
409.02	Epoxy resins	1.4¢ per lb. +9.4% ad val.	7¢ per lb. +47% ad val.
409.06	Phenolic resins	1.4¢ per lb. +9.6% ad val.	7¢ per lb. +48% ad val.
409.10	Polyester resins, unsaturated	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
409.14	Polyurethane resins	1.4¢ per lb. +10.3% ad val.	7¢ per lb. +51.5% ad val.
409.18	Other	1.4¢ per lb. +9% ad val.	7¢ per lb. +45% ad val.
	Products chiefly used as assistants in preparing or finishing textiles:		
409.22	Surface-active agents and synthetic detergents	1.4¢ per lb. +10.7% ad val.	7¢ per lb. +53.5% ad val.
409.26	Other	1.4¢ per lb. +9.9% ad val.	7¢ per lb. +49.5% ad val.
409.30	Products (except those in items 409.22 and 409.26)		

	chiefly used for any one or combination of the following purposes: As detergents, wetting agents, emulsifiers, dispersants, or foaming agents	1.7¢ per lb. +13.9% ad val.	7¢ per lb. +44.5% ad val.
409.34	Products chiefly used as plasticizers	1.7¢ per lb. +17.7% ad val.	7¢ per lb. +57% ad val.
409.38	Sodium benzoate	1.5¢ per lb. +15.3% ad val.	7¢ per lb. +65.5% ad val.
409.42	Synthetic tanning materials	3.5¢ per lb. +24.4% ad val.	7¢ per lb. +48.5% ad val.
	Colors, dyes, stains, and related products:		
409.46	Sulfur black, "Colour Index Nos. 53185, 53190, and 53195"	1.5¢ per lb. +14% ad val.	3¢ per lb. +28% ad val.
409.50	Vat blue 1 (synthetic indigo), "Colour Index No. 73000"	1.5¢ per lb. +14.4% ad val.	3¢ per lb. +29% ad val.
409.54	Acid blue 45, 106; Acid yellow 116; Basic blue 3; Basic red 14; Basic yellow 1, 11, 13; Direct blue 86; Direct red 83; Direct yellow 28; Disperse red 4; Fluorescent brightening agent 32; Solvent orange 11; Solvent yellow 25; Vat brown 3; Vat orange 2, 7; and Vat violet 9, 13; all the foregoing obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part	22.6% ad val.	7¢ per lb. +63.5% ad val.
409.58	Acid black 31, 50, 94, 129; Acid blue 54, 127, 129, 143; Acid brown 44, 46, 48, 58, 188, 189; Acid green 40; Acid red 130, 145, 174, 211; Acid violet 19, 31, 41, 48; Acid yellow 2, 75; Basic orange 22; Basic red 13; Direct black 62, 91; Direct blue 92, 106, 108, 109, 160, 172; Direct brown 103, 115, 116; Direct green 5, 29, 31; Direct orange 37; Disperse blue 30; Fluorescent brightening agent 18, 24; Ingrain blue 2; Mordant black 8; Mordant green 47; Mordant red 17, 27;		

	Reactive black 1; Reactive blue 1, 2, 4; Reactive orange 1; Reactive red 1, 2, 3, 5, 6; Reactive yellow 1; Vat blue 2; Vat red 44; Vat solubilized orange 3; and Vat yellow 4, 20; all the foregoing obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part	17.7% ad val.	7¢ per lb. +50% ad val.
	Colors, dyes, and stains (except toners), whether soluble or not in water, obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part:		
	Acid dyes:		
409.62	Acid black 61, 63, 76, 83, 117, 127, 131, 132, 139, 164, 170, 183, 194; Acid blue 47, 60, 61, 66, 72, 81, 90, 98, 102, 112, 123, 126, 127:1, 130, 133, 140, 142, 147, 151, 172, 182, 185, 193, 204, 205, 208, 209, 221, 225, 229, 239, 242, 247, 250, 254, 260, 261, 264, 266, 268, 288, 290, 296, 317; Acid brown 10, 11, 30, 33, 45, 50, 68, 83, 100, 101, 103, 104, 105, 106, 126, 127, 147, 158, 160, 161, 162, 163, 165, 180, 191, 195, 224, 226, 227, 235, 237, 239, 248, 266, 267, 270, 276, 282, 283, 289, 290, 291, 298, 304, 311, 314, 315, 321, 322, 324, 325, 330, 331, 355, 358, 359, 360, 361, 362; Acid green 26, 28, 41, 43, 60, 68, 70, 71, 73, 80, 82, 84, 92, 93, 94, 108; Acid orange 3, 19, 28, 33, 43, 47, 61, 86, 89, 94, 102, 126, 142; Acid red 37, 42, 48, 57, 58, 92, 111, 118, 127, 131, 138, 143, 155, 161, 199, 216, 226, 227, 228, 249, 252, 257, 259, 260, 261, 263, 274, 281, 282, 283, 301, 303, 310, 315, 331, 332, 336, 357, 361, 362, 392; Acid violet 9, 34, 36, 47, 66, 75, 80, 90, 103, 109, 111, 121; Acid yellow 7, 64, 96, 111, 127, 136, 155, 167, 183, 184, 194, 218, 223; Copper phthalocyanine - 3,3′,4,4′ - tetrasulfonic acid; and Copper phthalocyanine - 4,4′,4″,4‴ - tetrasulfonic acid	23% ad val.	7¢ per lb. +52% ad val.
409.66	Other	30.7% ad val.	7¢ per lb. +69.5% ad val.
	Basic dyes:		
409.70	Basic black 7; Basic blue 41, 45, 48, 55, 62, 66, 71, 78, 80, 81, 141; Basic green 6, 8; Basic orange 30, 35, 36, 37, 43, 44;		

	Basic red 23, 28, 29, 43, 44, 46, 58, 100; Basic violet 2, 22, 25, 37, 38; and Basic yellow 19, 23, 24, 25, 39, 40, 45, 54, 56, 63, 70	22.6% ad val.	7¢ per lb. +51% ad val.
409.74	Other	30.9% ad val.	7¢ per lb. +70% ad val.
	Direct dyes:		
409.78	Direct black 51, 69, 112, 118, 122; Direct blue 74, 77, 90, 137, 156, 158, 158:1, 207, 211, 225, 244, 267; Direct brown 97, 113, 157, 169, 170, 200, 212, 214; Direct green 33, 59, 67, 68; Direct orange 17, 60, 105, 106, 107, 118; Direct red 9, 89, 92, 95, 111, 127, 173, 207; Direct violet 47, 93; and Direct yellow 39, 68, 93, 95, 96, 98, 109, 110, 133	23.8% ad val.	7¢ per lb. +53.5% ad val.
409.82	Other	28.6% ad val.	7¢ per lb. +64.5% ad val.
	Disperse dyes:		
409.86	Disperse blue 19, 26, 55, 56, 58, 72, 79, 83, 84, 93, 95, 122, 125, 128, 154, 165, 180, 183, 185, 200, 284, 285, 288, 295, 296; Disperse brown 19; Disperse green 9; Disperse orange 7, 13, 20, 31, 47, 48, 56, 63, 70, 80, 96, 127, 137; Disperse red 44, 72, 73, 90, 93, 107, 118, 121, 122, 131, 133, 134, 151, 184, 202, 203, 224, 278, 282, 310; Disperse violet 23, 63; and Disperse yellow 13, 63, 65, 82, 91, 107, 119, 122, 124, 126, 139, 184	22.5% ad val.	7¢ per lb. +51% ad val.
409.90	Other	27.8% ad val.	7¢ per lb. +62.5% ad val.
409.94	Fluorescent brighteners	19% ad val.	7¢ per lb. +43% ad val.
	Solvent dyes:		
409.96	Solvent black 2, 3, 27, 28, 34; Solvent blue 49, 51, 53, 67, 97; Solvent brown 1, 28, 42, 44; Solvent green 4, 5, 7, 19, 28, 213; Solvent orange 45, 54, 63, 67; Solvent red 18, 19, 23, 27, 35, 92, 110, 118, 119, 124, 125, 130, 131, 132, 160; Solvent violet 2, 23; and Solvent yellow 1, 32, 48, 64, 89, 93, 98, 160	19.9% ad val.	7¢ per lb. +45% ad val.

410.00	Other	28% ad val.	7¢ per lb. +63% ad val.
	Reactive dyes:		
410.04	Reactive black 4, 10, 13, 21, 23, 26, 34, 35, 41; Reactive blue 7, 8, 10, 13, 18, 22, 23, 24, 26, 29, 34, 39, 40, 41, 42, 43, 44, 50, 51, 52, 65, 66, 67, 69, 74, 75, 77, 78, 79, 82, 94, 103, 104, 114, 116, 118, 136, 140, 156, 157, 160; Reactive brown 2, 5, 12, 18, 19, 23; Reactive green 5, 6, 8, 12, 15, 16; Reactive orange 5, 9, 10, 11, 15, 20, 29, 33, 34, 35, 42, 44, 45, 62, 64, 67, 69, 70, 71, 82, 84; Reactive red 4, 7, 8, 12, 13, 16, 17, 19, 21, 29, 40, 42, 45, 55, 56, 66, 78, 82, 83, 84, 86, 99, 104, 116, 119, 121, 122, 123, 124, 132, 134, 151, 152, 159; Reactive violet 3, 12, 23, 24; and Reactive yellow 4, 6, 11, 12, 15, 25, 27, 29, 35, 41, 52, 57, 58, 64, 81, 82, 85, 87, 110	20.5% ad val.	7¢ per lb. +46.5% ad val.
410.08	Other	27.8% ad val.	7¢ per lb. +62.5% ad val.
	Vat dyes:		
410.12	Solubilized vat blue 5; Solubilized vat orange 1; Solubilized vat yellow 7, 45, 47; Vat black 19, 30, 31; Vat blue 19, 21, 66; Vat brown 33, 57; Vat green 28, 48; Vat orange 5, 13; Vat red 15, 41; and Vat yellow 46	20.9% ad val.	7¢ per lb. +47.5% ad val.
410.16	Other	32.9% ad val.	7¢ per lb. +74.5% ad val.
410.20	Other	21.9% ad val.	7¢ per lb. +49.5% ad val.
410.24	Natural alizarin and natural indigo; colors, dyes, and stains (except toners), whether soluble or not in water, obtained, derived, or manufactured in whole or in part from natural alizarin or natural indigo; color acids, color bases, indoxyl, indoxyl compounds, and leuco-compounds (whether colorless or not), obtained, derived, or manufactured in whole or in part from natural alizarin, natural indigo, or any product provided for in subpart A or B of this part	2.8¢ per lb. +28% ad val.	7¢ per lb. +70% ad val.
	Color lakes and toners, obtained, derived, or manufactured in whole or in part from natural alizarin, natural indigo, or any product provided for in subpart A or B of this part:		

410.28	Pigment black 1; Pigment blue 16, 18; Pigment brown 22, 23, 25; Pigment green 8; Pigment orange 31, 34, 36, 51; Pigment red 9, 14, 34, 48:3, 52, 112, 139, 144, 146, 151, 166, 169, 170, 171, 175, 176, 177, 178, 180, 185, 188, 192, 199, 208, 209, 220, 221; and Pigment yellow 49, 81, 97, 101, 109, 110, 117, 127	20.4% ad val.	7¢ per lb. +46% ad val.
410.32	Other	31.3% ad val.	7¢ per lb. +70.5% ad val.
410.36	Fast color bases	1.7¢ per lb. +13.3% ad val.	7¢ per lb. +53% ad val.
410.40	Fast color salts	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +54.5% ad val.
410.44	Naphthol AS and derivatives	1.7¢ per lb. +15% ad val.	7¢ per lb. +60% ad val.
	Products suitable for medicinal use, and drugs: Obtained, derived, or manufactured in whole or in part *from any product provided for in subpart A or B of* this part: Products suitable for medicinal use:		
410.48	Acetanilide	1.7¢ per lb. +25% ad val.	7¢ per lb. +45% ad val.
410.52	Benzaldehyde	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
410.56	Benzoic acid	1.7¢ per lb. +19.2% ad val.	7¢ per lb. +69.5% ad val.
410.60	2 - Naphthol (Beta - naphthol)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
410.64	Resorcinol	1.7¢ per lb. +9.4% ad val.	7¢ per lb. +34% ad val.
410.66	Salicylic acid and its salts	1.7¢ per lb. +20% ad val.	7¢ per lb. +72% ad val.
	Drugs:		
410.68	Acetphenetidine (Phenacetin)	1.4¢ per lb. +12.1% ad val.	7¢ per lb. +54.5% ad val.
410.72	Acetylsalicylic acid (Aspirin)	1.7¢ per lb. +22.7% ad val.	7¢ per lb. +82% ad val.
410.76	Antipyrine	1.7¢ per lb. +13.7% ad val.	7¢ per lb. +49.5% ad val.
410.80	5 - Chloro - 7 - iodo - 8 - quinolinol (Iodochlorhydroxyquin) and 2 - [1 - (p - chlorophenyl) - 3 - dimethyl - aminopropyl]pyridine maleate		

	(Chlorpheniramine maleate)	1.4¢ per lb. +16.3% ad val.	7¢ per lb. +73.5% ad val.
410.84	Diethylaminoacetoxylidide (Lidocaine)	1.7¢ per lb. +24.8% ad val.	7¢ per lb. +101.5% ad val.
410.88	5 - Ethyl - 5 - phenylhexahydro- pyrimidine - 4,6 - dione (Primidone)	1.2¢ per lb. +8.5% ad val.	7¢ per lb. +45% ad val.
	Hydantoin derivatives:		
410.92	Methylphenethylhydantoin (Mephenytoin)	1.4¢ per lb. +12.6% ad val.	7¢ per lb. +63% ad val.
410.96	Other	1.4¢ per lb. +12.6% ad val.	7¢ per lb. +63% ad val.
	Imidazoline derivatives:		
411.00	2 - Benzyl - 4,5 - imidazoline hydrochloride (Tolazoline hydrochloride)	1.4¢ per lb. +11.7% ad val.	7¢ per lb. +58.5% ad val.
411.04	Phenylbenzylaminoethylimidazoline hydrochloride	1.4¢ per lb. +10.2% ad val.	7¢ per lb. +51% ad val.
411.08	Other	1.4¢ per lb. +10.2% ad val.	7¢ per lb. +51% ad val.
411.12	Phenolphthalein	1.7¢ per lb. +14.8% ad val.	7¢ per lb. +53% ad val.
411.16	Phenylephrine hydrochloride	1.4¢ per lb. +13% ad val.	7¢ per lb. +58.5% ad val.
411.20	Salol (Phenyl salicylate)	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
411.24	Sulfamethazine	1.4¢ per lb. +17.8% ad val.	7¢ per lb. +80% ad val.
411.28	Sulfadiazine, sulfaguanidine, sulfamerazine, sulfapyridine, and salicylazosulfapyridine (Sulfasalazine)	1.4¢ per lb. +28.5% ad val.	7¢ per lb. +128.5% ad val.
	Other:		
	Alkaloids and their salts and other derivatives:		
411.32	Ephedrine, pseudoephedrine, racephedrine, and their salts	1.7¢ per lb. +16.4% ad val.	7¢ per lb. +59% ad val.
	Papaverine and its salts:		
411.36	Ethaverine hydrochloride	1.7¢ per lb. +13.5% ad val.	7¢ per lb. +48.5% ad val.
411.40	Other	1.7¢ per lb. +28.9% ad val.	7¢ per lb. +104% ad val.

	Other:		
411.44	Arecoline, hydrobromide; Deserpidine; Ergonovine maleate; Lobeline sulfate; Meperidine hydrochloride; Nicotinyl alcohol tartrate; and		
	Quinacrine hydrochloride	1.7¢ per lb. +13.9% ad val.	7¢ per lb. +50% ad val.
411.48	Other	1.7¢ per lb. +24.5% ad val.	7¢ per lb. +88% ad val.
	Antihistamines, including those chiefly used as antinauseants:		
411.52	Diphenhydramine; Promethazine hydrochloride; and		
	Triprolidine hydrochloride	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
411.56	Other	1.7¢ per lb. +22.8% ad val.	7¢ per lb. +82% ad val.
	Anti-infective agents:		
	Antibiotics:		
411.60	Ampicillin and its salts	1.7¢ per lb. +13.5% ad val.	7¢ per lb. +48.5% ad val.
411.64	Penicillin G salts	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +49% ad val.
	Penicillin, not specially provided for:		
411.68	Carfecillin, sodium; Cloxacillin, sodium; Dicloxacillin, sodium; Flucloxacillin (Floxacillin); and		
	Oxacillin, sodium	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
411.72	Other	1.7¢ per lb. +15.7% ad val.	7¢ per lb. +56.5% ad val.
411.76	Other	1.7¢ per lb. +12.5% ad val.	7¢ per lb. +45% ad val.
	Anti-infective sulfonamides:		
411.80	Sulfathiazole and sulfathiazole sodium	1.7¢ per lb. +36.9% ad val.	7¢ per lb. +133% ad val.
411.84	Other	1.7¢ per lb. +26.6% ad val.	7¢ per lb. +96% ad val.
	Anti-infective agents, not specially provided for:		
411.90	Acriflavine;		

	Acriflavine hydrochloride; Bunamidine hydrochloride; Carbadox; Clopidol; Crotamiton; Decoquinate; Diiodohydroxyquin; Ethionamide; Nicarbazin; Niclosamide; Oxyquinoline sulfate; Pentamidine; Phenylmercuric nitrate; Pyrazinamide; Stibophen; Thimerosal; Thymol iodide; Tolnaftate; and Trimethoprim	1.7¢ per lb. +12.8% ad val.	7¢ per lb. +46% ad val.
411.94	Other	1.7¢ per lb. +18.7% ad val.	7¢ per lb. +67.5% ad val.
	Autonomic drugs, except alkaloids and their derivatives:		
411.98	Cromolyn, sodium; Furosemide; Glipizide; Isoetharine hydrochloride; Isoxsuprine hydrochloride; Nylidrin hydrochloride; Procyclidine; Salbutamol (Albuterol); and Terbutaline sulfate	1.7¢ per lb. +13% ad val.	7¢ per lb. +47% ad val.
412.02	Other	1.7¢ per lb. +19.9% ad val.	7¢ per lb. +71.5% ad val.
	Cardiovascular drugs, except alkaloids and their derivatives:		
412.06	Hydralazine hydrochloride; Sulfinpyrazone; and Warfarin, sodium	1.7¢ per lb. +13.1% ad val.	7¢ per lb. +47.5% ad val.
412.10	Other	1.7¢ per lb. +18% ad val.	7¢ per lb. +65% ad val.
412.14	Dermatological agents and local anesthetics	1.7¢ per lb. +14.3% ad val.	7¢ per lb. +51.5% ad val.
	Drugs primarily affecting the central nervous system, except alkaloids and their derivatives:		

	Analgesics, antipyretics, and nonhormonal anti-inflammatory agents:		
412.18	Propoxyphene hydrochloride	1.7¢ per lb. +33.3% ad val.	7¢ per lb. +119.5% ad val.
412.22	Other	1.7¢ per lb. +13.3% ad val.	7¢ per lb. +47.5% ad val.
412.26	Anticonvulsants, hypnotics, and sedatives	1.7¢ per lb. +13.5% ad val.	7¢ per lb. +48.5% ad val.
	Antidepressants, tranquilizers, and other psychotherapeutic agents:		
412.30	Amitriptyline; Butaperazine maleate; Clozapine; Droperidol; Fluphenazine decanoate; Fluphenazine enanthate; Imipramine hydrochloride; Mesoridazine besylate; Piperacetazine; Prochlorperazine maleate; Promazine hydrochloride; and Trifluoperazine hydrochloride	1.7¢ per lb. +12.6% ad val.	7¢ per lb. +45.5% ad val.
412.34	Other	1.7¢ per lb. +41.5% ad val.	7¢ per lb. +149.5% ad val.
412.38	Other	1.7¢ per lb. +16.3% ad val.	7¢ per lb. +58.5% ad val.
	Hormones, synthetic substitutes, and antagonists:		
412.42	Desonide; Dienestrol; Epinephrine; Epinephrine hydrochloride; Estradiol benzoate; Estradiol cyclopentylpropionate (Estriadol cypionate); Nandrolone phenpropionate; and L-Thyroxine (Levothyroxine) sodium	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +49% ad val.
412.48	Other	1.7¢ per lb. +21.7% ad val.	7¢ per lb. +78.5% ad val.
	Vitamins, provitamins, and their analogs and derivatives used primarily for their vitamin activity:		
412.52	Vitamin B_2 (Riboflavin and its		

	salts and esters)	1.7¢ per lb. +17.3% ad val.	7¢ per lb. +62% ad val.
412.56	Vitamin B_{12} (Cyanocobalamin and related compounds with vitamin B_{12} activity)	1.7¢ per lb. +40.4% ad val.	7¢ per lb. +145.5% ad val.
412.60	Vitamin E (dl-α-Tocopherol and its esters)	1.7¢ per lb. +17.6% ad val.	7¢ per lb. +63.5% ad val.
412.64	Other	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +49% ad val.
412.68	Other	1.7¢ per lb. +13.6% ad val.	7¢ per lb. +45% ad val.
	Drugs, from whatever source obtained, produced or manufactured:		
412.72	Guaiacol and its derivatives	1.7¢ per lb. +21.9% ad val.	7¢ per lb. +79% ad val.
	Aromatic or odoriferous compounds including flavors, not marketable as cosmetics, perfumery, or toilet preparations, and not mixed, and not containing alcohol:		
	Obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part:		
412.76	p-Anisaldehyde	3.5¢ per lb. +18.1% ad val.	7¢ per lb. +36% ad val.
412.80	Benzyl acetate	3.5¢ per lb. +52.1% ad val.	7¢ per lb. +104.5% ad val.
412.84	Benzyl benzoate	3.5¢ per lb. +42.1% ad val.	7¢ per lb. +84% ad val.
412.88	Diphenyl oxide	3.5¢ per lb. +21.1% ad val.	7¢ per lb. +42.5% ad val.
412.92	Ethyl vanillin	3.5¢ per lb. +40.1% ad val.	7¢ per lb. +80% ad val.
412.96	Heliotropin	1.7¢ per lb. +13.8% ad val.	7¢ per lb. +56.5% ad val.
413.00	Methyl anthranilate	3.5¢ per lb. +11.2% ad val.	7¢ per lb. +22.5% ad val.
413.04	α-Methylbenzyl alcohol	3.5¢ per lb. +25.4% ad val.	7¢ per lb. +51% ad val.
413.08	Musk, artificial	2.8¢ per lb. +11.4% ad val.	7¢ per lb. +57% ad val.
413.12	α-Pentylcinnamaldehyde	3.5¢ per lb. +22.5% ad val.	7¢ per lb. +45% ad val.
413.16	Phenylacetaldehyde	3.5¢ per lb. +20.2% ad val.	7¢ per lb. +40.5% ad val.

413.20	Phenethyl alcohol	3.5¢ per lb. +38.5% ad val.	7¢ per lb. +77% ad val.
413.24	Saccharin	1.5¢ per lb. +12.9% ad val.	7¢ per lb. +61% ad val.
413.28	Other	3.5¢ per lb. +29% ad val.	7¢ per lb. +58% ad val.
	From whatever source obtained, derived, or manufactured:		
413.32	Coumarin	3.5¢ per lb. +24.1% ad val.	7¢ per lb. +48% ad val.
413.36	Methyl salicylate	3.5¢ per lb. +34.2% ad val.	7¢ per lb. +68.5% ad val.
413.40	Vanillin	1.5¢ per lb. +10.2% ad val.	7¢ per lb. +48% ad val.
	Mixtures in whole or in part of any of the products provided for in this subpart:		
413.50	Paints and enamel paints, stains, and varnishes	3.5¢ per lb. +23% ad val.	7¢ per lb. +46% ad val.
413.51	Other	3.5¢ per lb. +23% ad val., but not less than the highest rate applicable to any component material.	7¢ per lb. +46% ad val., but not less than the highest rate applicable to any component material. ".

SEC. 224. TREATMENT OF CONVERTED RATES AS EXISTING RATES FOR PURPOSES OF TRADE AGREEMENT AUTHORITY.

For purposes of sections 101 and 601(7) of the Trade Act of 1974 (19 U.S.C. 2111 and 2481(7)), the rates of duty appearing in rate column numbered 1 of the amendments, if any, made under this subtitle shall be considered to be the rates of duty existing or in effect on January 1, 1975. 19 USC 2111 note.

SEC. 225. MODIFICATION OF TARIFF TREATMENT OF CERTAIN CHEMICALS AND CHEMICAL PRODUCTS.

The President may proclaim a modification of the article descriptions in subparts B and C of part 1 of schedule 4 (as amended by section 223(d)) in order to transfer from any item within those subparts to any other item within those subparts (taking into account proper chemical nomenclature and customs classification principles) any individual chemicals or products with respect to which a negotiating partner in the Tokyo Round of the Multilateral Trade Negotiations submitted notice, before July 31, 1979, to the United States that the rate of duty in such subpart for such chemicals or products that would apply but for this section is, based on past import data for the chemical or product, inappropriate and non-representative; but the President may not make a modification under this section with respect to any such chemical or product unless the United States International Trade Commission determines before January 1, 1980, that— 19 USC 1202 note.

(1) the chemical or product was not valued for customs purposes on the basis of American selling price upon entry into the United States during a period determined by the Commission to be representative, and

(2) a rate of duty provided for in such subparts, other than the rate of duty that would apply but for this section, is more appropriate and representative for such chemical or product.

TITLE III—GOVERNMENT PROCUREMENT

SEC. 301. GENERAL AUTHORITY TO MODIFY DISCRIMINATORY PURCHASING REQUIREMENTS.

19 USC 2511.

(a) PRESIDENTIAL WAIVER OF DISCRIMINATORY PURCHASING REQUIREMENTS.—The President may waive, in whole or in part, with respect to eligible products of any foreign country or instrumentality designated under subsection (b), and suppliers of such products, the application of any law, regulation, procedure, or practice regarding Government procurement that would, if applied to such products and suppliers, result in treatment less favorable than that accorded—

(1) to United States products and suppliers of such products; or

(2) to eligible products of another foreign country or instrumentality which is a party to the Agreement and suppliers of such products.

(b) DESIGNATION OF ELIGIBLE COUNTRIES AND INSTRUMENTALITIES.—The President may designate a foreign country or instrumentality for purposes of subsection (a) only if he determines that such country or instrumentality—

(1) is a country or instrumentality which (A) has become a party to the Agreement, and (B) will provide appropriate reciprocal competitive government procurement opportunities to United States products and suppliers of such products;

(2) is a country or instrumentality, other than a major industrial country, which (A) will otherwise assume the obligations of the Agreement, and (B) will provide such opportunities to such products and suppliers;

(3) is a country or instrumentality, other than a major industrial country, which will provide such opportunities to such products and suppliers; or

(4) is a least developed country.

(c) MODIFICATION OR WITHDRAWAL OF WAIVERS AND DESIGNATIONS.—The President may modify or withdraw any waiver granted pursuant to subsection (a) or designation made pursuant to subsection (b).

SEC. 302. AUTHORITY TO ENCOURAGE RECIPROCAL COMPETITIVE PROCUREMENT PRACTICES.

19 USC 2512.

(a) AUTHORITY TO BAR PROCUREMENT FROM NON-DESIGNATED COUNTRIES.—With respect to procurement covered by the Agreement, the President, in order to encourage additional countries to become parties to the Agreement and to provide appropriate reciprocal competitive government procurement opportunities to United States products and suppliers of such products—

(1) shall prohibit the procurement, after the date on which any waiver under section 301(a) first takes effect, of products (A) which are products of a foreign country or instrumentality which is not designated pursuant to section 301(b), and (B) which would otherwise be eligible products; and

(2) may take such other actions within his authority as he deems necessary.

(b) DEFERRALS AND WAIVERS.—Notwithstanding subsection (a), but in furtherance of the objective of encouraging countries to become parties to the Agreement and provide appropriate reciprocal competitive government procurement opportunities to United States products and suppliers of such products, the President may—

(1) delay, for a period not to exceed two years, the prohibition of procurement, required pursuant to subsection (a)(1), of products of a foreign country or instrumentality which is not designated pursuant to section 301(b), except that no such delay shall be granted with respect to the procurement of products of any major industrial country;

(2) authorize agency heads to waive, subject to interagency review and general policy guidance by the organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)), such prohibition on a case-by-case basis when in the national interest; and

(3) authorize the Secretary of Defense to waive, subject to interagency review and policy guidance by the organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)), such prohibition for products of any country or instrumentality which enters into a reciprocal procurement agreement with the Department of Defense.

