Union Calendar No. 193

96TH CONGRESS
1ST SESSION

H. R. 4537

[Report No. 96–317]

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 1979

Mr. WRIGHT (for himself and Mr. RHODES) (by request) introduced the following bill; which was referred to the Committee on Ways and Means

JULY 3, 1979

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

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

1 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; purposes.
Sec. 2. Approval of trade agreements.
Sec. 3. Relationship of trade agreements to United States law.

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

Sec. 101. Addition of new countervailing and antidumping duties title to Tariff Act of 1930.
Sec. 102. Pending investigations; purposes.
Sec. 103. Amendment of section 303 of the Tariff Act of 1930.
Sec. 104. Transition rules for countervailing duty orders.
Sec. 105. Continuation of certain waivers.
Sec. 106. Conforming changes.
Sec. 107. Effective date.

TITLE II—CUSTOMS VALUATION

Subtitle A—Valuation Standards Amendments

Sec. 201. Valuation of imported merchandise.
Sec. 202. Conforming amendments.
Sec. 203. Presidential report on operation of the Agreement.
Sec. 204. Transition to valuation standards under this title.

Subtitle B—Final List and American Selling Price Rate Conversions

Sec. 221. Amendment of tariff schedules.
Sec. 222. Final list rate conversions.
Sec. 223. American selling price rate conversions.
Sec. 224. Treatment of converted rates as existing rates for purposes of trade agreement authority.
Sec. 225. Modification of tariff treatment of certain chemicals and chemical products.

TITLE III—GOVERNMENT PROCUREMENT

Sec. 301. General authority to modify discriminatory purchasing requirements.
Sec. 302. Authority to encourage reciprocal competitive procurement practices.
Sec. 303. Waiver of discriminatory purchasing requirements with respect to purchases of civil aircraft.
Sec. 304. Expansion of the coverage of the Agreement.
Sec. 305. Monitoring and enforcement.
Sec. 306. Labor surplus area studies.
Sec. 307. Availability of information to Congressional advisers.
Sec. 308. Definitions.
Sec. 309. Effective dates.

TITLE IV—TECHNICAL BARRIERS TO TRADE (STANDARDS)

Subtitle A—Obligations of the United States

Sec. 401. Certain standards-related activities.
Sec. 402. Federal standards-related activities.
Sec. 403. State and private standards-related activities.

Subtitle B—Functions of Federal Agencies

Sec. 411. Functions of Special Representative.
Sec. 412. Establishment and operation of technical offices.
Sec. 413. Representation of United States interests before international standards organizations.
Sec. 414. Standards information center.
Sec. 415. Contracts and grants.
Sec. 416. Technical assistance.
Sec. 417. Consultations with representatives of domestic interests.

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.
Sec. 422. Representations.
Sec. 423. Action after receipt of representations.
Sec. 424. Procedure after finding by international forum.

Chapter 2—Other Proceedings Regarding Certain Standards-Related Activities

Sec. 441. Finding of reciprocity required in administrative proceedings.
Sec. 442. Not cause for stay in certain circumstances.

Subtitle D—Definitions and Miscellaneous Provisions

Sec. 451. Definitions.
Sec. 452. Exemptions under title.
Sec. 453. Reports to Congress on operation of Agreement.
Sec. 454. Effective date.

TITLE V—IMPLEMENTATION OF CERTAIN TARIFF NEGOTIATIONS

Sec. 501. Amendment of tariff schedules.
Sec. 502. Effective dates of certain tariff reductions.
Sec. 503. Staging of certain tariff reductions.
Sec. 504. Snapback of textile tariff reductions.
Sec. 505. Goat and sheep (except lamb) meat.
Sec. 506. Certain fresh, chilled, or frozen beef.
Sec. 507. Yellow Dent corn.
Sec. 508. Carrots.

Sec. 509. Dinnerware.
Sec. 510. Tariff treatment of watches.
Sec. 511. Brooms.
Sec. 512. Agricultural and horticultural machinery, equipment, implements, and parts.
Sec. 513. Wool.
Sec. 514. Conversion to ad valorem equivalents of certain column 2 tariff rates.

TITLE VI—CIVIL AIRCRAFT AGREEMENT

Sec. 601. Civil aircraft and parts.

TITLE VII—CERTAIN AGRICULTURAL MEASURES

Sec. 701. Limitation on cheese imports.
Sec. 702. Enforcement.
Sec. 703. Limitation on imports of chocolate crumb.
Sec. 704. Amendments to meat import law.

TITLE VIII—TREATMENT OF DISTILLED SPIRITS

Subtitle A—Tax Treatment

Sec. 801. Short title; amendment of 1954 Code.
Sec. 802. Repeal of wine-gallon method of taxing distilled spirits.
Sec. 803. Repeal of rectification taxes on distilled spirits.
Sec. 804. Determination and payment of tax.
Sec. 805. All-in-bond method of determining excise tax on distilled spirits.
Sec. 806. Removal of requirement of on-site inspection.
Sec. 807. Technical, conforming, and clerical amendments.
Sec. 808. Transitional rules relating to determination and payment of tax.
Sec. 809. Transitional rules relating to all-in-bond method.
Sec. 810. Effective date.

Subtitle B—Tariff Treatment

Sec. 851. Repeal of provision that each wine gallon is to be counted as at least one proof gallon.
Sec. 852. Changes in rates of duty.
Sec. 853. Effective date for sections 851 and 852.
Sec. 854. Review of international trade in alcoholic beverages.
Sec. 855. Authority to proclaim existing rates for certain items.
Sec. 856. Application of section 311 of the Tariff Act of 1930.

TITLE IX—ENFORCEMENT OF UNITED STATES RIGHTS

Sec. 901. Enforcement of United States rights under trade agreements and response to certain foreign practices.
Sec. 902. Conforming amendments.
Sec. 903. Effective date.

TITLE X—JUDICIAL REVIEW

Sec. 1001. Judicial review.
Sec. 1002. Effective date and transitional rules.

TITLE XI—MISCELLANEOUS PROVISIONS

Sec. 1101. Extension of nontariff barrier negotiating authority.
Sec. 1102. Auction of import licenses.
Sec. 1103. Advice from private sector.
Sec. 1104. Study of possible agreements with North American countries.
Sec. 1105. Amendments to section 337 of the Tariff Act of 1930.
Sec. 1106. Technical amendments to the Trade Act of 1974.
Sec. 1107. Technical amendments to the Tariff Schedules of the United States.
Sec. 1108. Reporting of statistics on a cost-insurance-freight basis.
Sec. 1109 Reorganizing and restructuring of international trade functions of the United States Government.
Sec. 1110. Study of export trade policy.
Sec. 1111. Generalized system of preferences.
Sec. 1112. Concession-related revenue losses to United States possessions.
Sec. 1113. No budget authority for any fiscal year before fiscal year 1981.
Sec. 1114. Effective date.

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

2 (1) to approve and implement the trade agree-
3 ments negotiated under the Trade Act of 1974;

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

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

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

11 **SEC. 2. APPROVAL OF TRADE AGREEMENTS.**

12 (a) APPROVAL OF AGREEMENTS AND STATEMENTS OF
13 ADMINISTRATIVE ACTION.—In accordance with the provi-
14 sions of sections 102 and 151 of the Trade Act of 1974 (19
15 U.S.C. 2112 and 2191), the Congress approves the trade

1 agreements described in subsection (c) submitted to the Con-
2 gress on June 19, 1979, and the statements of administrative
3 action proposed to implement such trade agreements submit-
4 ted to the Congress on that date.

5 (b) ACCEPTANCE OF AGREEMENTS BY THE PRESI-
6 DENT.—

7 (1) IN GENERAL.—The President may accept for
8 the United States the final legal instruments or texts
9 embodying each of the trade agreements approved by
10 the Congress under subsection (a). The President shall
11 submit a copy of each final instrument or text to the
12 Congress on the date such text or instrument is availa-
13 ble, together with a notification of any changes in the
14 instruments or texts, including their annexes, if any, as
15 accepted and the texts of such agreements as submit-
16 ted to the Congress under subsection (a). Such final
17 legal instruments or texts shall be deemed to be the
18 agreements submitted to and approved by the Congress
19 under subsection (a) if such changes are—

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

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

5 (2) APPLICATION OF AGREEMENT BETWEEN THE
6 UNITED STATES AND OTHER COUNTRIES.—No agree-
7 ment accepted by the President under paragraph (1)
8 shall apply between the United States and any other
9 country unless the President determines that such
10 country—

11 (A) has accepted the obligations of the agree-
12 ment with respect to the United States, and

13 (B) should not otherwise be denied the bene-
14 fits of the agreement with respect to the United
15 States because such country has not accorded
16 adequate benefits, including substantially equal
17 competitive opportunities for the commerce of the
18 United States to the extent required under section
19 126(c) of the Trade Act of 1974 (19 U.S.C.
20 2136(c)), to the United States.

21 (3) LIMITATION ON ACCEPTANCE CONCERNING
22 MAJOR INDUSTRIAL COUNTRIES.—The President may
23 not accept an agreement described in paragraph (1),
24 (2), (3), (4), (5), (6), (7), (9), (10), or (11) of section
25 2(c), unless he determines that each major industrial

1 country (as defined in section 126(d) of the Trade Act
2 of 1974 (19 U.S.C. 2136(d)) is also accepting the
3 agreement. Notwithstanding the preceding sentence,
4 the President may accept such an agreement, if he de-
5 termines that only one major industrial country is not
6 accepting that agreement and the acceptance of that
7 agreement by that country is not essential to the effec-
8 tive operation of the agreement, and if—

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

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

15 (C) a significant portion of United States
16 trade would benefit from the agreement, notwith-
17 standing such nonacceptance, and the President
18 determines and reports to the Congress that it is
19 in the national interest of the United States to
20 accept the agreement.

21 For purposes of this paragraph, the acceptance of an
22 agreement by the European Communities on behalf of
23 its member countries shall also be treated as accept-
24 ance of that agreement by each member country, and
25 acceptance of an agreement by all the member coun-

1 tries of the European Communities shall also be treat-
2 ed as acceptance of that agreement by the European
3 Communities.

4 (c) TRADE AGREEMENTS TO WHICH THIS ACT AP-
5 PLIES.—The trade agreements to which subsection (a) ap-
6 plies are the following:

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

10 (2) The Agreement on Government Procurement.

11 (3) The Agreement on Import Licensing Proce-
12 dures.

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

15 (5) The Agreement on Interpretation and Applica-
16 tion of Articles VI, XVI, and XXIII of the General
17 Agreement on Tariffs and Trade (relating to subsidies
18 and countervailing measures).

19 (6) The Agreement on Implementation of Article
20 VI of the General Agreement on Tariffs and Trade (re-
21 lating to antidumping measures).

22 (7) The International Dairy Arrangement.

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

25 (9) The Arrangement Regarding Bovine Meat.

1 (10) The Agreement on Trade in Civil Aircraft.

2 (11) Texts Concerning a Framework for the Con-
3 duct of World Trade.

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

6 (13) Certain other agreements to be reflected in
7 Schedule XX of the United States to the General
8 Agreement on Tariffs and Trade, including Agree-
9 ments—

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

13 (B) to Provide Duty-Free Treatment for Ag-
14 ricultural and Horticultural Machinery, Equip-
15 ment, Implements, and Parts Thereof, and

16 (C) to Modify United States Tariff Nomen-
17 clature and Rates of Duty for Ceramic Table-
18 ware.

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

21 **SEC. 3. RELATIONSHIP OF TRADE AGREEMENTS TO UNITED**
22 **STATES LAW.**

23 (a) UNITED STATES STATUTES TO PREVAIL IN CON-
24 FLICT.—No provision of any trade agreement approved by
25 the Congress under section 2(a), nor the application of any

1 such provision to any person or circumstance, which is in
2 conflict with any statute of the United States shall be given
3 effect under the laws of the United States.

4 (b) IMPLEMENTING REGULATIONS.—Regulations nec-
5 essary or appropriate to carry out actions proposed in any
6 statement of proposed administrative action submitted to the
7 Congress under section 102 of the Trade Act of 1974 to
8 implement each agreement approved under section 2(a) shall
9 be issued within 1 year after the date of the entry into force
10 of such agreement with respect to the United States.

11 (c) CHANGES IN STATUTES TO IMPLEMENT A RE-
12 QUIREMENT, AMENDMENT, OR RECOMMENDATION.—

13 (1) PRESIDENTIAL DETERMINATION.—Whenever
14 the President determines that it is necessary or appro-
15 priate to amend, repeal, or enact a statute of the
16 United States in order to implement any requirement
17 of, amendment to, or recommendation under such an
18 agreement, he shall submit to the Congress a draft of a
19 bill to accomplish the amendment, repeal, or enactment
20 and a statement of any administrative action proposed
21 to implement the requirement, amendment, or recom-
22 mendation. Not less than 30 days before submitting
23 such a bill, the President shall consult with the Com-
24 mittee on Ways and Means of the House of Repre-
25 sentatives, the Committee on Finance of the Senate,

1 and each committee of the House or Senate which has
2 jurisdiction over legislation involving subject matters
3 which would be affected by such amendment, repeal,
4 or enactment. The consultation shall treat all matters
5 relating to the implementation of such requirement,
6 amendment, or recommendation, as provided in para-
7 graphs (2) and (3).

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

14 (A) the President, after consultation with the
15 Congress under paragraph (1), notifies the House
16 of Representatives and the Senate of his determi-
17 nation and publishes notice of that determination
18 in the Federal Register,

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

23 (i) a draft of a bill to amend or repeal
24 provisions of existing statutes or to create
25 statutory authority and an explanation as to

1 how the bill and any proposed administrative
2 action affect existing law, and
3 (ii) a statement of how the requirement,
4 amendment, or recommendation serves the
5 interests of United States commerce and why
6 the legislative and administrative action is
7 necessary or appropriate to carry out the re-
8 quirement, amendment, or recommendation,
9 and
10 (C) the bill submitted by the President is en-
11 acted into law.
12 (3) RECOMMENDATIONS AS TO APPLICATION.—
13 The President may make the same type of recommen-
14 dations, in the same manner and subject to the same
15 conditions, to the Congress with respect to the applica-
16 tion of any such requirement, amendment, or recom-
17 mendation as he may make, under section 102(f) of the
18 Trade Act of 1974, with respect to a trade agreement.
19 (4) CONGRESSIONAL PROCEDURES APPLICA-
20 BLE.—The bill submitted by the President shall be in-
21 troduced in accordance with the provisions of subsec-
22 tion (c)(1) of section 151 of the Trade Act of 1974,
23 and the provisions of subsections (d), (e), (f), and (g) of
24 such section shall apply to the consideration of the bill.

1 For the purpose of applying section 151 of such Act to
2 such bill—
3 (A) the term "trade agreement" shall be
4 treated as a reference to the requirement, amend-
5 ment, or recommendation, and
6 (B) the term "implementing bill" or "imple-
7 menting revenue bill", whichever is appropriate,
8 shall be treated as a reference to the bill submit-
9 ted by the President.
10 (e) CONGRESSIONAL LIAISON.—Paragraph (1) of sec-
11 tion 161(b) of the Trade Act of 1974 (19 U.S.C. 2211(b)) is
12 amended by inserting "or any requirement of, amendment to,
13 or recommendation under, such agreement" immediately
14 after "trade agreement".
15 (f) UNSPECIFIED PRIVATE REMEDIES NOT CREA-
16 TED.—Neither the entry into force with respect to the
17 United States of any agreement approved under section 2(a),
18 nor the enactment of this Act, shall be construed as creating
19 any private right of action or remedy for which provision is
20 not explicitly made under this Act or under the laws of the
21 United States.

1 # TITLE I—COUNTERVAILING AND
2 # ANTIDUMPING DUTIES

3 **SEC. 101. ADDITION OF NEW COUNTERVAILING AND ANTI-**
4 **DUMPING DUTIES TITLE TO TARIFF ACT OF 1930.**

5 The Tariff Act of 1930 is amended by adding at the end
6 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.

1 **"Subtitle A—Imposition of Countervailing Duties**

2 **"SEC. 701. COUNTERVAILING DUTIES IMPOSED.**

3 "(a) GENERAL RULE.—If—

4 "(1) the administering authority determines that—

5 "(A) a country under the Agreement, or

6 "(B) a person who is a citizen or national of

7 such a country, or a corporation, association, or

8 other organization organized in such a country,

9 is providing, directly or indirectly, a subsidy with re-

10 spect to the manufacture, production, or exportation of

11 a class or kind of merchandise imported into the

12 United States, and

13 "(2) the Commission determines that—

14 "(A) an industry in the United States—

15 "(i) is materially injured, or

16 "(ii) is threatened with material injury,

17 or

18 "(B) the establishment of an industry in the

19 United States is materially retarded,

20 by reason of imports of that merchandise,

21 then there shall be imposed upon such merchandise a coun-

22 tervailing duty, in addition to any other duty imposed, equal

23 to the amount of the net subsidy.

1 "(b) COUNTRY UNDER THE AGREEMENT.—For pur-
2 poses of this subtitle, the term 'country under the Agree-
3 ment' means a country—
4 "(1) between the United States and which the
5 Agreement on Subsidies and Countervailing Measures
6 applies, as determined under section 2(b) of the Trade
7 Agreements Act of 1979,
8 "(2) which has assumed obligations with respect
9 to the United States which are substantially equivalent
10 to obligations under the Agreement, as determined by
11 the President, or
12 "(3) with respect to which the President deter-
13 mines that—
14 "(A) there is an agreement in effect between
15 the United States and that country which—
16 "(i) was in force on June 19, 1979, and
17 "(ii) requires unconditional most-fa-
18 vored-nation treatment with respect to arti-
19 cles imported into the United States,
20 "(B) the General Agreement on Tariffs and
21 Trade does not apply between the United States
22 and that country, and
23 "(C) the agreement described in subpara-
24 graph (A) does not expressly permit—

1 "(i) actions required or permitted by the
2 General Agreement on Tariffs and Trade, or
3 required by the Congress, or
4 "(ii) nondiscriminatory prohibitions or
5 restrictions on importation which are de-
6 signed to prevent deceptive or unfair
7 practices.
8 "(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.

9 **"SEC. 702. PROCEDURES FOR INITIATING A COUNTERVAILING**
10 **DUTY INVESTIGATION.**
11 "(a) INITIATION BY ADMINISTERING AUTHORITY.—A
12 countervailing duty investigation shall be commenced when-
13 ever the administering authority determines, from informa-
14 tion available to it, that a formal investigation is warranted
15 into the question of whether the elements necessary for the
16 imposition of a duty under section 701(a) exist.
17 "(b) INITIATION BY PETITION.—
18 "(1) PETITION REQUIREMENTS.—A countervail-
19 ing duty proceeding shall be commenced whenever an
20 interested party described in subparagraph (C), (D), or
21 (E) of section 771(9) files a petition with the adminis-
22 tering authority, on behalf of an industry, which al-
23 leges the elements necessary for the imposition of the

1 duty imposed by section 701(a), and which is accompa-
2 nied by information reasonably available to the peti-
3 tioner supporting those allegations. The petition may
4 be amended at such time, and upon such conditions, as
5 the administering authority and the Commission may
6 permit.

7 "(2) SIMULTANEOUS FILING WITH COMMIS-
8 SION.—The petitioner shall file a copy of the petition
9 with the Commission on the same day as it is filed
10 with the administering authority.

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

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

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

24 "(3) if the determination is negative, dismiss the
25 petition, terminate the proceeding, notify the petitioner

1 in writing of the reasons for the determination, and
2 provide for the publication of notice of the determina-
3 tion in the Federal Register.

4 "(d) NOTIFICATION TO COMMISSION OF DETERMINA-
5 TION.—The administering authority shall—

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

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

17 **"SEC. 703. PRELIMINARY DETERMINATIONS.**

18 "(a) DETERMINATION BY COMMISSION OF REASON-
19 ABLE INDICATION OF INJURY.—Except in the case of a pe-
20 tition dismissed by the administering authority under section
21 702(c)(3), the Commission, within 45 days after the date on
22 which a petition is filed under section 702(b) or on which it
23 receives notice from the administering authority of an investi-
24 gation commenced under section 702(a), shall make a deter-
25 mination, based upon the best information available to it at

1 the time of the determination, of whether there is a reason-
2 able indication that—
3 "(1) an industry in the United States—
4 "(A) is materially injured, or
5 "(B) is threatened with material injury, or
6 "(2) the establishment of an industry in the
7 United States is materially retarded,
8 by reason of imports of the merchandise which is the subject
9 of the investigation by the administering authority. If that
10 determination is negative, the investigation shall be
11 terminated.
12 "(b) PRELIMINARY DETERMINATION BY ADMINISTER-
13 ING AUTHORITY.—Within 85 days after the date on which a
14 petition is filed under section 702(b), or an investigation is
15 commenced under section 702(a), but not before an affirma-
16 tive determination by the Commission under subsection (a) of
17 this section, the administering authority shall make a deter-
18 mination, based upon the best information available to it at
19 the time of the determination, of whether there is a reason-
20 able basis to believe or suspect that a subsidy is being pro-
21 vided with respect to the merchandise which is the subject of
22 the investigation. If the determination of the administering
23 authority under this subsection is affirmative, the determina-
24 tion shall include an estimate of the net subsidy.

1 "(c) EXTENSION OF PERIOD IN EXTRAORDINARILY
2 COMPLICATED CASES.—
3 "(1) IN GENERAL.—If—
4 "(A) the petitioner makes a timely request
5 for an extension of the period within which the
6 determination must be made under subsection (b),
7 or
8 "(B) the administering authority concludes
9 that the parties concerned are cooperating and de-
10 termines that—
11 "(i) the case is extraordinarily compli-
12 cated by reason of—
13 "(I) the number and complexity of
14 the alleged subsidy practices;
15 "(II) the novelty of the issues pre-
16 sented;
17 "(III) the need to determine the
18 extent to which particular subsidies are
19 used by individual manufacturers, pro-
20 ducers, and exporters; or
21 "(IV) the number of firms whose
22 activities must be investigated; and
23 "(ii) additional time is necessary to
24 make the preliminary determination,

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

6 "(2) NOTICE OF POSTPONEMENT.—The adminis-
7 tering authority shall notify the parties to the investi-
8 gation, not later than 20 days before the date on which
9 the preliminary determination would otherwise be re-
10 quired under subsection (b), if it intends to postpone
11 making the preliminary determination under paragraph
12 (1). The notification shall include an explanation of the
13 reasons for the postponement. Notice of the postpone-
14 ment shall be published in the Federal Register.

15 "(d) EFFECT OF DETERMINATION BY THE ADMINIS-
16 TERING AUTHORITY.—If the preliminary determination of
17 the administering authority under subsection (b) is affirma-
18 tive, the administering authority—

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

24 "(2) shall order the posting of a cash deposit,
25 bond, or other security, as it deems appropriate, for

1 each entry of the merchandise concerned equal to the
2 estimated amount of the net subsidy, and
3 "(3) shall make available to the Commission all
4 information upon which its determination was based
5 and which the Commission considers relevant to its
6 injury determination, under such procedures as the ad-
7 ministering authority and the Commission may estab-
8 lish to prevent disclosure, other than with the consent
9 of the party providing it or under protective order, of
10 any information to which confidential treatment has
11 been given by the administering authority.
12 "(e) CRITICAL CIRCUMSTANCES DETERMINATIONS.—
13 "(1) IN GENERAL.—If a petitioner alleges critical
14 circumstances in its original petition, or by amendment
15 at any time more than 20 days before the date of a
16 final determination by the administering authority, then
17 the administering authority shall promptly determine,
18 on the basis of the best information available to it at
19 that time, whether there is a reasonable basis to be-
20 lieve or suspect that—
21 "(A) the alleged subsidy is inconsistent with
22 the Agreement, and
23 "(B) there have been massive imports of the
24 class or kind of merchandise which is the subject
25 of the investigation over a relatively short period.

1 "(2) SUSPENSION OF LIQUIDATION.—If the de-
2 termination of the administering authority under para-
3 graph (1) is affirmative, then any suspension of liquida-
4 tion ordered under subsection (d)(1) shall apply, or, if
5 notice of such suspension of liquidation is already pub-
6 lished, be amended to apply, to unliquidated entries of
7 merchandise entered, or withdrawn from warehouse,
8 for consumption on or after the date which is 90 days
9 before the date on which suspension of liquidation was
10 first ordered.

11 "(f) NOTICE OF DETERMINATIONS.—Whenever the
12 Commission or the administering authority makes a determi-
13 nation under this section, it shall notify the petitioner, other
14 parties to the investigation, and the other agency of its deter-
15 mination and of the facts and conclusions of law upon which
16 the determination is based, and it shall publish notice of its
17 determination in the Federal Register.

18 **"SEC. 704. TERMINATION OR SUSPENSION OF INVESTIGATION.**

19 "(a) TERMINATION OF INVESTIGATION ON WITH-
20 DRAWAL OF PETITION.—An investigation under this subtitle
21 may be terminated by either the administering authority or
22 the Commission after notice to all parties to the investiga-
23 tion, upon withdrawal of the petition by the petitioner. The
24 Commission may not terminate an investigation under the

1 preceding sentence before a preliminary determination is
2 made by the administering authority under section 703(b).
3 "(b) AGREEMENTS TO ELIMINATE OR OFFSET COM-
4 PLETELY A SUBSIDY OR TO CEASE EXPORTS OF SUBSI-
5 DIZED MERCHANDISE.—The administering authority may
6 suspend an investigation if the government of the country in
7 which the subsidy practice is alleged to occur agrees, or ex-
8 porters who account for substantially all of the imports of the
9 merchandise which is the subject of the investigation agree—
10 "(1) to eliminate the subsidy completely or to
11 offset completely the amount of the net subsidy, with
12 respect to that merchandise exported directly or indi-
13 rectly to the United States, within 6 months after the
14 date on which the investigation is suspended, or
15 "(2) to cease exports of that merchandise to the
16 United States within 6 months after the date on which
17 the investigation is suspended.
18 "(c) AGREEMENTS ELIMINATING INJURIOUS
19 EFFECT.—
20 "(1) GENERAL RULE.—If the administering au-
21 thority determines that extraordinary circumstances are
22 present in a case, it may suspend an investigation upon
23 the acceptance of an agreement from a government de-
24 scribed in subsection (b), or from exporters described in
25 subsection (b), if the agreement will eliminate com-

1 pletely the injurious effect of exports to the United
2 States of the merchandise which is the subject of the
3 investigation.

4 "(2) CERTAIN ADDITIONAL REQUIREMENTS.—
5 Except in the case of an agreement by a foreign gov-
6 ernment to restrict the volume of imports of the mer-
7 chandise which is the subject of the investigation into
8 the United States, the administering authority may not
9 accept an agreement under this subsection unless—

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

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

15 "(3) QUANTITATIVE RESTRICTIONS AGREE-
16 MENTS.—The administering authority may accept an
17 agreement with a foreign government under this sub-
18 section to restrict the volume of imports of merchan-
19 dise which is the subject of an investigation into the
20 United States, but it may not accept such an agree-
21 ment with exporters.

22 "(4) DEFINITION OF EXTRAORDINARY CIRCUM-
23 STANCES.—

24 "(A) EXTRAORDINARY CIRCUMSTANCES.—
25 For purposes of this subsection, the term 'extraor-

1 dinary circumstances' means circumstances in
2 which—
3 "(i) suspension of an investigation will
4 be more beneficial to the domestic industry
5 than continuation of the investigation, and
6 "(ii) the investigation is complex.
7 "(B) COMPLEX.—For purposes of this para-
8 graph, the term 'complex' means—
9 "(i) there are a large number of alleged
10 subsidy practices and the practices are com-
11 plicated,
12 "(ii) the issues raised are novel, or
13 "(iii) the number of exporters involved
14 is large.
15 "(d) ADDITIONAL RULES AND CONDITIONS.—
16 "(1) PUBLIC INTEREST; MONITORING.—The ad-
17 ministering authority shall not accept an agreement
18 under subsection (b) or (c) unless—
19 "(A) it is satisfied that suspension of the in-
20 vestigation is in the public interest, and
21 "(B) effective monitoring of the agreement
22 by the United States is practicable.
23 "(2) EXPORTS OF MERCHANDISE TO UNITED
24 STATES NOT TO INCREASE DURING INTERIM
25 PERIOD.—The administering authority may not accept

1 any agreement under subsection (b) unless that agree-
2 ment provides a means of ensuring that the quantity of
3 the merchandise covered by that agreement exported
4 to the United States during the period provided for
5 elimination or offset of the subsidy or cessation of ex-
6 ports does not exceed the quantity of such merchandise
7 exported to the United States during the most recent
8 representative period determined by the administering
9 authority.

10 "(3) REGULATIONS GOVERNING ENTRY OR WITH-
11 DRAWALS.—In order to carry out an agreement con-
12 cluded under subsection (b) or (c), the administering
13 authority is authorized to prescribe regulations govern-
14 ing the entry, or withdrawal from warehouse, for con-
15 sumption of merchandise covered by such agreement.

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

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

24 "(2) provide a copy of the proposed agreement to
25 the petitioner at the time of the notification, together

1 with an explanation of how the agreement will be car-
2 ried out and enforced (including any action required of
3 foreign governments), and of how the agreement will
4 meet the requirements of subsections (b) and (d) or (c)
5 and (d), and

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

10 "(f) EFFECTS OF SUSPENSION OF INVESTIGATION.—

11 "(1) IN GENERAL.—If the administering authority
12 determines to suspend an investigation upon accept-
13 ance of an agreement described in subsection (b) or (c),
14 then—

15 "(A) it shall suspend the investigation, pub-
16 lish notice of suspension of the investigation, and
17 issue an affirmative preliminary determination
18 under section 703(b) with respect to the merchan-
19 dise which is the subject of the investigation,
20 unless it has previously issued such a determina-
21 tion in the same investigation,

22 "(B) the Commission shall suspend any in-
23 vestigation it is conducting with respect to that
24 merchandise, and

1 "(C) the suspension of investigation shall
2 take effect on the day on which such notice is
3 published.
4 "(2) LIQUIDATION OF ENTRIES.—
5 "(A) CESSATION OF EXPORTS; COMPLETE
6 ELIMINATION OF NET SUBSIDY.—If the agree-
7 ment accepted by the administering authority is
8 an agreement described in subsection (b), then—
9 "(i) notwithstanding the affirmative pre-
10 liminary determination required under para-
11 graph (1)(A), the liquidation of entries of
12 merchandise which is the subject of the in-
13 vestigation shall not be suspended under sec-
14 tion 703(d)(1),
15 "(ii) if the liquidation of entries of such
16 merchandise was suspended pursuant to a
17 previous affirmative preliminary determina-
18 tion in the same case with respect to such
19 merchandise, that suspension of liquidation
20 shall terminate, and
21 "(iii) the administering authority shall
22 refund any cash deposit and release any bond
23 or other security deposited under section
24 703(d)(1).

1 "(B) OTHER AGREEMENTS.—If the agree-
2 ment accepted by the administering authority is
3 an agreement described in subsection (c), then the
4 liquidation of entries of the merchandise which is
5 the subject of the investigation shall be suspended
6 under section 703(d)(1), or, if the liquidation of
7 entries of such merchandise was suspended pursu-
8 ant to a previous affirmative preliminary determi-
9 nation in the same case, that suspension of liqui-
10 dation shall continue in effect, subject to subsec-
11 tion (h)(3), but the security required under section
12 703(d)(2) may be adjusted to reflect the effect of
13 the agreement.
14 "(3) WHERE INVESTIGATION IS CONTINUED.—If,
15 pursuant to subsection (g), the administering authority
16 and the Commission continue an investigation in which
17 an agreement has been accepted under subsection (b)
18 or (c), then—
19 "(A) if the final determination by the admin-
20 istering authority or the Commission under sec-
21 tion 705 is negative, the agreement shall have no
22 force or effect and the investigation shall be ter-
23 minated, or
24 "(B) if the final determinations by the admin-
25 istering authority and the Commission under such

1 section are affirmative, the agreement shall
2 remain in force, but the administering authority
3 shall not issue a countervailing duty order in the
4 case so long as—
5 "(i) the agreement remains in force,
6 "(ii) the agreement continues to meet
7 the requirements of subsections (b) and (d) or
8 (c) and (d), and
9 "(iii) the parties to the agreement carry
10 out their obligations under the agreement in
11 accordance with its terms.
12 "(g) INVESTIGATION TO BE CONTINUED UPON RE-
13 QUEST.—If the administering authority, within 20 days after
14 the date of publication of the notice of suspension of an inves-
15 tigation, receives a request for the continuation of the investi-
16 gation from—
17 "(1) the government of the country in which the
18 subsidy practice is alleged to occur, or
19 "(2) an interested party described in subparagraph
20 (C), (D), or (E) of section 771(9) which is a party to
21 the investigation,
22 then the administering authority and the Commission shall
23 continue the investigation.
24 "(h) REVIEW OF SUSPENSION.—

1 "(1) IN GENERAL.—Within 20 days after the sus-
2 pension of an investigation under subsection (c), an in-
3 terested party which is a party to the investigation and
4 which is described in subparagraph (C), (D), or (E) of
5 section 771(9) may, by petition filed with the Commis-
6 sion and with notice to the administering authority, ask
7 for a review of the suspension.

8 "(2) COMMISSION INVESTIGATION.—Upon re-
9 ceipt of a review petition under paragraph (1), the
10 Commission shall, within 75 days after the date on
11 which the petition is filed with it, determine whether
12 the injurious effect of imports of the merchandise which
13 is the subject of the investigation is eliminated com-
14 pletely by the agreement. If the Commission's determi-
15 nation under this subsection is negative, the investiga-
16 tion shall be resumed on the date of publication of
17 notice of such determination as if the affirmative pre-
18 liminary determination under section 703(b) had been
19 made on that date.

20 "(3) SUSPENSION OF LIQUIDATION TO CONTINUE
21 DURING REVIEW PERIOD.—The suspension of liquida-
22 tion of entries of the merchandise which is the subject
23 of the investigation shall terminate at the close of the
24 20-day period beginning on the day after the date on
25 which notice of suspension of the investigation is pub-

1 lished in the Federal Register, or, if a review petition
2 is filed under paragraph (1) with respect to the suspen-
3 sion of the investigation, in the case of an affirmative
4 determination by the Commission under paragraph (2),
5 the date on which notice of the affirmative determina-
6 tion by the Commission is published. If the determina-
7 tion of the Commission under paragraph (2) is affirma-
8 tive, then the administering authority shall—
9 "(A) terminate the suspension of liquidation
10 under section 703(d)(1), and
11 "(B) release any bond or other security, and
12 refund any cash deposit, required under section
13 703(d)(2).
14 "(i) VIOLATION OF AGREEMENT.—
15 "(1) IN GENERAL.—If the administering authority
16 determines that an agreement accepted under subsec-
17 tion (b) or (c) is being, or has been, violated, or no
18 longer meets the requirements of such subsection
19 (other than the requirement, under subsection (c)(1), of
20 elimination of injury) and subsection (d), then, on the
21 date of publication of its determination, it shall—
22 "(A) suspend liquidation under section
23 703(d)(1) of unliquidated entries of the merchan-
24 dise made on or after the later of—

1 "(i) the date which is 90 days before
2 the date of publication of the notice of sus-
3 pension of liquidation, or
4 "(ii) the date on which the merchandise,
5 the sale or export to the United States of
6 which was in violation of the agreement, or
7 under an agreement which no longer meets
8 the requirements of subsections (b) and (d) or
9 (c) and (d), was first entered, or withdrawn
10 from warehouse, for consumption,
11 "(B) if the investigation was not completed,
12 resume the investigation as if its affirmative pre-
13 liminary determination under section 703(b) were
14 made on the date of its determination under this
15 paragraph,
16 "(C) if the investigation was completed under
17 subsection (g), issue a countervailing duty order
18 under section 706(a) effective with respect to en-
19 tries of merchandise the liquidation of which was
20 suspended, and
21 "(D) notify the petitioner, interested parties
22 who are or were parties to the investigation, and
23 the Commission of its action under this
24 paragraph.

1 "(2) INTENTIONAL VIOLATION TO BE PUNISHED
2 BY CIVIL PENALTY.—Any person who intentionally
3 violates an agreement accepted by the administering
4 authority under subsection (b) or (c) shall be subject to
5 a civil penalty assessed in the same amount, in the
6 same manner, and under the same procedure, as the
7 penalty imposed for a fraudulent violation of section
8 592(a) of this Act.

9 "(j) DETERMINATION NOT TO TAKE AGREEMENT
10 INTO ACCOUNT.—In making a final determination under
11 section 705, or in conducting a review under section 751, in
12 a case in which the administering authority has terminated a
13 suspension of investigation under subsection (i)(1), or contin-
14 ued an investigation under subsection (g), the Commission
15 and the administering authority shall consider all of the mer-
16 chandise which is the subject of the investigation, without
17 regard to the effect of any agreement under subsection (b) or
18 (c).

19 **"SEC. 705. FINAL DETERMINATIONS.**

20 "(a) FINAL DETERMINATION BY ADMINISTERING
21 AUTHORITY.—

22 "(1) IN GENERAL.—Within 75 days after the date
23 of its preliminary determination under section 703(b),
24 the administering authority shall make a final determi-

1 nation of whether or not a subsidy is being provided
2 with respect to the merchandise.
3 "(2) CRITICAL CIRCUMSTANCES DETERMINA-
4 TIONS.—If the final determination of the administering
5 authority is affirmative, then that determination, in any
6 investigation in which the presence of critical circum-
7 stances has been alleged under section 703(e), shall
8 also contain a finding as to whether—
9 "(A) the subsidy is inconsistent with the
10 Agreement, and
11 "(B) there have been massive imports of the
12 class or kind of merchandise involved over a rela-
13 tively short period.
14 "(b) FINAL DETERMINATION BY COMMISSION.—
15 "(1) IN GENERAL.—The Commission shall make
16 a final determination of whether—
17 "(A) an industry in the United States—
18 "(i) is materially injured, or
19 "(ii) is threatened with material injury,
20 or
21 "(B) the establishment of an industry in the
22 United States is materially retarded,
23 by reason of imports of the merchandise with respect
24 to which the administering authority has made an af-
25 firmative determination under subsection (a).

1 "(2) PERIOD FOR INJURY DETERMINATION FOL-
2 LOWING AFFIRMATIVE PRELIMINARY DETERMINA-
3 TION BY ADMINISTERING AUTHORITY.—If the prelimi-
4 nary determination by the administering authority
5 under section 703(b) is affirmative, then the Commis-
6 sion shall make the determination required by para-
7 graph (1) before the later of—
8 "(A) the 120th day after the day on which
9 the administering authority makes its affirmative
10 preliminary determination under section 703(b), or
11 "(B) the 45th day after the day on which the
12 administering authority makes its affirmative final
13 determination under subsection (a).
14 "(3) PERIOD FOR INJURY DETERMINATION FOL-
15 LOWING NEGATIVE PRELIMINARY DETERMINATION BY
16 ADMINISTERING AUTHORITY.—If the preliminary de-
17 termination by the administering authority under sec-
18 tion 703(b) is negative, and its final determination
19 under subsection (a) is affirmative, then the final deter-
20 mination by the Commission under this subsection shall
21 be made within 75 days after the date of that affirma-
22 tive final determination.
23 "(4) CERTAIN ADDITIONAL FINDINGS.—
24 "(A) If the finding of the administering au-
25 thority under subsection (a)(2) is affirmative, then

1 the final determination of the Commission shall
2 include findings as to whether—
3 "(i) there is material injury which will
4 be difficult to repair, and
5 "(ii) the material injury was by reason
6 of such massive imports of the subsidized
7 merchandise over a relatively short period.
8 "(B) If the final determination of the Com-
9 mission is that there is no material injury but that
10 there is threat of material injury, then its determi-
11 nation shall also include a finding as to whether
12 material injury by reason of imports of the mer-
13 chandise with respect to which the administering
14 authority has made an affirmative determination
15 under subsection (a) would have been found but
16 for any suspension of liquidation of entries of that
17 merchandise.
18 "(c) EFFECT OF FINAL DETERMINATIONS.—
19 "(1) EFFECT OF AFFIRMATIVE DETERMINATION
20 BY THE ADMINISTERING AUTHORITY.—If the determi-
21 nation of the administering authority under subsection
22 (a) is affirmative, then—
23 "(A) the administering authority shall make
24 available to the Commission all information upon
25 which such determination was based and which

1 the Commission considers relevant to its determi-
2 nation, under such procedures as the administer-
3 ing authority and the Commission may establish
4 to prevent disclosure, other than with the consent
5 of the party providing it or under protective order,
6 of any information to which confidential treatment
7 has been given by the administering authority,
8 and

9 "(B) in cases where the preliminary determi-
10 nation by the administering authority under sec-
11 tion 703(b) was negative, the administering au-
12 thority shall order under paragraphs (1) and (2) of
13 section 703(d) the suspension of liquidation and
14 the posting of a cash deposit, bond, or other
15 security.