(c) REPORT ON IMPACT OF RESTRICTIONS.—

(1) IMPACT ON THE ECONOMY.—On or before July 1, 1981, the President shall report to the Committee on Ways and Means and the Committee on Government Operations of the House of Representatives and to the Committee on Finance and the Committee on Governmental Affairs of the Senate on the effects on the United States economy (including effects on employment, production, competition, costs and prices, technological development, export trade, balance of payments, inflation, and the Federal budget) of the refusal of developed countries to allow the Agreement to cover the entities of the governments of such countries which are the principal purchasers of goods and equipment in appropriate product sectors.

(2) RECOMMENDATIONS FOR ATTAINING RECIPROCITY.—The report required by paragraph (1) shall include an evaluation of alternative means to obtain equity and reciprocity in such product sectors, including (A) prohibiting the procurement of products of such countries by United States entities not covered by the Agreement, and (B) modifying the application of title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.), commonly referred to as the Buy American Act. The report shall include an analysis of the effect of such alternative means on the United States economy (including effects on employment, production, competition, costs and prices, technological development, export trade, balance of payments, inflation, and the Federal budget), and on successful negotiations on the expansion of the coverage of the Agreement pursuant to section 304 (a) and (b), other trade negotiating objectives, the relationship of the Federal Government to State and local governments, and such other factors as the President deems appropriate.

(3) CONSULTATION.—In the preparation of the report required by paragraph (1) and the evaluation and analysis required by paragraph (2), the President shall consult with representatives of the public, industry, and labor, and make available pertinent, nonconfidential information obtained in the course of such

preparation to the advisory committees established pursuant to section 135 of the Trade Act of 1974.

19 USC 2155.

(d) PROPOSED ACTION.—

(1) PRESIDENTIAL REPORT.—On or before October 1, 1981, the President shall prepare and transmit to the congressional committees referred to in subsection (c)(1) a report which describes the actions he deems appropriate to establish reciprocity with major industrialized countries in the area of Government procurement.

(2) PROCEDURE.—

(A) PRESIDENTIAL DETERMINATION.—If the President determines that any changes in existing law or new statutory authority are required to authorize or to implement any action proposed in the report submitted under paragraph (1), he shall, on or after January 1, 1982, submit to the Congress a bill to accomplish such changes or provide such new statutory authority. Prior to submitting such a bill, the President shall consult with the appropriate committees of the Congress having jurisdiction over legislation involving subject matters which would be affected by such action, and shall submit to such committees a proposed draft of such bill.

(B) CONGRESSIONAL CONSIDERATION.—The appropriate committee of each House of the Congress shall give a bill submitted pursuant to subparagraph (A) prompt consideration and shall make its best efforts to take final committee action on such bill in an expeditious manner.

SEC. 303. WAIVER OF DISCRIMINATORY PURCHASING REQUIREMENTS WITH RESPECT TO PURCHASES OF CIVIL AIRCRAFT.

19 USC 2513.

The President may waive the application of the provisions of title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.), popularly referred to as the Buy American Act, in the case of any procurement of civil aircraft and related articles of a country or instrumentality which is a party to the Agreement on Trade in Civil Aircraft. The President may modify or withdraw any waiver granted pursuant to this section.

SEC. 304. EXPANSION OF THE COVERAGE OF THE AGREEMENT.

19 USC 2514.

(a) OVERALL NEGOTIATING OBJECTIVE.—The President shall seek in the renegotiations provided for in part IX, paragraph 6, of the Agreement more open and equitable market access abroad, and the harmonization, reduction, or elimination of devices which distort trade or commerce related to Government procurement, with the overall goal of maximizing the economic benefit to the United States through maintaining and enlarging foreign markets for products of United States agriculture, industry, mining, and commerce, the development of fair and equitable market opportunities, and open and nondiscriminatory world trade. In carrying out the provisions of this subsection, the President shall consider the assessment made in the report required under section 306(a).

(b) SECTOR NEGOTIATING OBJECTIVES.—The President shall seek, consistent with the overall objective set forth in subsection (a) and to the maximum extent feasible, with respect to appropriate product sectors, competitive opportunities for the export of United States products to the developed countries of the world equivalent to the competitive opportunities afforded by the United States, taking into account all barriers to, and other distortions of, international trade affecting that sector.

(c) INDEPENDENT VERIFICATION OBJECTIVE.—The President shall seek to establish in the renegotiation provided for in part IX, paragraph 6, of the Agreement a system for independent verification of information provided by parties to the Agreement to the Committee on Government Procurement pursuant to part VI, paragraph 9, of the Agreement.

(d) REPORTS ON NEGOTIATIONS.—

(1) REPORT IN THE EVENT OF INADEQUATE PROGRESS.—If, during the renegotiations of the Agreement, the President at any time determines that the renegotiations are not progressing satisfactorily and are not likely to result, within twelve months of the commencement thereof, in an expansion of the Agreement to cover purchases by the entities of the governments of developed countries which are the principal purchasers of goods and equipment in appropriate product sectors, he shall so report to the congressional committees referred to in section 302(c)(1). Taking into account the objectives set forth in subsections (a) and (b) of this section and the factors required to be analyzed under section 302(c), the President shall further report to such committees appropriate actions to seek reciprocity in such product sectors with such countries in the area of government procurement.

(2) LEGISLATIVE RECOMMENDATIONS.—Taking into account the factors required to be analyzed under section 302(c), the President may recommend to the Congress legislation (with respect to entities of the Government which are not covered by the Agreement) which may prohibit such entities from purchasing products of such countries.

(3) ANNUAL REPORTS.—Each annual report of the President under section 163(a) of the Trade Act of 1974 made after the date of enactment of this Act shall report the actions, if any, the President deemed appropriate to establish reciprocity in appropriate product sectors with major industrial countries in the area of government procurement. 19 USC 2213.

(e) EXTENSION OF NONDISCRIMINATION AND NATIONAL TREATMENT.—Before exercising the waiver authority in section 301 for procurement not covered by the Agreement on the date of enactment of this Act, the President shall follow the consultation provisions of section 135 and chapter 6 of title I of the Trade Act of 1974 for private sector and congressional consultations. 19 USC 2155, 2211.

SEC. 305. MONITORING AND ENFORCEMENT.

(a) MONITORING AND ENFORCEMENT STRUCTURE RECOMMENDATIONS.—In the preparation of the recommendations for the reorganization of trade functions, the President shall ensure that careful consideration is given to monitoring and enforcing the requirements of the Agreement and this title, with particular regard to the tendering procedures required by the Agreement or otherwise agreed to by a country or instrumentality likely to be designated pursuant to section 301(b). 19 USC 2515.

(b) RULES OF ORIGIN.—

(1) ADVISORY RULINGS AND FINAL DETERMINATIONS.—For the purposes of this title, the Secretary of the Treasury shall provide for the prompt issuance of advisory rulings and final determinations on whether, under section 308(4)(B), an article is or would be a product of a foreign country or instrumentality designated pursuant to section 301(b).

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(2) PENALTIES FOR FRAUDULENT CONDUCT.—In addition to any other provisions of law which may be applicable, section 1001 of title 18, United States Code, shall apply to fraudulent conduct with respect to the origin of products for purposes of qualifying for a waiver under section 301 or avoiding a prohibition under section 302.

18 USC 1001.

(c) REPORT TO CONGRESS ON RULES OF ORIGIN.—

(1) DOMESTIC ADMINISTRATIVE PRACTICES.—As soon as practicable after the close of the two-year period beginning on the date on which any waiver under section 301(a) first takes effect, the President shall prepare and transmit to Congress a report containing an evaluation of administrative practices under any provision of law which requires determinations to be made of the country of origin of goods, products, commodities, or other articles of commerce. Such evaluation shall be accompanied by the President's recommendations for legislative and executive measures required to improve and simplify and to make more uniform and consistent such practices. Such evaluation and recommendations shall take into account the special problems affecting insular possessions of the United States with respect to such practices.

(2) FOREIGN ADMINISTRATIVE PRACTICES.—The report required under paragraph (1) shall contain an evaluation of the administrative practices under the laws of each major industrial country which require determinations to be made of the country of origin of goods, products, commodities, or other articles of commerce, including an assessment of such practices on the exports of the United States.

SEC. 306. LABOR SURPLUS AREA STUDIES.

19 USC 2516.

(a) EFFECT ON THE ECONOMY.—Prior to the renegotiations provided for in part IX, paragraph 6, of the Agreement, the President shall prepare and transmit to the Congress a report which assesses the economic impact, including the impact on employment in various regions of the United States, of the waiver of the provisions of title III of the Act of March 3, 1933 (41 U.S.C. 10a et seq.), commonly referred to as the Buy American Act, in the procurement of products produced in labor surplus areas and of the waiver of procurement set-asides for labor surplus areas.

Report to President.

(b) EFFECT ON TARGETS.—On or before July 1, 1981, the President shall prepare and transmit to the Congress a report which assesses the effect of the waiver of the provisions of such title III in the procurement of products produced in labor surplus areas and the waiver of procurement set-asides for labor surplus areas on the fulfillment of the objectives of Executive Order 12073, issued August 16, 1978, relating to the encouragement of procurement in labor surplus areas, including an assessment of such waiver on the procurement targets set by the Administrator of the General Services Administration pursuant to such Executive order. On or before January 1, 1980, the President shall begin consultation with and provide interim reports to the congressional committees referred to in section 302(c)(1) concerning the report required by the preceding sentence.

43 FR 36873.

SEC. 307. AVAILABILITY OF INFORMATION TO CONGRESSIONAL ADVISERS.

19 USC 2517.

The Special Representative for Trade Negotiations shall make available to the Members of Congress designated as official advisers

pursuant to section 161 of the Trade Act of 1974 information compiled by the Committee on Government Procurement under part VI, paragraph 9, of the Agreement. 19 USC 2211.

SEC. 308. DEFINITIONS.

As used in this title— 19 USC 2518.

(1) AGREEMENT.—The term "Agreement" means the Agreement on Government Procurement referred to in section 2(c) of this Act, as submitted to the Congress, but including rectifications, modifications, and amendments which are accepted by the United States.

(2) CIVIL AIRCRAFT.—The term "civil aircraft and related articles" means—

(A) all aircraft other than aircraft to be purchased for use by the Department of Defense or the United States Coast Guard;

(B) the engines (and parts and components for incorporation therein) of such aircraft;

(C) any other parts, components, and subassemblies for incorporation in such aircraft; and

(D) any ground flight simulators, and parts and components thereof, for use with respect to such aircraft,

whether to be purchased for use as original or replacement equipment in the manufacture, repair, maintenance, rebuilding, modification, or conversion of such aircraft, and without regard to whether such aircraft or articles receive duty-free treatment pursuant to section 601(a)(2). *Post*, p. 267.

(3) DEVELOPED COUNTRIES.—The term "developed countries" means countries so designated by the President.

(4) ELIGIBLE PRODUCTS.—

(A) IN GENERAL.—The term "eligible product" means, with respect to any foreign country or instrumentality, a product or service of that country or instrumentality which is covered under the Agreement for procurement by the United States.

(B) RULE OF ORIGIN.—An article is a product of a country or instrumentality only if (i) it is wholly the growth, product, or manufacture of that country or instrumentality, or (ii) in the case of an article which consists in whole or in part of materials from another country or instrumentality, it has been substantially transformed into a new and different article of commerce with a name, character, or use distinct from that of the article or articles from which it was so transformed.

(5) INSTRUMENTALITY.—The term "instrumentality" shall not be construed to include an agency or division of the government of a country, but may be construed to include such arrangements as the European Economic Community.

(6) LEAST DEVELOPED COUNTRY.—The term "least developed country" means any country on the United Nations General Assembly list of least developed countries.

(7) MAJOR INDUSTRIAL COUNTRY.—The term "major industrial country" means any such country as defined in section 126 of the Trade Act of 1974 and any instrumentality of such a country. 19 USC 2136.

SEC. 309. EFFECTIVE DATES.

The provisions of this title shall be effective on the date of enactment of this Act, except that— 19 USC 2511 note.

(1) the authority of the President to grant waivers under section 303 shall be effective on January 1, 1980; and

(2) the authority of the President to grant waivers under section 301 shall be effective on January 1, 1981.

TITLE IV—TECHNICAL BARRIERS TO TRADE (STANDARDS)

Subtitle A—Obligations of the United States

SEC. 401. CERTAIN STANDARDS-RELATED ACTIVITIES.

19 USC 2531.

Nothing in this title may be construed as prohibiting any private person, Federal agency, or State agency from engaging in standards-related activities that do not create unnecessary obstacles to the foreign commerce of the United States. No standards-related activity of any private person, Federal agency, or State agency shall be deemed to constitute an unnecessary obstacle to the foreign commerce of the United States if the demonstrable purpose of the standards-related activity is to achieve a legitimate domestic objective including, but not limited to, the protection of legitimate health or safety, essential security, environmental, or consumer interests and if such activity does not operate to exclude imported products which fully meet the objectives of such activity.

SEC. 402. FEDERAL STANDARDS-RELATED ACTIVITIES.

19 USC 2532.

No Federal agency may engage in any standards-related activity that creates unnecessary obstacles to the foreign commerce of the United States, including, but not limited to, standards-related activities that violate any of the following requirements:

(1) NONDISCRIMINATORY TREATMENT.—Each Federal agency shall ensure, in applying standards-related activities with respect to any imported product, that such product is treated no less favorably than are like domestic or imported products, including, but not limited to, when applying tests or test methods, no less favorable treatment with respect to—

(A) the acceptance of the product for testing in comparable situations;

(B) the administration of the tests in comparable situations;

(C) the fees charged for tests;

(D) the release of test results to the exporter, importer, or agents;

(E) the siting of testing facilities and the selection of samples for testing; and

(F) the treatment of confidential information pertaining to the product.

(2) USE OF INTERNATIONAL STANDARDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B)(ii), each Federal agency, in developing standards, shall take into consideration international standards and shall, if appropriate, base the standards on international standards.

(B) APPLICATION OF REQUIREMENT.—For purposes of this paragraph, the following apply:

(i) INTERNATIONAL STANDARDS NOT APPROPRIATE.—The reasons for which the basing of a standard on an international standard may not be appropriate include, but are not limited to, the following:

(I) National security requirements.

(II) The prevention of deceptive practices.

(III) The protection of human health or safety, animal or plant life or health, or the environment.

(IV) Fundamental climatic or other geographical factors.

(V) Fundamental technological problems.

(ii) REGIONAL STANDARDS.—In developing standards, a Federal agency may, but is not required to, take into consideration any international standard promulgated by an international standards organization the membership of which is described in section 451(6)(A)(ii).

(3) PERFORMANCE CRITERIA.—Each Federal agency shall, if appropriate, develop standards based on performance criteria, such as those relating to the intended use of a product and the level of performance that the product must achieve under defined conditions, rather than on design criteria, such as those relating to the physical form of the product or the types of material of which the product is made.

(4) CERTIFICATION ACCESS FOR FOREIGN SUPPLIERS.—Each Federal agency shall, with respect to any certification system used by it, permit access for obtaining certification under that system to foreign suppliers of a product on the same basis as access is permitted to suppliers of like products, whether of domestic or other foreign origin.

SEC. 403. STATE AND PRIVATE STANDARDS-RELATED ACTIVITIES.

(a) IN GENERAL.—It is the sense of the Congress that no State agency and no private person should engage in any standards-related activity that creates unnecessary obstacles to the foreign commerce of the United States. 19 USC 2533.

(b) PRESIDENTIAL ACTION.—The President shall take such reasonable measures as may be available to promote the observance by State agencies and private persons, in carrying out standards-related activities, of requirements equivalent to those imposed on Federal agencies under section 402, and of procedures that provide for notification, participation, and publication with respect to such activities.

Subtitle B—Functions of Federal Agencies

SEC. 411. FUNCTIONS OF SPECIAL REPRESENTATIVE.

(a) IN GENERAL.—The Special Representative shall coordinate the consideration of international trade policy issues that arise as a result of, and shall develop international trade policy as it relates to, the implementation of this title. 19 USC 2541.

(b) NEGOTIATING FUNCTIONS.—The Special Representative has responsibility for coordinating United States discussions and negotiations with foreign countries for the purpose of establishing mutual arrangements with respect to standards-related activities. In carrying out this responsibility, the Special Representative shall inform and consult with any Federal agency having expertise in the matters under discussion and negotiation.

(c) CROSS REFERENCE.—

For provisions of law regarding general authority of the Special Representatives with respect to trade agreements, see section 141 of the Trade Act of 1974 (19 U.S.C. 2171).

SEC. 412. ESTABLISHMENT AND OPERATION OF TECHNICAL OFFICES.

19 USC 2542.

(a) ESTABLISHMENT.—

(1) FOR NONAGRICULTURAL PRODUCTS.—The Secretary of Commerce shall establish and maintain within the Department of Commerce a technical office that shall carry out the functions prescribed under subsection (b) with respect to nonagricultural products.

(2) FOR AGRICULTURAL PRODUCTS.—The Secretary of Agriculture shall establish and maintain within the Department of Agriculture a technical office that shall carry out the functions prescribed under subsection (b) with respect to agricultural products.

(b) FUNCTIONS OF OFFICES.—The President shall prescribe for each technical office established under subsection (a) such functions as the President deems necessary or appropriate to implement this title.

SEC. 413. REPRESENTATION OF UNITED STATES INTERESTS BEFORE INTERNATIONAL STANDARDS ORGANIZATIONS.

19 USC 2543.

(a) OVERSIGHT AND CONSULTATION.—The Secretary concerned shall—

(1) inform, and consult and coordinate with, the Special Representative with respect to international standards-related activities identified under paragraph (2);

(2) keep adequately informed regarding international standards-related activities and identify those that may substantially affect the commerce of the United States; and

(3) carry out such functions as are required under subsections (b) and (c).

(b) REPRESENTATION OF UNITED STATES INTERESTS BY PRIVATE PERSONS.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) ORGANIZATION MEMBER.—The term "organization member" means the private person who holds membership in a private international standards organization.

(B) PRIVATE INTERNATIONAL STANDARDS ORGANIZATION.—The term "private international standards organization" means any international standards organization before which the interests of the United States are represented by a private person who is officially recognized by that organization for such purpose.

(2) IN GENERAL.—Except as otherwise provided for in this subsection, the representation of United States interests before any private international standards organization shall be carried out by the organization member.

(3) INADEQUATE REPRESENTATION.—If the Secretary concerned, after inquiry instituted on his own motion or at the request of any private person, Federal agency, or State agency having an interest therein, has reason to believe that the participation by the organization member in the proceedings of a private international standards organization will not result in the adequate representation of United States interests that are, or may be, affected by the activities of such organization (particularly with regard to the potential impact of any such activity on the international trade of the United States), the Secretary concerned shall immediately notify the organization member con-

cerned. During any such inquiry, the Secretary concerned may solicit and consider the advice of the appropriate representatives referred to in section 417.

(4) ACTION BY ORGANIZATION MEMBER.—If within the 90-day period after the date on which notification is received under paragraph (3) (or such shorter period as the Secretary concerned determines to be necessary in extraordinary circumstances), the organization member demonstrates to the Secretary concerned its willingness and ability to represent adequately United States interests before the private international standards organization, the Secretary concerned shall take no further action under this subsection.

(5) ACTION BY SECRETARY CONCERNED.—If—

(A) within the appropriate period referred to in paragraph (4), the organization member does not respond to the Secretary concerned with respect to the notification, or does respond but does not demonstrate to the Secretary concerned the requisite willingness and ability to represent adequately United States interests; or

(B) there is no organization member of the private international standards organization;

the Secretary concerned shall make appropriate arrangements to provide for the adequate representation of United States interests. In cases where subparagraph (A) applies, such provision shall be made by the Secretary concerned through the appropriate organization member if the private international standards organization involved requires representation by that member.

(c) REPRESENTATION OF UNITED STATES INTERESTS BY FEDERAL AGENCIES.—With respect to any international standards organization before which the interests of the United States are represented by one or more Federal agencies that are officially recognized by that organization for such purpose, the Secretary concerned shall—

(1) encourage cooperation among interested Federal agencies with a view toward facilitating the development of a uniform position with respect to the technical activities with which the organization is concerned;

(2) encourage such Federal agencies to seek information from, and to cooperate with, the affected domestic interests when undertaking such representation; and

(3) not preempt the responsibilities of any Federal agency that has jurisdiction with respect to the activities undertaken by such organization, unless requested to do so by such agency.

SEC. 414. STANDARDS INFORMATION CENTER.

(a) ESTABLISHMENT.—The Secretary of Commerce shall maintain within the Department of Commerce a standards information center. 19 USC 2544.

(b) FUNCTIONS.—The standards information center shall—

(1) serve as the central national collection facility for information relating to standards, certification systems, and standards-related activities, whether such standards, systems, or activities are public or private, domestic or foreign, or international, regional, national, or local;

(2) make available to the public at such reasonable fee as the Secretary shall prescribe, copies of information required to be collected under paragraph (1) other than information to which paragraph (3) applies;

(3) use its best efforts to make available to the public, at such reasonable fees as the Secretary shall prescribe, copies of information required to be collected under paragraph (1) that is of private origin, on a cooperative basis with the private individual or entity, foreign or domestic, who holds the copyright on the information;

(4) in case of such information that is of foreign origin, provide, at such reasonable fee as the Secretary shall prescribe, such translation services as may be necessary;

(5) serve as the inquiry point for requests for information regarding standards-related activities, whether adopted or proposed, within the United States, except that in carrying out this paragraph, the Secretary of Commerce shall refer all inquiries regarding agricultural products to the technical office established under section 412(a)(2) within the Department of Agriculture; and

(6) provide such other services as may be appropriate, including but not limited to, such services to the technical offices established under section 412 as may be requested by those offices in carrying out their functions.

SEC. 415. CONTRACTS AND GRANTS.

19 USC 2545.

(a) IN GENERAL.—For purposes of carrying out this title, and otherwise encouraging compliance with the Agreement, the Special Representative and the Secretary concerned may each, with respect to functions for which responsible under this title, make grants to, or enter into contracts with, any other Federal agency, any State agency, or any private person, to assist such agency or person to implement appropriate programs and activities, including, but not limited to, programs and activities—

(1) to increase awareness of proposed and adopted standards-related activities;

(2) to facilitate international trade through the appropriate international and domestic standards-related activities;

(3) to provide, if appropriate, and pursuant to section 413, adequate United States representation in international standards-related activities; and

(4) to encourage United States exports through increased awareness of foreign standards-related activities that may affect United States exports.

No contract entered into under this section shall be effective except to such extent, and in such amount, as is provided in advance in appropriation Acts.

(b) TERMS AND CONDITIONS.—Any contract entered into, or any grant made, under subsection (a) shall be subject to such terms and conditions as the Special Representative or Secretary concerned shall by regulation prescribe as being necessary or appropriate to protect the interests of the United States.

(c) LIMITATIONS.—Financial assistance extended under this section shall not exceed 75 percent of the total costs (as established by the Special Representative or Secretary concerned, as the case may be) of the program or activity for which assistance is made available. The non-Federal share of such costs shall be made in cash or kind, consistent with the maintenance of the program or activity concerned.

(d) AUDIT.—Each recipient of a grant or contract under this section shall make available to the Special Representative or the Secretary concerned, as the case may be, and to the Comptroller General of the

United States, for purposes of audit and examination, any book, document, paper, and record that is pertinent to the funds received under such grant or contract.

SEC. 416. TECHNICAL ASSISTANCE.

The Special Representative and the Secretary concerned may each, with respect to functions for which responsible under this title, make available, on a reimbursable basis or otherwise, to any other Federal agency, State agency, or private person such assistance, including, but not limited to, employees, services, and facilities, as may be appropriate to assist such agency or person in carrying out standards-related activities in a manner consistent with this title. 19 USC 2546.

SEC. 417. CONSULTATIONS WITH REPRESENTATIVES OF DOMESTIC INTERESTS.

In carrying out the functions for which responsible under this title, the Special Representative and the Secretary concerned shall solicit technical and policy advice from the committees, established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155), that represent the interests concerned, and may solicit advice from appropriate State agencies and private persons. 19 USC 2547.

Subtitle C—Administrative and Judicial Proceedings Regarding Standards-Related Activities

CHAPTER 1—REPRESENTATIONS ALLEGING UNITED STATES VIOLATIONS OF OBLIGATIONS

SEC. 421. RIGHT OF ACTION UNDER THIS CHAPTER.

Except as provided under this chapter, the provisions of this subtitle do not create any right of action under the laws of the United States with respect to allegations that any standards-related activity engaged in within the United States violates the obligations of the United States under the Agreement. 19 USC 2551.

SEC. 422. REPRESENTATIONS.

Any— 19 USC 2552.

(1) Party to the Agreement; or

(2) foreign country that is not a Party to the Agreement but is found by the Special Representative to extend rights and privileges to the United States that are substantially the same as those that would be so extended if that foreign country were a Party to the Agreement;

may make a representation to the Special Representative alleging that a standards-related activity engaged in within the United States violates the obligations of the United States under the Agreement. Any such representation must be made in accordance with procedures that the Special Representative shall by regulation prescribe and must provide a reasonable indication that the standards-related activity concerned is having a significant trade effect. No person other than a Party to the Agreement or a foreign country described in paragraph (2) may make such a representation.

SEC. 423. ACTION AFTER RECEIPT OF REPRESENTATIONS.

(a) REVIEW.—Upon receipt of any representation made under section 422, the Special Representative shall review the issues concerned in consultation with— 19 USC 2553.

(1) the agency or person alleged to be engaging in violations under the Agreement;

(2) the member agencies of the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a));

(3) other appropriate Federal agencies; and

(4) appropriate representatives referred to in section 417.

(b) RESOLUTION.—The Special Representative shall undertake to resolve, on a mutually satisfactory basis, the issues set forth in the representation through consultation with the parties concerned.

SEC. 424. PROCEDURE AFTER FINDING BY INTERNATIONAL FORUM.

19 USC 2554.

(a) IN GENERAL.—If an appropriate international forum finds that a standards-related activity being engaged in within the United States conflicts with the obligations of the United States under the Agreement, the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)) shall review the finding and the matters related thereto with a view to recommending appropriate action.

(b) CROSS REFERENCE.—

For provisions of law regarding remedies available to domestic persons alleging that standards activities engaged in by Parties to the Agreement (other than the United States) violate the obligations of the Agreement, see section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

CHAPTER 2—OTHER PROCEEDINGS REGARDING CERTAIN STANDARDS-RELATED ACTIVITIES

SEC. 441. FINDINGS OF RECIPROCITY REQUIRED IN ADMINISTRATIVE PROCEEDINGS.

19 USC 2561.

(a) IN GENERAL.—Except as provided under chapter 1, no Federal agency may consider a complaint or petition against any standards-related activity regarding an imported product, if that activity is engaged in within the United States and is covered by the Agreement, unless the Special Representative finds, and informs the agency concerned in writing, that—

(1) the country of origin of the imported product is a Party to the Agreement or a foreign country described in section 422(2); and

(2) the dispute settlement procedures provided under the Agreement are not appropriate.

(b) EXEMPTIONS.—This section does not apply with respect to causes of action arising under—

(1) the antitrust laws as defined in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)); or

(2) statutes administered by the Secretary of Agriculture.

This section does not apply with respect to petitions and proceedings that are provided for under the practices of any Federal agency for the purpose of ensuring, in accordance with section 553 of title 5, United States Code, that interested persons are given an opportunity to participate in agency rulemaking or to seek the issuance, amendment, or repeal of a rule.

SEC. 442. NOT CAUSE FOR STAY IN CERTAIN CIRCUMSTANCES.

19 USC 2562.

No standards-related activity being engaged in within the United States may be stayed in any judicial or administrative proceeding on the basis that such activity is currently being considered, pursuant to the Agreement, by an international forum.

Subtitle D—Definitions and Miscellaneous Provisions

SEC. 451. DEFINITIONS.

As used in this title— 19 USC 2571.

(1) AGREEMENT.—The term "Agreement" means the Agreement on Technical Barriers to Trade approved under section 2(a) of this Act.

(2) CERTIFICATION SYSTEM.—The term "certification system" means a system—

(A) for determining whether a product conforms with product standards applicable to that product; and

(B) if a product so conforms, for attesting, by means of a document, mark, or other appropriate evidence of conformity, to that conformity.

Such term also includes any modification of, or change to, any such system.

(3) FEDERAL AGENCY.—The term "Federal agency" means any of the following within the meaning of chapter 2 of part I of title 5, United States Code:

(A) Any executive department.

(B) Any military department.

(C) Any Government corporation.

(D) Any Government-controlled corporation.

(E) Any independent establishment.

(4) INTERNATIONAL CERTIFICATION SYSTEM.—The term "international certification system" means a certification system that is adopted by an international standards organization.

(5) INTERNATIONAL STANDARD.—The term "international standard" means any standard that is promulgated by an international standards organization.