16 "(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE
17 DETERMINATION.—If the determinations of the admin-
18 istering authority and the Commission under subsec-
19 tions (a)(1) and (b)(1) are affirmative, then the adminis-
20 tering authority shall issue a countervailing duty order
21 under section 706(a). If either of such determinations is
22 negative, the investigation shall be terminated upon the
23 publication of notice of that negative determination and
24 the administering authority shall—

1 "(A) terminate the suspension of liquidation
2 under section 703(d)(1), and
3 "(B) release any bond or other security and
4 refund any cash deposit required under section
5 703(d)(2).
6 "(3) EFFECT OF NEGATIVE DETERMINATIONS
7 UNDER SUBSECTIONS (a)(2) AND (b)(4)(A).—If the de-
8 termination of the administering authority or the Com-
9 mission under subsection (a)(2) and (b)(4)(A), respec-
10 tively, is negative, then the administering authority
11 shall—
12 "(A) terminate any retroactive suspension of
13 liquidation required under section 703(e)(2), and
14 "(B) release any bond or other security, and
15 refund any cash deposit required, under section
16 703(d)(2) with respect to entries of the merchan-
17 dise the liquidation of which was suspended retro-
18 actively under section 703(e)(2).
19 "(d) PUBLICATION OF NOTICE OF DETERMINATIONS.—
20 Whenever the administering authority or the Commission
21 makes a determination under this section, it shall notify the
22 petitioner, other parties to the investigation, and the other
23 agency of its determination and of the facts and conclusions
24 of law upon which the determination is based, and it shall
25 publish notice of its determination in the Federal Register.

1 **"SEC. 706. ASSESSMENT OF DUTY.**

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

7 "(1) directs customs officers to assess a counter-
8 vailing duty equal to the amount of the net subsidy de-
9 termined or estimated to exist, within 6 months after
10 the date on which the administering authority receives
11 satisfactory information upon which the assessment
12 may be based, but in no event later than 12 months
13 after the end of the annual accounting period of the
14 manufacturer or exporter within which the merchandise
15 is entered, or withdrawn from warehouse, for consump-
16 tion,

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

20 "(3) requires the deposit of estimated countervail-
21 ing duties pending liquidation of entries of merchandise
22 at the same time as estimated normal customs duties
23 on that merchandise are deposited.

24 "(b) IMPOSITION OF DUTIES.—

25 "(1) GENERAL RULE.—If the Commission, in its
26 final determination under section 705(b), finds material

1 injury or threat of material injury which, but for the
2 suspension of liquidation under section 703(d)(1), would
3 have led to a finding of material injury, then entries of
4 the merchandise subject to the countervailing duty
5 order, the liquidation of which has been suspended
6 under section 703(d)(1), shall be subject to the imposi-
7 tion of countervailing duties under section 701(a).

8 "(2) SPECIAL RULE.—If the Commission, in its
9 final determination under section 705(b), finds threat of
10 material injury, other than threat of material injury de-
11 scribed in paragraph (1), or material retardation of the
12 establishment of an industry in the United States, then
13 merchandise subject to a countervailing duty order
14 which is entered, or withdrawn from warehouse, for
15 consumption on or after the date of publication of
16 notice of an affirmative determination of the Commis-
17 sion under section 705(b) shall be subject to the impo-
18 sition of countervailing duties under section 701(a), and
19 the administering authority shall release any bond or
20 other security, and refund any cash deposit made, to
21 secure the payment of countervailing duties with re-
22 spect to entries of the merchandise entered, or with-
23 drawn from warehouse, for consumption before that
24 date.

1 **"SEC. 707. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT**
2 **OF ESTIMATED COUNTERVAILING DUTY AND**
3 **FINAL ASSESSED DUTY UNDER COUNTERVAIL-**
4 **ING DUTY ORDER.**

5 "(a) DEPOSIT OF ESTIMATED COUNTERVAILING DUTY
6 UNDER SECTION 703(d)(2).—If the amount of a cash depos-
7 it, or the amount of any bond or other security, required as
8 security for an estimated countervailing duty under section
9 703(d)(2) is different from the amount of the countervailing
10 duty determined under a countervailing duty order issued
11 under section 706, then the difference for entries of merchan-
12 dise entered, or withdrawn from warehouse, for consumption
13 before notice of the affirmative determination of the Commis-
14 sion under section 705(b) is published shall be—

15 "(1) disregarded, to the extent that the cash de-
16 posit, bond, or other security is lower than the duty
17 under the order, or

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

21 "(b) DEPOSIT OF ESTIMATED COUNTERVAILING DUTY
22 UNDER SECTION 706(a)(3).—If the amount of an estimated
23 countervailing duty deposited under section 706(a)(3) is dif-
24 ferent from the amount of the countervailing duty determined
25 under a countervailing duty order issued under section 706,
26 then the difference for entries of merchandise entered, or

1 withdrawn from warehouse, for consumption after notice of
2 the affirmative determination of the Commission under sec-
3 tion 705(b) is published shall be—
4 "(1) collected, to the extent that the deposit under
5 section 706(a)(3) is lower than the duty determined
6 under the order, or
7 "(2) refunded, to the extent that the deposit under
8 section 706(a)(3) is higher than the duty determined
9 under the order,
10 together with interest as provided by section 778.

11 **"Subtitle B—Imposition of Antidumping Duties**

12 **"SEC. 731. ANTIDUMPING DUTIES IMPOSED.**

13 "If—
14 "(1) the administering authority determines that a
15 class or kind of foreign merchandise is being, or is
16 likely to be, sold in the United States at less than its
17 fair value, and
18 "(2) the Commission determines that—
19 "(A) an industry in the United States—
20 "(i) is materially injured, or
21 "(ii) is threatened with material injury,
22 or
23 "(B) the establishment of an industry in the
24 United States is materially retarded,
25 by reason of imports of that merchandise,

1 then there shall be imposed upon such merchandise an anti-
2 dumping duty, in addition to any other duty imposed, in an
3 amount equal to the amount by which the foreign market
4 value exceeds the United States price for the merchandise.

5 **"SEC. 732. PROCEDURES FOR INITIATING AN ANTIDUMPING**
6 **DUTY INVESTIGATION.**

7 "(a) INITIATION BY ADMINISTERING AUTHORITY.—
8 An antidumping duty investigation shall be commenced
9 whenever the administering authority determines, from infor-
10 mation available to it, that a formal investigation is warrant-
11 ed into the question of whether the elements necessary for
12 the imposition of a duty under section 731 exist.

13 "(b) INITIATION BY PETITION.—

14 "(1) PETITION REQUIREMENTS.—An antidump-
15 ing proceeding shall be commenced whenever an inter-
16 ested party described in subparagraph (C), (D), or (E)
17 of section 771(9) files a petition with the administering
18 authority, on behalf of an industry, which alleges the
19 elements necessary for the imposition of the duty im-
20 posed by section 731, and which is accompanied by in-
21 formation reasonably available to the petitioner sup-
22 porting those allegations. The petition may be amended
23 at such time, and upon such conditions, as the adminis-
24 tering authority and the Commission may permit.

1 "(2) SIMULTANEOUS FILING WITH COMMIS-
2 SION.—The petitioner shall file a copy of the petition
3 with the Commission on the same day as it is filed
4 with the administering authority.
5 "(c) PETITION DETERMINATION.—Within 20 days
6 after the date on which a petition is filed under subsection (b),
7 the administering authority shall—
8 "(1) determine whether the petition alleges the
9 elements necessary for the imposition of a duty under
10 section 731 and contains information reasonably availa-
11 ble to the petitioner supporting the allegations,
12 "(2) if the determination is affirmative, commence
13 an investigation to determine whether the class or kind
14 of merchandise described in the petition is being, or is
15 likely to be, sold in the United States at less than its
16 fair value, and provide for the publication of notice of
17 the determination in the Federal Register, and
18 "(3) if the determination is negative, dismiss the
19 petition, terminate the proceeding, notify the petitioner
20 in writing of the reasons for the determination, and
21 provide for the publication of notice of the determina-
22 tion in the Federal Register.
23 "(d) NOTIFICATION TO COMMISSION OF DETERMINA-
24 TION.—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.

"SEC. 733. 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 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

1 "(2) the establishment of an industry in the
2 United States is materially retarded,
3 by reason of imports of the merchandise which is the subject
4 of the investigation by the administering authority. If that
5 determination is negative, the investigation shall be
6 terminated.
7 "(b) PRELIMINARY DETERMINATION BY ADMINISTER-
8 ING AUTHORITY.—
9 "(1) PERIOD OF ANTIDUMPING DUTY INVESTIGA-
10 TION.—Within 160 days after the date on which a pe-
11 tition is filed under section 732(b), or an investigation
12 is commenced under section 732(a), but not before an
13 affirmative determination by the Commission under
14 subsection (a) of this section, the administering authori-
15 ty shall make a determination, based upon the best in-
16 formation available to it at the time of the determina-
17 tion, of whether there is a reasonable basis to believe
18 or suspect that the merchandise is being sold, or is
19 likely to be sold at less than fair value. If the determi-
20 nation of the administering authority under this subsec-
21 tion is affirmative, the determination shall include the
22 estimated average amount by which the foreign market
23 value exceeds the United States price.
24 "(2) PRELIMINARY DETERMINATION UNDER
25 WAIVER OF VERIFICATION.—Within 75 days after the

1 initiation of an investigation, the administering authori-
2 ty shall cause an official designated for such purpose to
3 review the information concerning the case received
4 during the first 60 days of the investigation, and, if
5 there appears to be sufficient information available
6 upon which the preliminary determination can reason-
7 ably be based, to disclose to the petitioner and any in-
8 terested party, then a party to the proceedings that re-
9 quests such disclosure, all available non-confidential in-
10 formation and all other information which is disclosed
11 pursuant to section 777. Within 3 days (not counting
12 Saturdays, Sundays, or legal public holidays) after such
13 disclosure, the petitioner and each party which is an
14 interested party described in subparagraph (C), (D), or
15 (E) of section 771(9) to whom such disclosure was
16 made may furnish to the administering authority an ir-
17 revocable written waiver of verification of the informa-
18 tion received by the authority, and an agreement that
19 it is willing to have a preliminary determination made
20 on the basis of the record then available to the authori-
21 ty. If a timely waiver and agreement have been re-
22 ceived from the petitioner and each party which is an
23 interested party described in subparagraph (C), (D), or
24 (E) of section 771(9) to whom the disclosure was
25 made, and the authority finds that sufficient informa-

1 tion is then available upon which the preliminary de-
2 termination can reasonably be based, a preliminary de-
3 termination shall be made within 90 days after the
4 commencement of the investigation on the basis of the
5 record established during the first 60 days after the in-
6 vestigation was commenced.

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

9 "(1) IN GENERAL.—If—

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

14 "(B) the administering authority concludes
15 that the parties concerned are cooperating and de-
16 termines that—

17 "(i) the case is extraordinarily compli-
18 cated by reason of—

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

22 "(II) the novelty of the issues pre-
23 sented, or

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

1 "(ii) additional time is necessary to
2 make the preliminary determination,
3 then the administering authority may postpone making
4 the preliminary determination under subsection (b)(1)
5 until not later than the 210th day after the date on
6 which a petition is filed under section 732(b), or an in-
7 vestigation is commenced under section 732(a).
8 "(2) NOTICE OF POSTPONEMENT.—The adminis-
9 tering authority shall notify the parties to the investi-
10 gation, not later than 20 days before the date on which
11 the preliminary determination would otherwise be re-
12 quired under subsection (b)(1), if it intends to postpone
13 making the preliminary determination under paragraph
14 (1). The notification shall include an explanation of the
15 reasons for the postponement, and notice of the post-
16 ponement shall be published in the Federal Register.
17 "(d) EFFECT OF DETERMINATION BY THE ADMINIS-
18 TERING AUTHORITY.—If the preliminary determination of
19 the administering authority under subsection (b) is affirma-
20 tive, the administering authority—
21 "(1) shall order the suspension of liquidation of all
22 entries of merchandise subject to the determination
23 which are entered, or withdrawn from warehouse, for
24 consumption on or after the date of publication of the
25 notice of the determination in the Federal Register,

1 "(2) shall order the posting of a cash deposit,
2 bond, or other security, as it deems appropriate, for
3 each entry of the merchandise concerned equal to the
4 estimated average amount by which the foreign market
5 value exceeds the United States price, and
6 "(3) shall make available to the Commission all
7 information upon which such determination was based
8 and which the Commission considers relevant to its
9 injury determination, under such procedures as the ad-
10 ministering authority and the Commission may estab-
11 lish to prevent disclosure, other than with the consent
12 of the party providing it or under protective order, of
13 any information to which confidential treatment has
14 been given by the administering authority.
15 "(e) CRITICAL CIRCUMSTANCES DETERMINATIONS.—
16 "(1) IN GENERAL.—If a petitioner alleges critical
17 circumstances in its original petition, or by amendment
18 at any time more than 20 days before the date of a
19 final determination by the administering authority, then
20 the administering authority shall promptly determine,
21 on the basis of the best information available to it at
22 that time, whether there is a reasonable basis to be-
23 lieve or suspect that—
24 "(A)(i) there is a history of dumping in the
25 United States or elsewhere of the class or kind of

1 the merchandise which is the subject of the inves-
2 tigation, or
3 "(ii) the person by whom, or for whose ac-
4 count, the merchandise was imported knew or
5 should have known that the exporter was selling
6 the merchandise which is the subject of the inves-
7 tigation at less than its fair value, and
8 "(B) there have been massive imports of the
9 class or kind of merchandise which is the subject
10 of the investigation over a relatively short period.
11 "(2) SUSPENSION OF LIQUIDATION.—If the de-
12 termination of the administering authority under para-
13 graph (1) is affirmative, then any suspension of liquida-
14 tion ordered under subsection (d)(1) shall apply, or, if
15 notice of such suspension of liquidation is already pub-
16 lished, be amended to apply, to unliquidated entries of
17 merchandise entered, or withdrawn from warehouse,
18 for consumption on or after the date which is 90 days
19 before the date on which suspension of liquidation was
20 first ordered.
21 "(f) NOTICE OF DETERMINATIONS.—Whenever the
22 Commission or the administering authority makes a determi-
23 nation under this section, it shall notify the petitioner, other
24 parties to the investigation, and the other agency of its deter-
25 mination and of the facts and conclusions of law upon which

1 the determination is based, and it shall publish notice of its
2 determination in the Federal Register.

3 "SEC. 734. TERMINATION OR SUSPENSION OF INVESTIGATION.

4 "(a) TERMINATION OF INVESTIGATION ON WITH-
5 DRAWAL OF PETITION.—An investigation under this subtitle
6 may be terminated by either the administering authority or
7 the Commission after notice to all parties to the investiga-
8 tion, upon withdrawal of the petition by the petitioner. The
9 Commission may not terminate an investigation under the
10 preceding sentence before a preliminary determination is
11 made by the administering authority under section 733(b).

12 "(b) AGREEMENTS TO ELIMINATE COMPLETELY
13 SALES AT LESS THAN FAIR VALUE OR TO CEASE EX-
14 PORTS OF MERCHANDISE.—The administering authority
15 may suspend an investigation if the exporters of the merchan-
16 dise which is the subject of the investigation who account for
17 substantially all of the imports of that merchandise agree—

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

21 "(2) to revise their prices to eliminate completely
22 any amount by which the foreign market value of the
23 merchandise which is the subject of the agreement ex-
24 ceeds the United States price of that merchandise.

1 "(c) AGREEMENTS ELIMINATING INJURIOUS
2 EFFECT.—
3 "(1) GENERAL RULE.—If the administering au-
4 thority determines that extraordinary circumstances are
5 present in a case, it may suspend an investigation upon
6 the acceptance of an agreement to revise prices from
7 exporters of the merchandise which is the subject of
8 the investigation who account for substantially all of
9 the imports of that merchandise into the United States,
10 if the agreement will eliminate completely the injurious
11 effect of exports to the United States of that merchan-
12 dise and if—
13 "(A) the suppression or undercutting of price
14 levels of domestic products by imports of that
15 merchandise will be prevented, and
16 "(B) for each entry of each exporter the
17 amount by which the estimated foreign market
18 value exceeds the United States price will not
19 exceed 15 percent of the weighted average
20 amount by which the estimated foreign market
21 value exceeded the United States price for all
22 less-than-fair-value entries of the exporter exam-
23 ined during the course of the investigation.
24 "(2) DEFINITION OF EXTRAORDINARY CIRCUM-
25 STANCES.—

1 "(A) EXTRAORDINARY CIRCUMSTANCES.—
2 For purposes of this subsection, the term 'extraor-
3 dinary circumstances' means circumstances in
4 which—
5 "(i) suspension of an investigation will
6 be more beneficial to the domestic industry
7 than continuation of the investigation, and
8 "(ii) the investigation is complex.
9 "(B) COMPLEX.—For purposes of this para-
10 graph, the term 'complex' means—
11 "(i) there are a large number of transac-
12 tions to be investigated or adjustments to be
13 considered,
14 "(ii) the issues raised are novel, or
15 "(iii) the number of firms involved is
16 large.
17 "(d) ADDITIONAL RULES AND CONDITIONS.—
18 "(1) PUBLIC INTEREST; MONITORING.—The ad-
19 ministering authority shall not accept an agreement
20 under subsection (b) or (c) unless—
21 "(A) it is satisfied that suspension of the in-
22 vestigation is in the public interest, and
23 "(B) effective monitoring of the agreement
24 by the United States is practicable.

1 "(2) EXPORTS OF MERCHANDISE TO UNITED
2 STATES NOT TO INCREASE DURING INTERIM
3 PERIOD.—The administering authority may not accept
4 any agreement under subsection (b)(1) unless that
5 agreement provides a means of ensuring that the quan-
6 tity of the merchandise covered by the agreement ex-
7 ported to the United States during the period provided
8 for cessation of exports does not exceed the quantity of
9 such merchandise exported to the United States during
10 the most recent representative period determined by
11 the administering authority.
12 "(e) SUSPENSION OF INVESTIGATION PROCEDURE.—
13 Before an investigation may be suspended under subsection
14 (b) or (c) the administering authority shall—
15 "(1) notify the petitioner of, and consult with the
16 petitioner concerning, its intention to suspend the in-
17 vestigation, and notify other parties to the investigation
18 and the Commission not less than 30 days before the
19 date on which it suspends the investigation,
20 "(2) provide a copy of the proposed agreement to
21 the petitioner at the time of the notification, together
22 with an explanation of how the agreement will be car-
23 ried out and enforced, and of how the agreement will
24 meet the requirements of subsections (b) and (d) or (c)
25 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—

"(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,

"(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

1 agreement accepted by the administering authori-
2 ty is an agreement described in subsection (b),
3 then—
4 "(i) notwithstanding the affirmative pre-
5 liminary determination required under para-
6 graph (1)(A), the liquidation of entries of
7 merchandise which is the subject of the in-
8 vestigation shall not be suspended under sec-
9 tion 733(d)(1),
10 "(ii) if the liquidation of entries of such
11 merchandise was suspended pursuant to a
12 previous affirmative preliminary determina-
13 tion in the same case with respect to such
14 merchandise, that suspension of liquidation
15 shall terminate, and
16 "(iii) the administering authority shall
17 refund any cash deposit and release any bond
18 or other security deposited under section
19 733(d)(2).
20 "(B) OTHER AGREEMENTS.—If the agree-
21 ment accepted by the administering authority is
22 an agreement described in subsection (c), the liq-
23 uidation of entries of the merchandise subject to
24 the investigation shall be suspended under section
25 733(d)(1), or, if the liquidation of entries of such

1 merchandise was suspended pursuant to a previ-
2 ous affirmative preliminary determination in the
3 same case, that suspension of liquidation shall
4 continue in effect, subject to subsection (h)(3), but
5 the security required under section 733(d)(2) may
6 be adjusted to reflect the effect of the agreement.
7 "(3) WHERE INVESTIGATION IS CONTINUED.—If,
8 pursuant to subsection (g), the administering authority
9 and the Commission continue an investigation in which
10 an agreement has been accepted under subsection (b)
11 or (c), then—
12 "(A) if the final determination by the admin-
13 istering authority or the Commission under sec-
14 tion 735 is negative, the agreement shall have no
15 force or effect and the investigation shall be ter-
16 minated, or
17 "(B) if the final determinations by the admin-
18 istering authority and the Commission under such
19 section are affirmative, the agreement shall
20 remain in force, but the administering authority
21 shall not issue an antidumping duty order in the
22 case so long as—
23 "(i) the agreement remains in force,

1 "(ii) the agreement continues to meet
2 the requirements of subsections (b) and (d),
3 or (c) and (d), and
4 "(iii) the parties to the agreement carry
5 out their obligations under the agreement in
6 accordance with its terms.
7 "(g) INVESTIGATION TO BE CONTINUED UPON RE-
8 QUEST.—If the administering authority, within 20 days after
9 the date of publication of the notice of suspension of an inves-
10 tigation, receives a request for the continuation of the investi-
11 gation from—
12 "(1) an exporter or exporters accounting for a sig-
13 nificant proportion of exports to the United States of
14 the merchandise which is the subject of the investiga-
15 tion, or
16 "(2) an interested party described in subparagraph
17 (C), (D), or (E) of section 771(9) which is a party to
18 the investigation,
19 then the administering authority and the Commission shall
20 continue the investigation.
21 "(h) REVIEW OF SUSPENSION.—
22 "(1) IN GENERAL.—Within 20 days after the sus-
23 pension of an investigation under subsection (c), an in-
24 terested party which is a party to the investigation and
25 which is described in subparagraph (C), (D), or (E) of

1 section 771(9) may, by petition filed with the Commis-
2 sion and with notice to the administering authority, ask
3 for a review of the suspension.

4 "(2) COMMISSION INVESTIGATION.—Upon re-
5 ceipt of a review petition under paragraph (1), the
6 Commission shall, within 75 days after the date on
7 which the petition is filed with it, determine whether
8 the injurious effect of imports of the merchandise which
9 is the subject of the investigation is eliminated com-
10 pletely by the agreement. If the Commission's determi-
11 nation under this subsection is negative, the investiga-
12 tion shall be resumed on the date of publication of
13 notice of such determination as if the affirmative pre-
14 liminary determination under section 733(b) had been
15 made on that date.

16 "(3) SUSPENSION OF LIQUIDATION TO CONTINUE
17 DURING REVIEW PERIOD.—The suspension of liquida-
18 tion of entries of the merchandise which is the subject
19 of the investigation shall terminate at the close of the
20 20-day period beginning on the day after the date on
21 which notice of suspension of the investigation is pub-
22 lished in the Federal Register, or, if a review petition
23 is filed under paragraph (1) with respect to the suspen-
24 sion of the investigation, in the case of an affirmative
25 determination by the Commission under paragraph (2),

1 the date on which notice of an affirmative determina-
2 tion by the Commission is published. If the determina-
3 tion of the Commission under paragraph (2) is affirma-
4 tive, then the administering authority shall—
5 "(A) terminate the suspension of liquidation
6 under section 733(d)(1), and
7 "(B) release any bond or other security, and
8 refund any cash deposit, required under section
9 733(d)(2).
10 "(i) VIOLATION OF AGREEMENT.—
11 "(1) IN GENERAL.—If the administering authority
12 determines that an agreement accepted under subsec-
13 tion (b) or (c) is being, or has been, violated, or no
14 longer meets the requirements of such subsection
15 (other than the requirement, under subsection (c)(1), of
16 elimination of injury) and subsection (d), then, on the
17 date of publication of its determination, it shall—
18 "(A) suspend liquidation under section
19 733(d)(1) of unliquidated entries of the merchan-
20 dise made on the later of—
21 "(i) the date which is 90 days before
22 the date of publication of the notice of sus-
23 pension of liquidation, or
24 "(ii) the date on which the merchandise,
25 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.

"(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

1 penalty imposed for a fraudulent violation of section
2 592(a) of this Act.

3 "(j) DETERMINATION NOT TO TAKE AGREEMENT
4 INTO ACCOUNT.—In making a final determination under
5 section 735, or in conducting a review under section 751, in
6 a case in which the administering authority has terminated a
7 suspension of investigation under subsection (i)(1), or contin-
8 ued an investigation under subsection (g), the Commission
9 and the administering authority shall consider all of the mer-
10 chandise which is the subject of the investigation without
11 regard to the effect of any agreement under subsection (b) or
12 (c).

13 **"SEC. 735. FINAL DETERMINATIONS.**

14 "(a) FINAL DETERMINATION BY ADMINISTERING AU-
15 THORITY.—

16 "(1) GENERAL RULE.—Within 75 days after the
17 date of its preliminary determination under section
18 733(b), the administering authority shall make a final
19 determination of whether the merchandise which was
20 the subject of the investigation is being, or is likely to
21 be, sold in the United States at less than its fair value.

22 "(2) EXTENSION OF PERIOD FOR DETERMINA-
23 TION.—The administering authority may postpone
24 making the final determination under paragraph (1)
25 until not later than the 135th day after the date on

1 which it published notice of its preliminary determina-
2 tion under section 733(b) if a request in writing for
3 such a postponement is made by—
4 "(A) exporters who account for a significant
5 proportion of exports of the merchandise which is
6 the subject of the investigation, in a proceeding in
7 which the preliminary determination by the ad-
8 ministering authority under section 733(b) was af-
9 firmative, or
10 "(B) the petitioner, in a proceeding in which
11 the preliminary determination by the administer-
12 ing authority under section 733(b) was negative.
13 "(3) CRITICAL CIRCUMSTANCES DETERMINA-
14 TIONS.—If the final determination of the administering
15 authority is affirmative, then that determination, in any
16 investigation in which the presence of critical circum-
17 stances has been alleged under section 733(e), shall
18 also contain a finding of whether—
19 "(A)(i) there is a history of dumping in the
20 United States or elsewhere of the class or kind of
21 merchandise which is the subject of the investiga-
22 tion, or
23 "(ii) the person by whom, or for whose ac-
24 count, the merchandise was imported knew or
25 should have known that the exporter was selling

1 the merchandise which is the subject of the inves-
2 tigation at less than its fair value, and
3 "(B) there have been massive imports of the
4 merchandise which is the subject of the investiga-
5 tion over a relatively short period.
6 "(b) FINAL DETERMINATION BY COMMISSION.—
7 "(1) IN GENERAL.—The Commission shall make
8 a final determination of whether—
9 "(A) an industry in the United States—
10 "(i) is materially injured, or
11 "(ii) is threatened with material injury,
12 or
13 "(B) the establishment of an industry in the
14 United States is materially retarded,
15 by reason of imports of the merchandise with respect
16 to which the administering authority has made an af-
17 firmative determination under subsection (a)(1).
18 "(2) PERIOD FOR INJURY DETERMINATION FOL-
19 LOWING AFFIRMATIVE PRELIMINARY DETERMINA-
20 TION BY ADMINISTERING AUTHORITY.—If the prelimi-
21 nary determination by the administering authority
22 under section 733(b) is affirmative, then the Commis-
23 sion shall make the determination required by para-
24 graph (1) before the later of—

1 "(A) the 120th day after the day on which
2 the administering authority makes its affirmative
3 preliminary determination under section 733(b), or
4 "(B) the 45th day after the day on which the
5 administering authority makes its affirmative final
6 determination under subsection (a).
7 "(3) PERIOD FOR INJURY DETERMINATION FOL-
8 LOWING NEGATIVE PRELIMINARY DETERMINATION BY
9 ADMINISTERING AUTHORITY.—If the preliminary de-
10 termination by the administering authority under sec-
11 tion 733(b) is negative, and its final determination
12 under subsection (a) is affirmative, then the final deter-
13 mination by the Commission under this subsection shall
14 be made within 75 days after the date of that affirma-
15 tive final determination.
16 "(4) CERTAIN ADDITIONAL FINDINGS.—
17 "(A) If the finding of the administering au-
18 thority under subsection (a)(2) is affirmative, then
19 the final determination of the Commission shall
20 include a finding as to whether the material injury
21 is by reason of massive imports described in sub-
22 section (a)(3) to an extent that, in order to pre-
23 vent such material injury from recurring, it is nec-
24 essary to impose the duty imposed by section 731
25 retroactively on those imports.

1 "(B) If the final determination of the Com-
2 mission is that there is no material injury but that
3 there is threat of material injury, then its determi-
4 nation shall also include a finding as to whether
5 material injury by reason of the imports of the
6 merchandise with respect to which the administer-
7 ing authority has made an affirmative determina-
8 tion under subsection (a) would have been found
9 but for any suspension of liquidation of entries of
10 the merchandise.
11 "(c) EFFECT OF FINAL DETERMINATIONS.—
12 "(1) EFFECT OF AFFIRMATIVE DETERMINATION
13 BY THE ADMINISTERING AUTHORITY.—If the determi-
14 nation of the administering authority under subsection
15 (a) is affirmative, then—
16 "(A) the administering authority shall make
17 available to the Commission all information upon
18 which such determination was based and which
19 the Commission considers relevant to its determi-
20 nation, under such procedures as the administer-
21 ing authority and the Commission may establish
22 to prevent disclosure, other than with the consent
23 of the party providing it or under protective order,
24 of any information as to which confidential treat-

1 ment has been given by the administering authori-
2 ty, and
3 "(B) in cases where the preliminary determi-
4 nation by the administering authority under sec-
5 tion 733(b) was negative, the administering au-
6 thority shall order under paragraphs (1) and (2) of
7 section 733(d) the suspension of liquidation and
8 the posting of a cash deposit, bond, or other secu-
9 rity.
10 "(2) ISSUANCE OF ORDER; EFFECT OF NEGATIVE
11 DETERMINATION.—If the determinations of the admin-
12 istering authority and the Commission under subsec-
13 tions (a)(1) and (b)(1) are affirmative, then the adminis-
14 tering authority shall issue an antidumping duty order
15 under section 736(a). If either of such determinations is
16 negative, the investigation shall be terminated upon the
17 publication of notice of that negative determination and
18 the administering authority shall—
19 "(A) terminate the suspension of liquidation
20 under section 703(d)(1), and
21 "(B) release any bond or other security, and
22 refund any cash deposit, required under section
23 733(d)(2).
24 "(3) EFFECT OF NEGATIVE DETERMINATIONS
25 UNDER SUBSECTIONS (a)(3) AND (b)(4)(A).—If the de-

1 termination of the administering authority or the Com-
2 mission under subsection (a)(3) or (b)(4)(A), respective-
3 ly, is negative, then the administering authority shall—
4 "(A) terminate any retroactive suspension of
5 liquidation required under section 733(e)(2), and
6 "(B) release any bond or other security, and
7 refund any cash deposit required, under section
8 733(d)(2) with respect to entries of the merchan-
9 dise the liquidation of which was suspended retro-
10 actively under section 733(e)(2).
11 "(d) PUBLICATION OF NOTICE OF DETERMINA-
12 TIONS.—Whenever the administering authority or the Com-
13 mission makes a determination under this section, it shall
14 notify the petitioner, other parties to the investigation, and
15 the other agency of its determination and of the facts and
16 conclusions of law upon which the determination is based,
17 and it shall publish notice of its determination in the Federal
18 Register.
19 **"SEC. 736. ASSESSMENT OF DUTY.**
20 "(a) PUBLICATION OF ANTIDUMPING DUTY ORDER.—
21 Within 7 days after being notified by the Commission of an
22 affirmative determination under section 735(b), the adminis-
23 tering authority shall publish an antidumping duty order
24 which—

1 "(1) directs customs officers to assess an anti-
2 dumping duty equal to the amount by which the for-
3 eign market value of the merchandise exceeds the
4 United States price of the merchandise, within 6
5 months after the date on which the administering au-
6 thority receives satisfactory information upon which
7 the assessment may be based, but in no event later
8 than—
9 "(A) 12 months after the end of the annual
10 accounting period of the manufacturer or exporter
11 within which the merchandise is entered, or with-
12 drawn from warehouse, for consumption, or
13 "(B) in the case of merchandise not sold
14 prior to its importation into the United States, 12
15 months after the end of the annual accounting
16 period of the manufacturer or exporter within
17 which it is sold in the United States to a person
18 who is not the exporter of that merchandise,
19 "(2) includes a description of the class or kind of
20 merchandise to which it applies, in such detail as the
21 administering authority deems necessary, and
22 "(3) requires the deposit of estimated antidumping
23 duties pending liquidation of entries of merchandise at
24 the same time as estimated normal customs duties on
25 that merchandise are deposited.

1 "(b) IMPOSITION OF DUTY.—

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

11 "(2) SPECIAL RULE.—If the Commission, in its
12 final determination under section 735(b), finds threat of
13 material injury, other than threat of material injury de-
14 scribed in paragraph (1), or material retardation of the
15 establishment of an industry in the United States, then
16 merchandise subject to an antidumping duty order
17 which is entered, or withdrawn from warehouse, for
18 consumption on or after the date of publication of
19 notice of an affirmative determination of the Commis-
20 sion under section 735(b) shall be subject to the assess-
21 ment of antidumping duties under section 731, and the
22 administering authority shall release any bond or other
23 security, and refund any cash deposit made, to secure
24 the payment of antidumping duties with respect to en-

1 tries of the merchandise entered, or withdrawn from
2 warehouse, for consumption before that date.
3 "(c) SECURITY IN LIEU OF ESTIMATED DUTY PEND-
4 ING EARLY DETERMINATION OF DUTY.—
5 "(1) CONDITIONS FOR WAIVER OF DEPOSIT OF
6 ESTIMATED DUTIES.—The administering authority
7 may permit, for not more than 90 days after the date
8 of publication of an order under subsection (a), the
9 posting of a bond or other security in lieu of the depos-
10 it of estimated antidumping duties required under sub-
11 section (a)(3) if, on the basis of information presented
12 to it by any manufacturer, producer, or exporter in
13 such form and within such time as it may require, it is
14 satisfied that it will be able to determine, within 90
15 days after the date of publication of an order under
16 subsection (a), the foreign market value and the United
17 States price for all merchandise of such manufacturer,
18 producer, or exporter described in that order which
19 was entered, or withdrawn from warehouse, for con-
20 sumption on or after the date of publication of—
21 "(A) an affirmative preliminary determination
22 by the administering authority under section
23 733(b), or
24 "(B) if its determination under section 733(b)
25 was negative, an affirmative final determination

1 by the administering authority under section
2 735(a),
3 and before the date of publication of the affirmative
4 final determination by the Commission under section
5 735(b).
6 "(2) NOTICE; HEARING.—If the administering au-
7 thority permits the posting of a bond or other security
8 in lieu of the deposit of estimated antidumping duties
9 under paragraph (1), it shall—
10 "(A) publish notice of its action in the Feder-
11 al Register, and
12 "(B) upon the request of any interested
13 party, hold a hearing in accordance with section
14 774 before determining the foreign market value
15 and the United States price of the merchandise.
16 "(3) DETERMINATIONS TO BE BASIS OF ANTI-
17 DUMPING DUTY.—The administering authority shall
18 publish notice in the Federal Register of the results of
19 its determination of foreign market value and United
20 States price, and that determination shall be the basis
21 for the assessment of antidumping duties on entries of
22 merchandise to which the notice under this subsection
23 applies and also shall be the basis for the deposit of
24 estimated antidumping duties or future entries of mer-
25 chandise of manufacturers, producers, or exporters de-

1 scribed in paragraph (1) to which the order issued
2 under subsection (a) applies.

3 **"SEC. 737. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT**
4 **OF ESTIMATED ANTIDUMPING DUTY AND FINAL**
5 **ASSESSED DUTY UNDER ANTIDUMPING DUTY**
6 **ORDER.**

7 "(a) DEPOSIT OF ESTIMATED ANTIDUMPING DUTY
8 UNDER SECTION 733(d)(2).—If the amount of a cash deposit
9 collected as security for an estimated antidumping duty under
10 section 733(d)(2) is different from the amount of the anti-
11 dumping duty determined under an antidumping duty order
12 published under section 736, then the difference for entries of
13 merchandise entered, or withdrawn from warehouse, for con-
14 sumption before notice of the affirmative determination of the
15 Commission under section 735(b) is published shall be—

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

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

20 "(b) DEPOSIT OF ESTIMATED ANTIDUMPING DUTY
21 UNDER SECTION 736(a)(3).—If the amount of an estimated
22 antidumping duty deposited under section 736(a)(3) is differ-
23 ent from the amount of the antidumping duty determined
24 under an antidumping duty order published under section
25 736, then the difference for entries of merchandise entered,

1 or withdrawn from warehouse, for consumption after notice
2 of the affirmative determination of the Commission under
3 section 735 (b) is published shall be—
4 "(1) collected, to the extent that the deposit under
5 section 736(a)(3) is lower than the duty determined
6 under the order, or
7 "(2) refunded, to the extent that the deposit under
8 section 736(a)(3) is higher than the duty determined
9 under the order,
10 together with interest as provided by section 778.
11 **"SEC. 738. CONDITIONAL PAYMENT OF ANTIDUMPING DUTY.**
12 "(a) GENERAL RULE.—For all entries, or withdrawals
13 from warehouse, for consumption of merchandise subject to
14 an antidumping duty order on or after the date of publication
15 of such order, no customs officer may deliver merchandise of
16 that class or kind to the person by whom or for whose ac-
17 count it was imported unless that person complies with the
18 requirements of subsection (b) and deposits with the appropri-
19 ate customs officer an estimated antidumping duty in an
20 amount determined by the administering authority.
21 "(b) IMPORTER REQUIREMENTS.—In order to meet the
22 requirements of this subsection, a person shall—
23 "(1) furnish, or arrange to have furnished, to the
24 appropriate customs officer such information as the ad-
25 ministering authority deems necessary for determining

1 the United States price of the merchandise imported by
2 or for the account of that person, and such other infor-
3 mation as the administering authority deems necessary
4 for ascertaining any antidumping duty to be imposed
5 under this title;

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

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

17 "(4) pay, or agree to pay on demand, to the cus-
18 toms officer the amount of antidumping duty imposed
19 under section 731 on that merchandise.

20 **"SEC. 739. DUTIES OF CUSTOMS OFFICERS.**

21 "In the case of all imported merchandise of a class or
22 kind as to which the administering authority has published an
23 antidumping duty order under section 736 under which en-
24 tries have not been liquidated, the appropriate customs officer
25 shall, by all reasonable ways and means and consistently

1 with the provisions of this title, ascertain and determine, or
2 estimate, the foreign market value, the United States price,
3 and any other information which the administering authority
4 deems necessary for the purposes of administering this title.