(6) INTERNATIONAL STANDARDS ORGANIZATION.—The term "international standards organization" means any organization—

(A) the membership of which is open to representatives, whether public or private, of the United States and—

(i) all Parties to the Agreement, or

(ii) some but not all Parties of the Agreement; and

(B) that is engaged in international standards-related activities.

(7) INTERNATIONAL STANDARDS-RELATED ACTIVITY.—The term "international standards-related activity" means the negotiation, development, or promulgation of, or any amendment or change to, an international standard, or an international certification system, or both.

(8) PARTY TO THE AGREEMENT.—The term "Party to the Agreement" means any foreign country or instrumentality determined by the President to have assumed, and to be applying, the obligations of the Agreement with respect to the United States.

(9) PRIVATE PERSON.—The term "private person" means—

(A) any individual who is a citizen or national of the United States; and

(B) any corporation, partnership, association, or other legal entity organized or existing under the law of any State, whether for profit or not for profit.

(10) PRODUCT.—The term "product" means any natural or manufactured item.

(11) SECRETARY CONCERNED.—The term "Secretary concerned" means the Secretary of Commerce with respect to functions under this title relating to nonagricultural products, and the

Secretary of Agriculture with respect to functions under this title relating to agricultural products.

(12) SPECIAL REPRESENTATIVE.—The term "Special Representative" means the Special Representative for Trade Negotiations.

(13) STANDARD.—The term "standard" means any of the following, and any amendment or change to any of the following:

(A) The specification of the characteristics of a product, including, but not limited to, levels of quality, performance, safety, or dimensions.

(B) Specifications relating to the terminology, symbols, testing and test methods, packaging, or marking or labeling requirements applicable to a product.

(C) Administrative procedures related to the application of any specification referred to in paragraph (A) or (B).

(14) STANDARDS-RELATED ACTIVITY.—The term "standards-related activity" means the development, adoption, or application of any standard or any certification system.

(15) STATE.—The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam and any other Commonwealth, territory, or possession of the United States.

(16) STATE AGENCY.—The term "State agency" means any department, agency, or other instrumentality of the government of any State or of any political subdivision of any State.

(17) UNITED STATES.—The term "United States", when used in a geographical context, means all States.

SEC. 452. EXEMPTIONS UNDER TITLE.

19 USC 2572.

This title does not appy to—

(1) any standards activity engaged in by any Federal agency or State agency for the use (including, but not limited to, use with respect to research and development, production, or consumption) of that agency or the use of another such agency; or

(2) any standards activity engaged in by any private person solely for use in the production or consumption of products by that person.

SEC. 453. REPORTS TO CONGRESS ON OPERATION OF AGREEMENT.

19 USC 2573.

As soon as practicable after the close of the 3-year period beginning on the date on which this title takes effect, and as soon as practicable after the close of each succeeding 3-year period, the Special Representative shall prepare and submit to Congress a report containing an evaluation of the operation of the Agreement, both domestically and internationally, during the period.

SEC. 454. EFFECTIVE DATE.

19 USC 2531 note.

This title shall take effect on January 1, 1980, if the Agreement enters into force with respect to the United States by that date.

TITLE V—IMPLEMENTATION OF CERTAIN TARIFF NEGOTIATIONS

SEC. 501. AMENDMENT OF TARIFF SCHEDULES.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule or other provision, the reference shall be considered to be made to a schedule or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

SEC. 502. EFFECTIVE DATES OF CERTAIN TARIFF REDUCTIONS.

(a) GENERAL.—If the President determines that appropriate concessions have been received from foreign countries under trade agreements entered into before January 3, 1980, under title I of the Trade Act of 1974, then the amendments to the Tariff Schedules of the United States under sections 505, 506, 508, 509, 510, 511, 512, and 513 shall be effective with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date proclaimed by the President. 19 USC 1202 note. 19 USC 2111. 19 USC 1202.

(b) TERMINATION OR WITHDRAWAL.—For purposes of section 125 (19 U.S.C. 2135) of the Trade Act of 1974 the amendments made under sections 508, 511, 512, and 513 not including the rates of duty appearing in rate column numbered 2, if any, shall be considered to be trade agreement obligations entered into under the Trade Act of 1974, of benefit to foreign countries or instrumentalities. 19 USC 2135 note. 19 USC 2101.

(c) TARIFF REDUCTIONS.—For purposes of sections 101 and 601(7) of the Trade Act of 1974 (19 U.S.C. 2111, 2481), the rates of duty in the rate column numbered 1 or 2 as the result of the amendments, if any, made under sections 505, 506, 509, 510, 511, and 514 shall be considered to be the rates of duty existing or in effect on January 1, 1975. 19 USC 2111 note.

SEC. 503. STAGING OF CERTAIN TARIFF REDUCTIONS.

(a) IN GENERAL.—The aggregate reduction in the rate of duty applicable to items described in this subsection in effect on any day pursuant to a trade agreement entered into under section 101 of the Trade Act of 1974 before January 3, 1980, may exceed the limitation in section 109(a) of such Act (19 U.S.C. 2119): 19 USC 2119 note. 19 USC 2111.

(1) Items amended under section 223(d) of this Act to the extent that they apply to articles which the President determines were not imported into the United States before January 1, 1978, and were not produced in the United States before May 1, 1978.

(2)(A) Items to the extent that they apply to articles which the President determines are not import sensitive and are the product of a least developed developing country as defined in the United Nations General Assembly list of "Least Developed Countries" and which are beneficiary developing countries under section 502 of the Trade Act of 1974. 19 USC 2462.

(B) The President may at any time suspend the treatment accorded under subparagraph (A) in which case the aggregate reduction in effect for such products shall be the reduction in effect for countries other than least developed developing countries.

(3) Item 628.57. Notwithstanding the first sentence of this subsection, the limitation in section 109(a) of the Trade Act of 1974 may be exceeded only to the extent necessary to permit an aggregate reduction of 4.8 percent ad valorem in the rate of duty in effect under such item during the first 1-year period after the effective date of the first reduction in the rate of duty proclaimed for such item. 19 USC 2119.

(4) Items 132.50, 170.10, 170.15, 170.20, 177.62, 186.15, and 429.47.

(5) Items 306.31, 306.32, 306.33, and 306.34. Notwithstanding subsection (a), the limitation in section 109(a) of the Trade Act of 1974 may be exceeded only to the extent necessary to permit the total reduction proclaimed under section 101 of the Trade Act of 1974 relating to such item to take effect within 2 years after the 19 USC 2111.

effective date of the first reduction in the rate of duty proclaimed for such item.

(6) Items for which the President determines the effective date of the first reduction will be after June 30, 1980, and before January 1, 1981, to the extent necessary to permit the second reduction to take effect on January 1, 1981.

Publication in Federal Register.

(b) OPPORTUNITY FOR COMMENT.—Before making any determination under subsection (a) (1) and (2), the President shall provide interested parties an opportunity to comment and shall publish his final determinations in the Federal Register before July 1, 1980.

SEC. 504. SNAPBACK OF TEXTILE TARIFF REDUCTIONS.

19 USC 1202.

The headnotes to Schedule 3 are amended by adding at the end thereof the following new headnote:

"8. In the case of each item in this schedule and schedule 7 on which the United States has agreed to reduce the rate of duty, pursuant to a trade agreement entered into under section 101 of the Trade Act of 1974 before January 3, 1980, on any cotton, wool, or manmade fiber textile product as defined in the Arrangement Regarding International Trade in Textiles, as extended on December 14, 1977 (the Arrangement), if the Arrangement, or a substitute arrangement, including unilateral import restrictions or bilateral agreements, determined by the President to be suitable, ceases to be in effect with respect to the United States before the total reduction in the rate of duty for such item under sections 101 and 109 of the Trade Act of 1974 has become effective, then the President shall proclaim the rate of duty in rate column numbered 1 for such item existing on January 1, 1975, to be the rate of duty effective, with respect to articles entered, or withdrawn from warehouse, for consumption, within 30 days after such cessation and until the President proclaims the continuation of such reduction under the next sentence. If subsequently the Arrangement, or a substitute arrangement, including unilateral import restrictions or bilateral agreements, determined by the President to be suitable, is in effect with respect to the United States, then the President shall proclaim the continuation of the reduction of such rate of duty pursuant to such trade agreement. For purposes of section 109(c)(2) of the Trade Act of 1974, any time when a rate of duty existing on January 1, 1975, is in effect under this headnote shall be time when part of such reduction is not in effect by reason of legislation of the United States or action thereunder.".

19 USC 2111.

19 USC 2119.

SEC. 505. GOAT AND SHEEP (EXCEPT LAMB) MEAT.

19 USC 1202.

Schedule 1, part 2, subpart B is amended by striking out item 106.20 and inserting in lieu thereof the following new items:

"	106.22	Sheep (except lambs)	2.5¢ per lb.	5¢ per lb.
	106.25	Goats	2.5¢ per lb.	5¢ per lb. ".

SEC. 506. CERTAIN FRESH, CHILLED, OR FROZEN BEEF.

19 USC 1202.

Schedule 1, part 2, subpart B is amended by striking out item 107.60 and inserting in lieu thereof the following new items:

"		Valued over 30 cents per pound:		
		Prepared, whether fresh, chilled or frozen, but not otherwise preserved:		
	107.61	Beef specially processed into fancy cuts, special shapes, or otherwise made ready for particular uses by the retail consumer (but not ground or comminuted, diced or cut into sizes for stew meat or similar uses, or rolled or		

	skewered), which meets the specifications in regulations issued by the U.S. Department of Agriculture for Prime or Choice beef, and which has been so certified prior to exportation by an official of the government of the exporting country, in accordance with regulations issued by the Secretary of the Treasury after consultation with the Secretary of Agriculture	10% ad val.	20% ad val.	
107.62	Other	10% ad val.	20% ad val.	
107.63	Other	10% ad val.	20% ad val.	".

SEC. 507. YELLOW DENT CORN.

Notwithstanding section 101(b)(1) of the Trade Act of 1974 (19 U.S.C. 2111), the President may proclaim under section 101 of such Act a reduction to 5 cents per bushel of 56 pounds in the rate of duty applicable to yellow dent corn under rate column numbered 1 of the Tariff Schedules of the United States, currently classified under item 130.35. 19 USC 2111 note. 19 USC 1202.

SEC. 508. CARROTS.

Schedule 1, part 8, subpart A is amended as follows: 19 USC 1202.

(1) Item 135.41 is amended by striking out the material appearing in rate columns numbered 1 and 2 and inserting in lieu thereof "1¢ per lb." and "8¢ per lb.", respectively.

(2) Item 135.42 is amended by striking out the material appearing in rate columns numbered 1 and 2 and inserting in lieu thereof "0.5¢ per lb." and "4¢ per lb.", respectively.

SEC. 509. DINNERWARE.

Schedule 5, part 2, subpart C is amended— 19 USC 1202.

(1) by striking out "(items 533.23, 533.25, 533.26, 533.28, 533.63, 533.65, 533.66, 533.68 and 533.69)" in headnote 2(a) and inserting in lieu thereof the following: "(items 533.22, 533.24, 533.62, and 533.64)";

(2) by striking out "or (c)" in headnote 2(a);

(3) by striking out "533.23, 533.25, 533.26, 533.28, 533.63, 533.65, 533.66, or 533.68" in headnote 2(b) and inserting in lieu thereof the following: "533.22, 533.24, 533.62 or 533.64";

(4) by striking out "appraiser" in headnote 2(b) and inserting in lieu thereof "appropriate customs officer";

(5) by inserting a comma and "sold or offered for sale," after "12 tea cups and their saucers" in headnote 2(b);

(6) by striking out headnote 2(c) and redesignating headnote 2(d) as 2(c); and

(7) by striking out items 533.11 through 533.77, including the superior heading to such items, and inserting in lieu thereof the following:

"	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:		
533.11	Of coarse-grained earthenware, or of coarse-grained stoneware	2.5% ad val.	15% ad val.
533.15	Of fine-grained earthenware, whether or not decorated, having a reddish-colored body and a lustrous glaze which, on teapots, may be any color, but which, on other articles, must be mottled, streaked, or solidly colored brown to black with metallic oxide or salt	6% ad val.	25% ad val.
	Of fine-grained earthenware (except articles provided for in item 533.15) or of fine-grained stoneware:		
533.20	Hotel or restaurant ware and other ware not		

	household ware	48.7% ad val.	55% ad val.
	Household ware available in specified sets:		
533.22	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is not over $38	23.5% ad val.	55% ad val.
533.24	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over $38	11.4% ad val.	55% ad val.
	Household ware not available in specified sets:		
533.29	Steins with permanently attached pewter lids	13.6% ad val.	55% ad val.
533.30	Mugs and other steins	13.6% ad val.	55% ad val.
533.32	Candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, bonbon dishes, egg cups, spoons and spoon rests, oil and vinegar sets, tumblers, and salt and pepper shaker sets	13.6% ad val.	55% ad val.
533.34	Cups valued over $5.25 per dozen; saucers valued over $3 per dozen; soups, oatmeals and cereals valued over $6 per dozen; plates not over 9 inches in maximum diameter and valued over $6 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over $8.50 per dozen; platters or chop dishes valued over $35 per dozen; sugars valued over $21 per dozen; creamers valued over $15 per dozen; and beverage servers valued over $42 per dozen	11.6% ad val.	55% ad val.
533.39	Other articles	23.5% ad val.	55% ad val.
	Of chinaware or of subporcelain:		
533.52	Hotel or restaurant ware and other ware not household ware	48.7% ad val.	75% ad val.
	Household ware:		
533.54	Of bone chinaware	17.5% ad val.	75% ad val.
	Of nonbone chinaware or of subporcelain:		
	Available in specified sets:		
533.62	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is not over $56	38.6% ad val.	75% ad val.
533.64	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over $56	18.4% ad val.	75% ad val.
	Not available in specified sets:		
533.72	Steins with permanently attached pewter lids	22.5% ad val.	70% ad val.
533.74	Mugs and other steins	22.5% ad val.	70% ad val.

533.76	Candy boxes, decanters, punchbowls, pretzel dishes, tidbit dishes, tiered servers, bonbon dishes, egg cups, spoons and spoon rests, oil and vinegar sets, tumblers, and salt and pepper shaker sets	22.5% ad val.	70% ad val.
533.78	Cups valued over $8 per dozen; saucers valued over $5.25 per dozen; soups, oatmeals and cereals valued over $9.30 per dozen; plates not over 9 inches in maximum diameter and valued over $8.50 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over $11.50 per dozen; platters or chop dishes valued over $40 per dozen; sugars valued over $23 per dozen; creamers valued over $20 per dozen; and beverage servers valued over $50 per dozen	18% ad val.	75% ad val.
533.79	Other articles	26.1% ad val.	75% ad val.

".

SEC. 510. TARIFF TREATMENT OF WATCHES.

Schedule 7, part 2, subpart E is amended— 12 USC 1202.

(1) by striking out subsection (a) in headnote 3 and redesignating subsections (b), (c), (d), (e), and (f) as (a), (b), (c), (d), and (e), respectively,

(2) by striking out "items 717.--, 718.--, and 719.--." in headnote 3(b) (as redesignated by paragraph (1)) and inserting in lieu thereof "item 719.--.",

(3) by striking out the last two sentences in headnote 3(b) (as redesignated by paragraph (1)) and inserting in lieu thereof the following: "For citation purposes, the two blanks on the end of such item number shall be filled in with the last two digits of the item number for the applicable base rate. Thus, 'item 719.31' would be the citation for a watch movement, 0.7 inch wide, having 17 jewels, which is adjusted or self-winding or constructed or designed to operate for a period in excess of 47 hours without rewinding.",

(4) by striking out "in Arabic numerals and" in clauses (iii) and (iv) of headnote 4(a),

(5) by amending headnote 4(e) to read as follows:

"(e) Dials shall be marked to show the name of the country of manufacture.",

(6) by amending items 716.10 through 716.26 to read as follows:

"

716.10	Not over 0.6 inch in width	90¢ each	$1.50 each
716.11	Over 0.6 but not over 0.8 inch in width	75¢ each	$1.50 each
716.12	Over 0.8 but not over 0.9 inch in width	75¢ each	$1.50 each
716.13	Over 0.9 but not over 1 inch in width	75¢ each	$1.50 each
716.14	Over 1 but not over 1.2 inches in width	75¢ each	$1.50 each
716.15	Over 1.2 but not over 1.5 inches in width	75¢ each	$1.50 each

716.16	Over 1.5 but not over 1.77 inches in width	75¢ each	$1.50 each	
	Having over 1 jewel but not over 7 jewels:			
716.20	Not over 0.6 inch in width	$1.80 each	$2.50 each	
716.21	Over 0.6 but not over 0.8 inch in width	$1.35 each	$2.50 each	
716.22	Over 0.8 but not over 0.9 inch in width	$1.35 each	$2.50 each	
716.23	Over 0.9 but not over 1 inch in width	$1.20 each	$2.50 each	
716.24	Over 1 but not over 1.2 inches in width	90¢ each	$2.50 each	
716.25	Over 1.2 but not over 1.5 inches in width	90¢ each	$2.50 each	
716.26	Over 1.5 but not over 1.77 inches in width	90¢ each	$2.50 each	";

(7) by striking out the material appearing in rate column numbered 2 under items 716.31 through 716.36 and inserting in lieu thereof the following: "$2.50 each +15 cents for each jewel over 7",

(8) by striking out item 719.-- and inserting in lieu thereof the following:

" 719.-- (see headnote 3(b))	Adjusted or self-winding, whether or not adjusted (or if a self-winding device can be incorporated therein), or constructed or designed to operate for a period in excess of 47 hours without rewinding	Column 1 base rate +50¢ each if self-winding +50¢ for each adjustment	Column 2 base rate +$1 each if self-winding +$1 for each adjustment	";

and

(9) by striking out the material appearing in rate column numbered 1 in item 720.75 and inserting in lieu thereof "22.5% ad val.".

SEC. 511. BROOMS.

19 USC 1202.

Subpart A of part 8 of schedule 7 is amended—

(1) by striking out the superior heading for items 750.26 and 750.27 and inserting in lieu thereof "Valued not over 45¢ each", and

(2) by striking out the item description for item 750.28 and inserting in lieu thereof "Valued over 45¢ each".

SEC. 512. AGRICULTURAL AND HORTICULTURAL MACHINERY, EQUIPMENT, IMPLEMENTS, AND PARTS.

19 USC 1202.

Schedule 8, part 7 is amended—

(1) by adding the following new headnote:

"2. The provisions of items 870.40 and 870.45 do not apply to—

"(i) articles of textile materials; articles provided for in schedule 5; articles of leather or of fur on the skin;

"(ii) articles provided for in schedule 6, part 2, part 3 (subparts A through F except items 652.12 through 652.38, inclusive,

652.84, 652.88, 653.00, and 653.01), part 5 (except item 688.40), or part 6, but interchangeable agricultural and horticultural implements are classifiable in item 870.40 even if mounted at the time of importation on a tractor provided for in part 6B of schedule 6;

"(iii) ball or roller bearings, including such bearings with integral shafts, and parts thereof, provided for in items 680.33 through 680.35, inclusive; or

"(iv) articles provided for in item 666.00."; and

(2) by inserting, in numerical sequence, the following new items:

"870.40	Machinery, equipment, and implements to be used for agricultural or horticultural purposes	Free	The column 2 rate applicable in the absence of this item
870.45	Parts to be used in articles provided for in item 666.00, whether or not such parts are chiefly used as parts of such articles and whether or not covered by a specific provision within the meaning of general interpretative rule 10(ij)	Free	The column 2 rate applicable in the absence of this item ".

SEC. 513. WOOL.

Subpart B, part 1 of the Appendix is amended by striking out "On or before 6/30/80" in the effective period column applicable to items 905.10 and 905.11 and inserting in lieu thereof "On or before 6/30/85". 19 USC 1202 app.

SEC. 514. CONVERSION TO AD VALOREM EQUIVALENTS OF CERTAIN COLUMN 2 TARIFF RATES.

(a) GENERAL.—The rates of duty appearing in rate column numbered 2 under the items listed below are amended to the rates of duty appearing below next to each such item, respectively: 19 USC 1202.

Item:	Rate of duty:
110.65	1% ad val.
111.52	6% ad val.
111.56	1% ad val.
112.03	2.5% ad val.
112.12	2% ad val.
112.24	4% ad val.
113.15	2% ad val.
114.34	7.5% ad val.
114.36	12.5% ad val.
114.55	13% ad val.
141.60	38.5% ad val.
176.47	22.5% ad val.
178.10	12.5% ad val.
252.13	21% ad val.
252.15	22% ad val.
252.20	24.5% ad val.
252.25	38% ad val.
252.27	30.5% ad val.

Item:	Rate of duty:
252.30	24% ad val.
252.40	25% ad val.
252.42	20.5% ad val.
252.45	15.5% ad val.
252.59	24% ad val.
252.61	20% ad val.
252.63	18% ad val.
252.67	11.5% ad val.
252.70	29% ad val.
252.73	22% ad val.
252.75	28% ad val.
252.77	28% ad val.
253.05	17.5% ad val.
253.10	27% ad val.
253.15	36% ad val.
253.20	36% ad val.
253.25	19% ad val.
253.35	22.5% ad val.
253.40	24% ad val.
253.45	22.5% ad val.
254.09	42% ad val.
254.15	38% ad val.
254.18	30.5% ad val.
254.20	24% ad val.
254.30	15% ad val.
254.35	31% ad val.
254.40	24% ad val.
254.42	20% ad val.
254.44	18% ad val.
254.46	37% ad val.
254.48	34% ad val.
254.50	35% ad val.
254.54	17.5% ad val.
254.56	35% ad val.
254.58	62.5% ad val.
254.63	30% ad val.
254.65	20% ad val.
254.70	18.5% ad val.
254.75	14% ad val.
254.80	25% ad val.
254.85	20% ad val.
254.90	24.5% ad val.
254.95	11.5% ad val.
256.20	33% ad val.
256.25	33% ad val.
256.48	21.5% ad val.
256.65	25.5% ad val.
256.67	43% ad val.
256.80	19.5% ad val.
256.85	26.5% ad val.
303.20	25.5% ad val.
307.62	55.5% ad val.
307.64	55.5% ad val.
309.10	65.5% ad val.
309.25	72.5% ad val.
309.70	56.5% ad val.
309.80	76.5% ad val.
309.90	51.5% ad val.
310.06	79% ad val.
310.21	83.5% ad val.
310.40	54% ad val.
310.50	61.5% ad val.
310.60	81% ad val.
310.80	80% ad val.

Item:	Rate of duty:
312.30	36.5% ad val.
315.35	19.5% ad val.
315.40	20% ad val.
315.45	17% ad val.
316.60	76.5% ad val.
335.50	11.5% ad val.
335.55	90% ad val.
335.60	78% ad val.
336.20	63% ad val.
336.25	62% ad val.
336.30	95% ad val.
336.40	63.5% ad val.
336.50	138.5% ad val.
336.60	68.5% ad val.
338.10	107% ad val.
338.15	80.5% ad val.
338.30	81% ad val.
339.05	63.5% ad val.
345.30	65.5% ad val.
345.50	113.5% ad val.
346.52	61.5% ad val.
346.60	79.5% ad val.
346.82	58% ad val.
346.90	79.5% ad val.
347.40	59% ad val.
347.55	68.5% ad val.
347.60	76.5% ad val.
347.65	78% ad val.
347.70	84% ad val.
355.25	74% ad val.
355.45	82% ad val.
355.60	70% ad val.
355.70	54% ad val.
355.82	84.5% ad val.
356.30	65% ad val.
356.40	74.5% ad val.
357.15	68.5% ad val.
357.20	63% ad val.
357.35	63% ad val.
357.45	62% ad val.
357.90	21.5% ad val.
357.95	88.5% ad val.
358.08	66% ad val.
358.14	74% ad val.
358.30	64.5% ad val.
358.50	68.5% ad val.
359.30	57% ad val.
359.50	83.5% ad val.
363.10	48.5% ad val.
363.85	77.5% ad val.
364.22	64.5% ad val.
364.30	74% ad val.
367.05	60% ad val.
367.10	52.5% ad val.
367.15	65.5% ad val.
367.25	48.5% ad val.
367.50	74.5% ad val.
367.55	78% ad val.
367.60	72.5% ad val.
370.04	75% ad val.
370.08	53.5% ad val.
370.12	49% ad val.
370.16	54% ad val.
370.17	50% ad val.

Item:	Rate of duty:
370.19	45% ad val.
370.21	59.5% ad val.
370.22	46% ad val.
370.28	38% ad val.
370.32	48% ad val.
370.40	49% ad val.
370.44	60% ad val.
370.52	45% ad val.
370.56	55.5% ad val.
370.64	58% ad val.
370.68	67.5% ad val.
370.76	51.5% ad val.
370.88	68.5% ad val.
372.25	83.5% ad val.
372.30	63.5% ad val.
372.35	54% ad val.
372.40	65.5% ad val.
372.45	55% ad val.
372.70	68.5% ad val.
372.75	73% ad val.
373.15	52% ad val.
373.25	71.5% ad val.
374.50	53.5% ad val.
374.60	72% ad val.
376.08	67.5% ad val.
376.16	83.5% ad val.
378.35	55.5% ad val.
378.40	54% ad val.
378.45	52% ad val.
378.60	72% ad val.
378.65	71% ad val.
380.57	63% ad val.
380.59	52% ad val.
380.61	54.5% ad val.
380.63	58% ad val.
380.66	58.5% ad val.
380.81	72% ad val.
380.84	76% ad val.
382.48	78.5% ad val.
382.54	63% ad val.
382.56	52% ad val.
382.58	54.5% ad val.
382.60	58% ad val.
382.63	58.5% ad val.
382.78	72% ad val.
382.81	76% ad val.
385.53	103% ad val.
385.61	71.5% ad val.
385.85	71% ad val.
388.10	70.5% ad val.
388.20	56.5% ad val.
388.30	60.5% ad val.
389.40	72% ad val.
389.50	74% ad val.
389.61	71.5% ad val.
389.62	78.5% ad val.
416.10	8.5% ad val.
416.30	10% ad val.
416.40	55% ad val.
417.10	9.5% ad val.
417.16	10% ad val.
417.22	28% ad val.
417.24	16% ad val.
417.26	18% ad val.

Item:	Rate of duty:
417.28	29% ad val.
417.30	15% ad val.
417.32	4% ad val.
417.34	8.5% ad val.
417.40	49.5% ad val.
417.52	29% ad val.
417.54	25.5% ad val.
417.70	28.5% ad val.
417.72	7.5% ad val.
417.74	10.5% ad val.
417.76	19% ad val.
417.78	6% ad val.
418.14	10% ad val.
418.24	2% ad val.
418.26	24.5% ad val.
418.30	43.5% ad val.
418.62	6.5% ad val.
418.72	29% ad val.
418.74	31% ad val.
418.76	5% ad val.
418.78	32.5% ad val.
419.00	6% ad val.
419.02	10% ad val.
419.24	3% ad val.
419.28	5% ad val.
419.34	20% ad val.
419.60	20.5% ad val.
419.80	18% ad val.
419.82	25.5% ad val.
420.04	6% ad val.
420.06	9% ad val.
420.08	3.5% ad val.
420.20	7.5% ad val.
420.22	23% ad val.
420.24	7% ad val.
420.26	3% ad val.
420.28	23% ad val.
420.32	50.5% ad val.
420.84	8.5% ad val.
420.88	13% ad val.
420.94	26% ad val.
420.98	8.5% ad val.
421.04	8.5% ad val.
421.10	25.5% ad val.
421.14	54% ad val.
421.16	6% ad val.
421.18	11.5% ad val.
421.34	3% ad val.
421.36	62.5% ad val.
421.46	4% ad val.
421.52	7.5% ad val.
421.54	4.5% ad val.
421.56	46.5% ad val.
422.40	55.5% ad val.
422.42	45.5% ad val.
422.72	5% ad val.
422.76	8% ad val.
423.88	18% ad val.
423.92	45.5% ad val.
425.00	56.5% ad val.
425.02	35% ad val.
425.12	50.5% ad val.
425.14	39% ad val.
425.18	58% ad val.