5 **"SEC. 740. ANTIDUMPING DUTY TREATED AS REGULAR DUTY**
6 **FOR DRAWBACK PURPOSES.**

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

10 **"Subtitle C—Review of Determinations**

11 **"SEC. 751. ADMINISTRATIVE REVIEW OF DETERMINATIONS.**

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

13 "(1) IN GENERAL.—At least once during each
14 12-month period beginning on the anniversary of the
15 date of publication of a countervailing duty order under
16 this title or under section 303 of this Act, an anti-
17 dumping duty order under this title or a finding under
18 the Antidumping Act, 1921, or a notice of the suspen-
19 sion of an investigation, the administering authority,
20 after publication of notice of such review in the Feder-
21 al Register, shall—

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

1 "(B) review, and determine (in accordance
2 with paragraph (2)), the amount of any antidump-
3 ing duty, and
4 "(C) review the current status of, and com-
5 pliance with, any agreement by reason of which
6 an investigation was suspended, and review the
7 amount of any net subsidy or margin of sales at
8 less than fair value involved in the agreement,
9 and shall publish the results of such review, together
10 with notice of any duty to be assessed, estimated duty
11 to be deposited, or investigation to be resumed in the
12 Federal Register.
13 "(2) DETERMINATION OF ANTIDUMPING
14 DUTIES.—For the purpose of paragraph (1)(B), the ad-
15 ministering authority shall determine—
16 "(A) the foreign market value and United
17 States price of each entry of merchandise subject
18 to the antidumping duty order and included within
19 that determination, and
20 "(B) the amount, if any, by which the foreign
21 market value of each such entry exceeds the
22 United States price of the entry.
23 The administering authority, without revealing confi-
24 dential information, shall publish notice of the results
25 of the determination of antidumping duties in the Fed-

1 eral Register, and that determination shall be the basis
2 for the assessment of antidumping duties on entries of
3 the merchandise included within the determination and
4 for deposits of estimated duties.
5 "(b) REVIEWS UPON INFORMATION OR REQUEST.—
6 "(1) IN GENERAL.—Whenever the administering
7 authority or the Commission receives information con-
8 cerning, or a request for the review of, an agreement
9 accepted under section 704 or 734 or an affirmative
10 determination made under section 704(h)(2), 705(a),
11 705(b), 734(h)(2), 735(a), or 735(b), which shows
12 changed circumstances sufficient to warrant a review
13 of such determination, it shall conduct such a review
14 after publishing notice of the review in the Federal
15 Register. In reviewing its determination under section
16 704(h)(2) or 734(h)(2), the Commission shall consider
17 whether, in the light of changed circumstances, an
18 agreement accepted under section 704(c) or 734(c)
19 continues to eliminate completely the injurious effects
20 of imports of the merchandise.
21 "(2) LIMITATION ON PERIOD FOR REVIEW.—In
22 the absence of good cause shown—
23 "(A) the Commission may not review a de-
24 termination under section 705(b) or 735(b), and

1 "(B) the administering authority may not
2 review a determination under section 705(a) or
3 735(a), or the suspension of an investigation sus-
4 pended under section 704 or 734,
5 less than 24 months after the date of publication of
6 notice of that determination or suspension.
7 "(c) REVOCATION OF COUNTERVAILING DUTY ORDER
8 OR ANTIDUMPING DUTY ORDER.—The administering au-
9 thority may revoke, in whole or in part, a countervailing duty
10 order or an antidumping duty order, or terminate a suspend-
11 ed investigation, after review under this section. Any such
12 revocation or termination shall apply with respect to unliqui-
13 dated entries of merchandise entered, or withdrawn from
14 warehouse, for consumption on and after a date determined
15 by the administering authority.
16 "(d) HEARINGS.—Whenever the administering authori-
17 ty or the Commission conducts a review under this section it
18 shall, upon the request of any interested party, hold a hearing
19 in accordance with section 774(b) in connection with that
20 review.
21 "(e) DETERMINATION THAT BASIS FOR SUSPENSION
22 NO LONGER EXISTS.—If the determination of the Commis-
23 sion under the last sentence of subsection (b)(1) is negative,
24 the agreement shall be treated as not accepted, beginning on
25 the date of the publication of the Commission's determina-

1 tion, and the administering authority and the Commission
2 shall proceed, under section 704(i) or 734(i), as if the agree-
3 ment had been violated on that date, except that no duty
4 under any order subsequently issued shall be assessed on
5 merchandise entered, or withdrawn from warehouse, for con-
6 sumption before that date.

7 **"Subtitle D—General Provisions**

8 **"SEC. 771. DEFINITIONS; SPECIAL RULES.**

9 "For purposes of this title—

10 "(1) ADMINISTERING AUTHORITY.—The term
11 'administering authority' means the Secretary of the
12 Treasury, or any other officer of the United States to
13 whom the responsibility for carrying out the duties of
14 the administering authority under this title are trans-
15 ferred by law.

16 "(2) COMMISSION.—The term 'Commission'
17 means the United States International Trade Commis-
18 sion.

19 "(3) COUNTRY.—The term 'country' means a for-
20 eign country, a political subdivision, dependent terri-
21 tory, or possession of a foreign country, and, except for
22 the purpose of antidumping proceedings, may include
23 an association of 2 or more foreign countries, political
24 subdivisions, dependent territories, or possessions of

1 countries into a customs union outside the United
2 States.
3 "(4) INDUSTRY.—
4 "(A) IN GENERAL.—The term 'industry'
5 means the domestic producers as a whole of a like
6 product, or those producers whose collective
7 output of the like product constitutes a major pro-
8 portion of the total domestic production of that
9 product.
10 "(B) RELATED PARTIES.—When some pro-
11 ducers are related to the exporters or importers,
12 or are themselves importers of the allegedly subsi-
13 dized or dumped merchandise, the term 'industry'
14 may be applied in appropriate circumstances by
15 excluding such producers from those included in
16 that industry.
17 "(C) REGIONAL INDUSTRIES.—In appropri-
18 ate circumstances, the United States, for a partic-
19 ular product market, may be divided into 2 or
20 more markets and the producers within each
21 market may be treated as if they were a separate
22 industry if—
23 "(i) the producers within such market
24 sell all or almost all of their production of

1 the like product in question in that market,
2 and
3 "(ii) the demand in that market is not
4 supplied, to any substantial degree, by pro-
5 ducers of the product in question located
6 elsewhere in the United States.
7 In such appropriate circumstances, material
8 injury, the threat of material injury, or material
9 retardation of the establishment of an industry
10 may be found to exist with respect to an industry
11 even if the domestic industry as a whole, or those
12 producers whose collective output of a like prod-
13 uct constitutes a major proportion of the total do-
14 mestic production of that product, is not injured, if
15 there is a concentration of subsidized or dumped
16 imports into such an isolated market and if the
17 producers of all, or almost all, of the production
18 within that market are being materially injured or
19 threatened by material injury, or if the establish-
20 ment of an industry is being materially retarded,
21 by reason of the subsidized or dumped imports.
22 "(D) PRODUCT LINES.—The effect of subsi-
23 dized or dumped imports shall be assessed in rela-
24 tion to the United States production of a like
25 product if available data permit the separate iden-

1 tification of production in terms of such criteria as
2 the production process or the producer's profits. If
3 the domestic production of the like product has no
4 separate identity in terms of such criteria, then
5 the effect of the subsidized or dumped imports
6 shall be assessed by the examination of the pro-
7 duction of the narrowest group or range of prod-
8 ucts, which includes a like product, for which the
9 necessary information can be provided.

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

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

17 "(B) The following domestic subsidies, if pro-
18 vided or required by government action to a spe-
19 cific enterprise or industry, or group of enterprises
20 or industries, whether publicly or privately owned,
21 and whether paid or bestowed directly or indirect-
22 ly on the manufacture, production, or export of
23 any class or kind of merchandise:

1 "(i) The provision of capital, loans, or
2 loan guarantees on terms inconsistent with
3 commercial considerations.
4 "(ii) The provision of goods or services
5 at preferential rates.
6 "(iii) The grant of funds or forgiveness
7 of debt to cover operating losses sustained by
8 a specific industry.
9 "(iv) The assumption of any costs or
10 expenses of manufacture, production, or dis-
11 tribution.
12 "(6) NET SUBSIDY.—For the purpose of deter-
13 mining the net subsidy, the administering authority
14 may subtract from the gross subsidy the amount of—
15 "(A) any application fee, deposit, or similar
16 payment paid in order to qualify for, or to receive,
17 the benefit of the subsidy,.
18 "(B) any loss in the value of the subsidy re-
19 sulting from its deferred receipt, if the deferral is
20 mandated by Government order, and
21 "(C) export taxes, duties, or other charges
22 levied on the export of merchandise to the United
23 States specifically intended to offset the subsidy
24 received.
25 "(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

1 relative to production or consumption in the
2 United States, is significant.
3 "(ii) PRICE.—In evaluating the effect of
4 imports of such merchandise on prices, the
5 Commission shall consider whether—
6 "(I) there has been significant
7 price undercutting by the imported mer-
8 chandise as compared with the price of
9 like products of the United States, and
10 "(II) the effect of imports of such
11 merchandise otherwise depresses prices
12 to a significant degree or prevents price
13 increases, which otherwise would have
14 occurred, to a significant degree.
15 "(iii) IMPACT ON AFFECTED INDUS-
16 TRY.—In examining the impact on the af-
17 fected industry, the Commission shall evalu-
18 ate all relevant economic factors which have
19 a bearing on the state of the industry, includ-
20 ing, but not limited to—
21 "(I) actual and potential decline in
22 output, sales, market share, profits, pro-
23 ductivity, return on investments, and
24 utilization of capacity,

1 "(II) factors affecting domestic
2 prices, and
3 "(III) actual and potential negative
4 effects on cash flow, inventories, em-
5 ployment, wages, growth, ability to
6 raise capital, and investment.
7 "(D) SPECIAL RULES FOR AGRICULTURAL
8 PRODUCTS.—
9 "(i) The Commission shall not deter-
10 mine that there is no material injury or
11 threat of material injury to United States
12 producers of an agricultural commodity
13 merely because the prevailing market price is
14 at or above the minimum support price.
15 "(ii) In the case of agricultural prod-
16 ucts, the Commission shall consider any in-
17 creased burden on government income or
18 price support programs.
19 "(E) SPECIAL RULES.—For purposes of this
20 paragraph—
21 "(i) NATURE OF SUBSIDY.—In deter-
22 mining whether there is a threat of material
23 injury, the Commission shall consider such
24 information as may be presented to it by the
25 administering authority as to the nature of

1 the subsidy (particularly as to whether the
2 subsidy is an export subsidy inconsistent
3 with the Agreement) provided by a foreign
4 country and the effects likely to be caused by
5 the subsidy.

6 "(ii) STANDARD FOR DETERMINA-
7 TION.—The presence or absence of any
8 factor which the Commission is required to
9 evaluate under subparagraph (C) or (D) shall
10 not necessarily give decisive guidance with
11 respect to the determination by the Commis-
12 sion of material injury.

13 "(8) AGREEMENT ON SUBSIDIES AND COUNTER-
14 VAILING MEASURES; AGREEMENT.—The terms
15 'Agreement on Subsidies and Countervailing Measures'
16 and 'Agreement' mean the Agreement on Interpreta-
17 tion and Application of Articles VI, XVI, and XXIII
18 of the General Agreement on Tariffs and Trade (relat-
19 ing to subsidies and countervailing measures) approved
20 under section 2(a) of the Trade Agreements Act of
21 1979.

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

24 "(A) a foreign manufacturer, producer, or ex-
25 porter, or the United States importer, of merchan-

1 dise which is the subject of an investigation under
2 this title or a trade or business association a ma-
3 jority of the members of which are importers of
4 such merchandise,

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

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

9 "(D) a certified union or recognized union or
10 group of workers which is representative of an in-
11 dustry engaged in the manufacture, production, or
12 wholesale in the United States of a like product,
13 and

14 "(E) a trade or business association a major-
15 ity of whose members manufacture, produce, or
16 wholesale a like product in the United States.

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

21 "(11) AFFIRMATIVE DETERMINATIONS BY DIVID-
22 ED COMMISSION.—If the Commissioners voting on a
23 determination by the Commission are evenly divided as
24 to whether the determination should be affirmative or
25 negative, the Commission shall be deemed to have

1 made an affirmative determination. For the purpose of
2 applying this paragraph when the issue before the
3 Commission is to determine whether there is—
4 "(A) material injury to an industry in the
5 United States,
6 "(B) threat of material injury to such an in-
7 dustry, or
8 "(C) material retardation of the establish-
9 ment of an industry in the United States,
10 by reason of imports of the merchandise, an affirmative
11 vote on any of the issues shall be treated as a vote
12 that the determination should be affirmative.
13 "(12) ATTRIBUTION OF MERCHANDISE TO COUN-
14 TRY OF MANUFACTURE OR PRODUCTION.—For pur-
15 poses of subtitle A, merchandise shall be treated as the
16 product of the country in which it was manufactured or
17 produced without regard to whether it is imported di-
18 rectly from that country and without regard to whether
19 it is imported in the same condition as when exported
20 from that country or in a changed condition by reason
21 of remanufacture or otherwise.
22 "(13) EXPORTER.—For the purpose of determin-
23 ing United States price, the term 'exporter' includes
24 the person by whom or for whose account the mer-
25 chandise is imported into the United States if—

1 "(A) such person is the agent or principal of
2 the exporter, manufacturer, or producer;
3 "(B) such person owns or controls, directly
4 or indirectly, through stock ownership or control
5 or otherwise, any interest in the business of the
6 exporter, manufacturer, or producer;
7 "(C) the exporter, manufacturer, or producer
8 owns or controls, directly or indirectly, through
9 stock ownership or control or otherwise, any
10 interest in any business conducted by such person;
11 or
12 "(D) any person or persons, jointly or sever-
13 ally, directly or indirectly, through stock owner-
14 ship or control or otherwise, own or control in the
15 aggregate 20 percent or more of the voting power
16 or control in the business carried on by the person
17 by whom or for whose account the merchandise is
18 imported into the United States, and also 20 per-
19 cent or more of such power or control in the busi-
20 ness of the exporter, manufacturer, or producer.
21 "(14) SOLD OR, IN THE ABSENCE OF SALES,
22 OFFERED FOR SALE.—The term 'sold or, in the ab-
23 sence of sales, offered for sale' means sold or, in the
24 absence of sales, offered—
25 "(A) to all purchasers at wholesale, or

1 "(B) in the ordinary course of trade to one or
2 more selected purchasers at wholesale at a price
3 which fairly reflects the market value of the
4 merchandise,
5 without regard to restrictions as to the disposition or
6 use of the merchandise by the purchaser except that,
7 where such restrictions are found to affect the market
8 value of the merchandise, adjustment shall be made
9 therefor in calculating the price at which the merchan-
10 dise is sold or offered for sale.
11 "(15) ORDINARY COURSE OF TRADE.—The term
12 'ordinary course of trade' means the conditions and
13 practices which, for a reasonable time prior to the ex-
14 portation of the merchandise which is the subject of an
15 investigation, have been normal in the trade under con-
16 sideration with respect to merchandise of the same
17 class or kind.
18 "(16) SUCH OR SIMILAR MERCHANDISE.—The
19 term 'such or similar merchandise' means merchandise
20 in the first of the following categories in respect of
21 which a determination for the purposes of subtitle B of
22 this title can be satisfactorily made:
23 "(A) The merchandise which is the subject of
24 an investigation and other merchandise which is
25 identical in physical characteristics with, and was

1 produced in the same country by the same person
2 as, that merchandise.
3 "(B) Merchandise—
4 "(i) produced in the same country and
5 by the same person as the merchandise
6 which is the subject of the investigation,
7 "(ii) like that merchandise in component
8 material or materials and in the purposes for
9 which used, and
10 "(iii) approximately equal in commercial
11 value to that merchandise.
12 "(C) Merchandise—
13 "(i) produced in the same country and
14 by the same person and of the same general
15 class or kind as the merchandise which is the
16 subject of the investigation,
17 "(ii) like that merchandise in the pur-
18 poses for which used, and
19 "(iii) which the administering authority
20 determines may reasonably be compared
21 with that merchandise.
22 "(17) USUAL WHOLESALE QUANTITIES.—The
23 term 'usual wholesale quantities', in any case in which
24 the merchandise which is the subject of the investiga-
25 tion is sold in the market under consideration at differ-

1 ent prices for different quantities, means the quantities
2 in which such merchandise is there sold at the price or
3 prices for one quantity in an aggregate volume which
4 is greater than the aggregate volume sold at the price
5 or prices for any other quantity.

6 **"SEC. 772. UNITED STATES PRICE.**

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

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

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

1 "(d) ADJUSTMENTS TO PURCHASE PRICE AND EX-
2 PORTER'S SALES PRICE.—The purchase price and the ex-
3 porter's sales price shall be adjusted by being—
4 "(1) increased by—
5 "(A) when not included in such price, the
6 cost of all containers and coverings and all other
7 costs, charges, and expenses incident to placing
8 the merchandise in condition, packed ready for
9 shipment to the United States,
10 "(B) the amount of any import duties im-
11 posed by the country of exportation which have
12 been rebated, or which have not been collected,
13 by reason of the exportation of the merchandise to
14 the United States;
15 "(C) the amount of any taxes imposed in the
16 country of exportation directly upon the exported
17 merchandise or components thereof, which have
18 been rebated, or which have not been collected,
19 by reason of the exportation of the merchandise to
20 the United States, but only to the extent that
21 such taxes are added to or included in the price of
22 such or similar merchandise when sold in the
23 country of exportation; and
24 "(D) the amount of any countervailing duty
25 imposed on the merchandise under subtitle A of

1 this title or section 303 of this Act to offset an
2 export subsidy, and
3 "(2) reduced by—
4 "(A) except as provided in paragraph (1)(D),
5 the amount, if any, included in such price, attrib-
6 utable to any additional costs, charges, and ex-
7 penses, and United States import duties, incident
8 to bringing the merchandise from the place of
9 shipment in the country of exportation to the
10 place of delivery in the United States; and
11 "(B) the amount, if included in such price, of
12 any export tax, duty, or other charge imposed by
13 the country of exportation on the exportation of
14 the merchandise to the United States other than
15 an export tax, duty, or other charge described in
16 section 771(6)(C).
17 "(e) ADDITIONAL ADJUSTMENTS TO EXPORTER'S
18 SALES PRICE.—For purposes of this section, the exporter's
19 sales price shall also be adjusted by being reduced by the
20 amount, if any, of—
21 "(1) commissions for selling in the United States
22 the particular merchandise under consideration,
23 "(2) expenses generally incurred by or for the ac-
24 count of the exporter in the United States in selling
25 identical or substantially identical merchandise, and

1 "(3) any increased value, including additional ma-
2 terial and labor, resulting from a process of manufac-
3 ture or assembly performed on the imported merchan-
4 dise after the importation of the merchandise and
5 before its sale to a person who is not the exporter of
6 the merchandise.

7 **"SEC. 773. FOREIGN MARKET VALUE.**

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

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

14 "(A) at which such or similar merchandise is
15 sold or, in the absence of sales, offered for sale in
16 the principal markets of the country from which
17 exported, in the usual wholesale quantities and in
18 the ordinary course of trade for home consump-
19 tion, or

20 "(B) if not so sold or offered for sale for
21 home consumption, or if the administering author-
22 ity determines that the quantity sold for home
23 consumption is so small in relation to the quantity
24 sold for exportation to countries other than the
25 United States as to form an inadequate basis for

1 comparison, then the price at which so sold or of-
2 fered for sale for exportation to countries other
3 than the United States,
4 increased by, when not included in such price, the cost
5 of all containers and coverings and all other costs,
6 charges, and expenses incident to placing the merchan-
7 dise in condition packed ready for shipment to the
8 United States, except that in the case of merchandise
9 purchased or agreed to be purchased by the person by
10 whom or for whose account the merchandise is import-
11 ed, prior to the time of importation, the foreign market
12 value shall be ascertained as of the date of such pur-
13 chase or agreement to purchase. In the ascertainment
14 of foreign market value for the purposes of this title no
15 pretended sale or offer for sale, and no sale or offer for
16 sale intended to establish a fictitious market, shall be
17 taken into account.
18 "(2) USE OF CONSTRUCTED VALUE.—If the ad-
19 ministering authority determines that the foreign
20 market value of imported merchandise cannot be deter-
21 mined under paragraph (1)(A), then, notwithstanding
22 paragraph (1)(B), the foreign market value of the mer-
23 chandise may be the constructed value of that mer-
24 chandise, as determined under subsection (e).

1 "(3) INDIRECT SALES AND OFFERS FOR SALE.—
2 If such or similar merchandise is sold or, in the ab-
3 sence of sales, offered for sale through a sales agency
4 or other organization related to the seller in any of the
5 respects described in section 771(13), the prices at
6 which such or similar merchandise is sold or, in the ab-
7 sence of sales, offered for sale by such sales agency or
8 other organization may be used in determining the for-
9 eign market value.