Item:	Rate of duty:
425.38	40% ad val.
425.52	30.5% ad val.
425.70	16% ad val.
425.72	17.5% ad val.
425.74	39.5% ad val.
425.76	22.5% ad val.
425.78	2% ad val.
425.86	34.5% ad val.
425.88	2% ad val.
425.94	17% ad val.
426.00	22% ad val.
426.12	7% ad val.
426.14	5% ad val.
426.32	32% ad val.
426.34	29% ad val.
426.36	3% ad val.
426.42	7.5% ad val.
426.56	28% ad val.
426.72	4% ad val.
426.76	11% ad val.
426.77	21% ad val.
426.78	22.5% ad val.
426.82	11.5% ad val.
426.94	42% ad val.
426.98	27.5% ad val.
427.40	71% ad val.
427.42	32.5% ad val.
427.44	61.5% ad val.
427.46	60% ad val.
427.54	40% ad val.
427.56	32.5% ad val.
427.58	37% ad val.
427.70	45% ad val.
427.72	37.5% ad val.
427.74	50.5% ad val.
427.82	41.5% ad val.
427.88	20% ad val.
427.94	20.5% ad val.
427.97	46% ad val.
428.04	37% ad val.
428.06	66% ad val.
428.20	35% ad val.
428.22	39% ad val.
428.24	39% ad val.
428.26	33.5% ad val.
428.30	51% ad val.
428.34	63% ad val.
428.46	54.5% ad val.
428.52	40% ad val.
428.58	20.5% ad val.
428.68	52% ad val.
428.80	46% ad val.
428.84	49% ad val.
428.86	55% ad val.
428.88	31% ad val.
428.94	88.5% ad val.
428.96	37% ad val.
429.00	36.5% ad val.
429.22	8.5% ad val.
429.24	32% ad val.
429.26	125% ad val.
429.44	76% ad val.
429.46	35% ad val.
429.47	114.5% ad val.

Item:	Rate of duty:
437.02	59% ad val.
437.68	8% ad val.
437.69	5% ad val.
445.05	37% ad val.
445.10	35.5% ad val.
445.15	34% ad val.
445.20	73.5% ad val.
445.25	34.5% ad val.
445.30	43% ad val.
445.35	41.5% ad val.
445.40	37.5% ad val.
445.45	43.5% ad val.
445.50	33.5% ad val.
465.87	66% ad val.
472.22	13% ad val.
472.30	11% ad val.
472.44	8.5% ad val.
473.24	39.5% ad val.
473.28	12% ad val.
473.46	5.5% ad val.
473.48	12% ad val.
473.52	12% ad val.
473.54	12.5% ad val.
473.56	12.5% ad val.
473.60	4.5% ad val.
473.66	6% ad val.
473.72	11% ad val.
473.74	22.5% ad val.
473.76	5.5% ad val.
473.78	4.5% ad val.
473.80	11% ad val.
473.84	7.5% ad val.
490.30	28% ad val.
490.32	29.5% ad val.
490.42	34.5% ad val.
490.44	50% ad val.
490.46	27.5% ad val.
490.65	39.5% ad val.
490.90	27% ad val.
493.18	33.5% ad val.
493.22	11% ad val.
522.24	13.5% ad val.
534.84	51.5% ad val.
534.87	50.5% ad val.
607.01	1% ad val.
607.02	1% ad val.
607.03	1% ad val.
607.04	1% ad val.
607.12	0.5% ad val. + additional duties
607.18	0.5% ad val. + additional duties
607.20	0.5% ad val.
607.21	0.5% ad val. + additional duties
607.31	7.5% ad val.
607.35	22% ad val.
607.36	6.5% ad val.
607.37	10.5% ad val.
607.40	31.5% ad val.
607.51	11.5% ad val.
607.52	9% ad val.
607.53	40% ad val.
607.57	23% ad val.
607.65	35% ad val.
608.06	1% ad val.
608.10	3% ad val.

Item:	Rate of duty:
608.30	7% ad val.
608.32	10.5% ad val. + additional duties
608.60	23% ad val.
608.70	4.5% ad val.
608.71	5.5% ad val.
608.73	29.5% ad val.
608.75	6% ad val.
608.76	11% ad val. + additional duties
608.78	10% ad val. + additional duties
608.92	6% ad val.
608.93	6% ad val.
608.95	21.5% ad val.
609.25	25.5% ad val.
609.26	26% ad val.
609.27	26% ad val.
609.35	34% ad val. + additional duties
609.36	34% ad val. + additional duties
609.37	12.5% ad val. + additional duties
609.41	7% ad val.
609.72	26% ad val.
609.76	33% ad val. + additional duties
609.80	2% ad val.
609.82	9% ad val. + additional duties
609.96	2% ad val.
609.98	8% ad val. + additional duties
610.20	1% ad val.
610.21	9% ad val. + additional duties
610.25	2% ad val.
610.26	8% ad val. + additional duties
610.30	13% ad val.
610.31	6.5% ad val.
610.32	5.5% ad val.
610.35	10% ad val. + additional duties
610.36	9.5% ad val. + additional duties
610.37	10% ad val. + additional duties
610.39	1% ad val.
610.40	8.5% ad val. + additional duties
612.02	6% ad val.
612.03	6% ad val.
612.05	24% ad val.
612.06	6% ad val.
612.08	24% ad val.
612.10	6% ad val.
612.15	12% ad val.
612.17	38% ad val.
612.20	28% ad val.
612.30	38% ad val.
612.31	7.5% ad val.
612.32	48% ad val.
612.34	38% ad val.
612.35	32% ad val.
612.36	48% ad val.
612.38	38% ad val.
612.39	9% ad val.
612.40	38% ad val.
612.41	48% ad val.
612.43	38% ad val.
612.44	9% ad val.
612.45	49% ad val.
612.50	48% ad val.
612.52	49% ad val.
612.55	12% ad val.
612.56	49% ad val.
612.60	7% ad val.

Item:	Rate of duty:
612.61	32% ad val.
612.62	9% ad val.
612.63	48% ad val.
612.64	9% ad val.
612.70	32% ad val.
612.71	32% ad val.
612.72	28% ad val.
612.73	28% ad val.
612.80	48% ad val.
612.81	17% ad val.
612.82	49% ad val.
613.02	13% ad val.
613.03	13% ad val.
613.04	47% ad val.
613.06	45.5% ad val.
613.08	49% ad val.
613.10	10% ad val.
613.12	49% ad val.
613.15	46% ad val.
613.18	49% ad val.
618.01	18.5% ad val.
618.02	11% ad val.
618.04	25% ad val.
618.06	10.5% ad val.
618.10	16% ad val.
618.15	11% ad val.
618.22	25% ad val.
618.25	13.5% ad val.
618.27	9.5% ad val.
618.40	11% ad val.
618.45	15.5% ad val.
624.02	10.5% ad val.
624.03	10% ad val.
624.04	11.5% ad val.
624.10	10% ad val.
624.18	47% ad val.
624.22	44% ad val.
624.30	10% ad val.
624.32	45% ad val.
624.40	45% ad val.
624.50	10% ad val.
624.52	44% ad val.
626.10	11% ad val.
626.17	4% ad val.
626.18	24% ad val.
626.31	25.5% ad val.
628.57	60.5% ad val.
629.25	50% ad val.
629.28	58% ad val.
629.32	35.5% ad val.
632.32	20% ad val.
632.42	21% ad val.
642.12	40% ad val.
642.50	28% ad val.
642.54	19.5% ad val.
642.56	28% ad val.
642.58	18% ad val.
642.62	31% ad val.
642.66	25% ad val.
642.68	43% ad val.
642.70	27.5% ad val.
642.76	51.5% ad val.
642.85	37% ad val.
642.96	2% ad val.

Item:	Rate of duty:
644.02	6.5% ad val.
644.08	61.5% ad val.
644.11	47.5% ad val.
644.17	28% ad val.
644.24	47% ad val.
644.36	21% ad val.
644.38	22.5% ad val.
644.40	24.5% ad val.
644.42	23% ad val.
644.46	8% ad val.
644.52	26% ad val.
644.64	13.5% ad val.
644.68	104% ad val.
644.80	10% ad val.
644.84	15% ad val.
644.88	3% ad val.
644.92	6% ad val.
644.95	20% ad val.
644.98	4% ad val.
646.02	4% ad val.
646.20	4% ad val.
646.25	2% ad val.
646.26	3.5% ad val.
646.28	2% ad val.
646.30	5.5% ad val.
646.32	8% ad val.
646.45	8% ad val.
646.54	3.5% ad val.
646.56	0.5% ad val.
646.74	7% ad val.
646.80	39.5% ad val.
646.81	29.5% ad val.
646.82	28.5% ad val.
646.83	27% ad val.
646.84	36% ad val.
646.85	29.5% ad val.
646.86	40% ad val.
646.87	41% ad val.
646.88	77% ad val.
646.89	32.5% ad val.
649.33	6% ad val.
651.07	72% ad val.
652.24	10% ad val.
652.41	10% ad val.
653.97	35.5% ad val.
654.10	45.5% ad val.
657.30	45.5% ad val.
657.35	46% ad val.
657.70	2.5% ad val.
660.65	68.5% ad val.
672.20	42% ad val.
680.20	47% ad val.
680.30	45% ad val.
690.25	3% ad val.
712.10	70% ad val.
720.75	45% ad val.
725.04	37.5% ad val.
730.23	82.5% ad val.
730.25	82.5% ad val.
730.27	74% ad val.
730.29	73% ad val.
730.37	75% ad val.
730.39	75% ad val.
730.41	79% ad val.

Item:	Rate of duty:
730.43	71.5% ad val.
730.51	65% ad val.
730.53	65% ad val.
730.55	65% ad val.
730.57	65% ad val.
730.63	69.5% ad val.
730.71	73.5% ad val.
730.74	57.5% ad val.
750.10	36% ad val.
760.10	41.5% ad val.
760.20	21.5% ad val.
760.30	20% ad val.
770.05	42.5% ad val.
770.07	64% ad val.
770.10	56% ad val.
771.20	30.5% ad val.
771.31	28.5% ad val.
771.35	18% ad val.
771.50	17% ad val.
772.06	84.5% ad val.
772.80	57.5% ad val.
773.20	105.5% ad val.
774.35	56% ad val.
790.59	56% ad val.
790.60	55.5% ad val.
790.61	52% ad val.
790.62	51% ad val.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1979. 19 USC 1202 note.

TITLE VI—CIVIL AIRCRAFT AGREEMENT

SEC. 601. CIVIL AIRCRAFT AND PARTS.

(a) GENERAL.—When the conditions under section 2(b) of this Act on acceptance of the Agreement on Trade in Civil Aircraft are fulfilled, the President may proclaim after September 30, 1979, the changes provided for under the following amendments: *Ante*, p. 237.

(1) The headnotes to schedule 6, part 6, subpart C of the Tariff Schedules of the United States are amended by inserting the following new headnote: 19 USC 1202.

"3. Certified for Use in Civil Aircraft.

"(a) Whenever the term 'certified for use in civil aircraft' is used in an item description in the schedules, the importer shall file a written statement, accompanied by such supporting documentation as the Secretary of the Treasury may require, with the appropriate customs officer stating that the imported article has been imported for use in civil aircraft, that it will be so used, and that the article has been approved for such use by the Administrator of the Federal Aviation Administration (F.A.A.) or by the airworthiness authority in the country of exportation, if such approval is recognized by the F.A.A. as an acceptable substitute for F.A.A. certification, or that an application for approval for such use has been submitted to, and accepted by, the Administrator of the F.A.A.

"(b) For purposes of the schedules, the term 'civil aircraft' means all aircraft other than aircraft purchased for use by the Department of Defense or the United States Coast Guard.". "Civil aircraft."

(2) A duty rate of "Free" in rate column numbered 1 of the Tariff Schedules of the United States for those articles classified in the following items which the President determines would "Free."

provide coverage comparable to that provided by foreign countries in the Annex to the Agreement on Trade in Civil Aircraft if such articles are certified for use in civil aircraft in accordance with headnote 3 to schedule 6, part 6, subpart C of the Tariff Schedules of the United States:

19 USC 1202.

518.51	680.47	709.45
544.41	680.50	710.08
642.20	680.55	710.14
647.03	680.56	710.16
647.05	682.07	710.30
652.09	682.40	710.46
653.39	682.60	711.36
653.94	683.60	711.37
660.44	684.30	711.82
660.46	684.40	711.84
660.52	684.50	711.98
660.54	684.70	712.05
660.85	685.24	712.47
660.97	685.29	712.49
661.10	685.40	715.15
661.12	685.60	720.08
661.15	685.70	727.47
661.20	686.22	727.48
661.35	686.24	727.55
661.90	686.60	745.45
661.95	688.12	772.45
662.50	688.40	772.65.
664.10	694.15	
676.15	694.20	
676.30	694.40	
678.50	694.60	

(3) Section 466 of the Tariff Act of 1930 (19 U.S.C. 1466) is amended by adding at the end thereof the following new subsection:

"(f) The duty imposed under subsection (a) shall not apply to the cost of repair parts, materials, or expenses of repairs in a foreign country upon a United States civil aircraft, within the meaning of headnote 3 to Schedule 6, part 6, subpart C of the Tariff Schedules of the United States.".

Ante, p. 267.

(b) TERMINATION AND WITHDRAWAL.—For purposes of section 125 of the Trade Act of 1974, the amendments made under subsection (a), if any, shall be considered to be trade agreement obligations entered into under the Trade Act of 1974 of benefit to foreign countries or instrumentalities.

19 USC 2135 note.
19 USC 2135.
19 USC 2101.

TITLE VII—CERTAIN AGRICULTURAL MEASURES

SEC. 701. LIMITATION ON CHEESE IMPORTS.

19 USC 1202 note.

(a) PROCLAMATION.—The President shall by proclamation limit the amount of quota cheese which may enter the customs territory of the United States in any calendar year after 1979 to not more than 111,000 metric tons. Any such proclamation shall be considered a proclamation which is issued by the President under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) and which meets the requirements of such section.

(b) RESTRICTION ON EMERGENCY ACTION.—No increase in the amount proclaimed under subsection (a) to an amount greater than 111,000 metric tons for any calendar year may be proclaimed except in accordance with section 22 of the Agricultural Adjustment Act. The President may not proclaim any such increase to an amount greater than 111,000 metric tons by use of the procedure established for immediate action by the second paragraph of subsection (b) of

such section, at any time before January 1, 1983, unless the Secretary determines that extraordinary circumstances warrant such action and reports such determination to the President.

(c) DEFINITIONS.—For purposes of this title—

(1) QUOTA CHEESE.—The term "quota cheese" means the articles provided for in the following items of the Tariff Schedules of the United States: 19 USC 1202.

(A) 117.00 (except Stilton produced in the United Kingdom);

(B) 117.05 (except Stilton produced in the United Kingdom);

(C) 117.15;

(D) 117.20;

(E) 117.25;

(F) 117.40 (except Goya in original loaves);

(G) 117.55;

(H) 117.60 (except Gammelost and Nokkelost);

(I) 117.75 (except goat's milk cheeses and soft-ripened cow's milk cheeses);

(J) 117.81; and

(K) 117.85 (except goat's milk cheeses and soft-ripened cow's milk cheeses).

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 702. ENFORCEMENT.

(a) DETERMINATION AND LISTING OF SUBSIDIES.— 19 USC 1202 note.

(1) INITIAL DETERMINATION AND ANNUAL LISTING.—Not later than January 1, 1980, the administering authority shall—

(A) determine, in consultation with the Secretary, whether any foreign government is providing a subsidy with respect to any article of quota cheese, and

(B) publish a list of the type and the amount of each such subsidy which is determined to exist.

Not later than January 1 of each year beginning with 1981, the administering authority shall republish such list, incorporating the changes and additional subsidies determined for the preceding calendar year under paragraph (2).

(2) QUARTERLY DETERMINATION OF CHANGES AND ADDITIONAL SUBSIDIES.—Not later than April 1, July 1, and October 1 of each year beginning with 1980, and not later than January 1 of each year beginning with 1981, the administering authority shall determine, in consultation with the Secretary—

(A) whether any changes in the type or amount of any subsidy included in the current annual list under paragraph (1) (as modified by quarterly lists under this paragraph) have occurred, and

(B) whether any subsidy not included in such list is being provided with respect to any article of quota cheese by a foreign government, and the type and amount of any such subsidy which is determined to exist.

Not later than April 1, July 1, and October 1, the administering authority shall publish such changes and additional subsidies for the preceding calendar quarter.

(3) ADDITIONAL DETERMINATIONS.—Any person, including the Secretary, may request the administering authority to make a determination under subparagraph (A) or (B) of paragraph (2). Not later than 30 days after receiving such a request, the

administering authority shall (A) make the determination, in consultation with the Secretary, (B) notify the person making the request of such determination, and (C) publish such modification, if any. Any such determination shall be in addition to the quarterly determinations required under paragraph (2). Requests made under this paragraph shall be supported by information reasonably available to the person requesting the determination.

(b) COMPLAINTS OF PRICE-UNDERCUTTING BY SUBSIDIZED IMPORTS.—

(1) IN GENERAL.—Any person may make a written complaint to the Secretary alleging that—

"Duty-paid wholesale price."

(A) the price at which any article of quota cheese is offered for sale in the United States on a duty-paid wholesale basis (hereinafter in this section referred to as the "duty-paid wholesale price") is less than the domestic wholesale market price of similar articles produced in the United States, and

(B) a foreign government is providing a subsidy with respect to such article of quota cheese.

(2) DETERMINATIONS.—(A) The Secretary shall investigate and determine, not later than 30 days after receiving a complaint under paragraph (1), the validity of the allegations made under paragraph (1)(A).

(B) Except as otherwise provided in this subparagraph, the existence and the type and amount of any subsidy alleged under paragraph (1)(B) shall be determined by reference to the current list, as determined and published under subsection (a). If the complaint alleges a subsidy which is not included in such current list, or which is different in type or amount from a subsidy which is included in such current list, the Secretary shall immediately request the administering authority to make a determination with respect to the subsidy pursuant to subsection (a)(3). The administering authority shall make such determination in accordance with such subsection and shall report such determination to the Secretary.

(c) REPORTS OF DETERMINATIONS.—

Publication in Federal Register.

(1) PUBLICATION.—The Secretary shall publish the determinations made under subsection (b) in the Federal Register not later than 5 days after the date on which the Secretary makes his determination under subsection (b)(2)(A).

(2) NOTIFICATION OF FOREIGN GOVERNMENT.—Whenever it is determined under subsection (b) that the duty-paid wholesale price of any article of quota cheese is less than the domestic wholesale market price of a similar article produced in the United States and that a foreign government is providing a subsidy with respect to such article of quota cheese, the Secretary shall immediately notify the Special Representative for Trade Negotiations. The Special Representative shall notify the foreign government or governments involved of such determination not later than 3 days after the date on which the Secretary makes his determination under subsection (b)(2)(A).

(3) REPORT TO PRESIDENT.—If, within 15 days after receiving notification under paragraph (2), the foreign government does not eliminate the subsidy or take such action as may be necessary to ensure that the duty-paid wholesale price of the article of quota cheese will not be less than the domestic wholesale market price of similar articles produced in the United States, the Secretary shall immediately—

(A) report the determinations under subsection (b) to the President, and

(B) recommend the imposition of a fee or quantitative limitation with respect to the importation of such article of quota cheese from the country involved, in such amount as the Secretary determines necessary.

(d) PRESIDENTIAL ACTION.—

(1) IN GENERAL.—Not later than 7 days after receiving a report under subsection (c)(3) with respect to an article of quota cheese (or not later than 3 days after receiving a report under paragraph (2) of this subsection in any case in which such paragraph applies), the President shall—

(A) proclaim the imposition of a fee on the importation of such article from the country involved in such amount (not to exceed the amount of the subsidy determined under subsection (b)(2)(B)) as may be necessary to ensure that the duty-paid wholesale price of such article will not be less than the domestic wholesale market price of similar articles produced in the United States, or

Importation fee.

(B) proclaim a prohibition on the entry, in whole or part, of such article of quota cheese from such country into the United States,

and shall direct the Commissioner of Customs to administer and enforce such fee or quantitative limitation. Any fee imposed under subparagraph (A) or any quantitative limitation imposed under subparagraph (B) shall be in addition to any other fee or quantitative limitation imposed by law on the importation of quota cheese.

(2) ADDITIONAL INVESTIGATION.—If the President finds that the determinations or recommendations of the Secretary reported under subsection (c)(3) are unsubstantiated by fact, he shall, not later than 7 days after receiving such report, notify the Secretary and direct him to make a further investigation. The Secretary shall, within 7 days of receiving such notification, make such investigation and report his findings to the President, including any modification in such determinations or recommendations. The President shall thereupon make the proclamation required by paragraph (1), unless the Secretary finds that there is no basis for the determinations or recommendations reported under subsection (c)(3) whether or not modified.

Report to President.

Proclamation.

(e) ADMINISTRATION.—Any fee or quantitative limitation proclaimed pursuant to subsection (d) and any termination or modification thereof pursuant to subsection (g) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date which is 3 days after the President makes the proclamation required by subsection (d). Such fees shall be treated for administrative purposes as duties imposed by the Tariff Act of 1930, but shall not be considered as duties for the purpose of granting any preferential concession under any law or international obligation of the United States.

19 USC 1654.

(f) INAPPLICABILITY OF COUNTERVAILING DUTIES DURING EFFECTIVE PERIOD OF CHEESE AGREEMENTS.—No countervailing duty shall be imposed under title I of this Act or under section 303 of the Tariff Act of 1930 with respect to an article of quota cheese which is the product of any country at any time during which an agreement relating to cheese described in section 2(c)(8) containing a commitment from a foreign government with respect to price undercutting is in effect between the United States and such country.

Ante, p. 150.
19 USC 1303.

39-139 O - 79 - 9 (39)

(g) TERMINATION OR MODIFICATION OF PRESIDENTIAL ACTION.—

(1) TERMINATION.—If, at any time after the President takes an action under subsection (d) with respect to the importation from a foreign country of an article of quota cheese, the Secretary receives reasonable evidence and assurance that, with respect to future entries of such article into the customs territory of the United States—

(A) the duty-paid wholesale price of such article will not be less than the domestic wholesale market price of similar articles produced in the United States, or

(B) the foreign government will no longer provide a subsidy with respect to such article of quota cheese,

Report to President. Proclamation.

the Secretary shall notify the President of such finding and the President shall, by proclamation, terminate such action with respect to the importation of such article from such country.

(2) MODIFICATION.—The Secretary shall recommend to the President such modifications of fees or quantitative limitations imposed under subsection (d) with respect to any article of quota cheese as may be necessary to ensure that the duty-paid wholesale price of such article will not be less than the domestic wholesale market price of similar articles produced in the United States, and the President shall, by proclamation, make such modifications. The amount of any fee, as so modified, shall not be greater than the amount of the subsidy provided by the foreign government with respect to the article of quota cheese.

Proclamation.

(h) DEFINITIONS.—For purposes of this section—

(1) ADMINISTERING AUTHORITY.—The term "administering authority" has the same meaning such term has in section 771(1) of the Tariff Act of 1930.

Ante, p. 176.

(2) SUBSIDY.—The term "subsidy" has the same meaning such term has in section 771(5) of the Tariff Act of 1930.

(3) DOMESTIC WHOLESALE MARKET, DOMESTIC WHOLESALE MARKET PRICE, AND DUTY-PAID WHOLESALE PRICE.—The domestic wholesale market and the domestic wholesale market price of any article similar to an article of quota cheese, and the duty-paid wholesale price of any article of quota cheese shall be determined under regulations prescribed by the Secretary not later than January 1, 1980, in accordance with chapter 5 of title 5 of the United States Code.

5 USC 500 *et. seq.*

SEC. 703. LIMITATION ON IMPORTS OF CHOCOLATE CRUMB.

19 USC 1202 app. note.

19 USC 1202.

The President shall by proclamation—

(1) increase the amount of the articles of chocolate provided for in item 950.15 of the Tariff Schedules of the United States which may enter the customs territory of the United States in any calendar year after 1979 to include—

(A) 2,000 metric tons from Australia, and

(B) one kilogram from New Zealand, and

(2) increase the amount of the articles of chocolate and the articles containing chocolate provided for in item 950.16 of the Tariff Schedules of the United States which may enter the customs territory of the United States in any calendar year after 1979 to include one kilogram from New Zealand.

Such proclamation shall be considered a proclamation which is issued by the President pursuant to section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) and which meets the requirements of such section.

SEC. 704. AMENDMENTS TO MEAT IMPORT LAW.

19 USC 1202 note.

(a) IN GENERAL.—Subsection (a) of section 2 of the Act entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (78 Stat. 594) is amended to read as follows:

19 USC 1202 note.

"(a)(1) It is the policy of the Congress that the aggregate quantity of the articles specified in items 106.10 (relating to fresh, chilled, or frozen cattle meat), 106.22 (relating to fresh, chilled, or frozen meat of sheep (except lambs)), 106.25 (relating to fresh, chilled, or frozen meat of goats), and 107.61 (relating to certain prepared fresh, chilled, or frozen beef) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1964, should not exceed 725,400,000 pounds, increased or decreased as provided in paragraph (2).

Ante, p. 252.

"(2) The amount referred to in paragraph (1) shall be increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of the articles specified in items 106.10, 106.22, and 106.25 of the Tariff Schedules of the United States in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of such articles during the years 1959 through 1963, inclusive.".

(b) MINIMUM ACCESS FLOOR.—Paragraph (1) of subsection (c) of section 2 of such Act is amended by adding at the end thereof the following: "Notwithstanding the preceding sentence, no limitation proclaimed for a calendar year after 1979 shall be less than 1,200,000,000 pounds.".

19 USC 1202 note.

(c) CONFORMING AMENDMENTS.—

(1) Paragraphs (1) and (2) of subsection (b) of section 2 of such Act is amended by inserting "(1)" after "subsection (a)".

(2) Subsection (c)(1) of section 2 of such Act is amended by inserting "(1)" after "subsection (a)".

(3) Subsection (c)(3) of section 2 of such Act is amended by inserting "(1)" after "subsection (a)".

(4) Paragraphs (2) and (3) of subsection (d) of section 2 of such Act are amended by inserting "(1)" after "subsection (a)".

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to calendar years after 1979. The amendments made by subsection (c) shall take effect on January 1, 1980.

TITLE VIII—TREATMENT OF DISTILLED SPIRITS

Subtitle A—Tax Treatment

SEC. 801. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This subtitle may be cited as the "Distilled Spirits Tax Revision Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

26 USC 1 *et. seq.*

SEC. 802. REPEAL OF WINE-GALLON METHOD OF TAXING DISTILLED SPIRITS.

Paragraph (1) of section 5001(a) (relating to imposition, rate, and attachment of tax) is amended to read as follows:

26 USC 5001.

"(1) IN GENERAL.—There is hereby imposed on all distilled spirits produced in or imported into the United States a tax at the rate of $10.50 on each proof gallon and a proportionate tax at the like rate on all fractional parts of a proof gallon."

SEC. 803. REPEAL OF RECTIFICATION TAXES ON DISTILLED SPIRITS.

Repeal. 26 USC 5021-5026.

(a) GALLONAGE TAXES.—Subpart B of part I of subchapter A of chapter 51 (imposing rectification taxes) is hereby repealed.

Repeal. 26 USC 5081-5084.

(b) OCCUPATIONAL TAX.—Subpart A of part II of subchapter A of chapter 51 (imposing occupational tax on rectifiers) is hereby repealed.

SEC. 804. DETERMINATION AND PAYMENT OF TAX.

26 USC 5006.

(a) DETERMINATION.—Subsection (a) of section 5006 (relating to determination of tax) is amended to read as follows:

"(a) REQUIREMENTS.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the tax on distilled spirits shall be determined when the spirits are withdrawn from bond. Such tax shall be determined by such means as the Secretary shall by regulations prescribe, and with the use of such devices and apparatus (including but not limited to tanks and pipelines) as the Secretary may require. The tax on distilled spirits withdrawn from the bonded premises of a distilled spirits plant shall be determined upon completion of the gauge for determination of tax and before withdrawal from bonded premises, under such regulations as the Secretary shall prescribe.

"(2) DISTILLED SPIRITS NOT ACCOUNTED FOR.—If the Secretary finds that the distiller has not accounted for all the distilled spirits produced by him, he shall, from all the evidence he can obtain, determine what quantity of distilled spirits was actually produced by such distiller, and an assessment shall be made for the difference between the quantity reported and the quantity shown to have been actually produced at the rate of tax imposed by law for every proof gallon."

26 USC 5061.

(b) EXTENSION OF TIME FOR PAYING TAX.—Section 5061 (relating to method of collecting tax) is amended by adding at the end thereof the following new subsection:

"(d) EXTENSION OF TIME FOR COLLECTING TAX ON DISTILLED SPIRITS.—In the case of distilled spirits to which subsection (a) applies which are withdrawn from the bonded premises of a distilled spirits plant under bond for deferred payment of tax, the last day for filing a return (with remittances) for each semimonthly return period shall be determined under the following table:

"If the return period is in—	Such last day shall be—
1980	The last day of the first succeeding return period plus 5 days.
1981	The last day of the first succeeding return period plus 10 days.
1982 or any year thereafter	The last day of the second succeeding return period."

SEC. 805. ALL-IN-BOND METHOD OF DETERMINING EXCISE TAX ON DISTILLED SPIRITS.

26 USC 5171.

(a) ESTABLISHMENT OF DISTILLED SPIRITS PLANTS.—Section 5171 (relating to establishment of distilled spirits plants) is amended to read as follows:

"SEC. 5171. ESTABLISHMENT.

"(a) CERTAIN OPERATIONS MAY BE CONDUCTED ONLY ON BONDED PREMISES.—Except as otherwise provided by law, operations as a distiller, warehouseman, or processor may be conducted only on the bonded premises of a distilled spirits plant by a person who is qualified under this subchapter.

"(b) ESTABLISHMENT OF DISTILLED SPIRITS PLANT.—A distilled spirits plant may be established only by a person who intends to conduct at such plant operations as a distiller, as a warehouseman, or as both.

"(c) REGISTRATION.—

"(1) IN GENERAL.—Each person shall, before commencing operations at a distilled spirits plant (and at such other times as the Secretary may by regulations prescribe), make application to the Secretary for, and receive notice of, the registration of such plant.

"(2) APPLICATION REQUIRED WHERE NEW OPERATIONS ARE ADDED.—No operation in addition to those set forth in the application made pursuant to paragraph (1) may be conducted at a distilled spirits plant until the person has made application to the Secretary for, and received notice of, the registration of such additional operation.

"(3) SECRETARY MAY ESTABLISH MINIMUM CAPACITY AND LEVEL OF ACTIVITY REQUIREMENTS.—The Secretary may by regulations prescribe for each type of operation minimum capacity and level of activity requirements for qualifying premises as a distilled spirits plant.

"(4) APPLICANT MUST COMPLY WITH LAW AND REGULATIONS.—No plant (or additional operation) shall be registered under this section until the applicant has complied with the requirements of law and regulations in relation to the qualification of such plant (or additional operation).

"(d) PERMITS.—

"(1) REQUIREMENTS.—Each person required to file an application for registration under subsection (c) whose distilled spirits operations (or any part thereof) are not required to be covered by a basic permit under the Federal Alcohol Administration Act (27 U.S.C. secs. 203 and 204) shall, before commencing the operations (or part thereof) not so covered, apply for and obtain a permit under this subsection from the Secretary to engage in such operations (or part thereof). Subsections (b), (c), (d), (e), (f), (g), and (h) of section 5271 are hereby made applicable to persons filing applications and permits required by or issued under this subsection.

"(2) EXCEPTIONS FOR AGENCIES OF A STATE OR POLITICAL SUBDIVISIONS.—Paragraph (1) shall not apply to any agency of a State or political subdivision thereof or to any officer or employee of any such agency, and no such agency, officer, or employee shall be required to obtain a permit thereunder.

"(e) CROSS REFERENCES.—

"(1) For penalty for failure of a distiller or processor to file application for registration as required by this section, see section 5601(a)(2).

"(2) For penalty for the filing of a false application by a distiller, warehouseman, or processor of distilled spirits, see section 5601(a)(3)."

(b) CHANGES IN PROVISIONS RELATING TO FACILITIES ON BONDED PREMISES OF DISTILLED SPIRITS PLANTS.—

(1) Paragraphs (2), (3), (4), and (5) of section 5178(a) (relating to location, construction, and arrangement on premises of distilled spirits plants) are amended to read as follows: 26 USC 5178.

"(2) PRODUCTION OPERATIONS.—

"(A) Any person establishing a distilled spirits plant may, as described in his application for registration, produce distilled spirits from any source or substance.

"(B) The distilling system shall be continuous and shall be so designed and constructed and so connected as to prevent the unauthorized removal of distilled spirits before their production gauge.

"(C) The Secretary is authorized to order and require—

"(i) such identification of, changes of, and additions to, distilling apparatus, connecting pipes, pumps, tanks, and any machinery connected with or used in or on the premises, and

"(ii) such fastenings, locks, and seals to be part of any of the stills, tubs, pipes, tanks, and other equipment, as he may deem necessary to facilitate inspection and afford adequate security to the revenue.

"(3) WAREHOUSING OPERATIONS.—

"(A) Any person establishing a distilled spirits plant for the production of distilled spirits may, as described in the application for registration, warehouse bulk distilled spirits on the bonded premises of such plant.

"(B) Distilled spirits plants for the bonded warehousing of bulk distilled spirits elsewhere than as described in subparagraph (A) may be established at the discretion of the Secretary by proprietors referred to in subparagraph (A) or by other persons under such regulations as the Secretary shall prescribe.

"(4) PROCESSING OPERATIONS.—Any person establishing a distilled spirits plant may, as described in the application for registration, process distilled spirits on the bonded premises of such plant."

26 USC 5212.

(2) Section 5212 (relating to transfer of distilled spirits between bonded premises) is amended—

(A) by striking out "Distilled spirits" and inserting in lieu thereof "Bulk distilled spirits", and

(B) by striking out "distilled spirits" and inserting in lieu thereof "bulk distilled spirits".

26 USC 5173.

(c) BONDS.—Section 5173 (relating to qualification bonds) is amended to read as follows:

"SEC. 5173. BONDS.

"(a) OPERATIONS AT, AND WITHDRAWALS FROM, DISTILLED SPIRITS PLANT MUST BE COVERED BY BOND.—

"(1) OPERATIONS.—No person intending to establish a distilled spirits plant may commence operations at such plant unless such person has furnished bond covering operations at such plant.

"(2) WITHDRAWALS.—No distilled spirits (other than distilled spirits withdrawn under section 5214 or 7510) may be withdrawn from bonded premises except on payment of tax unless the proprietor of the bonded premises has furnished bond covering such withdrawal.

"(b) OPERATIONS BONDS.—The bond required by paragraph (1) of subsection (a) shall meet the requirements of paragraph (1), (2), or (3) of this subsection:

"(1) ONE PLANT BOND.—The bond covers operations at a single distilled spirits plant.

"(2) ADJACENT WINE CELLAR BOND.—The bond covers operations at a distilled spirits plant and at an adjacent bonded wine cellar.

"(3) AREA BOND.—The bond covers operations at 2 or more distilled spirits plants (and adjacent bonded wine cellars) which—

"(A) are located in the same geographical area (as designated in regulations prescribed by the Secretary), and

"(B) are operated by the same person (or, in the case of a corporation, by such corporation and its controlled subsidiaries).

"(c) WITHDRAWAL BONDS.—The bond required by paragraph (2) of subsection (a) shall cover withdrawals from 1 or more bonded premises the operations at which could be covered by the same operations bond under subsection (b).

"(d) UNIT BONDS.—Under regulations prescribed by the Secretary, the requirements of paragraphs (1) and (2) of subsection (a) shall be treated as met by a unit bond which covers both operations at, and withdrawals from, 1 or more bonded premises which could be covered by the same operations bond under subsection (b).

"(e) TERMS AND CONDITIONS.—

"(1) IN GENERAL.—Any bond furnished under this section shall be conditioned that the person furnishing the bond—

"(A) will faithfully comply with all provisions of law and regulations relating to the activities covered by such bond, and

"(B) will pay—

"(i) all taxes imposed by this chapter, and

"(ii) all penalties incurred by, or fines imposed on, such person for violation of any such provision.

"(2) OTHER TERMS AND CONDITIONS.—Any bond furnished under this section shall contain such other terms and conditions as may be required by regulations prescribed by the Secretary.

"(f) AMOUNT.—

"(1) IN GENERAL.—The penal sum of any bond shall be the amount determined under regulations prescribed by the Secretary.

"(2) MAXIMUM AND MINIMUM AMOUNT.—The Secretary shall by regulations prescribe a minimum amount and a maximum amount for each type of bond which may be furnished under this section.

"(g) TOTAL AMOUNT AVAILABLE.—The total amount of any bond furnished under this section shall be available for the satisfaction of any liability incurred under the terms and conditions of such bond.

"(h) SPECIAL RULES.—For purposes of this section—

"(1) WITHDRAWAL BONDS.—In the case of any bond furnished under this section which covers withdrawals but not operations—

"(A) such bond shall be in addition to the operations bond, and

"(B) if distilled spirits are withdrawn under such bond, the operations bond shall no longer cover liability for payment of the tax on the spirits withdrawn.

"(2) ADJACENT WINE CELLARS.—

"(A) REQUIREMENTS.—No wine cellar shall be treated as being adjacent to a distilled spirits plant unless—

"(i) such distilled spirits plant is qualified under this subchapter for the production of distilled spirits, and

"(ii) such wine cellar and the distilled spirits plant are operated by the same person (or, in the case of a corporation, by such corporation and its controlled subsidiaries).

"(B) BOND IN LIEU OF WINE CELLAR BOND.—In the case of any adjacent wine cellar, a bond furnished under this section which covers operations at such wine cellar shall be in lieu of any bond which would otherwise be required under section 5354 with respect to such wine cellar (other than supplemental bonds required under the second sentence of section 5354)."

26 USC 5354.

(d) ALCOHOLIC INGREDIENTS ADDED TO DISTILLED SPIRITS TAXED AS DISTILLED SPIRITS.—Paragraph (2) of section 5001(a) (relating to products containing distilled spirits) is amended to read as follows:

26 USC 5001.

"(2) PRODUCTS CONTAINING DISTILLED SPIRITS.—All products of distillation, by whatever name known, which contain distilled spirits, on which the tax imposed by law has not been paid, and any alcoholic ingredient added to such products, shall be considered and taxed as distilled spirits."

(e) DEFINITIONS.—Section 5002 (relating to definitions) is amended to read as follows:

26 USC 5002.

"SEC. 5002. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this chapter—

"(1) DISTILLED SPIRITS PLANT.—The term 'distilled spirits plant' means an establishment which is qualified under subchapter B to perform any distilled spirits operation.

"(2) DISTILLED SPIRITS OPERATION.—The term 'distilled spirits operation' means any operation for which qualification is required under subchapter B.

"(3) BONDED PREMISES.—The term 'bonded premises', when used with respect to distilled spirits, means the premises of a distilled spirits plant, or part thereof, on which distilled spirits operations are authorized to be conducted.

"(4) DISTILLER.—The term 'distiller' includes any person who—

"(A) produces distilled spirits from any source or substance,

"(B) brews or makes mash, wort, or wash fit for distillation or for the production of distilled spirits (other than the making or using of mash, wort, or wash in the authorized production of wine or beer, or the production of vinegar by fermentation),

"(C) by any process separates alcoholic spirits from any fermented substance, or

"(D) making or keeping mash, wort, or wash, has a still in his possession or use.

"(5) PROCESSOR.—

"(A) IN GENERAL.—The term 'processor', when used with respect to distilled spirits, means any person who—

"(i) manufactures, mixes, or otherwise processes distilled spirits, or

"(ii) manufactures any article.

"(B) RECTIFIER, BOTTLER, ETC., INCLUDED.—The term 'processor' includes (but is not limited to) a rectifier, bottler, and denaturer.

"(6) CERTAIN OPERATIONS NOT TREATED AS PROCESSING.—In applying paragraph (5), there shall not be taken into account—

"(A) OPERATIONS AS DISTILLER.—Any process which is the operation of a distiller.

"(B) MIXING OF TAXPAID SPIRITS FOR IMMEDIATE CONSUMPTION.—Any mixing (after determination of tax) of distilled spirits for immediate consumption.

"(C) USE BY APOTHECARIES.—Any process performed by an apothecary with respect to distilled spirits which such apothecary uses exclusively in the preparation or making up of medicines unfit for use for beverage purposes.

"(7) WAREHOUSEMAN.—The term 'warehouseman', when used with respect to distilled spirits, means any person who stores bulk distilled spirits.

"(8) DISTILLED SPIRITS.—The terms 'distilled spirits', 'alcoholic spirits', and 'spirits' mean that substance known as ethyl alcohol, ethanol, or spirits of wine in any form (including all dilutions and mixtures thereof from whatever source or by whatever process produced).

"(9) BULK DISTILLED SPIRITS.—The term 'bulk distilled spirits' means distilled spirits in a container having a capacity in excess of 1 wine gallon.

"(10) PROOF SPIRITS.—The term 'proof spirits' means that liquid which contains one-half its volume of ethyl alcohol of a specific gravity of 0.7939 at 60 degrees Fahrenheit (referring to water at 60 degrees Fahrenheit as unity).

"(11) PROOF GALLON.—The term 'proof gallon' means a United States gallon of proof spirits, or the alcoholic equivalent thereof.

"(12) CONTAINER.—The term 'container', when used with respect to distilled spirits, means any receptacle, vessel, or form of package, bottle, tank, or pipeline used, or capable of use, for holding, storing, transferring, or conveying distilled spirits.

"(13) APPROVED CONTAINER.—The term 'approved container', when used with respect to distilled spirits, means a container the use of which is authorized by regulations prescribed by the Secretary.

"(14) ARTICLE.—Unless another meaning is distinctly expressed or manifestly intended, the term 'article' means any substance in the manufacture of which denatured distilled spirits are used.

"(15) EXPORT.—The terms 'export', 'exported', and 'exportation' include shipments to a possession of the United States.

"(b) CROSS REFERENCES.—

"(1) For definition of wine gallon, see section 5041(c).
"(2) For definition of manufacturer of stills, see section 5102.
"(3) For definition of dealer, see section 5112(a).
"(4) For definitions of wholesale dealers, see section 5112.
"(5) For definitions of retail dealers, see section 5122.
"(6) For definitions of general application to this title, see chapter 79."

SEC. 806. REMOVAL OF REQUIREMENT OF ON-SITE INSPECTION.

(a) SUPERVISION OF OPERATIONS.—Section 5202 (relating to supervision of operations) is amended to read as follows: 26 USC 5202.

"SEC. 5202. SUPERVISION OF OPERATIONS.

"All operations on the premises of a distilled spirits plant shall be conducted under such supervision and controls (including the use of Government locks and seals) as the Secretary shall by regulations prescribe."

(b) REMOVAL OF REQUIREMENT THAT REVENUE OFFICERS MUST BE ASSIGNED TO THE PREMISES.—The first sentence of subsection (a) of

26 USC 5221. section 5221 (relating to commencement, suspension, and resumption of operations) is amended by striking out "until an internal revenue officer has been assigned to the premises" and inserting in lieu thereof "until written notice has been given to the Secretary stating when operations will begin".

SEC. 807. TECHNICAL, CONFORMING, AND CLERICAL AMENDMENTS.

26 USC 5003. (a) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) SECTION 5003.—

(A) Paragraph (9) of section 5003 (relating to cross references to exemptions, etc.) is amended by striking out "section 5522(a) and".

(B) Section 5003 is amended by redesignating paragraph (15) as paragraph (17) and by inserting after paragraph (14) the following new paragraphs:

"(15) For provisions authorizing the withdrawal of distilled spirits without payment of tax for transfer to manufacturing bonded warehouses for manufacturing for export, see section 5214(a)(6).

"(16) For provisions authorizing the withdrawal of articles from the bonded premises of a distilled spirits plant free of tax when contained in an article, see section 5214(a)(11)."

26 USC 5004. (2) SECTION 5004.—

(A) Subsection (b) of section 5004 (relating to other property subject to lien) is hereby repealed.

(B) Subsection (c) of section 5004 is redesignated as subsection (b).

(C) Subparagraph (B) of section 5004(a)(2) is amended by striking out "or (3)" and inserting in lieu thereof "(3), or (11)".

26 USC 5005. (3) SECTION 5005.—

(A) Subsection (c) of section 5005 (relating to proprietors of distilled spirits plants) is amended by striking out paragraph (3) thereof.

(B) Subsection (d) of section 5005 is amended by striking out "or (3)" and inserting in lieu thereof "(3), or (11)".

(C) Paragraph (1) of section 5005(f) is amended to read as follows:

"(1) For provisions requiring bond covering operations at, and withdrawals from, distilled spirits plants, see section 5173."

(D) Subsection (f) of section 5005 is amended by adding at the end thereof the following new paragraph:

"(6) For provisions relating to transfer of tax liability for wine, see section 5043(a)(1)(A)."

26 USC 5006. (4) SECTION 5006.—

(A) The first sentence of paragraph (1) of section 5006(b) is amended by striking out ", notwithstanding that the time specified in any bond given for the withdrawal of the spirits entered in storage in such cask or package has not expired, except" and inserting in lieu thereof "; except".

(B) Subsection (b) of section 5006 is amended by striking out "in storage in internal revenue bond" each place it appears and inserting in lieu thereof "on bonded premises".

26 USC 5007. (5) SECTION 5007.—Subsection (a) of section 5007 (relating to tax on distilled spirits removed from bonded premises) is amended to read as follows:

"(a) TAX ON DISTILLED SPIRITS REMOVED FROM BONDED PREMISES.—The tax on domestic distilled spirits and on distilled spirits removed

from customs custody under section 5232 shall be paid in accordance with section 5061." 26 USC 5232, 5061.

(6) SECTION 5008.— 26 USC 5008.

(A) Paragraph (1) of section 5008(a) (relating to distilled spirits lost or destroyed in bond) is amended—

(i) by striking out "and" at the end of subparagraph (A),

(ii) by striking out "subsection (b)(1)." at the end of subparagraph (B) and inserting in lieu thereof "subsection (b); and", and

(iii) by adding at the end thereof the following new subparagraph:

"(C) UNEXPLAINED SHORTAGE.—In the case of an unexplained shortage of bottled distilled spirits."

(B) Paragraph (5) of section 5008(a) is amended to read as follows:

"(5) APPLICABILITY.—The provisions of this subsection shall extend to and apply in respect of distilled spirits lost after the tax was determined and before completion of the physical removal of the distilled spirits from the bonded premises."

(C) Section 5008 is amended by striking out subsections (b), (c), (d), and (e) and by inserting in lieu thereof the following:

"(b) VOLUNTARY DESTRUCTION.—The proprietor of the distilled spirits plant or other persons liable for the tax imposed by this chapter or by section 7652 with respect to any distilled spirits in bond may voluntarily destroy such spirits, but only if such destruction is under such supervision and under such regulations as the Secretary may prescribe.

"(c) DISTILLED SPIRITS RETURNED TO BONDED PREMISES.—

"(1) IN GENERAL.—Whenever any distilled spirits withdrawn from bonded premises on payment or determination of tax are returned to the bonded premises of a distilled spirits plant under section 5215(a), the Secretary shall abate or (without interest) credit or refund the tax imposed under section 5001(a)(1) (or the tax equal to such tax imposed under section 7652) on the spirits so returned.

"(2) CLAIM MUST BE FILED WITHIN 6 MONTHS OF RETURN OF SPIRITS.—No allowance under paragraph (1) may be made unless claim therefor is filed within 6 months of the date of the return of the spirits. Such claim may be filed only by the proprietor of the distilled spirits plant to which the spirits were returned, and shall be filed in such form as the Secretary may by regulations prescribe."

(D) Section 5008 is amended by redesignating subsections (f), (g), and (h) as subsections (d), (e), and (f), respectively.

(E) Subsection (e) of section 5008 (as redesignated by subparagraph (D)) is amended—

(i) by striking out "subsections (b)(2), (c), and (d)," and inserting in lieu thereof "subsection (c),", and

(ii) by striking out "under such subsections" and inserting in lieu thereof "under such subsection".

(7) SECTION 5009.—Section 5009 (relating to drawback) is hereby repealed. Repeal. 26 USC 5009.

(8) SECTION 5043.—Subparagraph (A) of section 5043(a)(1) (relating to collection of taxes on wines) is amended by striking out "between bonded wine cellars". 26 USC 5043.

(9) SECTION 5061.— 26 USC 5061.

26 USC 5061.

(A) The first sentence of subsection (a) of section 5061 (relating to method of collecting tax) and the first sentence of subsection (b) of section 5061 are each amended by striking out "rectified distilled spirits and wines,".

(B) Subsection (b) of section 5061 is amended by striking out paragraph (3) and by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (3), (4), (5), and (6), respectively.

26 USC 5064.

(10) SECTION 5064.—Section 5064 (relating to losses resulting from disaster, vandalism, or malicious mischief) is amended—

(A) by striking out "rectified products," each place it appears, and

(B) by striking out "RECTIFIED PRODUCTS," in the heading of subsection (c).

26 USC 5066.

(11) SECTION 5066.—

(A) The first sentence of paragraph (1) of section 5066(a) (relating to distilled spirits for use of foreign embassies, legations, etc.) is amended by striking out "distilled spirits bottled in bond for export under the provisions of section 5233, or bottled distilled spirits returned to bonded premises under section 5215(b)," and inserting in lieu thereof "bottled distilled spirits".

(B) Subsection (b) of section 5066 is amended by striking out "or domestic distilled spirits transferred to customs bonded warehouses under section 5521(d)(2)".

26 USC 5116.

(12) SECTION 5116.—Paragraph (1) of section 5116(b) (relating to cross references) is amended by striking out "section 5205(a)(2)" and inserting in lieu thereof "section 5205(a)(1)".

26 USC 5172.

(13) SECTION 5172.—Section 5172 (relating to application for registration) is amended by striking out "section 5171(a)" and inserting in lieu thereof "section 5171(c)".

Repeal.
26 USC 5174.

(14) SECTION 5174.—Section 5174 (relating to withdrawal bonds) is hereby repealed.

26 USC 5175.

(15) SECTION 5175.—

(A) Subsection (a) of section 5175 (relating to export bonds) is amended by striking out "for storage therein pending exportation".

(B) Subsection (b) of section 5175 (relating to export bonds) is amended to read as follows:

"(b) EXCEPTION WHERE PROPRIETOR WITHDRAWS SPIRITS FOR EXPORTATION.—In the case of distilled spirits withdrawn from bonded premises by the proprietor for exportation without payment of tax, the bond of such proprietor required to be furnished under paragraph (1) of section 5173(a) covering such premises shall cover such exportation, and subsection (a) shall not apply."

26 USC 5173.

26 USC 5176.

(16) SECTION 5176.—

(A) Subsection (a) of section 5176 (relating to new or renewed bonds) is amended by striking out ", 5174,".

(B) Subsection (b) of section 5176 is amended to read as follows:

"(b) BONDS.—If the proprietor of a distilled spirits plant fails or refuses to furnish a bond required under paragraph (1) of section 5173(a) or to renew the same, and neglects to immediately withdraw the spirits and pay the tax thereon, the Secretary shall proceed to collect the tax."

26 USC 5177.

(17) SECTION 5177.—Subsection (a) of section 5177 (relating to other provisions relating to bonds) is amended by striking out ", 5174,".

(18) SECTION 5178.—Subparagraph (A) of section 5178(a)(1) (relating to premises of distilled spirits plant) is amended by striking out "section 5171(a)" and inserting in lieu thereof "section 5171(c)". 26 USC 5178.

(19) SECTION 5180.—The first sentence of subsection (a) of section 5180 (relating to signs) is amended to read as follows: "Every person engaged in distilled spirits operations shall place and keep conspicuously on the outside of his place of business a sign showing the name of such person and denoting the business, or businesses, in which engaged." 26 USC 5180.

(20) SECTION 5181.—Section 5181 (relating to cross references) is amended by striking out "as rectifier, see section 5081, or". 26 USC 5181.

(21) SECTION 5201.—Subsection (a) of section 5201 (relating to regulation of operations) is amended to read as follows: 26 USC 5201.

"(a) IN GENERAL.—Proprietors of distilled spirits plants shall conduct all operations authorized to be conducted on the premises of such plants under such regulations as the Secretary shall prescribe."

(22) SECTION 5203.— 26 USC 5203.

(A) The first sentence of section 5203(b) (relating to entry and examination of premises) is amended by striking out "where distilled spirits are produced or rectified" and inserting in lieu thereof "where distilled spirits operations are carried on".

(B) The last sentence of section 5203(c) is amended by striking out "not under the control of the internal revenue officer in charge" and inserting in lieu thereof "on such premises".

(C) The first sentence of section 5203(d) is amended by striking out "where distilled spirits are produced or rectified" and inserting in lieu thereof "where distilled spirits operations are carried on".

(23) SECTION 5204.—Subsection (a) of section 5204 (relating to gauging) is amended by striking out ", in addition to those specified in section 5202(f),". 26 USC 5204.

(24) SECTION 5205.— 26 USC 5205.

(A) Subsection (a) of section 5205 (relating to stamps) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(B) Paragraph (1) of section 5205(a) (as redesignated by subparagraph (A)) is amended—

(i) by striking out "OTHER" in the heading, and

(ii) by striking out subparagraph (D) and by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(C) Paragraph (2) of section 5205(c) is amended by striking out the last sentence.

(D) Section 5205 is amended by striking out subsection (d) and by redesignating subsections (e), (f), (g), (h), and (i) as subsections (d), (e), (f), (g), and (h), respectively.

(E) Subsection (h) of section 5205 (as redesignated by subparagraph (D)) is amended by striking out paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(25) SECTION 5207.—Section 5207 (relating to records and reports) is amended to read as follows: 26 USC 5207.

26 USC 5207.

"SEC. 5207. RECORDS AND REPORTS.

"(a) RECORDS OF DISTILLED SPIRITS PLANT PROPRIETORS.—Every distilled spirits plant proprietor shall keep records in such form and manner as the Secretary shall by regulations prescribe of:

"(1) The following production activities—

"(A) the receipt of materials intended for use in the production of distilled spirits, and the use thereof,

"(B) the receipt and use of distilled spirits received for redistillation, and

"(C) the kind and quantity of distilled spirits produced.

"(2) The following storage activities—

"(A) the kind and quantity of distilled spirits, wines, and alcoholic ingredients entered into storage,

"(B) the kind and quantity of distilled spirits, wines, and alcoholic ingredients removed, and the purpose for which removed, and

"(C) the kind and quantity of distilled spirits returned to storage.

"(3) The following denaturation activities—

"(A) the kind and quantity of denaturants received and used or otherwise disposed of,

"(B) the kind and quantity of distilled spirits denatured, and

"(C) the kind and quantity of denatured distilled spirits removed.

"(4) The following processing activities—

"(A) all distilled spirits, wines, and alcoholic ingredients received or transferred,

"(B) the kind and quantity of distilled spirits packaged or bottled,

"(C) the kind and quantity of distilled spirits removed from his premises, and

"(D) the receipt, use, and balance on hand of all stamps required by law or regulations to be used by him.

"(5) Such additional information with respect to activities described in paragraphs (1), (2), (3), and (4), and with respect to other activities, as may by regulations be required.

"(b) REPORTS.—Every person required to keep records under subsection (a) shall render such reports covering his operations, at such times and in such form and manner and containing such information, as the Secretary shall by regulations prescribe.

"(c) PRESERVATION AND INSPECTION.—The records required by subsection (a) and a copy of each report required by subsection (b) shall be kept on the premises where the operations covered by the record are carried on and shall be available for inspection by any internal revenue officer during business hours, and shall be preserved by the person required to keep such records and reports for such period as the Secretary shall by regulations prescribe.

"(d) PENALTY.—

"For penalty and forfeiture for refusal or neglect to keep records required under this section, or for false entries therein, see sections 5603 and 5615(5)."

26 USC 5211.

(26) SECTION 5211.—

(A) Paragraph (1) of the third sentence of section 5211 (relating to production and entry of distilled spirits) is amended to read as follows:

"(1) deposit of such spirits on bonded premises for storage or processing;".

(B) The third sentence of section 5211 is amended by inserting "and" at the end of paragraph (3), by striking out "; or" at the end of paragraph (4) and inserting in lieu thereof a period, and by striking out paragraph (5). 26 USC 5211.

(27) SECTION 5213.—The text of section 5213 (relating to withdrawal of distilled spirits from bonded premises on determination of tax) is amended to read as follows: 26 USC 5213.

"Subject to the provisions of section 5173, distilled spirits may be withdrawn from the bonded premises of a distilled spirits plant on payment or determination of tax thereon, in approved containers, under such regulations as the Secretary shall prescribe."

(28) SECTION 5214.— 26 USC 5214.

(A) Paragraph (6) of section 5214(a) is amended to read as follows:

"(6) without payment of tax for transfer to manufacturing bonded warehouses for manufacturing in such warehouses for export, as authorized by law; or".

(B) Paragraph (9) of section 5214(a) (relating to withdrawal of distilled spirits from bonded premises free of tax or without payment of tax) is amended by striking out "in the case of distilled spirits bottled in bond for export under section 5233 or distilled spirits returned to bonded premises under section 5215(b),".

(C) Paragraph (10) of section 5214(a) is amended by striking out "distillery operations" and inserting in lieu thereof "distilled spirits operations".

(D) Subsection (a) of section 5214 is amended by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(11) free of tax when contained in an article (within the meaning of section 5002(a)(14))."

(E) Subsection (b) of section 5214 is amended by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) For provisions relating to withdrawal of distilled spirits without payment of tax for manufacture in manufacturing bonded warehouse, see 19 U.S.C. 1311."