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

17 "(A) the fact that the wholesale quantities,
18 in which such or similar merchandise is sold or, in
19 the absence of sales, offered for sale, for exporta-
20 tion to, or in the principal markets of, the United
21 States, as appropriate, in the ordinary course of
22 trade, are less or are greater than the wholesale
23 quantities in which such or similar merchandise is
24 sold or, in the absence of sales, offered for sale, in
25 the principal markets of the country of exportation

1 in the ordinary course of trade for home consump-
2 tion (or, if not so sold for home consumption, then
3 for exportation to countries other than the United
4 States);
5 "(B) other differences in circumstances of
6 sale; or
7 "(C) the fact that merchandise described in
8 paragraph (B) or (C) of section 771(16) is used in
9 determining foreign market value,
10 then due allowance shall be made therefor.
11 "(b) SALES AT LESS THAN COST OF PRODUCTION.—
12 Whenever the administering authority has reasonable
13 grounds to believe or suspect that sales in the home market
14 of the country of exportation, or, as appropriate, to countries
15 other than the United States, have been made at prices
16 which represent less than the cost of producing the merchan-
17 dise in question, it shall determine whether, in fact, such
18 sales were made at less than the cost of producing the mer-
19 chandise. If the administering authority determines that sales
20 made at less than cost of production—
21 "(1) have been made over an extended period of
22 time and in substantial quantities, and
23 "(2) are not at prices which permit recovery of all
24 costs within a reasonable period of time in the normal
25 course of trade,

1 such sales shall be disregarded in the determination of foreign
2 market value. Whenever sales are disregarded by virtue of
3 having been made at less than the cost of production and the
4 remaining sales, made at not less than cost of production, are
5 determined to be inadequate as a basis for the determination
6 of foreign market value under subsection (a), the administer-
7 ing authority shall employ the constructed value of the mer-
8 chandise to determine its foreign market value.

9 "(c) STATE-CONTROLLED ECONOMIES.—If available
10 information indicates to the administering authority that the
11 economy of the country from which the merchandise is ex-
12 ported is State-controlled to an extent that sales or offers of
13 sales of such or similar merchandise in that country or to
14 countries other than the United States do not permit a deter-
15 mination of foreign market value under subsection (a) of this
16 section, the administering authority shall determine the for-
17 eign market value of the merchandise on the basis of the
18 normal costs, expenses, and profits as reflected by either—

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

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

1 "(B) to other countries, including the United
2 States; or
3 "(2) the constructed value of such or similar mer-
4 chandise in a non-State-controlled-economy country or
5 countries as determined under subsection (e).
6 "(d) SPECIAL RULE FOR CERTAIN MULTINATIONAL
7 CORPORATIONS.—Whenever, in the course of an investiga-
8 tion under this title, the administering authority determines
9 that—
10 "(1) merchandise exported to the United States is
11 being produced in facilities which are owned or con-
12 trolled, directly or indirectly, by a person, firm or cor-
13 poration which also owns or controls, directly or indi-
14 rectly, other facilities for the production of such or sim-
15 ilar merchandise which are located in another country
16 or countries;
17 "(2) the sales of such or similar merchandise by
18 the company concerned in the home market of the ex-
19 porting country are nonexistent or inadequate as a
20 basis for comparison with the sales of the merchandise
21 to the United States; and
22 "(3) the foreign market value of such or similar
23 merchandise produced in one or more of the facilities
24 outside the country of exportation is higher than the
25 foreign market value of such or similar merchandise

1 produced in the facilities located in the country of
2 exportation,
3 it shall determine the foreign market value of such merchan-
4 dise by reference to the foreign market value at which such
5 or similar merchandise is sold in substantial quantities by one
6 or more facilities outside the country of exportation. The ad-
7 ministering authority, in making any determination under this
8 paragraph, shall make adjustments for the difference between
9 the costs of production (including taxes, labor, materials, and
10 overhead) of such or similar merchandise produced in facili-
11 ties outside the country of exportation and costs of production
12 of such or similar merchandise produced in the facilities in
13 the country of exportation, if such differences are demon-
14 strated to its satisfaction. For the purposes of this subsection,
15 in determining foreign market value of such or similar mer-
16 chandise produced in a country outside of the country of ex-
17 portation, the administering authority shall determine its
18 price at the time of exportation from the country of exporta-
19 tion and shall make any adjustments required by subsection
20 (a) of this section for the cost of all containers and coverings
21 and all other costs, charges, and expenses incident to placing
22 the merchandise in condition packed ready for shipment to
23 the United States by reference to such costs in the country of
24 exportation.
25 "(e) CONSTRUCTED VALUE.—

1 "(1) DETERMINATION.—For the purposes of this
2 title, the constructed value of imported merchandise
3 shall be the sum of—
4 "(A) the cost of materials (exclusive of any
5 internal tax applicable in the country of exporta-
6 tion directly to such materials or their disposition,
7 but remitted or refunded upon the exportation of
8 the article in the production of which such materi-
9 als are used) and of fabrication or other process-
10 ing of any kind employed in producing such or
11 similar merchandise, at a time preceding the date
12 of exportation of the merchandise under consider-
13 ation which would ordinarily permit the produc-
14 tion of that particular merchandise in the ordinary
15 course of business;
16 "(B) an amount for general expenses and
17 profit equal to that usually reflected in sales of
18 merchandise of the same general class or kind as
19 the merchandise under consideration which are
20 made by producers in the country of exportation,
21 in the usual wholesale quantities and in the ordi-
22 nary course of trade, except that—
23 "(i) the amount for general expenses
24 shall not be less than 10 percent of the cost
25 as defined in subparagraph (A), and

1 "(ii) the amount for profit shall not be
2 less than 8 percent of the sum of such gener-
3 al expenses and cost; and
4 "(C) the cost of all containers and coverings
5 of whatever nature, and all other expenses inci-
6 dental to placing the merchandise under consider-
7 ation in condition, packed ready for shipment to
8 the United States.
9 "(2) TRANSACTIONS DISREGARDED; BEST EVI-
10 DENCE.—For the purposes of this subsection, a trans-
11 action directly or indirectly between persons specified
12 in any one of the subparagraphs in paragraph (3) of
13 this subsection may be disregarded if, in the case of
14 any element of value required to be considered, the
15 amount representing that element does not fairly re-
16 flect the amount usually reflected in sales in the
17 market under consideration of merchandise under con-
18 sideration. If a transaction is disregarded under the
19 preceding sentence and there are no other transactions
20 available for consideration, then the determination of
21 the amount required to be considered shall be based on
22 the best evidence available as to what the amount
23 would have been if the transaction had occurred be-
24 tween persons not specified in any one of the subpara-
25 graphs in paragraph (3) of this section.

1 "(3) RELATED PARTIES.—The persons referred
2 to in paragraph (2) of this subsection are:
3 "(A) Members of a family, including brothers
4 and sisters (whether by the whole or half blood),
5 spouse, ancestors, and lineal descendants.
6 "(B) Any officer or director of an organiza-
7 tion and such organization.
8 "(C) Partners.
9 "(D) Employer and employee.
10 "(E) Any person directly or indirectly
11 owning, controlling, or holding with power to
12 vote, 5 percent or more of the outstanding voting
13 stock or shares of any organization and such or-
14 ganization.
15 "(F) Two or more persons directly or indi-
16 rectly controlling, controlled by, or under common
17 control with, any person.
18 "(f) AUTHORITY TO USE SAMPLING TECHNIQUES AND
19 TO DISREGARD INSIGNIFICANT ADJUSTMENTS.—For the
20 purpose of determining foreign market value under this sec-
21 tion, the administering authority may—
22 "(1) use averaging or generally recognized sam-
23 pling techniques whenever a significant volume of sales
24 is involved or a significant number of adjustments to
25 prices is required, and

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

4 **"SEC. 774. HEARINGS.**

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

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

16 **"SEC. 775. SUBSIDY PRACTICES DISCOVERED DURING AN IN-**
17 **VESTIGATION.**

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

23 "(1) shall include the practice in the investigation
24 if it appears to be a subsidy with respect to the mer-
25 chandise which is the subject of the investigation, or

1 "(2) shall transfer the information concerning the
2 practice (other than confidential information) to the li-
3 brary maintained under section 777(a)(1), if the prac-
4 tice appears to be a subsidy with respect to any other
5 merchandise.

6 **"SEC. 776. VERIFICATION OF INFORMATION.**

7 "(a) GENERAL RULE.—Except with respect to informa-
8 tion the verification of which is waived under section
9 733(b)(2), the administering authority shall verify all informa-
10 tion relied upon in making a final determination in an investi-
11 gation. In publishing such a determination, the administering
12 authority shall report the methods and procedures used to
13 verify such information. If the administering authority is
14 unable to verify the accuracy of the information submitted, it
15 shall use the best information available to it as the basis for
16 its determination, which may include the information submit-
17 ted in support of the petition.

18 "(b) DETERMINATIONS TO BE MADE ON BEST INFOR-
19 MATION AVAILABLE.—In making their determinations
20 under this title, the administering authority and the Commis-
21 sion shall, whenever a party or any other person refuses or is
22 unable to produce information requested in a timely manner
23 and in the form required, or otherwise significantly impedes
24 an investigation, use the best information otherwise
25 available.

1 "SEC. 777. ACCESS TO INFORMATION.

2 "(a) INFORMATION GENERALLY MADE AVAILABLE.—

3 "(1) PUBLIC INFORMATION FUNCTION.—There
4 shall be established a library of information relating to
5 foreign subsidy practices and countervailing measures.
6 Copies of material in the library shall be made availa-
7 ble to the public upon payment of the costs of prepar-
8 ing such copies.

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

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

16 "(A) interested parties or other persons pro-
17 viding factual information in connection with an
18 investigation, and

19 "(B) the person charged with making the de-
20 termination, and any person charged with making
21 a final recommendation to that person, in connec-
22 tion with that investigation.

23 The record of the ex parte meeting shall include the
24 identity of the persons present at the meeting, the
25 date, time, and place of the meeting, and a summary of
26 the matters discussed or submitted. The record of the

1 ex parte meeting shall be included in the record of the
2 proceeding.
3 "(4) SUMMARIES; NONCONFIDENTIAL SUBMIS-
4 SIONS.—The administering authority and the Commis-
5 sion may disclose—
6 "(A) any confidential information received in
7 the course of a proceeding if it is disclosed in a
8 form which cannot be associated with, or other-
9 wise be used to identify, operations of a particular
10 person, and
11 "(B) any information submitted in connection
12 with a proceeding which is not designated as con-
13 fidential by the person submitting it.
14 "(b) CONFIDENTIAL INFORMATION.—
15 "(1) CONFIDENTIALITY MAINTAINED.—Except
16 as provided in subsection (a)(4)(A) and subsection (c),
17 information submitted to the administering authority or
18 the Commission which is designated as confidential by
19 the person submitting it shall not be disclosed to any
20 person (other than an officer or employee of the admin-
21 istering authority or the Commission who is directly
22 concerned with carrying out the investigation in con-
23 nection with which the information is submitted) with-
24 out the consent of the person submitting it. The admin-
25 istering authority and the Commission may require that

1 information for which confidential treatment is re
2 quested be accompanied by a non-confidential summary
3 in sufficient detail to permit a reasonable understanding
4 of the substance of the information submitted in confi-
5 dence, or a statement that the information is not sus-
6 ceptible to summary, accompanied by a statement of
7 the reasons in support of the contention.

8 "(2) UNWARRANTED DESIGNATION.—If the ad-
9 ministering authority or the Commission determines,
10 on the basis of the nature and extent of the information
11 or its availability from public sources, that designation
12 of any information as confidential is unwarranted, then
13 it shall notify the person who submitted it and ask for
14 an explanation of the reasons for the designation.
15 Unless that person persuades the administering author-
16 ity or the Commission that the designation is warrant-
17 ed, or withdraws the designation, the administering
18 authority or the Commission, as the case may be, shall
19 return it to the party submitting it.

20 "(c) LIMITED DISCLOSURE OF CERTAIN CONFIDEN-
21 TIAL INFORMATION UNDER PROTECTIVE ORDER.—

22 "(1) DISCLOSURE BY ADMINISTERING AUTHOR-
23 ITY OR COMMISSION.—

24 "(A) IN GENERAL.—Upon receipt of an ap-
25 plication, which describes with particularity the

1 information requested and sets forth the reasons
2 for the request, the administering authority and
3 the Commission may make confidential informa-
4 tion submitted by any other party to the investi-
5 gation available under a protective order described
6 in subparagraph (B).

7 "(B) PROTECTIVE ORDER.—The protective
8 order under which information is made available
9 shall contain such requirements as the administer-
10 ing authority or the Commission may determine
11 by regulation to be appropriate. The administering
12 authority and the Commission shall provide by
13 regulation for such sanctions as the administering
14 authority and the Commission determine to be ap-
15 propriate, including disbarment from practice
16 before the agency.

17 "(2) DISCLOSURE UNDER COURT ORDER.—If the
18 administering authority denies a request for information
19 under paragraph (1), or the Commission denies a re-
20 quest for confidential information submitted by the peti-
21 tioner or an interested party in support of the petition-
22 er concerning the domestic price or cost of production
23 of the like product, then application may be made to
24 the United States Customs Court for an order directing
25 the administering authority or the Commission to make

1 the information available. After notification of all par-
2 ties to the investigation and after an opportunity for a
3 hearing on the record, the court may issue an order,
4 under such conditions as the court deems appropriate,
5 which shall not have the effect of stopping or suspend-
6 ing the investigation, directing the administering au-
7 thority or the Commission to make all or a portion of
8 the requested information described in the preceding
9 sentence available under a protective order and setting
10 forth sanctions for violation of such order if the court
11 finds that, under the standards applicable in proceed-
12 ings of the court, such an order is warranted, and
13 that—
14 "(A) the administering authority or the Com-
15 mission has denied access to the information
16 under subsection (b)(1),
17 "(B) the person on whose behalf the informa-
18 tion is requested is an interested party who is a
19 party to the investigation in connection with
20 which the information was obtained or developed,
21 and
22 "(C) the party which submitted the informa-
23 tion to which the request relates has been noti-
24 fied, in advance of the hearing, of the request

1 made under this section and of its right to appear
2 and be heard.

3 "SEC. 778. INTEREST ON CERTAIN OVERPAYMENTS AND UN-
4 DERPAYMENTS.

5 "(a) GENERAL RULE.—Interest shall be payable on
6 overpayments and underpayments of amounts deposited on
7 merchandise entered, or withdrawn from warehouse, for con-
8 sumption on and after the date on which notice of an affirma-
9 tive determination by the Commission under section 705(b)
10 or 735(b) with respect to such merchandise is published.

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

16 SEC. 102. PENDING INVESTIGATIONS.

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

23 (1) If the Secretary of the Treasury has not yet
24 made a preliminary determination under section 303 of
25 that Act as to whether a bounty or grant is being paid

1 or bestowed, he shall terminate the investigation under
2 section 303 and the matter previously under investiga-
3 tion shall be subject to this title as if the affirmative
4 determination called for in section 702 of that Act
5 were made with respect to that matter on the effective
6 date of the application of title VII of that Act to such
7 country.

8 (2) If the Secretary has made a preliminary deter-
9 mination under such section 303, but not a final deter-
10 mination, as to whether a bounty or grant is being paid
11 or bestowed, he shall terminate the investigation under
12 such section 303 and the matter previously under in-
13 vestigation shall be subject to the provisions of title
14 VII of that Act as if the preliminary determination
15 under section 303 were a preliminary determination
16 under section 703 of that title made on the effective
17 date of the application of that title to such country.

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

24 (1) If the Secretary has not yet made a prelimi-
25 nary determination under the Antidumping Act, 1921,

1 as to the question of less-than-fair value sales, he shall
2 terminate the investigation and the United States In-
3 ternational Trade Commission shall terminate any in-
4 vestigation under section 201(c)(2) of the Antidumping
5 Act, 1921, and the matter previously under investiga-
6 tion shall be subject to the provisions of title VII of
7 the Tariff Act of 1930 as if the affirmative determin-
8 tion called for in section 732 were made with respect
9 to such matter on the effective date of title VII of the
10 Tariff Act of 1930.

11 (2) If the Secretary has made under the Anti-
12 dumping Act, 1921, a preliminary determination, but
13 not a final determination, that imports from such coun-
14 try are being or are likely to be sold in the United
15 States or elsewhere at less than fair value, the investi-
16 gation shall be terminated and the matter previously
17 under investigation shall be subject to the provisions of
18 title VII of the Tariff Act of 1930 as if the preliminary
19 determination under the Antidumping Act, 1921, were
20 a preliminary determination under section 733 of that
21 title made on the effective date of title VII of the
22 Tariff Act of 1930.

23 (c) PENDING INVESTIGATIONS OF INJURY.—If, on the
24 effective date of the application of title VII of the Tariff Act
25 of 1930 to imports from a country, the United States Inter-

1 national Trade Commission is conducting an investigation
2 under section 303 of the Tariff Act of 1930 or section 201(a)
3 of the Antidumping Act, 1921, as to whether an industry in
4 the United States is being, or is likely to be injured, or is
5 prevented from being established, it shall terminate any such
6 investigation and initiate an investigation, under subtitle A or
7 B of title VII of the Tariff Act of 1930, which shall be com-
8 pleted within 75 days, and—

9 (1) treat any final determination of the Secretary
10 of the Treasury under section 303 as a final determina-
11 tion under section 705(a) of the Tariff Act of 1930 and
12 consider the net amount of the bounty or grant esti-
13 mated or determined under section 303 as the net sub-
14 sidy amount under subtitle A of that title; and

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

19 **SEC. 103. AMENDMENT OF SECTION 303 OF THE TARIFF ACT**
20 **OF 1930.**

21 (a) APPLICATION OF SECTION 303.—Paragraph (1) of
22 section 303(a) of the Tariff Act of 1930 (19 U.S.C. 1303(a))
23 is amended by striking out "Whenever" and inserting in lieu
24 thereof the following: "Except in the case of an article or
25 merchandise which is the product of a country under the

1 Agreement (within the meaning of section 701(b) of this Act),
2 whenever".
3 (b) CERTAIN PROVISIONS OF NEW LAW TO APPLY.—
4 Section 303 of such Act (19 U.S.C. 1303) is amended—
5 (1) by striking out paragraphs (3) through (6) of
6 subsection (a),
7 (2) by striking out subsections (b) and (c) and in-
8 serting in lieu thereof the following new subsection:
9 "(b) The duty imposed under subsection (a) shall be im-
10 posed, under regulations prescribed by the administering au-
11 thority (as defined in section 771(1)), in accordance with title
12 VII of this Act (relating to the imposition of countervailing
13 duties) except that, in the case of any imported article or
14 merchandise which is not free of duty—
15 "(1) no determination by the United States Inter-
16 national Trade Commission under section 703(a), 704,
17 or 705(b) shall be required,
18 "(2) an investigation may not be suspended under
19 section 704(c),
20 "(3) no determination as to the presence of criti-
21 cal circumstances shall be made under section 703(e)
22 or 705 (a)(2) or (b)(4)(A), and
23 "(4) any reference to determinations by the Com-
24 mission, or to the suspension of an investigation under

1 section 704(c) which are not permitted or required by
2 this subsection shall be disregarded.", and
3 (3) by adding at the end thereof the following new
4 subsection:
5 "(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.".