(29) SECTION 5215.—Section 5215 (relating to return of tax determined distilled spirits to bonded premises) is amended to read as follows: 26 USC 5215.

"SEC. 5215. RETURN OF TAX DETERMINED DISTILLED SPIRITS TO BONDED PREMISES.

"(a) GENERAL RULE.—Under such regulations as the Secretary may prescribe, distilled spirits on which tax has been determined or paid may be returned to the bonded premises of a distilled spirits plant but only for destruction, denaturation, redistillation, reconditioning, or rebottling.

"(b) APPLICABILITY OF CHAPTER TO DISTILLED SPIRITS RETURNED TO A DISTILLED SPIRITS PLANT.—All provisions of this chapter applicable to distilled spirits in bond shall be applicable to distilled spirits returned to bonded premises under the provisions of this section on such return.

"(c) RETURN OF BOTTLED DISTILLED SPIRITS FOR RELABELING AND RESTAMPING.—Under such regulations as the Secretary shall prescribe, bottled distilled spirits withdrawn from bonded premises may

be returned to bonded premises for relabeling or restamping, and the tax under section 5001 shall not again be collected on such spirits.

"(d) CROSS REFERENCE.—

"For provisions relating to the abatement, credit, or refund of tax on distilled spirits returned to a distilled spirits plant under this section, see section 5008(c)."

26 USC 5222.

(30) SECTION 5222.—Subsection (c) of section 5222 (relating to processing of distilled spirits containing extraneous substances) is amended by striking out ", in the production facilities of a distilled spirits plant".

26 USC 5223.

(31) SECTION 5223.—

(A) Subsection (c) of section 5223 (relating to redistillation of articles and residue) is amended by inserting "or on the bonded premises of a distilled spirits plant" after "subchapter D".

(B) Subsection (e) of section 5223 is amended by striking out the last sentence thereof.

26 USC 5231.

(32) SECTION 5231.—Section 5231 (relating to entry for deposit in storage) is amended to read as follows:

"SEC. 5231. ENTRY FOR DEPOSIT.

"All distilled spirits entered for deposit on the bonded premises of a distilled spirits plant under section 5211 shall, under such regulations as the Secretary shall prescribe, be deposited in the facilities on the bonded premises designated in the entry for deposit."

26 USC 5232.

(33) SECTION 5232.—Subsection (b) of section 5232 (relating to imported distilled spirits) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

26 USC 5233.

(34) SECTION 5233.—Section 5233 (relating to bottling of distilled spirits in bond) is hereby repealed.

26 USC 5234.

(35) SECTION 5234.—Section 5234 (relating to mingling and blending of distilled spirits) is hereby repealed.

26 USC 5235.

(36) SECTION 5235.—The second sentence of section 5235 (relating to bottling of alcohol for industrial purposes) is amended to read as follows: "The provisions of section 5205(a)(1) shall not apply to alcohol bottled, stamped, and labeled as such under this section."

26 USC 5241.

(37) SECTION 5241.—Section 5241 (relating to authority to denature) is amended to read as follows:

"SEC. 5241. AUTHORITY TO DENATURE.

"Under such regulations as the Secretary shall prescribe, distilled spirits may be denatured on the bonded premises of a distilled spirits plant qualified for the processing of distilled spirits. Distilled spirits to be denatured under this section shall be of such kind and such degree of proof as the Secretary shall by regulations prescribe. Distilled spirits denatured under this section may be used on the bonded premises of a distilled spirits plant in the manufacture of any article."

Repeal.
26 USC 5251, 5252.

(38) SECTIONS 5251 AND 5252.—Part III of subchapter C of chapter 51 (sections 5251 and 5252, relating to operations on bottling premises) is hereby repealed.

26 USC 5273.

(39) SECTION 5273.—Paragraph (3) of section 5273(e) (relating to sale, use, and recovery of denatured distilled spirits) is amended by striking out "section 5002(a)(11)" and inserting in lieu thereof "section 5002(a)(14)".

26 USC 5291.

(40) SECTION 5291.—Subsection (b) of section 5291 is amended—

(A) by striking out "section 5002(a)(6)" in paragraph (1) and inserting in lieu thereof "section 5002(a)(8)", and 26 USC 5002.

(B) by striking out "section 5002(a)(11)" in paragraph (2) and inserting in lieu thereof "section 5002(a)(14)".

(41) SECTION 5301.—Paragraph (1) of section 5301(a) is amended by striking out "section 5002(a)(6)" and inserting in lieu thereof "section 5002(a)(8)". 26 USC 5301.

(42) SECTION 5352.—The first sentence of section 5352 (relating to taxpaid wine bottling house) is amended by striking out "at premises other than the bottling premises of a distilled spirits plant". 26 USC 5352.

(43) SECTION 5361.—Section 5361 (relating to bonded wine cellar operations) is amended by striking out "or receive on standard wine premises only" and inserting in lieu thereof "or receive on wine premises". 26 USC 5361.

(44) SECTION 5362.—Subsection (b) of section 5362 (relating to transfers of wine between bonded wine cellars) is amended to read as follows: 26 USC 5362.

"(b) TRANSFERS OF WINE BETWEEN BONDED PREMISES.—

"(1) IN GENERAL.—Wine on which the tax has not been paid or determined may, under such regulations as the Secretary shall prescribe, be transferred in bond between bonded premises.

"(2) WINE TRANSFERRED TO A DISTILLED SPIRITS PLANT MAY NOT BE REMOVED FOR CONSUMPTION OR SALE AS WINE.—Any wine transferred to the bonded premises of a distilled spirits plant—

"(A) may be used in the manufacture of a distilled spirits product, and

"(B) may not be removed from such bonded premises for consumption or sale as wine.

"(3) CONTINUED LIABILITY FOR TAX.—The liability for tax on wine transferred to the bonded premises of a distilled spirits plant pursuant to paragraph (1) shall (except as otherwise provided by law) continue until the wine is used in a distilled spirits product.

"(4) TRANSFER IN BOND NOT TREATED AS REMOVAL FOR CONSUMPTION OR SALE.—For purposes of this chapter, the removal of wine for transfer in bond between bonded premises shall not be treated as a removal for consumption or sale.

"(5) BONDED PREMISES.—For purposes of this subsection, the term 'bonded premises' means a bonded wine cellar or the bonded premises of a distilled spirits plant."

(45) SECTION 5363.—Section 5363 (relating to taxpaid wine bottling house operations) is amended by striking out the last 2 sentences thereof. 26 USC 5363.

(46) SECTION 5364.—Section 5364 (relating to standard wine premises) is hereby repealed. Repeal. 26 USC 5364.

(47) SECTION 5365.—Section 5365 (relating to segregation of operations) is amended to read as follows: 26 USC 5365.

"SEC. 5365. SEGREGATION OF OPERATIONS.

"The Secretary may require by regulations such segregation of operations within the premises, by partitions or otherwise, as may be necessary to prevent jeopardy to the revenue, to prevent confusion between untaxpaid wine operations and such other operations as are authorized in this subchapter, to prevent substitution with respect to the several methods of producing effervescent wines, and to prevent the commingling of standard wines with other than standard wines."

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26 USC 5381.

(48) SECTION 5381.—The last sentence of section 5381 (relating to natural wine) is amended to read as follows: "Any wine conforming to such definition except for having become substandard by reason of its condition shall be deemed not to be natural wine, unless the condition is corrected."

26 USC 5391.

(49) SECTION 5391.—Section 5391 (relating to exemption from rectifying and spirits taxes) is amended to read as follows:

"SEC. 5391. EXEMPTION FROM DISTILLED SPIRITS TAXES.

"Notwithstanding any other provision of law, the tax imposed by section 5001 on distilled spirits shall not, except as provided in this subchapter, be assessed, levied, or collected from the proprietor of any bonded wine cellar with respect to his use of wine spirits in wine production, in such premises; except that, whenever wine or wine spirits are used in violation of this subchapter, the applicable tax imposed by section 5001 shall be collected unless the proprietor satisfactorily shows that such wine or wine spirits were not knowingly used in violation of law."

Repeal.
26 USC
5521-5523.

(50) SECTIONS 5521, 5522, AND 5523.—Part III of subchapter H of chapter 51 (sections 5521, 5522, and 5523, relating to manufacturing bonded warehouses) is hereby repealed.

26 USC 5551.

(51) SECTION 5551.—Subsection (a) of section 5551 (relating to general provisions relating to bonds) is amended by striking out "bonded warehouseman, rectifier," each place it appears and inserting in lieu thereof "warehouseman, processor,".

26 USC 5601.

(52) SECTION 5601.—

(A) Paragraph (2) of section 5601(a) (relating to criminal penalties) is amended to read as follows:

"(2) FAILURE TO FILE APPLICATION.—engages in the business of a distiller or processor without having filed application for and received notice of registration, as required by section 5171(c); or".

(B) Paragraphs (3) and (5) of section 5601(a) are each amended by striking out "bonded warehouseman, rectifier, or bottler" and inserting in lieu thereof "warehouseman, or processor".

(C) Paragraph (4) of section 5601(a) is amended to read as follows:

"(4) FAILURE OR REFUSAL OF DISTILLER, WAREHOUSEMAN, OR PROCESSOR TO GIVE BOND.—carries on the business of a distiller, warehouseman, or processor without having given bond as required by law; or".

(D) Paragraph (10) of section 5601(a) is amended to read as follows:

"(10) UNLAWFUL PROCESSING.—engages in or carries on the business of a processor—

"(A) with intent to defraud the United States of any tax on the distilled spirits processed by him; or

"(B) with intent to aid, abet, or assist any person or persons in defrauding the United States of the tax on any distilled spirits; or".

(E) Paragraph (11) of section 5601(a) is amended to read as follows:

"(11) UNLAWFUL PURCHASE, RECEIPT, OR PROCESSING OF DISTILLED SPIRITS.—purchases, receives, or processes any distilled spirits, knowing or having reasonable grounds to believe that any tax due on such spirits has not been paid or determined as required by law; or".

(F) Subsection (b) of section 5601 is amended by striking out "rectifier" and inserting in lieu thereof "processor". 26 USC 5601.

(53) SECTION 5604.— 26 USC 5604.

(A) Paragraph (1) of section 5604(a) (relating to penalties related to stamps, marks, brands, and containers) is amended by striking out "section 5205(a)(2)" and inserting in lieu thereof "section 5205(a)(1)".

(B) Paragraph (2) of section 5604(a) is amended—

(i) by striking out "section 5205(a) (1) or (2)" and inserting in lieu thereof "section 5205(a)(1)", and

(ii) by striking out "section 5205(a)(3)" and inserting in lieu thereof "section 5205(a)(2)".

(C) Paragraph (3) of section 5604(a) is amended by striking out "section 5205(g)" and inserting in lieu thereof "section 5205(f)".

(D) Paragraph (6) of section 5604(a) is amended by striking out "section 5205(a)(3)" and inserting in lieu thereof "section 5205(a)(2)".

(E) Paragraph (13) of section 5604(a) is amended by striking out "section 5205(a) (2) and (3)" and inserting in lieu thereof "section 5205(a)".

(54) SECTION 5610.—Section 5610 (relating to disposal of forfeited equipment and material for distilling) is amended by striking out "or rectifying" and inserting in lieu thereof "or processing". 26 USC 5610.

(55) SECTION 5612.—Subsection (b) of section 5612 (relating to forfeiture of taxpaid distilled spirits remaining on bonded premises) is amended to read as follows: 26 USC 5612.

"(b) EXCEPTIONS.—Subsection (a) shall not apply in the case of—

"(1) distilled spirits in the process of prompt removal from bonded premises on payment or determination of the tax; or

"(2) distilled spirits returned to bonded premises in accordance with the provisions of section 5215."

(56) SECTION 5615.—Paragraph (5) of section 5615 (relating to property subject to forfeiture) is amended by striking out "distillery, bonded warehouse, or rectifying or bottling establishment" each place it appears and inserting in lieu thereof "distilled spirits plant". 26 USC 5615.

(57) SECTION 5663.—Section 5663 (relating to cross references) is amended by striking out ", and for penalties for rectified products, see part I". 26 USC 5663.

(58) SECTION 5681.— 26 USC 5681.

(A) Subsection (a) of section 5681 (relating to penalty relating to signs) is amended by striking out "distilling, warehousing of distilled spirits, rectifying, or bottling of distilled spirits" and inserting in lieu thereof "distilled spirits operations".

(B) Subsection (b) of section 5681 is amended—

(i) by striking out "distiller, warehouseman of distilled spirits, rectifier, or bottler of distilled spirits" and inserting in lieu thereof "distiller, warehouseman, or processor of distilled spirits",

(ii) by striking out "section 5171(a)" and inserting in lieu thereof "section 5171(c)", and

(iii) by striking out "distiller, bonded warehouseman, rectifier, bottler of distilled spirits" and inserting in lieu thereof "distiller, warehouseman, or processor of distilled spirits".

26 USC 5681.

(C) Subsection (c) of section 5681 is amended to read as follows:

"(c) PREMISES WHERE NO SIGN IS PLACED OR KEPT.—Every person who works in any distilled spirits plant or wholesale liquor establishment, on which no sign required by section 5115(a) or section 5180(a) is placed or kept, and every person who knowingly receives at, or carries or conveys any distilled spirits to or from any such distilled spirits plant or wholesale liquor establishment, or who knowingly carries or delivers any grain, molasses, or other raw material to any distilled spirits plant on which such a sign is not placed and kept, shall forfeit all vehicles, aircraft, or vessels used in carrying or conveying such property and shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

(D) Subsection (d) of section 5681 is amended by striking out "distillery or rectifying establishment" and inserting in lieu thereof "distilled spirits plant".

26 USC 5682.

(59) SECTION 5682.—Section 5682 (relating to penalty for breaking locks or gaining access) is amended by striking out "duly authorized internal revenue officer, or" and inserting in lieu thereof "authorized internal revenue officer or any approved lock or seal placed thereon by a distilled spirits plant proprietor, or who".

26 USC 5691.

(60) SECTION 5691.—Subsection (a) of section 5691 (relating to penalties for nonpayment of special taxes related to liquors) is amended by striking out "rectifier,".

(b) CLERICAL AMENDMENTS.—

(1) The table of subparts for part I of subchapter A of chapter 51 is amended by striking out the item relating to subpart B.

(2) The table of sections for subpart A of part I of subchapter A of chapter 51 is amended by striking out the item relating to section 5009.

(3) The table of subparts for part II of subchapter A of chapter 51 is amended by striking out the item relating to subpart A.

(4) The table of sections for subchapter B of chapter 51 is amended—

(A) by striking out the item relating to section 5173 and inserting in lieu thereof the following:

"Sec. 5173. Bonds.";

(B) by striking out the item relating to section 5174; and

(C) by striking out the item relating to section 5178 and inserting in lieu thereof the following:

"Sec. 5178. Distilled spirits plants."

(5) The table of parts for subchapter C of chapter 51 is amended by striking out the item relating to part III.

(6) The table of sections for subpart C of part II of subchapter C of chapter 51 is amended—

(A) by striking out the item relating to section 5231 and inserting in lieu thereof the following:

"Sec. 5231. Entry for deposit.";

and

(B) by striking out the items relating to sections 5233 and 5234.

(7) The table of sections for part II of subchapter F of chapter 51 is amended by striking out the item relating to section 5364.

(8) The table of sections for part IV of subchapter F of chapter 51 is amended by striking out the item relating to section 5391 and inserting in lieu thereof the following:

"Sec. 5391. Exemption from distilled spirits taxes."

(9) The table of parts for subchapter H of chapter 51 is amended by striking out the item relating to part III.

SEC. 808. TRANSITIONAL RULES RELATING TO DETERMINATION AND PAYMENT OF TAX.

(a) LIABILITY FOR PAYMENT OF TAX.—Except as otherwise provided in this section, the tax on all distilled spirits which have been withdrawn from bond on determination of tax and on which tax has not been paid by the close of December 31, 1979, shall become due on January 1, 1980, and shall be payable in accordance with section 5061 of the Internal Revenue Code of 1954. 26 USC 5061 note. *Ante*, p. 281.

(b) TREATMENT OF CONTROLLED STOCK AND BULK WINE.—

(1) ELECTION WITH RESPECT TO CONTROLLED STOCK.—The proprietor of a distilled spirits plant may elect to convert any distilled spirits or wine which on January 1, 1980, is controlled stock.

(2) ELECTION WITH RESPECT TO WINE.—The proprietor of a distilled spirits plant may elect to convert any bulk wine which on January 1, 1980, is on the premises of a distilled spirits plant.

(3) EFFECT OF ELECTION.—If an election under paragraph (1) or (2) is in effect with respect to any controlled stock or wine—

(A) any distilled spirits, wine, or rectification tax previously paid or determined on such controlled stock or wine shall be abated or (without interest) credited or refunded under such regulations as the Secretary shall prescribe, and

(B) such controlled stock or wine shall be treated as distilled spirits or wine on which tax has not been paid or determined.

(4) MAKING OF ELECTIONS.—The elections under this subsection shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

(c) TAXPAID STOCK.—

(1) TAXPAID STOCK MAY REMAIN ON BONDED PREMISES DURING 1980.—Section 5612(a) of the Internal Revenue Code of 1954 (relating to forfeiture of taxpaid distilled spirits remaining on bonded premises) shall not apply during 1980. 26 USC 5612.

(2) SEPARATION OF TAXPAID STOCK.—All distilled spirits and wine on which tax has been paid and which are on the bonded premises of a distilled spirits plant shall be physically separated from other distilled spirits and wine. Such separation shall be by the use of separate tanks, rooms, or buildings, or by partitioning, or by such other methods as the Secretary finds will distinguish such distilled spirits and wine from other distilled spirits and wine on the bonded premises of the distilled spirits plant.

(d) RETURN OF DISTILLED SPIRITS PRODUCTS CONTAINING TAXPAID WINE.—With respect to distilled spirits returned to the bonded premises of distilled spirits plants during 1980, section 5008(c)(1) of the Internal Revenue Code of 1954 (relating to refunds for distilled spirits returned to bonded premises) shall be treated as including a reference to section 5041 of such Code. *Ante*, p. 281.

(e) RETURN OF DISTILLED SPIRITS PRODUCTS CONTAINING OTHER ALCOHOLIC INGREDIENTS.—With respect to distilled spirits to which alcoholic ingredients other than distilled spirits have been added and which have been withdrawn from a distilled spirits plant before January 1, 1980, section 5215(a) of the Internal Revenue Code of 1954 shall apply only if such spirits are returned to the distilled spirits plant from which withdrawn. *Ante*, p. 285.

(f) SECRETARY DEFINED.—For purposes of this section, the term "Secretary" means the Secretary of the Treasury or his delegate.

SEC. 809. TRANSITIONAL RULES RELATING TO ALL-IN-BOND METHOD.

26 USC 5171 note.

(a) NEW APPLICATION REQUIRED.—

26 USC 5171.

(1) IN GENERAL.—For purposes of section 5171 of the Internal Revenue Code of 1954 (relating to establishment of distilled spirits plants), each person who intends to continue any distilled spirits operation at a premises after December 31, 1979, shall be treated as intending to establish a distilled spirits plant on such premises on January 1, 1980.

(2) CURRENT REGISTRATION TO REMAIN IN EFFECT.—Notwithstanding paragraph (1), the registration of any person under section 5171 of the Internal Revenue Code of 1954 which is in effect on December 31, 1979, shall remain in effect until final action on the application required by paragraph (1).

(b) CONTINUING OPERATIONS AT EXISTING PREMISES.—With respect to any operation which was permitted to be conducted on May 1, 1979, at premises which were registered on such date under section 5171 of the Internal Revenue Code of 1954, the determination of whether such premises qualify for registration under such section as a distilled spirits plant shall be made without regard to whether or not—

(1) the person engaged in operations at such premises is registered under such section with respect to such premises as a distiller or warehouseman, and

(2) such premises meet the minimum capacity and level of activity requirements for that type of operation.

26 USC 5173 note.

(c) NEW BOND REQUIRED.—For purposes of section 5173 of the Internal Revenue Code of 1954 (relating to bonds), each person who intends to continue operation at a premises after December 31, 1979, shall be treated as intending to establish a distilled spirits plant on such premises on January 1, 1980.

SEC. 810. EFFECTIVE DATE.

26 USC 5001 note.

The amendments made by this title shall take effect on January 1, 1980.

Subtitle B—Tariff Treatment

SEC. 851. REPEAL OF PROVISION THAT EACH WINE GALLON IS TO BE COUNTED AS AT LEAST ONE PROOF GALLON.

19 USC 1202.

The first sentence of headnote 2 to part 12 of schedule 1 of the Tariff Schedules of the United States is amended to read as follows: "The standard for determining the proof of brandy and other spirits or liquors of any kind when imported is the same as that which is defined in the laws relating to internal revenue."

SEC. 852. CHANGES IN RATES OF DUTY.

19 USC 1202.

So much of subpart D of part 12 of schedule 1 of the Tariff Schedules of the United States as follows headnote 1 is amended to read as follows:

"	Aquavit:		
168.04	In containers each holding not over 1 gallon	$2.20 per proof gal.	$7.52 per proof gal.
168.06	In containers each holding over 1 gallon	42¢ per proof gal.	$5.00 per proof gal.
	Arrack:		
168.09			

	In containers each holding not over 1 gallon	$2.28 per proof gal.	$6.72 per proof gal.
168.11	In containers each holding over 1 gallon	$1.00 per proof gal.	$5.00 per proof gal.
	Bitters of all kinds containing spirits:		
	Not fit for use as beverages:		
168.12	In containers each holding not over 1 gallon	$1.04 per proof gal.	$5.56 per proof gal.
168.13	In containers each holding over 1 gallon	94¢ per proof gal.	$5.00 per proof gal.
	Fit for use as beverages:		
168.14	In containers each holding not over 1 gallon	$16.34 per proof gal.	$27.32 per proof gal.
168.16	In containers each holding over 1 gallon	50¢ per proof gal.	$5.00 per proof gal.
	Brandy:		
	Pisco and Singani:		
	In containers each holding not over 1 gallon:		
168.36	Valued not over $9 per gallon	$1.86 per proof gal.	$6.72 per proof gal.
168.37	Valued over $9 per gallon	$2.56 per proof gal.	$6.72 per proof gal.
	In containers each holding over 1 gallon:		
168.39	Valued not over $9 per gallon	50¢ per proof gal.	$5.00 per proof gal.
168.41	Valued over $9 per gallon	$1.00 per proof gal.	$5.00 per proof gal.
	Other:		
	In containers each holding not over 1 gallon:		
168.43	Valued not over $9 per gallon	$3.40 per proof gal.	$8.88 per proof gal.
168.44	Valued over $9 but not over $13 per gallon	$4.19 per proof gal.	$8.88 per proof gal.
168.49	Valued over $13 per gallon	$4.19 per proof gal.	$8.88 per proof gal.
	In containers each holding over 1 gallon:		
168.51	Valued not over $9 per gallon	50¢ per proof gal.	$5.00 per proof gal.
168.53	Valued over $9 per gallon	$1.00 per proof gal.	$5.00 per proof gal.
	Cordials, liqueurs, kirschwasser, and ratafia:		
168.56	In containers each holding not over 1 gallon	$5.21 per proof gal.	$11.64 per proof gal.
168.58	In containers each holding over 1 gallon	50¢ per proof gal.	$5.00 per proof gal.
168.60	Ethyl alcohol for beverage purposes	$1.12 per proof gal.	$5.00 per proof gal.
	Gin:		
168.62	In containers each holding not over 1 gallon	$2.29 per proof gal.	$7.52 per proof gal.
168.63	In containers each holding over 1 gallon	50¢ per proof gal.	$5.00 per proof gal.
	Rum (including cana paraguaya):		
168.65	In containers each holding not over 1 gallon	$3.74 per proof gal.	$7.52 per proof gal.
168.67	In containers each holding over 1 gallon	$1.75 per proof gal.	$5.00 per proof gal.
	Whiskey:		
	Irish and Scotch:		
168.69	In containers each holding not over 1 gallon	$2.30 per proof gal.	$7.52 per proof gal.

168.71	In containers each holding over 1 gallon	51¢ per proof gal.	$5.00 per proof gal.
	Other:		
168.73	In containers each holding not over 1 gallon	$2.59 per proof gal.	$7.74 per proof gal.
168.75	In containers each holding over 1 gallon	62¢ per proof gal.	$5.00 per proof gal.
	Tequila:		
168.77	In containers each holding not over 1 gallon	$2.27 per proof gal.	$6.35 per proof gal.
168.79	In containers each holding over 1 gallon	$1.25 per proof gal.	$5.00 per proof gal.
	Vodka:		
	In containers each holding not over 1 gallon:		
168.81	Valued not over $7.75 per gallon	$2.56 per proof gal.	$6.72 per proof gal.
168.83	Valued over $7.75 per gallon	$2.56 per proof gal.	$6.72 per proof gal.
168.85	In containers each holding over 1 gallon	$1.25 per proof gal.	$5.00 per proof gal.
	Other spirits, and preparations in chief value of distilled spirits, fit for use as beverages or for beverage purposes:		
	Spirits:		
168.87	In containers each holding not over 1 gallon	$2.56 per proof gal.	$6.72 per proof gal.
168.89	In containers each holding over 1 gallon	$1.25 per proof gal.	$5.00 per proof gal.
	Other:		
168.91	In containers each holding not over 1 gallon	$9.08 per proof gal.	$15.33 per proof gal.
168.93	In containers each holding over 1 gallon	$1.25 per proof gal.	$5.00 per proof gal.
	Imitations of brandy and other spirituous beverages:		
168.95	In containers each holding not over 1 gallon	$5.75 per proof gal.	$8.88 per proof gal.
168.97	In containers each holding over 1 gallon	$2.50 per proof gal.	$5.00 per proof gal.

".

SEC. 853. EFFECTIVE DATE FOR SECTIONS 851 AND 852.

19 USC 1202 note.

The amendments made by sections 851 and 852 shall apply to articles entered, or withdrawn from warehouse, for consumption after December 31, 1979.

SEC. 854. REVIEW OF INTERNATIONAL TRADE IN ALCOHOLIC BEVERAGES.

19 USC 2135 note.

Report to Congress.

(a) REVIEW.—The President shall review foreign tariff and nontariff barriers affecting United States exports of alcoholic beverages. Not later than January 1, 1982, the President shall report to the Congress the results of his review.

(b) WITHDRAWAL OF CONCESSIONS.—If, as the result of his review under subsection (a), the President determines that a foreign country or instrumentality has not implemented concessions to the United States affecting alcoholic beverages which were negotiated in trade agreements entered into before January 3, 1980, under the authority of title I of the Trade Act of 1974, the President shall withdraw, suspend, or modify the application of substantially equivalent trade agreement obligations of benefit to such foreign country or instrumentality under section 125 of the Trade Act of 1974 (19 U.S.C. 2135).

19 USC 2111.

(c) FURTHER NEGOTIATIONS TO REMOVE BARRIERS.—If, as the result of his review under subsection (a), the President determines that

foreign tariff or nontariff barriers are unduly burdening or restricting the United States exports of alcoholic beverages, he shall enter into negotiations under the Trade Act of 1974 to eliminate or reduce such barriers. 19 USC 2101.

SEC. 855. AUTHORITY TO PROCLAIM EXISTING RATES FOR CERTAIN ITEMS.

(a) GENERAL RULE.—In the case of any item set forth in subpart D of part 12 of schedule 1 of the Tariff Schedules of the United States, as amended by section 852 of this Act, whenever the President determines that adequate reciprocal concessions have been received therefor under a trade agreement entered into under the Trade Act of 1974, he may (notwithstanding section 109 of such Act) proclaim that the rate of duty applicable to such item shall be the rate of duty appearing in rate column numbered 1 on January 1, 1979, for the comparable item, determined on a proof gallon basis. For purposes of sections 101 and 601(7) of the Trade Act of 1974, the rates of duty proclaimed under the preceding sentence shall be deemed to be the rates of duty existing on January 1, 1975.

19 USC 1202 note.
Ante, p. 292.
19 USC 2101.
19 USC 2111, 2481.

(b) TERMINATION AND WITHDRAWAL AUTHORITY.—For purposes of section 125 of the Trade Act of 1974, any rate of duty proclaimed under subsection (a) shall be deemed to be a trade agreement obligation entered into under the Trade Act of 1974 which is of benefit to a foreign country or instrumentality. In the case of any item affected by any such proclamation, the last sentence of subsection (c) of such section 125 shall be applied as if it authorized (in addition to any increase authorized therein) an increase up to the rate of duty for such item set forth in rate column numbered 1 of subpart D of part 12 of schedule 1 of the Tariff Schedules of the United States, as amended by section 852 of this Act.