6 (c) CONFORMING AMENDMENT.—Paragraph 2 of sec-
7 tion 303(a) of such Act (19 U.S.C. 1303(a)) is amended—
8 (1) by striking out "an affirmative determination"
9 and inserting in lieu thereof "affirmative determina-
10 tions", and
11 (2) by striking out "subsection (b)(1)" and insert-
12 ing in lieu thereof "title VII".
13 **SEC. 104. TRANSITION RULES FOR COUNTERVAILING DUTY**
14 **ORDERS.**
15 (a) WAIVED COUNTERVAILING DUTY ORDERS.—
16 (1) NOTIFICATION OF COMMISSION.—The admin-
17 istering authority shall notify the United States Inter-
18 national Trade Commission by January 7, 1980, of
19 any countervailing duty order in effect on January 1,
20 1980—
21 (A)(i) for which the Secretary of the Treas-
22 ury has waived the imposition of countervailing

1 duties under section 303(d) of the Tariff Act of
2 1930 (19 U.S.C. 1303(d)), and
3 (ii) which applies to merchandise other than
4 quota cheese (as defined in section 701(c)(1) of
5 this Act), which is a product of a country under
6 the Agreement,
7 (B) published after September 29, 1979, and
8 before January 1, 1980, with respect to products
9 of a country under the Agreement (as defined in
10 section 701(b) of the Tariff Act of 1930), or
11 (C) applicable to frozen, boneless beef from
12 the European Communities under Treasury Deci-
13 sion 76–109,
14 and shall furnish to the Commission the most current
15 information it has with respect to the net subsidy bene-
16 fitting the merchandise subject to the countervailing
17 duty order.
18 (2) DETERMINATION BY THE COMMISSION.—
19 Within 180 days after the date on which it receives
20 the information from the administering authority under
21 paragraph (1), the Commission shall make a determina-
22 tion of whether—
23 (A) an industry in the United States—
24 (i) is materially injured, or
25 (ii) is threatened with material injury, or

1 (B) the establishment of an industry in the
2 United States is materially retarded,
3 by reason of imports of the merchandise subject to the
4 order.
5 (3) EFFECT OF DETERMINATION.—
6 (A) AFFIRMATIVE DETERMINATION.—Upon
7 being notified by the Commission of an affirmative
8 determination under paragraph (2), the adminis-
9 tering authority shall terminate the waiver of im-
10 position of countervailing duties for merchandise
11 subject to the order, if any. The countervailing
12 duty order under section 303 of the Tariff Act of
13 1930 which applies to that merchandise shall
14 remain in effect until revoked, in whole or in part,
15 under section 751(d) of such Act.
16 (B) NEGATIVE DETERMINATION.—Upon
17 being notified by the Commission of a negative
18 determination under paragraph (2), the adminis-
19 tering authority shall revoke the countervailing
20 order, and publish notice in the Federal Register
21 of the revocation.
22 (b) OTHER COUNTERVAILING DUTY ORDERS.—
23 (1) REVIEW BY COMMISSION UPON REQUEST.—
24 In the case of a countervailing duty order issued under

1 section 303 of the Tariff Act of 1930 (19 U.S.C.
2 1303)—
3 (A) which is not a countervailing duty order
4 to which subsection (a) applies,
5 (B) which applies to merchandise which is
6 the product of a country under the Agreement,
7 and
8 (C) which is in effect on January 1, 1980, or
9 which is issued pursuant to court order in an
10 action brought under section 516(d) of that Act
11 before that date,
12 the Commission, upon the request of the government of
13 such a country or of exporters accounting for a signifi-
14 cant proportion of exports to the United States of mer-
15 chandise which is covered by the order, submitted
16 within 3 years after the effective date of title VII of
17 the Tariff Act of 1930 shall make a determination
18 under paragraph (2) of this subsection.
19 (2) DETERMINATION BY THE COMMISSION.—In a
20 case described in paragraph (1) with respect to which
21 it has received a request for review, the Commission
22 shall commence an investigation to determine wheth-
23 er—
24 (A) an industry in the United States—
25

1 (i) would be materially injured, or
2 (ii) would be threatened with material
3 injury, or
4 (B) the establishment of an industry in the
5 United States would be materially retarded,
6 by reason of imports of the merchandise covered by the
7 countervailing duty order if the order were to be re-
8 voked.
9 (3) SUSPENSION OF LIQUIDATION; INVESTIGA-
10 TION TIME LIMITS.—Whenever the Commission re-
11 ceives a request under paragraph (1), it shall promptly
12 notify the administering authority and the administer-
13 ing authority shall suspend liquidation of entries of the
14 affected merchandise made on or after the date of re-
15 ceipt of the Commission's notification, or in the case of
16 butter from Australia, entries of merchandise subject to
17 the assessment of countervailing duties under Treasury
18 Decision 42937, as amended, and collect estimated
19 countervailing duties pending the determination of the
20 Commission. The Commission shall issue its determina-
21 tion in any investigation under this subsection not later
22 than 3 years after the date of commencement of such
23 investigation.
24 (4) EFFECT OF DETERMINATION.—

1 (A) AFFIRMATIVE DETERMINATION.—Upon
2 being notified of an affirmative determination
3 under paragraph (2) by the Commission, the ad-
4 ministering authority shall liquidate entries of
5 merchandise the liquidation of which was suspend-
6 ed under paragraph (3) of this subsection and
7 impose countervailing duties in the amount of the
8 estimated duties required to be deposited. The
9 countervailing duty order shall remain in effect
10 until revoked, in whole or in part, under section
11 751(c) of the Tariff Act of 1930.
12 (B) NEGATIVE DETERMINATION.—Upon
13 being notified of a negative determination under
14 paragraph (2) by the Commission, the administer-
15 ing authority shall revoke the countervailing duty
16 order then in effect, publish notice thereof in the
17 Federal Register, and refund, without payment of
18 interest, any estimated countervailing duties col-
19 lected during the period of suspension of liquida-
20 tion.
21 (c) ALL OUTSTANDING COUNTERVAILING DUTY
22 ORDERS.—Subject to the provisions of subsections (a) and
23 (b), any countervailing duty order issued under section 303 of
24 the Tariff Act of 1930 which is—

1 (1) in effect on the effective date of title VII of
2 the Tariff Act of 1930 (as added by section 101 of this
3 Act), or
4 (2) issued pursuant to court order in a proceeding
5 brought before that date under section 516(d) of the
6 Tariff Act of 1930,
7 shall remain in effect after that date and shall be subject to
8 review under section 751 of the Tariff Act of 1930.
9 (d) PUBLICATION OF NOTICE OF DETERMINATIONS.—
10 Whenever the Commission makes a determination under sub-
11 section (a) or (b), it shall publish notice of that determination
12 in the Federal Register and notify the administering authori-
13 ty of its determination.
14 (e) DEFINITIONS.—Whenever any term which is de-
15 fined in section 771 of the Tariff Act of 1930 is used in this
16 section, it has the same meaning as when it is used in title
17 VII of that Act.
18 **SEC. 105. CONTINUATION OF CERTAIN WAIVERS.**
19 (a) WAIVERS.—Subparagraph (B) of section 303(d)(4) of
20 the Tariff Act of 1930 (19 U.S.C. 1303(d)(4)) is amended to
21 read as follows:
22 "(B) Any determination made by the Secre-
23 tary under this subsection with respect to mer-
24 chandise of a country which, if title VII of the
25 Tariff Act of 1930 were in effect, would, as deter-

1 mined by the President, be a country under the
2 Agreement (within the meaning of section 701(b)
3 of such Act), which is in effect on September 29,
4 1979, shall remain in effect until whichever of the
5 following dates first occurs:
6 "(i) The date on which the United
7 States International Trade Commission
8 makes a determination under section 104 of
9 the Trade Agreements Act of 1979.
10 "(ii) The date such determination is re-
11 voked under paragraph (3).
12 "(iii) The date of adoption of a resolu-
13 tion of disapproval of such determination
14 under subsection (e)(2).".
15 (b) EFFECTIVE DATE.—The amendment made by sub-
16 section (a) shall take effect on the date of enactment of this
17 Act.
18 **SEC. 106. CONFORMING CHANGES.**
19 (a) REPEAL OF OLD LAW.—The Antidumping Act,
20 1921 (19 U.S.C. 160 et seq.) is hereby repealed but findings
21 in effect on the effective date of this Act, or issued pursuant
22 to court order in an action brought before that date, shall
23 remain in effect, subject to review under section 751 of the
24 Tariff Act of 1930.
25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 337(b)(3) of the Tariff Act of 1930 (19
2 U.S.C. 1337(b)(3)) is amended by striking out "the An-
3 tidumping Act, 1921" and inserting in lieu thereof
4 "subtitle B of title VII of the Tariff Act of 1930".
5 (2) Section 516(a) of the Tariff Act of 1930 (19
6 U.S.C. 1516(a)) is amended by striking out "section
7 202 of the Antidumping Act, 1921" and inserting in
8 lieu thereof "subtitle B of title VII of the Tariff Act of
9 1930".
10 (3) Section 503 of the Automotive Products Trade
11 Act of 1965 (19 U.S.C. 2033) is amended by striking
12 out "the Anti-Dumping Act, 1921 (19 U.S.C.
13 160–173)" and inserting in lieu thereof "subtitle B of
14 title VII of the Tariff Act of 1930,".
15 (4) Section 201(b)(6) of the Trade Act of 1974 (19
16 U.S.C. 2251(b)(6)) is amended by striking out "the An-
17 tidumping Act, 1921, section 303 or 337," and insert-
18 ing in lieu thereof subtitles A and B of title VII or
19 section 337.
20 **SEC. 107. EFFECTIVE DATE.**
21 Except as otherwise provided in this title, this title and
22 the amendments made by it shall take effect on January 1,
23 1980, if—
24 (1) the Agreement on Interpretation and Applica-
25 tion of Articles VI, XVI, and XXIII of the General

1 Agreement on Tariffs and Trade (relating to subsidies
2 and countervailing measures), and
3 (2) the Agreement on Implementation of Article
4 VI of the General Agreement on Tariffs and Trade (re-
5 lating to antidumping measures),
6 approved by the Congress under section 2(a) of this Act have
7 entered into force with respect to the United States as of that
8 date.

9 **TITLE II—CUSTOMS VALUATION**

10 **Subtitle A—Valuation Standards Amendments**

11 **SEC. 201. VALUATION OF IMPORTED MERCHANDISE.**

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

15 **"SEC. 402. VALUE.**

16 "(a) IN GENERAL.—(1) Except as otherwise specifically
17 provided for in this Act, imported merchandise shall be ap-
18 praised, for the purposes of this Act, on the basis of the
19 following:
20 "(A) The transaction value provided for under
21 subsection (b).
22 "(B) The transaction value of identical merchan-
23 dise provided for under subsection (c), if the value re-
24 ferred to in subparagraph (A) cannot be determined, or

1 can be determined but cannot be used by reason of
2 subsection (b)(2).
3 "(C) The transaction value of similar merchandise
4 provided for under subsection (c), if the value referred
5 to in subparagraph (B) cannot be determined.
6 "(D) The deductive value provided for under sub-
7 section (d), if the value referred to in subparagraph (C)
8 cannot be determined and if the importer does not re-
9 quest alternative valuation under paragraph (2).
10 "(E) The computed value provided for under sub-
11 section (e), if the value referred to in subparagraph (D)
12 cannot be determined.
13 "(F) The value provided for under subsection (f),
14 if the value referred to in subparagraph (E) cannot be
15 determined.
16 "(2) If the value referred to in paragraph (1)(C) cannot
17 be determined with respect to imported merchandise, the
18 merchandise shall be appraised on the basis of the computed
19 value provided for under paragraph (1)(E), rather than the
20 deductive value provided for under paragraph (1)(D), if the
21 importer makes a request to that effect to the customs officer
22 concerned within such time as the Secretary shall prescribe.
23 If the computed value of the merchandise cannot subsequent-
24 ly be determined, the merchandise may not be appraised on
25 the basis of the value referred to in paragraph (1)(F) unless

1 the deductive value of the merchandise cannot be determined
2 under paragraph (1)(D).
3 "(3) Upon written request therefor by the importer of
4 merchandise, and subject to provisions of law regarding the
5 disclosure of information, the customs officer concerned shall
6 provide the importer with a written explanation of how the
7 value of that merchandise was determined under this section.
8 "(b) TRANSACTION VALUE OF IMPORTED MERCHAN-
9 DISE.—(1) The transaction value of imported merchandise is
10 the price actually paid or payable for the merchandise when
11 sold for exportation to the United States, plus amounts equal
12 to—
13 "(A) the packing costs incurred by the buyer with
14 respect to the imported merchandise;
15 "(B) any selling commission incurred by the buyer
16 with respect to the imported merchandise;
17 "(C) the value, apportioned as appropriate, of any
18 assist;
19 "(D) any royalty or license fee related to the im-
20 ported merchandise that the buyer is required to pay,
21 directly or indirectly, as a condition of the sale of the
22 imported merchandise for exportation to the United
23 States; and

1 "(E) the proceeds of any subsequent resale, dis-
2 posal, or use of the imported merchandise that accrue,
3 directly or indirectly, to the seller.
4 The price actually paid or payable for imported merchandise
5 shall be increased by the amounts attributable to the items
6 (and no others) described in subparagraphs (A) through (E)
7 only to the extent that each such amount (i) is not otherwise
8 included within the price actually paid or payable; and (ii) is
9 based on sufficient information. If sufficient information is not
10 available, for any reason, with respect to any amount re-
11 ferred to in the preceding sentence, the transaction value of
12 the imported merchandise concerned shall be treated, for pur-
13 poses of this section, as one that cannot be determined.
14 "(2)(A) The transaction value of imported merchandise
15 determined under paragraph (1) shall be the appraised value
16 of that merchandise for the purposes of this Act only if—
17 "(i) there are no restrictions on the disposition or
18 use of the imported merchandise by the buyer other
19 than restrictions that—
20 "(I) are imposed or required by law,
21 "(II) limit the geographical area in which the
22 merchandise may be resold, or
23 "(III) do not substantially affect the value of
24 the merchandise;

1 "(ii) the sale of, or the price actually paid or pay-
2 able for, the imported merchandise is not subject to
3 any condition or consideration for which a value cannot
4 be determined with respect to the imported
5 merchandise;

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

11 "(iv) the buyer and seller are not related, or the
12 buyer and seller are related but the transaction value is
13 acceptable, for purposes of this subsection, under sub-
14 paragraph (B).

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

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

1 "(ii) the deductive value or computed value for
2 identical merchandise or similar merchandise; or
3 "(iii) the transaction value determined under this
4 subsection in sales to unrelated buyers of merchandise,
5 for exportation to the United States, that is identical in
6 all respects to the imported merchandise but was not
7 produced in the country in which the imported mer-
8 chandise was produced;
9 but only if each value referred to in clause (i), (ii) or (iii) that
10 is used for comparison relates to merchandise that was ex-
11 ported to the United States at or about the same time as the
12 imported merchandise. No two sales to unrelated buyers may
13 be used for comparison for purposes of clause (iii) unless the
14 sellers are unrelated.
15 "(C) In applying the values used for comparison pur-
16 poses under subparagraph (B), there shall be taken into ac-
17 count differences with respect to the sales involved (if such
18 differences are based on sufficient information whether sup-
19 plied by the buyer or otherwise available to the customs offi-
20 cer concerned) in—
21 "(i) commercial levels;
22 "(ii) quantity levels;
23 "(iii) the costs, commissions, values, fees, and
24 proceeds described in paragraph (1); and

1 "(iv) the costs incurred by the seller in sales in
2 which he and the buyer are not related that are not
3 incurred by the seller in sales in which he and the
4 buyer are related.
5 "(3) The transaction value of imported merchandise
6 does not include any of the following, if identified separately
7 from the price actually paid or payable and from any cost or
8 other item referred to in paragraph (1):
9 "(A) Any reasonable cost or charge that is in-
10 curred for—
11 "(i) the construction, erection, assembly, or
12 maintenance of, or the technical assistance pro-
13 vided with respect to, the merchandise after its
14 importation into the United States; or
15 "(ii) the transportation of the merchandise
16 after such importation.
17 "(B) The customs duties and other Federal taxes
18 currently payable on the imported merchandise by
19 reason of its importation, and any Federal excise tax
20 on, or measured by the value of, such merchandise for
21 which vendors in the United States are ordinarily
22 liable.
23 "(4) For purposes of this subsection—
24 "(A) The term 'price actually paid or payable'
25 means the total payment (whether direct or indirect,

1 and exclusive of any costs, charges, or expenses in-
2 curred for transportation, insurance, and related serv-
3 ices incident to the international shipment of the mer-
4 chandise from the country of exportation to the place
5 of importation in the United States) made, or to be
6 made, for imported merchandise by the buyer to, or for
7 the benefit of, the seller.

8 "(B) Any rebate of, or other decrease in, the price
9 actually paid or payable that is made or otherwise ef-
10 fected between the buyer and seller after the date of
11 the importation of the merchandise into the United
12 States shall be disregarded in determining the transac-
13 tion value under paragraph (1).

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

21 "(A) with respect to the merchandise being ap-
22 praised, either identical merchandise or similar mer-
23 chandise, as the case may be; and

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

4 "(2) Transaction values determined under this subsec-
5 tion shall be based on sales of identical merchandise or simi-
6 lar merchandise, as the case may be, at the same commercial
7 level and in substantially the same quantity as the sales of
8 the merchandise being appraised. If no such sale is found,
9 sales of identical merchandise or similar merchandise at
10 either a different commercial level or in different quantities,
11 or both, shall be used, but adjusted to take account of any
12 such difference. Any adjustment made under this paragraph
13 shall be based on sufficient information. If in applying this
14 paragraph with respect to any imported merchandise, two or
15 more transaction values for identical merchandise, or for sim-
16 ilar merchandise, are determined, such imported merchandise
17 shall be appraised on the basis of the lower or lowest of such
18 values.

19 "(d) DEDUCTIVE VALUE.—(1) For purposes of this sub-
20 section, the term 'merchandise concerned' means the mer-
21 chandise being appraised, identical merchandise, or similar
22 merchandise.

23 "(2)(A) The deductive value of the merchandise being
24 appraised is whichever of the following prices (as adjusted
25 under paragraph (3)) is appropriate depending upon when and

1 in what condition the merchandise concerned is sold in the
2 United States:

3 "(i) If the merchandise concerned is sold in the
4 condition as imported at or about the date of importa-
5 tion of the merchandise being appraised, the price is
6 the unit price at which the merchandise concerned is
7 sold in the greatest aggregate quantity at or about
8 such date.

9 "(ii) If the merchandise concerned is sold in the
10 condition as imported but not sold at or about the date
11 of importation of the merchandise being appraised, the
12 price is the unit price at which the merchandise con-
13 cerned is sold in the greatest aggregate quantity after
14 the date of importation of the merchandise being ap-
15 praised but before the close of the 90th day after the
16 date of such importation.

17 "(iii) If the merchandise concerned was not sold
18 in the condition as imported and not sold before the
19 close of the 90th day after the date of importation of
20 the merchandise being appraised, the price is the unit
21 price at which the merchandise being appraised, after
22 further processing, is sold in the greatest aggregate
23 quantity before the 180th day after the date of such
24 importation. This clause shall apply to appraisement of
25 merchandise only if the importer so elects and notifies

1 the customs officer concerned of that election within
2 such time as shall be prescribed by the Secretary.
3 "(B) For purposes of subparagraph (A), the unit price at
4 which merchandise is sold in the greatest aggregate quantity
5 is the unit price at which such merchandise is sold to unrelat-
6 ed persons, at the first commercial level after importation (in
7 cases to which subparagraph (A) (i) or (ii) applies) or after
8 further processing (in cases to which subparagraph (A)(iii) ap-
9 plies) at which such sales take place, in a total volume that is
10 (i) greater than the total volume sold at any other unit price,
11 and (ii) sufficient to establish the unit price.
12 "(3)(A) The price determined under paragraph (2) shall
13 be reduced by an amount equal to—
14 "(i) any commission usually paid or agreed to be
15 paid, or the addition usually made for profit and gener-
16 al expenses, in connection with sales in the United
17 States of imported merchandise that is of the same
18 class or kind, regardless of the country of exportation,
19 as the merchandise concerned;
20 "(ii) the actual costs and associated costs of trans-
21 portation and insurance incurred with respect to inter-
22 national shipments of the merchandise concerned from
23 the country of exportation to the United States;
24 "(iii) the usual costs and associated costs of trans-
25 portation and insurance incurred with respect to ship-

1 ments of such merchandise from the place of importa-
2 tion to the place of delivery in the United States, if
3 such costs are not included as a general expense under
4 clause (i);
5 "(iv) the customs duties and other Federal taxes
6 currently payable on the merchandise concerned by
7 reason of its importation, and any Federal excise tax
8 on, or measured by the value of, such merchandise for
9 which vendors in the United States are ordinarily
10 liable; and
11 "(v) (but only in the case of a price determined
12 under paragraph (2)(A)(iii)) the value added by the
13 processing of the merchandise after importation to the
14 extent that the value is based on sufficient information
15 relating to cost of such processing.
16 "(B) For purposes of applying paragraph (A)—
17 "(i) the deduction made for profits and general ex-
18 penses shall be based upon the importer's profits and
19 general expenses, unless such profits and general ex-
20 penses are inconsistent with those reflected in sales in
21 the United States of imported merchandise of the same
22 class or kind, in which case the deduction shall be
23 based on the usual profit and general expenses reflect-
24 ed in such sales, as determined from sufficient informa-
25 tion; and

1 "(ii) any State or local tax imposed on the import-
2 er with respect to the sale of imported merchandise
3 shall be treated as a general expense.
4 "(C) The price determined under paragraph (2) shall be
5 increased (but only to the extent that such costs are not oth-
6 erwise included) by an amount equal to the packing costs
7 incurred by the importer or the buyer, as the case may be,
8 with respect to the merchandise concerned.
9 "(D) For purposes of determining the deductive value of
10 imported merchandise, any sale to a person who supplies any
11 assist for use in connection with the production or sale for
12 export of the merchandise concerned shall be disregarded.
13 "(e) COMPUTED VALUE.—(1) The computed value of
14 imported merchandise is the sum of—
15 "(A) the cost or value of the materials and the
16 fabrication and other processing of any kind employed
17 in the production of the imported merchandise;
18 "(B) an amount for profit and general expenses
19 equal to that usually reflected in sales of merchandise
20 of the same class or kind as the imported merchandise
21 that are made by the producers in the country of ex-
22 portation for export to the United States;
23 "(C) any assist, if its value is not included under
24 subparagraph (A) or (B); and
25 "(D) the packing costs.