19 USC 2135.
19 USC 2101.
Ante, p. 292.

SEC. 856. AMENDMENTS OF SECTION 311 OF THE TARIFF ACT OF 1930.

(a) CERTAIN TRANSFERS TO WAREHOUSES PENDING EXPORTATION.—In the case of articles described in section 5522(a) of the Internal Revenue Code of 1954 (as in effect before its repeal by section 807(a)(50) of the Distilled Spirits Tax Revision Act of 1979), the first sentence of the eighth paragraph of section 311 of the Tariff Act of 1930 (19 U.S.C. 1311) shall be applied as if such first sentence did not include the phrase "at an exterior port".

19 USC 1311 note.
26 USC 5522.
Ante, p. 288.

(b) REMOVAL OF REFERENCE TO RECTIFICATION TAXES.—Effective January 1, 1980, the second proviso to the last paragraph of section 311 of the Tariff Act of 1930 is hereby repealed.

Repeal.
19 USC 1311.

TITLE IX—ENFORCEMENT OF UNITED STATES RIGHTS

SEC. 901. ENFORCEMENT OF UNITED STATES RIGHTS UNDER TRADE AGREEMENTS AND RESPONSE TO CERTAIN FOREIGN PRACTICES.

Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411) is amended to read as follows:

"CHAPTER 1—ENFORCEMENT OF UNITED STATES RIGHTS UNDER TRADE AGREEMENTS AND RESPONSE TO CERTAIN FOREIGN TRADE PRACTICES

"SEC. 301. DETERMINATIONS AND ACTION BY PRESIDENT.

19 USC 2411.

"(a) DETERMINATIONS REQUIRING ACTION.—If the President determines that action by the United States is appropriate—

"(1) to enforce the rights of the United States under any trade agreement; or

"(2) to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(A) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(B) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce;

the President shall take all appropriate and feasible action within his power to enforce such rights or to obtain the elimination of such act, policy, or practice. Action under this section may be taken on a nondiscriminatory basis or solely against the products or services of the foreign country or instrumentality involved.

"(b) OTHER ACTION.—Upon making a determination described in subsection (a), the President, in addition to taking action referred to in such subsection, may—

"(1) suspend, withdraw, or prevent the application of, or refrain from proclaiming, benefits of trade agreement concessions to carry out a trade agreement with the foreign country or instrumentality involved; and

"(2) impose duties or other import restrictions on the products of, and fees or restrictions on the services of, such foreign country or instrumentality for such time as he determines appropriate.

"(c) PRESIDENTIAL PROCEDURES.—

Publication in Federal Register.

"(1) ACTION ON OWN MOTION.—If the President decides to take action under this section and no petition requesting action on the matter involved has been filed under section 302, the President shall publish notice of his determination, including the reasons for the determination in the Federal Register. Unless he determines that expeditious action is required, the President shall provide an opportunity for the presentation of views concerning the taking of such action.

Publication in Federal Register.

"(2) ACTION REQUESTED BY PETITION.—Not later than 21 days after the date on which he receives the recommendation of the Special Representative under section 304 with respect to a petition, the President shall determine what action, if any, he will take under this section, and shall publish notice of his determination, including the reasons for the determination, in the Federal Register.

"(d) SPECIAL PROVISIONS.—

"(1) DEFINITION OF COMMERCE.—For purposes of this section, the term 'commerce' includes, but is not limited to, services associated with international trade, whether or not such services are related to specific products.

"(2) VESSEL CONSTRUCTION SUBSIDIES.—An act, policy, or practice of a foreign country or instrumentality that burdens or restricts United States commerce may include the provision, directly or indirectly, by that foreign country or instrumentality of subsidies for the construction of vessels used in the commercial transportation by water of goods between foreign countries and the United States.

19 USC 2412.

"SEC. 302. PETITIONS FOR PRESIDENTIAL ACTION.

"(a) FILING OF PETITION WITH SPECIAL REPRESENTATIVE.—Any interested person may file a petition with the Special Representative for Trade Negotiations (hereinafter in this chapter referred to as the 'Special Representative') requesting the President to take action

under section 301 and setting forth the allegations in support of the request. The Special Representative shall review the allegations in the petition and, not later than 45 days after the date on which he received the petition, shall determine whether to initiate an investigation.

Allegations, review.

"(b) DETERMINATIONS REGARDING PETITIONS.—

"(1) NEGATIVE DETERMINATION.—If the Special Representative determines not to initiate an investigation with respect to a petition, he shall inform the petitioner of his reasons therefor and shall publish notice of the determination, together with a summary of such reasons, in the Federal Register.

Publication in Federal Register.

"(2) AFFIRMATIVE DETERMINATION.—If the Special Representative determines to initiate an investigation with respect to a petition, he shall initiate an investigation regarding the issues raised. The Special Representative shall publish the text of the petition in the Federal Register and shall, as soon as possible, provide opportunity for the presentation of views concerning the issues, including a public hearing—

Publication in Federal Register. Hearing.

"(A) within the 30-day period after the date of the determination (or on a date after such period if agreed to by the petitioner), if a public hearing within such period is requested in the petition; or

"(B) at such other time if a timely request therefor is made by the petitioner.

"SEC. 303. CONSULTATION UPON INITIATION OF INVESTIGATION. 19 USC 2413.

"On the date an affirmative determination is made under section 302(b) with respect to a petition, the Special Representative, on behalf of the United States, shall request consultations with the foreign country or instrumentality concerned regarding issues raised in the petition. If the case involves a trade agreement and a mutually acceptable resolution is not reached during the consultation period, if any, specified in the trade agreement, the Special Representative shall promptly request proceedings on the matter under the formal dispute settlement procedures provided under such agreement. The Special Representative shall seek information and advice from the petitioner and the appropriate private sector representatives provided for under section 135 in preparing United States presentations for consultations and dispute settlement proceedings. 19 USC 2155.

"SEC. 304. RECOMMENDATIONS BY THE SPECIAL REPRESENTATIVE. 19 USC 2414.

"(a) RECOMMENDATIONS.—

"(1) IN GENERAL.—On the basis of the investigation under section 302, and the consultations (and the proceedings, if applicable) under section 303, and subject to subsection (b), the Special Representative shall recommend to the President what action, if any, he should take under section 301 with respect to the issues raised in the petition. The Special Representative shall make that recommendation not later than—

"(A) 7 months after the date of the initiation of the investigation under section 302(b)(2) if the petition alleges only an export subsidy covered by the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (relating to subsidies and countervailing measures and hereinafter referred to in this section as the 'Subsidies Agreement'); 26 UST 3083.

"(B) 8 months after the date of the investigation initiation if the petition alleges any matter covered by the Subsidies Agreement other than only an export subsidy;

"(C) in the case of a petition involving a trade agreement approved under section 2(a) of the Trade Agreements Act of 1979 (other than the Subsidies Agreement), 30 days after the dispute settlement procedure is concluded; or

Ante, p. 147.

"(D) 12 months after the date of the investigation initiation in any case not described in subparagraph (A), (B), or (C).

"(2) SPECIAL RULE.—In the case of any petition—

"(A) an investigation with respect to which is initiated on or after the date of the enactment of the Trade Agreements Act of 1979 (including any petition treated under section 903 of that Act as initiated on such date); and

"(B) to which the 12-month time limitation set forth in subparagraph (D) of paragraph (1) would but for this paragraph apply;

if a trade agreement approved under section 2(a) of such Act of 1979 that relates to any allegation made in the petition applies between the United States and a foreign country or instrumentality before the 12-month period referred to in subparagraph (B) expires, the Special Representative shall make the recommendation required under paragraph (1) with respect to the petition not later than the close of the period specified in subparagraph (A), (B), or (C), as appropriate, of such paragraph, and for purposes of such subparagraph (A) or (B), the date of the application of such trade agreement between the United States and the foreign country or instrumentality concerned shall be treated as the date on which the investigation with respect to such petition was initiated; except that consultations and proceedings under section 303 need not be undertaken within the period specified in such subparagraph (A), (B), or (C), as the case may be, to the extent that the requirements under such section were complied with before such period begins.

"(3) REPORT IF SETTLEMENT DELAYED.—In any case in which a dispute is not resolved before the close of the minimum dispute settlement period provided for in a trade agreement referred to in paragraph (1)(C) (other than the Subsidies Agreement), the Special Representative, within 15 days after the close of such period, shall submit a report to Congress setting forth the reasons why the dispute was not resolved within the minimum period, the status of the case at the close of the period, and the prospects for resolution. For purposes of this paragraph, the minimum dispute settlement period provided for under any such trade agreement is the total period of time that results if all stages of the formal dispute settlement procedures are carried out within the time limitations specified in the agreement, but computed without regard to any extension authorized under the agreement of any stage.

"(b) CONSULTATION BEFORE RECOMMENDATION.—Before recommending that the President take action under section 301 with respect to the treatment of any product or service of a foreign country or instrumentality which is the subject of a petition filed under section 302, the Special Representative, unless he determines that expeditious action is required—

"(1) shall provide opportunity for the presentation of views, including a public hearing if requested by any interested person;

"(2) shall obtain advice from the appropriate private sector advisory representatives provided for under section 135; and 19 USC 2155.

"(3) may request the views of the International Trade Commission regarding the probable impact on the economy of the United States of the taking of action with respect to such product or service.

If the Special Representative does not comply with paragraphs (1) and (2) because expeditious action is required, he shall, after making the recommendation concerned to the President, comply with such paragraphs.

"SEC. 305. REQUESTS FOR INFORMATION.

"(a) IN GENERAL.—Upon receipt of written request therefor from 19 USC 2415.
any person, the Special Representative shall make available to that person information (other than that to which confidentiality applies) concerning—

"(1) the nature and extent of a specific trade policy or practice of a foreign government or instrumentality with respect to particular merchandise, to the extent that such information is available to the Special Representative or other Federal agencies;

"(2) United States rights under any trade agreement and the remedies which may be available under that agreement and under the laws of the United States; and

"(3) past and present domestic and international proceedings or actions with respect to the policy or practice concerned.

"(b) IF INFORMATION NOT AVAILABLE.—If information that is requested by an interested party under subsection (a) is not available to the Special Representative or other Federal agencies, the Special Representative shall, within 30 days after receipt of the request—

"(1) request the information from the foreign government; or

"(2) decline to request the information and inform the person in writing of the reasons for the refusal.

"SEC. 306. ADMINISTRATION.

"The Special Representative shall— 19 USC 2416.

"(1) issue regulations concerning the filing of petitions and the conduct of investigations and hearings under this chapter;

"(2) keep the petitioner regularly informed of all determinations and developments regarding his case under this section, including the reasons for any undue delays; and

"(3) submit a report to the House of Representatives and the Senate semiannually describing the petitions filed and the determinations made (and reasons therefor) under section 302, developments in and current status of each such proceeding, and the actions taken, or the reasons for no action, by the President under section 301.". Report to Congress.

SEC. 902. CONFORMING AMENDMENTS.

(a) ELIMINATION OF CONGRESSIONAL PROCEDURES.—Chapter 5 of title I of the Trade Act of 1974 is amended as follows: 19 USC 2191.

(1) Section 152(a) is amended— 19 USC 2192.

(A) by amending paragraph (1)(A) to read as follows:

"(A) a concurrent resolution of the two Houses of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the action taken by, or the determination of, the President under section 203 of the Trade Act of 1974 transmitted to the 19 USC 2253.

Congress on .', the blank space being filled with the appropriate date; and";

(B) by striking out "paragraph (3)," in paragraph (1)(B) and inserting in lieu thereof "paragraph (2),";

(C) by striking out paragraph (2); and

(D) by redesignating paragraph (3) as paragraph (2).

19 USC 2194.

(2) Section 154 is amended by striking out "302(a)," in subsection (a); and by striking out "302(b)," in subsection (b).

(b) TABLE OF CONTENTS.—The table of contents of the Trade Act of 1974 is amended by striking out

"CHAPTER 1—FOREIGN IMPORT RESTRICTIONS AND EXPORT SUBSIDIES

"Sec. 301. Responses to certain trade practices of foreign governments.
"Sec. 302. Procedure of or congressional disapproval of certain actions taken under section 301.";

and inserting in lieu thereof the following:

"CHAPTER 1—ENFORCEMENT OF UNITED STATES RIGHTS UNDER TRADE AGREEMENTS AND RESPONSE TO CERTAIN FOREIGN TRADE PRACTICES

"Sec. 301. Determinations and action by President.
"Sec. 302. Petitions for Presidential action.
"Sec. 303. Consultation upon initiation of investigation.
"Sec. 304. Recommendations by the Special Representative.
"Sec. 305. Requests for information.
"Sec. 306. Administration.".

S. Con. Res. 33, p. 1, lines 46-49.
19 USC 1872.

(c) TRADE EXPANSION ACT OF 1962.—Section 242 of the Trade Expansion Act of 1962 (19 U.S.C. 1982) is amended by striking out "subsections (c) and (d)" each place it appears and inserting in lieu thereof "section 302(b)(2)".

SEC. 903. EFFECTIVE DATE.

19 USC 2411 note.

The amendments made by sections 901 and 902 shall take effect on the date of the enactment of this Act. Any petition for review filed with the Special Representative for Trade Negotiations under section 301 of the Trade Act of 1974 (as in effect on the day before such date of enactment) and pending on such date of enactment shall be treated as an investigation initiated on such date of enactment under section 302(b)(2) of the Trade Act of 1974 (as added by section 901 of this Act) and any information developed by, or submitted to, the Special Representative before such date of enactment under the review shall be treated as part of the information developed during such investigation.

Ante, p. 295.

Ante, p. 296.

TITLE X—JUDICIAL REVIEW

SEC. 1001. JUDICIAL REVIEW.

(a) REVIEW PROCEDURES APPLICABLE TO COUNTERVAILING DUTY AND ANTIDUMPING DUTY MATTERS.—Title V of the Tariff Act of 1930 (19 U.S.C. 1501, et seq.) is amended by inserting after section 516 the following new section:

19 USC 1516a.

"SEC. 516A. JUDICIAL REVIEW IN COUNTERVAILING DUTY AND ANTIDUMPING DUTY PROCEEDINGS.

"(a) REVIEW OF DETERMINATION.—

"(1) REVIEW OF CERTAIN DETERMINATIONS.—Within 30 days after the date of publication in the Federal Register of notice of—

"(A) a determination by the Secretary or the administering authority, under section 303(a)(3), 702(c), or 732(c) of this Act, not to initiate an investigation,

19 USC 1303; *Ante*, pp. 152, 162.

"(B) a determination by the administering authority, under section 703(c) or 733(c) of this Act, that a case is extraordinarily complicated,

Ante, pp. 153, 163.

"(C) a determination by the administering authority or the Commission, under section 751(b) of this Act, not to review an agreement or a determination based upon changed circumstances,

Ante, p. 175.

"(D) a negative determination by the Commission, under section 703(a) or 733(a) of this Act, as to whether there is reasonable indication of material injury, threat of material injury, or material retardation, or

"(E) a negative determination by the administering authority under section 703(b) or 733(b) of this Act,

an interested party who is a party to the proceeding in connection with which the matter arises may commence an action in the United States Customs Court by filing concurrently a summons and complaint, each with the content and in the form, manner, and style prescribed by the rules of that court, contesting any factual findings or legal conclusions upon which the determination is based.

"(2) REVIEW OF DETERMINATIONS ON RECORD.—

"(A) IN GENERAL.—Within thirty days after the date of publication in the Federal Register of—

"(i) notice of any determination described in clause (ii), (iii), (iv), or (v) of subparagraph (B), or

"(ii) an antidumping or countervailing duty order based upon any determination described in clause (i) of subparagraph (B),

an interested party who is a party to the proceeding in connection with which the matter arises may commence an action in the United States Customs Court by filing a summons, and within thirty days thereafter a complaint, each with the content and in the form, manner, and style prescribed by the rules of that court, contesting any factual findings or legal conclusions upon which the determination is based.

"(B) REVIEWABLE DETERMINATIONS.—The determinations which may be contested under subparagraph (A) are as follows:

"(i) Final affirmative determinations by the Secretary and by the Commission under section 303, or by the administering authority and by the Commission under section 705 or 735 of this Act.

Ante, pp. 159, 169.

"(ii) A final negative determination by the Secretary, the administering authority, or the Commission under section 303, 705, or 735 of this Act.

"(iii) A determination, other than a determination reviewable under paragraph (1), by the Secretary, the administering authority, or the Commission under section 751 of this Act.

Ante, p. 175.

"(iv) A determination by the administering authority, under section 704 or 734 of this Act, to suspend an antidumping duty or a countervailing duty investigation.

Ante, pp. 154, 165.

"(v) An injurious effect determination by the Commission under section 704(h) or 734(h) of this Act.

Ante, pp. 154, 165.

"(3) PROCEDURES AND FEES.—The procedures and fees set forth in subsections (b), (c), and (e) of section 2632 of title 28, United States Code, apply to an action under this section.

28 USC 2632.

"(b) STANDARDS OF REVIEW.—

"(1) REMEDY.—The court shall hold unlawful any determination, finding, or conclusion found—

"(A) in an action brought under paragraph (1) of subsection (a), to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law, or

"(B) in an action brought under paragraph (2) of subsection (a), to be unsupported by substantial evidence on the record, or otherwise not in accordance with law.

"(2) RECORD FOR REVIEW.—

"(A) IN GENERAL.—For the purposes of this subsection, the record, unless otherwise stipulated by the parties, shall consist of—

"(i) a copy of all information presented to or obtained by the Secretary, the administering authority, or the Commission during the course of the administrative proceeding, including all governmental memoranda pertaining to the case and the record of ex parte meetings required to be kept by section 777(a)(3); and

Ante, p. 187.

"(ii) a copy of the determination, all transcripts or records of conferences or hearings, and all notices published in the Federal Register.

"(B) CONFIDENTIAL OR PRIVILEGED MATERIAL.—The confidential or privileged status accorded to any documents, comments, or information shall be preserved in any action under this section. Notwithstanding the preceding sentence, the court may examine, in camera, the confidential or privileged material, and may disclose such material under such terms and conditions as it may order.

"(c) LIQUIDATION OF ENTRIES.—

"(1) LIQUIDATION IN ACCORDANCE WITH DETERMINATION.—Unless such liquidation is enjoined by the court under paragraph (2) of this subsection, entries of merchandise of the character covered by a determination of the Secretary, the administering authority, or the Commission contested under subsection (a) shall be liquidated in accordance with the determination of the Secretary, the administering authority, or the Commission, if they are entered, or withdrawn from warehouse, for consumption on or before the date of publication in the Federal Register by the Secretary or the administering authority of a notice of a decision of the United States Customs Court, or of the United States Court of Customs and Patent Appeals, not in harmony with that determination. Such notice of a decision shall be published within ten days from the date of the issuance of the court decision.

"(2) INJUNCTIVE RELIEF.—In the case of a determination described in paragraph (2) of subsection (a) by the Secretary, the administering authority, or the Commission, the United States Customs Court may enjoin the liquidation of some or all entries of merchandise covered by a determination of the Secretary, the administering authority, or the Commission, upon a request by an interested party for such relief and a proper showing that the requested relief should be granted under the circumstances. In

ruling on a request for such injunctive relief, the court shall consider, among other factors, whether—

"(A) the party filing the action is likely to prevail on the merits,

"(B) the party filing the action would be irreparably harmed if liquidation of some or all of the entries is not enjoined,

"(C) the public interest would best be served if liquidation is enjoined, and

"(D) the harm to the party filing the action would be greater if liquidation of some or all of the entries is not enjoined than the harm to other persons if liquidation of some or all of the entries is enjoined.

"(3) REMAND FOR FINAL DISPOSITION.—If the final disposition of an action brought under this section is not in harmony with the published determination of the Secretary, the administering authority, or the Commission, the matter shall be remanded to the Secretary, the administering authority, or the Commission, as appropriate, for disposition consistent with the final disposition of the court.

"(d) STANDING.—Any interested party who was a party to the proceeding under section 303 of this Act or title VII of this Act shall have the right to appear and be heard as a party in interest before the United States Customs Court. The party filing the action shall notify all interested parties of the filing of an action pursuant to this section.

19 USC 1303; *Ante*, p. 150.

"(e) LIQUIDATION IN ACCORDANCE WITH FINAL DECISION.—If the cause of action is sustained in whole or in part by a decision of the United States Customs Court or of the United States Court of Customs and Patent Appeals—

"(1) entries of merchandise of the character covered by the published determination of the Secretary, the administering authority, or the Commission, which is entered, or withdrawn from warehouse, for consumption after the date of publication in the Federal Register by the Secretary or the administering authority of a notice of the court decision, and

"(2) entries, the liquidation of which was enjoined under subsection (c)(2),

shall be liquidated in accordance with the final court decision in the action. Such notice of the court decision shall be published within ten days from the date of the issuance of the court decision.

"(f) DEFINITIONS.—For purposes of this section—

"(1) ADMINISTERING AUTHORITY.—The term 'administering authority' means the administering authority described in section 771(1) of this Act.

Ante, p. 176.

"(2) COMMISSION.—The term 'Commission' means the United States International Trade Commission.

"(3) INTERESTED PARTY.—The term 'interested party' means any person described in section 771(9) of this Act.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.".

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENT OF SECTION 516 OF THE TARIFF ACT OF 1930.—Section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) is amended—

(A) by striking out so much of such section as precedes subsection (e) and inserting in lieu thereof the following:

"SEC. 516. PETITIONS BY DOMESTIC INTERESTED PARTIES.

"(a) REQUEST FOR CLASSIFICATION AND RATE OF DUTY; PETITION.—The Secretary shall, upon written request by an interested party (as defined in section 771(9) (C), (D), and (E) of this Act) furnish the classification and the rate of duty imposed upon designated imported merchandise of a class or kind manufactured, produced, or sold at wholesale by such interested party. If the interested party believes that the appraised value, the classification, or rate of duty is not correct, it may file a petition with the Secretary setting forth—

Ante, p. 176.

"(1) a description of the merchandise,

"(2) the appraised value, the classification, or the rate of duty that it believes proper, and

"(3) the reasons for its belief.

"(b) DETERMINATION ON PETITION.—If, after receipt and consideration of a petition filed by such an interested party, the Secretary determines that the appraised value, the classification, or rate of duty is not correct, he shall determine the proper appraised value, classification, or rate of duty and shall notify the petitioner of his determination. All such merchandise entered for consumption or withdrawn from warehouse for consumption more than thirty days after the date such notice to the petitioner is published in the weekly Customs Bulletin shall be appraised, classified, or assessed as to the rate of duty in accordance with the Secretary's determination.

"(c) CONTEST BY PETITIONER OF APPRAISED VALUE, CLASSIFICATION, OR RATE OF DUTY.—If the Secretary determines that the appraised value, classification, or rate of duty with respect to which a petition was filed pursuant to subsection (a) of this section is correct, he shall notify the petitioner. If dissatisfied with the determination of the Secretary, the petitioner may file with the Secretary, not later than thirty days after the date of the notification, notice that it desires to contest the appraised value, classification, or rate of duty. Upon receipt of notice from the petitioner, the Secretary shall cause publication to be made of his determination as to the proper appraised value, classification, or rate of duty and of the petitioner's desire to contest, and shall thereafter furnish the petitioner with such information as to the entries and consignees of such merchandise, entered after the publication of the determination of the Secretary, at such ports of entry designated by the petitioner in his notice of desire to contest, as will enable the petitioner to contest the appraised value, classification, or rate of duty imposed upon such merchandise in the liquidation of one such entry at such port. The Secretary shall direct the appropriate customs officer at such ports to immediately notify the petitioner by mail when the first of such entries is liquidated.", and

(B) by redesignating subsections (e), (f), (g), and (h), as subsections (d), (e), (f), and (g), and

(C) in subsection (f), as that subsection is redesignated by subparagraph (B) of this paragraph—

(i) by inserting "in the Federal Register by the Secretary or the administering authority of a notice" immediately before "of the court decision", and

(ii) by adding at the end thereof the following: "Such notice of the court decision shall be published within ten days from the date of the issuance of the court decision.".

(2) AMENDMENT OF SECTION 515 OF THE TARIFF ACT OF 1930.—Section 515(a) of such Act (19 U.S.C. 1515(a)) is amended by adding at the end thereof the following: "Such notice shall

include a statement of the reasons for the denial, as well as a statement informing the protesting party of his right to file a civil action contesting the denial of a protest under section 514 of the Tariff Act of 1930.".

(3) AMENDMENT OF SECTION 514 OF THE TARIFF ACT OF 1930.—Section 514 of such Act (19 U.S.C. 1514) is amended—

(A) in subsection (a), by inserting "subsection (b) of this section," immediately after "Except as provided in",

(B) in subsection (a), by striking out "American manufacturers, producers, and wholesalers" and inserting in lieu thereof "domestic interested parties as defined in section 771(9) (C), (D), and (E) of this Act", *Ante*, p. 176.

(C) by redesignating subsections (b) and (c) as subsections (c) and (d),

(D) by inserting after subsection (a) the following new subsection:

"(b) With respect to determinations made under section 303 of this Act or title VII of this Act which are reviewable under section 516A of this title, determinations of the appropriate customs officer are final and conclusive upon all persons (including the United States and any officer thereof) unless a civil action contesting a determination listed in section 516A of this title is commenced in the United States Customs Court.", 19 USC 1303; *Ante*, p. 150. *Ante*, p. 300.

(E) in paragraph (1) of subsection (c), as that subsection is redesignated by subparagraph (C) of this paragraph, by striking out the last sentence thereof and inserting in lieu thereof the following: "Except as provided in sections 485(d) and 557(b) of this Act, protests may be filed with respect to merchandise which is the subject of a decision specified in subsection (a) of this section by— 19 USC 1485, 1557.

"(A) the importers or consignees shown on the entry papers, or their sureties;

"(B) any person paying any charge or exaction;

"(C) any person seeking entry or delivery;

"(D) any person filing a claim for drawback; or

"(E) any authorized agent of any of the persons described in clauses (A) through (D).", and

(F) in paragraph (2) of subsection (c), as that subsection is redesignated by subparagraph (C) of this paragraph, by adding at the end thereof the following: "A protest by a surety which has an unsatisfied legal claim under its bond may be filed within 90 days from the date of mailing of notice of demand for payment against its bond. If another party has not filed a timely protest, the surety's protest shall certify that it is not being filed collusively to extend another authorized person's time to protest as specified in this subsection.".

(4) AMENDMENTS TO TITLE 28 OF THE UNITED STATES CODE.—

(A) Section 1541(a) of title 28, United States Code, is amended by inserting immediately before the period at the end thereof a comma and the following: "and from any interlocutory order granting, continuing, modifying, refusing, or dissolving an injunction, or refusing to dissolve or modify an injunction, under section 516A(c)(2) of the Tariff Act of 1930". 28 USC 1541. *Ante*, p. 300.

(B) Section 1582 of such title is amended— 28 USC 1582.

(i) in subsection (b), by striking out "American manufacturers, producers, or wholesalers pursuant to section

516" and inserting in lieu thereof "interested parties under sections 516 and 516A";

Ante, pp. 304, 300.

(ii) in subsection (c), by inserting "and 516A" immediately after "section 516" each time it appears; and

(iii) by adding at the end thereof the following:

"(e) The Customs Court shall have exclusive jurisdiction of any civil action brought by a party-at-interest to review a final determination made under section 305(b)(1) of the Trade Agreements Act of 1979. For purposes of this subsection, the term 'party-at-interest' means—

Ante, p. 299.

"(1) a foreign manufacturer, producer, or exporter, or a United States importer of merchandise which is the subject of a final determination under section 305(b) of the Trade Agreements Act of 1979,

"(2) a manufacturer, producer, or wholesaler in the United States of a like product,

"(3) United States members of a labor organization or other association of workers whose members are employed in the manufacture, production, or wholesale in the United States of a like product, and

"(4) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product in the United States.

"(f) The Customs Court shall have exclusive jurisdiction of any application for the issuance of a protective order under section 777(c)(2) of the Tariff Act of 1930.".

Ante, p. 187.

28 USC 2632.

(C) Section 2632(f) of such title is amended by striking out "Upon service" and inserting in lieu thereof "Except as provided in section 516A of the Tariff Act of 1930, upon service".

28 USC 2633.

(D) Section 2633 of such title is amended—

(i) in the section heading, by striking out "American manufacturer, producer, or wholesaler";

(ii) by inserting "and section 516A" immediately after "section 516"; and

(iii) by inserting "(a)" immediately before "Every proceeding" and by adding at the end thereof the following:

"(b) Of those proceedings given precedence under subsection (a) of this section, any proceeding for the review of a determination under section 516A(a)(1)(B) or 516A(a)(1)(E) of the Tariff Act of 1930 shall be given priority over other such proceedings.".

28 USC 2637.

(E) Section 2637 of such title is amended—

(i) in subsection (a) by striking out "In any proceeding" and inserting in lieu thereof "Except as otherwise provided by law, in any proceeding"; and

(ii) in subsection (b), by striking out "by an American manufacturer, producer, or wholesaler" and inserting in lieu thereof "under section 2632(a) of this title".

(F) The table of sections for chapter 169 of such title is amended by striking out the item relating to section 2633 and inserting in lieu thereof the following new item:

"Sec. 2633. Precedence of cases.".

SEC. 1002. EFFECTIVE DATE AND TRANSITIONAL RULES.

19 USC 1516a note.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect on that date (hereinafter in this section referred to as the "effective date") on which title VII of the Tariff Act of 1930 (as added by title I of this Act) takes effect; and section 515(a) of such Act of 1930

Ante, p. 150.

(as amended by section 1001(b)(2)) shall apply with respect to any denial, in whole or in part, of a protest filed under section 514 of such Act of 1930 on or after the effective date.

Ante, p. 300.

(b) TRANSITIONAL RULES.—

(1) CERTAIN PROTESTS, PETITIONS, ACTIONS, ETC.—The amendments made by this title shall not apply with respect to—

(A) any protest, petition, or notice of desire to contest filed before the effective date under section 514, 516(a), or 516(d), respectively, of the Tariff Act of 1930;

Ante, pp. 304, 305.

(B) any civil action commenced before the effective date under section 2632 of title 28 of the United States Code; or

28 USC 2632.

(C) any civil action commenced after the effective date under such section 2632 if the protest, petition, or notice of desire to contest (under section 514, 516(a), or 516(d), respectively, of the Tariff Act of 1930) on which such action is based was filed before such effective date.

(2) LAW TO BE APPLIED FOR PURPOSES OF SUCH ACTIONS.—Notwithstanding the repeal of the Antidumping Act, 1921, by section 106(a) of this Act, and the amendment of section 303 of the Tariff Act of 1930 by section 103 of this Act, the law in effect on the date of any finding or determination contested in a civil action described in subparagraph (A), (B), or (C) of paragraph (1) shall be applied for purposes of that action.

Ante, p. 193.

Ante, p. 190.

(3) CERTAIN COUNTERVAILING AND ANTIDUMPING DUTY ASSESSMENTS.—The amendments made by this title shall apply with respect to the review of the assessment of, or failure to assess, any countervailing duty or antidumping duty on entries subject to a countervailing duty order or antidumping finding if the assessment is made after the effective date. If no assessment of such duty had been made before the effective date that could serve the party seeking review as the basis of a review of the underlying determination, made by the Secretary of the Treasury or the International Trade Commission before the effective date, on which such order, finding, or lack thereof is based, then the underlying determination shall be subject to review in accordance with the law in effect on the day before the effective date.

(4) CERTAIN COUNTERVAILING AND ANTIDUMPING DUTY DETERMINATIONS.—With respect to any preliminary determination or final determination of the Secretary of the Treasury under section 303 of the Tariff Act of 1930 or the Antidumping Act, 1921, which is treated under section 102 of this Act as if made under section 703(b), 705(a), 733(b), or 735(a) of the Tariff Act of 1930 (as added by title I of this Act) such determinations shall be subject to judicial review in the same manner and to the same extent as if made on the day before the effective date.

Ante, p. 189.

Ante, pp. 152, 159, 163, 169.

TITLE XI—MISCELLANEOUS PROVISIONS

SEC. 1101. EXTENSION OF NONTARIFF BARRIER NEGOTIATING AUTHORITY.

Section 102(b) of the Trade Act of 1974 (19 U.S.C. 2112) is amended by striking out "5-year period" and inserting in lieu thereof "13-year period".

SEC. 1102. AUCTION OF IMPORT LICENSES.

(a) IN GENERAL.—Notwithstanding any other provision of law, the President may sell import licenses at public auction under such terms

19 USC 2581.

and conditions as he deems appropriate. Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

(b) DEFINITION OF IMPORT LICENSE.—For purposes of this section, the term "import license" means any documentation used to administer a quantitative restriction imposed or modified after the date of enactment of this Act under—

(1) section 125, 203, 301, or 406 of the Trade Act of 1974 (19 U.S.C. 2135, 2253, 2411, or 2436),

(2) the International Emergency Economic Powers Act (50 U.S.C. App. 1701-1706),

19 USC 1202.

(3) authority under the headnotes of the Tariff Schedules of the United States, but not including any quantitative restriction imposed under section 22 of the Agricultural Adjustment Act of 1934 (7 U.S.C. 624),

(4) the Trading With the Enemy Act (50 U.S.C. App. 1-44),

(5) section 204 of the Agricultural Act of 1956 (7 U.S.C. 1854) other than for meat or meat products, or

(6) any Act enacted explicitly for the purpose of implementing an international agreement to which the United States is a party, including such agreements relating to commodities, but not including any agreement relating to cheese or dairy products.

SEC. 1103. ADVICE FROM PRIVATE SECTOR.

Section 135 of the Trade Act of 1974 (19 U.S.C. 2155) is amended—

(1) by striking out ", in accordance with the provisions of this section," in subsection (a),

(2) by inserting before the period in subsection (a) a comma and the following: "with respect to the operation of any trade agreement once entered into, and with respect to other matters arising in connection with the administration of the trade policy of the United States",

(3) by striking out "any trade agreement referred to in section 101 or 102" in subsection (b)(1) and inserting in lieu thereof the following: "matters referred to in subsection (a)",

(4) by striking out subsection (b)(2) and inserting in lieu thereof the following:

"(2) The Committee shall meet at the call of the Special Representative for Trade Negotiations. The Chairman of the Committee shall be elected by the Committee from among its members. Members of the Committee shall be appointed by the President for a period of 2 years and may be reappointed for one or more additional periods.",

(5) by striking out so much of subsection (c) as precedes paragraph (2) and inserting in lieu thereof the following:

General policy advisory committees, establishment.

"(c)(1) The President may, on his own initiative, or at the request of organizations representing industry, labor, agriculture, or services, establish general policy advisory committees for industry, labor, agriculture, or services, respectively, to provide general policy advice on matters referred to in subsection (a). Such committees shall, insofar as is practicable, be representative of all industry, labor, agricultural, and service interests, respectively, including small business interests, and shall be organized by the Special Representative for Trade Negotiations and the Secretary of Commerce, Labor, or Agriculture, as appropriate.",

(6) by striking out the first two sentences of subsection (c)(2) and inserting in lieu thereof the following: "The President shall establish such sectoral or functional advisory committees as may be appropriate. Such committees shall, insofar as is practicable, be representative of all industry, labor, agricultural, or service interests (including small business interests) in the sector or functional areas concerned.",

Functional advisory committees, establishment.

(7) by striking out "the President, acting through the Special Representative for Trade Negotiations and" in the third sentence of subsection (c)(2) and inserting in lieu thereof the following: "the Special Representative for Trade Negotiations and",

(8) by striking out "product sector" in the last sentence of subsection (c)(2),

(9) by inserting ", in the case of each sectoral committee," in the last sentence of subsection (c)(2) immediately before "the product lines",

(10) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Committees established under subsection (c) shall meet at the call of the Special Representative for Trade Negotiations and the Secretary of Agriculture, Commerce, or Labor, as appropriate, to provide policy advice, technical advice and information, and advice on other factors relevant to the matters referred to in subsection (a).",

(11) by striking out "and each sector advisory committee, if the sector," in the first sentence of subsection (e)(1) and inserting in lieu thereof the following: "and each sector or functional advisory committee, if the sector or area",

(12) by inserting "or functional area" immediately after "appropriate sector" in the second sentence of subsection (e)(1),

(13) by inserting "or within the functional area" immediately before the period at the end of subsection (e)(1),

(14) by striking out subsection (e)(2) and redesignating subsection (e)(1) as subsection (e),

(15) by—

(A) striking out "groups" in subsection (i)(2) and inserting in lieu thereof "committees", and

(B) striking out "on the negotiation of any trade agreement" in such subsection and inserting in lieu thereof "with respect to matters referred to in subsection (a)",

(16) by striking out "a trade agreement referred to in section 101 or 102" in subsection (g)(1)(A) and inserting in lieu thereof the following: "matters referred to in subsection (a)",

(17) by—

(A) striking out "trade negotiations" in subsection (g)(1)(B) and inserting in lieu thereof "matters referred to in subsection (a)", and

(B) striking out "proposed trade agreements" in subsection (g)(2) and inserting in lieu thereof "matters referred to in subsection (a)",

(18) by—

(A) striking out ", both during preparation for negotiations and actual negotiations" in the first sentence of subsection (i),

(B) striking out "arising in preparation for or in the course of such negotiations" in the second sentence of such subsection, and

(C) striking out "to the negotiations" in the second sentence of such subsection and inserting in lieu thereof the

following: "with respect to matters referred to in subsection (a)",

(19) by striking out "trade agreement referred to in section 101 or 102" in subsections (j) and (k) and inserting in lieu thereof "matters referred to in subsection (a)",

(20) by adding at the end of subsection (k) the following new sentence: "To the maximum extent practicable, the members of the committees established under subsections (b) and (c), and other appropriate parties, shall be informed and consulted before and during any such negotiations and may be permitted to participate in international meetings to the extent the head of the United States delegation deems appropriate, but may not speak or negotiate for the United States.", and

(21) by adding at the end thereof the following new subsection:

7 USC 2281.

"(l) The provisions of title XVIII of the Food and Agriculture Act of 1977 shall not apply to an advisory committee established under subsection (c).".

SEC. 1104. STUDY OF POSSIBLE AGREEMENTS WITH NORTH AMERICAN COUNTRIES.

(a) IN GENERAL.—Section 612 of the Trade Act of 1974 (19 U.S.C. 2486) is amended by inserting "(a)" before "It" and by adding at the end thereof the following:

Report to congressional committees.

"(b) The President shall study the desirability of entering into trade agreements with countries in the northern portion of the western hemisphere to promote the economic growth of the United States and such countries and the mutual expansion of market opportunities and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate his findings and conclusions within 2 years after the date of enactment of this Act. The study shall include an examination of competitive opportunities and conditions of competition between such countries and the United States in the agricultural, energy, and other appropriate sectors.".

(b) CLERICAL AMENDMENTS.—

(1) The caption of section 612 of such Act is amended to read as follows:

"SEC. 612. TRADE RELATIONS WITH NORTH AMERICAN COUNTRIES.".

(2) The table of contents of such Act is amended by striking out the item relating to section 612 and inserting in lieu thereof the following new item:

"Sec. 612. Trade relations with North American countries.".

SEC. 1105. AMENDMENTS TO SECTION 337 OF THE TARIFF ACT OF 1930.

(a) RELATIONSHIP TO COUNTERVAILING AND ANTIDUMPING DUTY INVESTIGATIONS.—Paragraph (3) of section 337(b) of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(1) by striking out "the matter" and inserting in lieu thereof "a matter, in whole or in part,", and

Investigation, termination.

19 USC 1303; *Ante*, pp. 151, 162.

(2) by adding at the end thereof the following: "If the Commission has reason to believe the matter before it is based solely on alleged acts and effects which are within the purview of section 303, 701, or 731 of this Act, it shall terminate, or not institute, any investigation into the matter. If the Commission has reason to believe the matter before it is based in part on alleged acts and effects which are within the purview of section 303, 701, or 731 of this Act, and in part on alleged acts and effects which may,

independently from or in conjunction with those within the purview of such section, establish a basis for relief under this section, then it may institute or continue an investigation into the matter. If the Commission notifies the Secretary or the administering authority (as defined in section 771(1) of this Act) with respect to a matter under this paragraph, the Commission may suspend its investigation during the time the matter is before the Secretary or administering authority for final decision. For purposes of computing the 1-year or 18-month periods prescribed by this subsection, there shall be excluded such period of suspension. Any final decision of the Secretary under section 303 of this Act or by the administering authority under section 701 or 731 of this Act with respect to the matter within such section 303, 701, or 731 of which the Commission has notified the Secretary or administering authority shall be conclusive upon the Commission with respect to the issue of less-than-fair-value sales or subsidization and the matters necessary for such decision.".

Ante, p. 176.

19 USC 1303.

Ante, pp. 151, 162.

(b) CIVIL PENALTY FOR VIOLATION OF ORDER.—Subsection (f) of section 337 of such Act (19 U.S.C. 1337(f)) is amended by inserting "(1)" before "In lieu of", and by adding at the end thereof the following new paragraph:

"(2) Any person who violates an order issued by the Commission under paragraph (1) after it has become final shall forfeit and pay to the United States a civil penalty for each day on which an importation of articles, or their sale, occurs in violation of the order of not more than the greater of $10,000 or the domestic value of the articles entered or sold on such day in violation of the order. Such penalty shall accrue to the United States and may be recovered for the United States in a civil action brought by the Commission in the Federal District Court for the District of Columbia or for the district in which the violation occurs. In such actions, the United States district courts may issue mandatory injunctions incorporating the relief sought by the Commission as they deem appropriate in the enforcement of such final orders of the Commission.".

(c) CONFORMING AMENDMENT.—The fourth sentence of section 337(c) of such Act (19 U.S.C. 1337(c)) is amended by striking out "(d) or (e)" and inserting in lieu thereof "(d), (e), or (f)".

SEC. 1106. TECHNICAL AMENDMENTS TO THE TRADE ACT OF 1974.

(a) AMENDMENT OF TRADE ACT OF 1974.—Except as otherwise specifically provided in this section, any reference in this section by way of amendment, repeal, or other change to a provision of law is a reference to the specified provision of the Trade Act of 1974.

19 USC 2101.

(b) TABLE OF CONTENTS.—In the table of contents the item relating to section 261 is amended to read as follows:

"Sec. 261. Definition of firm.".

(c) TITLE I.—

(1) Section 102(e)(2) is amended by striking out "copy of such agreement" and inserting in lieu thereof "copy of the final legal text of such agreement". The amendment made by the preceding sentence shall apply with respect to trade agreements submitted to the Congress under section 102 of the Trade Act of 1974 after the date of the enactment of this Act.

19 USC 2112.

(2) The next to last sentence of section 121(c) is amended to read as follows: "Such trade agreement may be entered into under section 102.".

19 USC 2131.

19 USC 2119.

(3) Paragraph (2) of section 109(c) is amended by striking out "such" and inserting in lieu thereof "any".

(4) Section 5315(24) of title 5, United States Code, is amended by inserting immediately after "Commission" the following: "(5)".

19 USC 2192.

(5) Paragraph (1) of section 152(c) is amended by striking out "153(b)" and inserting in lieu thereof "154(b)".

(d) TITLE II.—

19 USC 2253.

(1) Section 203(a)(4) is amended by inserting ", conclude, and carry out" immediately after "negotiate".

(2) Section 203(b) is amended by—

(A) striking out "On the day on which the President proclaims import relief under this section or announces his intention to negotiate one or more orderly marketing agreements," in paragraph (1) and inserting in lieu thereof "On the day the President determines under section 202 to provide import relief, including announcement of his intention to negotiate an orderly marketing agreement,",

(B) striking out "201(b)(1)(A)" in paragraph (1) and inserting in lieu thereof "201(d)(1)(A)", and

(C) adding at the end thereof the following new paragraph: "(3) On the day on which the President proclaims any import relief under this section not reported pursuant to paragraph (1), he shall transmit to Congress a document setting forth the action he is taking and the reasons therefor.".

(3) Section 203(c)(1) is amended by—

(A) striking out "201(b)(1)(A)" and inserting in lieu thereof "201(d)(1)(A)", and

(B) by inserting "under the procedures set forth in section 152" immediately after "voting".

(4) Section 203(e)(3) is amended by striking out "(1), (2), (3) or (5)".

(5) Section 203(g)(1) is amended by—

(A) striking out "quantitative"; and

(B) striking out "pursuant to subsection (a)(3) or (c)" and inserting in lieu thereof "pursuant to this section".

(6) Section 203(g)(2) is amended by striking out "or (e)(2)" each place it appears and inserting in lieu thereof "(e)(2), or (e)(3)".

(7) Subsection (h) of section 203 is amended by—

(A) inserting "or (i)(3)" after "(i)(2)" in paragraphs (3) and (4), and

(B) by striking out "one 3-year period" in paragraph (3) and inserting in lieu thereof "one period of not more than 3 years".

(8) The caption of section 261 is amended to read as follows:

"SEC. 261. DEFINITION OF FIRM.".

19 USC 1315.

(e) TITLE III.—Section 331(c) is amended by striking out "515(d)" and inserting in lieu thereof "315(d)".

(f) TITLE IV.—

19 USC 2432.

(1) Section 402(c)(1) is amended by striking out "subsection (a)" and inserting in lieu thereof "subsections (a)".

19 USC 2434.

(2) Section 404(c) is amended by striking out the comma.

19 USC 2435.

(3) Section 405(b)(8) is amended by striking out "those" and inserting in lieu thereof "arrangements".

(g) TITLE V.—

19 USC 2462.

(1) Section 502(b)(2) is amended by striking out "withhold supplies of vital commodity resources from international trade or

to raise the price of such commodities to an unreasonable level which causes serious disruption of the world economy;".

(2) Section 502(b)(6) is amended by inserting a comma after "partnership".

(3) Section 504(c)(1) is amended— 19 USC 2464.

(A) by striking out "60 days" and inserting in lieu thereof "90 days", and

(B) by striking out "60th day," and inserting in lieu thereof "90th day,".

(h) TITLE VI.—

(1) Section 601(2) is amended by striking out "and" and inserting in lieu thereof "or". 19 USC 2481.

(2) Section 602(a) is amended by striking out ", as amended". 19 USC 2482.

(3) Section 602(f) is amended by striking out the last comma.

SEC. 1107. TECHNICAL AMENDMENTS TO THE TARIFF SCHEDULES OF THE UNITED STATES.

(a) GENERAL HEADNOTE CHANGES.—The general headnotes for the Tariff Schedules of the United States (19 U.S.C. 1202) are amended—

(1) by inserting "and" after "subpart E" in headnote 3(a)(i), and

(2) by striking out "Germany (the Soviet zone and the Soviet sector of Berlin)" in headnote 3(e) and inserting in lieu thereof "German Democratic Republic and East Berlin".

(b) TOBACCO.—Schedule 1, part 13 of such Schedules is amended by redesignating headnotes 5 and 6 as 3 and 4, respectively.

(c) FLUORANTHENE.—Schedule 4, part 1, subpart A, item 401.36 of such Schedules is amended to read "Fluoranthene."

(d) STRUCTURES.—Schedule 6, part 3, subpart F of such Schedules is amended by striking out items 652.97 and 652.99 and the superior heading thereto and by inserting in lieu thereof the following:

"	652.97	Offshore oil and natural gas drilling and production platforms	9.5% ad val.	45% ad val.	
	653.00	Other	9.5% ad val.	45% ad val.	
	653.01	Other	9.5% ad val.	45% ad val.	"

(e) MEASURING, TESTING, AND CONTROLLING INSTRUMENTS.—Schedule 7, part 2, subpart D of such Schedules is amended—

(1) by striking out "711.00" in headnote 1 and headnote 2(a) and inserting "711.04" in lieu thereof; and

(2) by striking out "712.00 to 712.99" in headnote 2 and inserting "712.05 to 712.51" in lieu thereof.

(f) PHOTOGRAPHIC PRODUCTS.—The article description in item 722.10 of such Schedules is amended to read as follows: "Having a photographic lens valued over 50 percent of the value of the article.".

(g) BUTTONS.—Schedule 7, part 7, subpart A of such Schedules is amended—

(1) by striking out "745.22," in headnote 2(a); and

(2) by redesignating headnote 4 as headnote 3.

(h) PRESSURE-SENSITIVE ARTICLES.—Schedule 7, part 13, subpart A, headnote 1(ii) of such Schedules is amended by striking "13B" and inserting "13C" in lieu thereof.

SEC. 1108. REPORTING OF STATISTICS ON A COST-INSURANCE-FREIGHT BASIS.

(a) IN GENERAL.—Section 301 of title 13, United States Code, is amended by adding at the end thereof the following new subsections:

"(e) There shall be reported, on monthly and cumulative bases, for each item in the Tariff Schedules of the United States Annotated, the United States port of entry value (as determined under subsection (b)(6)). There shall be reported, on monthly and cumulative bases, the 19 USC 1202.

balance of international trade for the United States reflecting (1) the aggregate value of all United States imports as reported in accordance with the first sentence of this subsection, and (2) the aggregate value of all United States exports. The values and balance of trade required to be reported by this subsection shall be released no later than 48 hours before the release of any other government statistics concerning values of United States imports or United States balance of trade, or statistics from which such values or balance may be derived.

"(f) On or before January 1, 1981, and as often thereafter as may be necessary to reflect significant changes in rates, there shall be reported for each item of the Tariff Schedules of the United States Annotated, the ad valorem or ad valorem equivalent rate of duty which would have been required to be imposed on dutiable imports under that item, if the United States customs values of such imports were based on the United States port of entry value (as reported in accordance with the first sentence of subsection (e)) in order to collect the same amount of duties on imports under that item as are currently collected.".

19 USC 1202.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to reports made after December 31, 1979.

13 USC 301 note.

SEC. 1109. REORGANIZING AND RESTRUCTURING OF INTERNATIONAL TRADE FUNCTIONS OF THE UNITED STATES GOVERNMENT.

19 USC 2111 note.

(a) IN GENERAL.—The President shall submit to the Congress, not later than July 10, 1979, a proposal to restructure the international trade functions of the Executive Branch of the United States Government. In developing his proposal, the President shall consider, among other possibilities, strengthening the coordination and functional responsibilities of the Office of the Special Representative for Trade Negotiations to include, among other things, representation of the United States in all matters before the General Agreement on Tariffs and Trade, the establishment of a board of trade with a coordinating mechanism in the Executive Office of the President, and the establishment of a Department of International Trade and Investment. The recommendations of the President, as embodied in such proposal, should include a monitoring and enforcement structure which would insure protection of United States rights under agreements negotiated pursuant to the Tokyo Round of the Multilateral Trade Negotiations and all other elements of multilateral and bilateral international trade agreements. The proposal should result in an upgrading of commercial programs and commercial attaches overseas to assure that United States trading partners are meeting their trade agreement obligations, particularly those entered into under such agreements, including the tendering procedures of the Agreement on Government Procurement.

26 USC 3083.

Department of International Trade and Investment. Establishment.

(b) CONGRESSIONAL ACTION.—In order to ensure that the 96th Congress takes final action on a comprehensive reorganization of trade functions as soon as possible, the appropriate committee of each House of the Congress shall give the proposal by the President immediate consideration and shall make its best efforts to take final committee action to reorganize and restructure the international trade functions of the United States Government by November 10, 1979.

SEC. 1110. STUDY OF EXPORT TRADE POLICY.

Report to Congress. 19 USC 2111 note.

(a) REVIEW OF EXPORT PROMOTION AND DISINCENTIVES.—The President shall review all export promotion functions of the executive

branch and potential programmatic and regulatory disincentives to exports, and shall submit to the Congress a report of that review not later than July 15, 1980. The report should make particular reference to those activities which enhance the role of small and medium-sized businesses in export trade.

(b) CONDITIONS OF COMPETITION STUDY.—Not later than July 15, 1980, the President shall submit to the Congress a study of the factors bearing on the competitive posture of United States producers and the policies and programs required to strengthen the relative competitive position of the United States in world markets. Report to Congress.

SEC. 1111. GENERALIZED SYSTEM OF PREFERENCES.

(a) IN GENERAL.—Title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) is amended as follows:

(1) Section 502(a)(3) is amended by inserting "or which is contributing to comprehensive regional economic integration among its members through appropriate means, including, but not limited to, the reduction of duties," immediately before "the President". 19 USC 2462.

(2) Section 502(e) is amended by—

(A) inserting "(1)" immediately after "(e)"; and

(B) adding at the end thereof the following new paragraph:

"(2) The President may exempt from the application of paragraph (2) of subsection (b) any country that enters into a bilateral product-specific trade agreement with the United States under section 101 or 102 of the Trade Act of 1974 before January 3, 1980. The President shall terminate the exemption granted to any country under the preceding sentence if that country interrupts or terminates the delivery of supplies of petroleum and petroleum products to the United States.". 19 USC 2111, 2112.

(3) Section 503(b) is amended— 19 USC 2463.

(A) by amending paragraph (2) to read as follows:

"(2) If the sum of (A) the cost or value of the materials produced in the beneficiary developing country or any 2 or more countries which are members of the same association of countries which is treated as one country under section 502(a)(3), plus (B) the direct costs of processing operations performed in such beneficiary developing country or such member countries is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States."; and

(B) by striking out the penultimate sentence.

(4) Section 504 is amended— 19 USC 2464.

(A) by adding at the end of subsection (c) the following new paragraph:

"(3) For purposes of this subsection, the term 'country' does not include an association of countries which is treated as one country under section 502(a)(3), but does include a country which is a member of any such association."; and "Country."

(B) by inserting at the end of subsection (d) the following new sentence: "The President may disregard subsection (c)(1)(B) with respect to any eligible article if the appraised value of the total imports of such article into the United States during the preceding calendar year is not in excess of an amount which bears the same ratio to $1,000,000 as the gross national product of the United States for that calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1979.".

19 USC 2464 note.

(b) EFFECTIVE DATE.—The amendments made by paragraph (4) of subsection (a) shall take effect on April 1, 1980.

19 USC 2582.

SEC. 1112. CONCESSION-RELATED REVENUE LOSSES TO UNITED STATES POSSESSIONS.

(a) DETERMINATIONS BY SECRETARY OF COMMERCE.—

(1) IMPACT OF CONCESSIONS.—Upon the request of the government of a possession of the United States, the Secretary of Commerce shall determine before January 1, 1980—

(A) whether a concession was granted by the United States in the Tokyo Round of the Multilateral Trade Negotiations on an article produced in that possession on which excise taxes are levied by the United States, and

(B) whether the sum of the amounts transferred and paid over to that possession attributable to such taxes for calendar year 1978 were equal to, or greater than, an amount equal to 10 percent of the tax revenues (not including revenues associated with petroleum or petroleum products) of that possession for 1978.

(2) ANNUAL DETERMINATIONS.—If the determinations of the Secretary under subparagraphs (A) and (B) of paragraph (1) are affirmative, then he shall determine, within 3 months after the close of each of the fiscal years 1980 through 1984, whether that concession contributed importantly to a reduction in the sum of the amounts transferred and paid over to that possession on account of such excise taxes for the most recently closed fiscal year. In making his determination, the Secretary shall take into account the extent to which other factors may have contributed to the reduction. The Secretary shall determine the amount of the reduction by subtracting the amount so transferred and paid over for the fiscal year from the amount which would have been transferred and paid over for the fiscal year if the products of the possession with respect to which the excise tax is imposed had maintained a share of the United States market for that product which was the share of the United States market for the product for fiscal year 1979.

(b) INCLUSION OF COMPENSATORY AMOUNT IN BUDGET OF THE UNITED STATES.—If the Secretary determines an amount under subsection (a)(2), he shall advise the President of that amount and the President may include, in the first Budget or Supplemental Budget submitted under the Budget and Accounting Act, 1921, after receiving such advice, an amount, equal to the amount so determined by the Secretary, for payment to the government of that possession to offset the amount of the reduction. If the President includes an amount different from the amount determined by the Secretary or no amount, the President shall promptly submit a report to the Congress setting forth his reasons for submitting such a different amount. Upon appropriation, such sums shall be paid promptly to the government of such possession. There are authorized to be appropriated such sums as may be necessary for the purposes of this section for fiscal years 1981 through 1985.

31 USC 1.

Report to Congress.

Appropriation authorization.

(c) REPORT TO THE CONGRESS.—On January 31, 1984, the President shall report to the Congress on the operation of this section, the reductions in revenues determined under this section, and any reductions which are likely to occur in fiscal years beginning after September 30, 1984. If he determines that such action is warranted, he shall recommend to the Congress in such report an extension of the application of this section to such fiscal years.

SEC. 1113. NO BUDGET AUTHORITY FOR ANY FISCAL YEAR BEFORE FISCAL YEAR 1981.

Nothing in this Act shall be construed as authorizing the enactment of new budget authority for any fiscal year beginning before October 1, 1980.

SEC. 1114. EFFECTIVE DATE.

Except as otherwise provided in this title, this title shall take effect on the date of enactment of this Act. 19 USC 2581 note.

Approved July 26, 1979.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-317 (Comm. on Ways and Means).
SENATE REPORT No. 96-249 (Comm. on Finance).
CONGRESSIONAL RECORD, Vol. 125 (1979):
July 10, 11, considered and passed House.
July 23, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 15, No. 30:
July 26, Presidential statement.

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