1 "(2) For purposes of paragraph (1)—

2 "(A) the cost or value of materials under para-
3 graph (1)(A) shall not include the amount of any inter-
4 nal tax imposed by the country of exportation that is
5 directly applicable to the materials or their disposition
6 if the tax is remitted or refunded upon the exportation
7 of the merchandise in the production of which the ma-
8 terials were used; and

9 "(B) the amount for profit and general expenses
10 under paragraph (1)(B) shall be based upon the produc-
11 er's profits and expenses, unless the producer's profits
12 and expenses are inconsistent with those usually re-
13 flected in sales of merchandise of the same class or
14 kind as the imported merchandise that are made by
15 producers in the country of exportation for export to
16 the United States, in which case the amount under
17 paragraph (1)(B) shall be based on the usual profit and
18 general expenses of such producers in such sales, as
19 determined from sufficient information.

20 "(f) VALUE IF OTHER VALUES CANNOT BE DETER-
21 MINED OR USED.—(1) If the value of imported merchandise
22 cannot be determined, or otherwise used for the purposes of
23 this Act, under subsections (b) through (e), the merchandise
24 shall be appraised for the purposes of this Act on the basis of
25 a value that is derived from the methods set forth in such

1 subsections, with such methods being reasonably adjusted to
2 the extent necessary to arrive at a value.
3 "(2) Imported merchandise may not be appraised, for
4 the purposes of this Act, on the basis of—
5 "(A) the selling price in the United States of mer-
6 chandise produced in the United States;
7 "(B) a system that provides for the appraisement
8 of imported merchandise at the higher of two alterna-
9 tive values;
10 "(C) the price of merchandise in the domestic
11 market of the country of exportation;
12 "(D) a cost of production, other than a value de-
13 termined under subsection (e) for merchandise that is
14 identical merchandise or similar merchandise to the
15 merchandise being appraised;
16 "(E) the price of merchandise for export to a
17 country other than the United States;
18 "(F) minimum values for appraisement; or
19 "(G) arbitrary or fictitious values.
20 This paragraph shall not apply with respect to the ascertain-
21 ment, determination, or estimation of foreign market value or
22 United States price under title VII.
23 "(g) SPECIAL RULES.—(1) For purposes of this section,
24 the persons specified in any of the following subparagraphs
25 shall be treated as persons who are related:

1 "(A) Members of the same family, including broth-
2 ers and sisters (whether by whole or half blood),
3 spouse, ancestors, and lineal descendants.
4 "(B) Any officer or director of an organization
5 and such organization.
6 "(C) An officer or director of an organization and
7 an officer or director of another organization, if each
8 such individual is also an officer or director in the
9 other organization.
10 "(D) Partners.
11 "(E) Employer and employee.
12 "(F) Any person directly or indirectly owning,
13 controlling, or holding with power to vote, 5 percent or
14 more of the outstanding voting stock or shares of any
15 organization and such organization.
16 "(G) Two or more persons directly or indirectly
17 controlling, controlled by, or under common control
18 with, any person.
19 "(2) For purposes of this section, merchandise (includ-
20 ing, but not limited to, identical merchandise and similar
21 merchandise) shall be treated as being of the same class or
22 kind as other merchandise if it is within a group or range of
23 merchandise produced by a particular industry or industry
24 sector.

1 "(3) For purposes of this section, information that is
2 submitted by an importer, buyer, or producer in regard to the
3 appraisement of merchandise may not be rejected by the cus-
4 toms officer concerned on the basis of the accounting method
5 by which that information was prepared, if the preparation
6 was in accordance with generally accepted accounting princi-
7 ples. The term 'generally accepted accounting principles'
8 refers to any generally recognized consensus or substantial
9 authoritative support regarding—
10 "(A) which economic resources and obligations
11 should be recorded as assets and liabilities;
12 "(B) which changes in assets and liabilities should
13 be recorded;
14 "(C) how the assets and liabilities and changes in
15 them should be measured;
16 "(D) what information should be disclosed and
17 how it should be disclosed; and
18 "(E) which financial statements should be pre-
19 pared.
20 The applicability of a particular set of generally accepted ac-
21 counting principles will depend upon the basis on which the
22 value of the merchandise is sought to be established.
23 "(h) DEFINITIONS.—As used in this section—
24 "(1)(A) The term 'assist' means any of the follow-
25 ing if supplied directly or indirectly, and free of charge

1 or at reduced cost, by the buyer of imported merchan-
2 dise for use in connection with the production or the
3 sale for export to the United States of the merchan-
4 dise:

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

7 "(ii) Tools, dies, molds, and similar items
8 used in the production of the imported merchan-
9 dise.

10 "(iii) Merchandise consumed in the produc-
11 tion of the imported merchandise.

12 "(iv) Engineering, development, artwork,
13 design work, and plans and sketches that are un-
14 dertaken elsewhere than in the United States and
15 are necessary for the production of the imported
16 merchandise.

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

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

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

1 "(iii) is incidental to other engineering, de-
2 velopment, artwork, design work, or plans or
3 sketches that are undertaken within the United
4 States.
5 "(C) For purposes of this section, the following
6 apply in determining the value of assists described in
7 subparagraph (A)(iv):
8 "(i) The value of an assist that is available in
9 the public domain is the cost of obtaining copies
10 of the assist.
11 "(ii) If the production of an assist occurred in
12 the United States and one or more foreign coun-
13 tries, the value of the assist is the value thereof
14 that is added outside the United States.
15 "(2) The term 'identical merchandise' means—
16 "(A) merchandise that is identical in all re-
17 spects to, and was produced in the same country
18 and by the same person as, the merchandise being
19 appraised; or
20 "(B) if merchandise meeting the require-
21 ments under subparagraph (A) cannot be found (or
22 for purposes of applying subsection (b)(2)(B) (i),
23 regardless of whether merchandise meeting such
24 requirements can be found), merchandise that is
25 identical in all respects to, and was produced in

1 the same country as, but not produced by the
2 same person as, the merchandise being appraised.
3 Such term does not include merchandise that incorpo-
4 rates or reflects any engineering, development,
5 artwork, design work, or plan or sketch that—
6 "(I) was supplied free or at reduced cost by
7 the buyer of the merchandise for use in connec-
8 tion with the production or the sale for export to
9 the United States of the merchandise; and
10 "(II) is not an assist because undertaken
11 within the United States.
12 "(3) The term 'packing costs' means the cost of
13 all containers and coverings of whatever nature and of
14 packing, whether for labor or materials, used in placing
15 merchandise in condition, packed ready for shipment to
16 the United States.
17 "(4) The term 'similar merchandise' means—
18 "(A) merchandise that—
19 "(i) was produced in the same country
20 and by the same person as the merchandise
21 being appraised,
22 "(ii) is like the merchandise being ap-
23 praised in characteristics and component ma-
24 terial, and

1 "(iii) is commercially interchangeable
2 with the merchandise being appraised; or
3 "(B) if merchandise meeting the require-
4 ments under subparagraph (A) cannot be found (or
5 for purposes of applying subsection (b)(2)(B)(i), re-
6 gardless of whether merchandise meeting such re-
7 quirements can be found), merchandise that—
8 "(i) was produced in the same country
9 as, but not produced by the same person as,
10 the merchandise being appraised, and
11 "(ii) meets the requirement set forth in
12 subparagraph (A) (ii) and (iii).
13 Such term does not include merchandise that incorpo-
14 rates or reflects any engineering, development,
15 artwork, design work, or plan or sketch that—
16 "(I) was supplied free or at reduced cost by
17 the buyer of the merchandise for use in connec-
18 tion with the production or the sale for export to
19 the United States of the merchandise; and
20 "(II) is not an assist because undertaken
21 within the United States.
22 "(5) The term 'sufficient information', when re-
23 quired under this section for determining—
24 "(A) any amount—

1 "(i) added under subsection (b)(1) to the
2 price actually paid or payable,
3 "(ii) deducted under subsection (d)(3) as
4 profit or general expense or value from fur-
5 ther processing, or
6 "(iii) added under subsection (e)(2) as
7 profit or general expense;
8 "(B) any difference taken into account for
9 purposes of subsection (b)(2)(C); or
10 "(C) any adjustment made under subsection
11 (c)(2);
12 means information that establishes the accuracy of
13 such amount, difference, or adjustment.".
14 (b) REPEAL OF EXISTING ALTERNATIVE VALUATION
15 STANDARDS.—Section 402a of the Tariff Act of 1930 (19
16 U.S.C. 1402) is repealed.
17 **SEC. 202. CONFORMING AMENDMENTS.**
18 (a) TARIFF ACT OF 1930.—The Tariff Act of 1930 (19
19 U.S.C. 1202 et seq.) is amended as follows:
20 (1) Paragraph (2) of section 332(e) is amended to
21 read as follows:
22 "(2) The term 'import cost' means the transaction
23 value of the imported merchandise determined in ac-
24 cordance with section 402(b) plus, when not included
25 in the transaction value, all necessary expenses, exclu-

1 sive of customs duties, of bringing such merchandise to
2 the United States.".
3 (2) Section 336 is amended—
4 (A) by striking out subsection (b);
5 (B) by striking out "or in basis of value" in
6 each of subsections (c), (d), (f), and (k); and
7 (C) by striking out subsection (j).
8 (3) Paragraph (2)(D)(ii) of section 351(a) is
9 amended by striking out "or 402(a)".
10 (4) Paragraph (a) of section 500 is amended to
11 read as follows:
12 "(a) appraise merchandise by ascertaining or esti-
13 mating the value thereof, under section 402, by all rea-
14 sonable ways and means in his power, any statement
15 of cost or costs of production in any invoice, affidavit,
16 declaration, other document to the contrary notwith-
17 standing;".
18 (b) TARIFF SCHEDULES OF THE UNITED STATES.—
19 The Tariff Schedules of the United States (19 U.S.C. 1202)
20 are further amended as follows:
21 (1) General headnote 6(b)(i) is amended by strik-
22 ing out "or section 402a".
23 (2) Each of the following headnotes is amended
24 by striking out "or 402a" wherever it appears therein:

1 (A) Headnote 4 to subpart E of part 3 of
2 schedule 6.
3 (B) Headnote 1 to subpart B of part 11 of
4 schedule 7.
5 (C) Headnote 2 to part 1 of schedule 8.
6 (D) Headnotes 2(a), 2(c), and 3(a) to subpart
7 B of part 1 of schedule 8.
8 (c) OTHER LAWS.—
9 (1) TRADE ACT OF 1974.—Section 601(4) of the
10 Trade Act of 1974 (19 U.S.C. 2481(4)) is amended by
11 striking out "(19 U.S.C. sec. 1401a or 1402)" and in-
12 serting in lieu thereof "(as in effect before the effective
13 date of the amendments made by title II of the Trade
14 Agreements Act of 1979) or in section 402 of such Act
15 of 1930 (as in effect on the effective date of such title
16 II amendments) whichever is".
17 (2) INTERNAL REVENUE CODE OF 1954.—Para-
18 graph (1) of section 993(c) of the Internal Revenue
19 Code of 1954 is amended by striking out "402a of the
20 Tariff Act of 1930 (19 U.S.C. sec. 1401a or 1402)"
21 and inserting in lieu thereof "of the Tariff Act of 1930
22 (19 U.S.C. 1401a)".

1 **SEC. 203. PRESIDENTIAL REPORT ON OPERATION OF THE**
2 **AGREEMENT.**

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

13 **SEC. 204. TRANSITION TO VALUATION STANDARDS UNDER**
14 **THIS TITLE.**

15 (a) EFFECTIVE DATE OF AMENDMENTS.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this title (except
18 the amendments made by section 223(b)) shall take
19 effect on—

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

23 (B) if subparagraph (A) does not apply, that
24 date after January 1, 1981, on which the Agree-
25 ment enters into such force;

1 and shall apply with respect to merchandise that is ex-
2 ported to the United States on or after whichever of
3 such dates applies.

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

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

10 (B) each of the member states of the Europe-
11 an Economic Community has implemented the
12 Agreement under its laws;

13 the President shall by proclamation announce such de-
14 termination and the amendments made by this title
15 (except the amendments made by section 223(b)) shall
16 take effect on the date specified in the proclamation
17 (but not before July 1, 1980) and shall apply with re-
18 spect to merchandise that is exported to the United
19 States on or after such date; except that unless the
20 Agreement enters into force with respect to the United
21 States by January 1, 1981, all provisions of law that
22 were amended by such amendments are revived (as in
23 effect on the day before such amendments took effect)
24 on January 1, 1981, and such provisions—

1 (i) shall remain in effect until the date on
2 which the Agreement enters into force with re-
3 spect to the United States (and on such date the
4 amendments made by this title (except the amend-
5 ments made by section 223(b)) are revived and
6 shall apply with respect to merchandise exported
7 to the United States on or after such date); and
8 (ii) shall apply with respect to merchandise
9 exported to the United States on or after January
10 1, 1981, and before the date on which the Agree-
11 ment enters into such force.
12 (b) APPLICATION OF OLD LAW VALUATION STAND-
13 ARDS.—For purposes of the administration of the customs
14 laws, all merchandise (other than merchandise to which sub-
15 sections (a) and (c) apply) shall be appraised on the same
16 basis, and in the same manner, as if the amendments made
17 by this title had not been enacted.
18 (c) SPECIAL TREATMENT FOR CERTAIN RUBBER
19 FOOTWEAR.—The amendments made by section 223(b) shall
20 take effect July 1, 1981, or, if later, the date on which the
21 Agreement enters into force with respect to the United
22 States, and shall apply, together with the other amendments
23 made by this title, to rubber footwear exported to the United
24 States on or after such date. For purposes of the administra-
25 tion of the customs laws, all rubber footwear (other than

1 rubber footwear to which the preceding sentence applies)
2 shall be appraised on the same basis, and in the same
3 manner, as if the amendments made by this title had not been
4 enacted.

5 (d) DEFINITION.—For purposes of this section, the term
6 "rubber footwear" means articles described in item 700.60 of
7 the Tariff Schedules of the United States (as in effect on the
8 day before the day on which the amendments made by sec-
9 tion 223(b) take effect).

10 Subtitle B—Final List and American Selling
11 Price Rate Conversions

12 SEC. 221. AMENDMENT OF TARIFF SCHEDULES.

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

18 SEC. 222. FINAL LIST RATE CONVERSIONS.

19 (a) BALL AND ROLLER BEARINGS.—Schedule 6, part
20 4, subpart J is amended—

21 (1) by striking out items 680.35 and 680.36 and
22 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			”;

1 and

2 (2) by redesignating item 680.40 as item 680.42.

3 (b) PNEUMATIC TIRES.—Schedule 7, part 12, subpart
4 C is amended by striking out “4% ad val.” in rate column
5 numbered 1 of item 772.51 and inserting in lieu thereof
6 “5.7% ad val.”.

7 **SEC. 223. AMERICAN SELLING PRICE RATE CONVERSIONS.**

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

10 (1) by striking out the headnote; and

11 (2) by striking out item 114.05 and inserting in
12 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.	”.

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

15 (1) by striking out headnote 3(b) and redesignat-
16 ing headnote 3(a) as headnote 3;

17 (2) by striking out item 700.60 and inserting in
18 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.

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

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

3 (2) by striking out subparts B and C and inserting

4 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. +12.1% 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 - naphtha - lene-sulfonic acid; 4 - Hydroxy - 1 - naphtha - lene-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-anthram- ide); 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 benzenoid 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	Phenylbenzylaminoethylimidazo-line 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 hydro-		

	chloride; 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. ".

1 **SEC. 224. TREATMENT OF CONVERTED RATES AS EXISTING**
2 **RATES FOR PURPOSES OF TRADE AGREEMENT**
3 **AUTHORITY.**

4 For purposes of sections 101 and 601(7) of the Trade
5 Act of 1974 (19 U.S.C. 2111 and 2481(7)), the rates of duty
6 appearing in rate column numbered 1 of the amendments, if
7 any, made under this subtitle shall be considered to be the
8 rates of duty existing or in effect on January 1, 1975.

9 **SEC. 225. MODIFICATION OF TARIFF TREATMENT OF CERTAIN**
10 **CHEMICALS AND CHEMICAL PRODUCTS.**

11 The President may proclaim a modification of the article
12 descriptions in subparts B and C of part 1 of schedule 4 (as
13 amended by section 223(d)) in order to transfer from any item
14 within those subparts to any other item within those subparts
15 (taking into account proper chemical nomenclature and cus-
16 toms classification principles) any individual chemicals or
17 products with respect to which a negotiating partner in the
18 Tokyo Round of the Multilateral Trade Negotiations submit-
19 ted notice, before July 31, 1979, to the United States that
20 the rate of duty in such subpart for such chemicals or prod-
21 ucts that would apply but for this section is, based on past
22 import data for the chemical or product, inappropriate and
23 non-representative; but the President may not make a modifi-
24 cation under this section with respect to any such chemical or
25 product unless the United States International Trade Com-
26 mission determines before January 1, 1980, that—

1 (1) the chemical or product was not valued for
2 customs purposes on the basis of American selling
3 price upon entry into the United States during a period
4 determined by the Comission to be representative, and
5 (2) a rate of duty provided for in such subparts,
6 other than the rate of duty that would apply but for
7 this section, is more appropriate and representative for
8 such chemical or product.

9 TITLE III—GOVERNMENT PROCUREMENT

10 SEC. 301. GENERAL AUTHORITY TO MODIFY DISCRIMINATORY 11 PURCHASING REQUIREMENTS.

12 (a) PRESIDENTIAL WAIVER OF DISCRIMINATORY PUR-
13 CHASING REQUIREMENTS.—The President may waive, in
14 whole or in part, with respect to eligible products of any
15 foreign country or instrumentality designated under subsec-
16 tion (b), and suppliers of such products, the application of any
17 law, regulation, procedure, or practice regarding Government
18 procurement that would, if applied to such products and sup-
19 pliers, result in treatment less favorable than that accorded—
20 (1) to United States products and suppliers of
21 such products; or
22 (2) to eligible products of another foreign country
23 or instrumentality which is a party to the Agreement
24 and suppliers of such products.

1 (b) DESIGNATION OF ELIGIBLE COUNTRIES AND IN-
2 STRUMENTALITIES.—The President may designate a foreign
3 country or instrumentality for purposes of subsection (a) only
4 if he determines that such country or instrumentality—
5 (1) is a country or instrumentality which (A) has
6 become a party to the Agreement, and (B) will provide
7 appropriate reciprocal competitive government procure-
8 ment opportunities to United States products and sup-
9 pliers of such products;
10 (2) is a country or instrumentality, other than a
11 major industrial country, which (A) will otherwise
12 assume the obligations of the Agreement, and (B)
13 will provide such opportunities to such products and
14 suppliers;
15 (3) is a country or instrumentality, other than a
16 major industrial country, which will provide such op-
17 portunities to such products and suppliers; or
18 (4) is a least developed country.
19 (c) MODIFICATION OR WITHDRAWAL OF WAIVERS
20 AND DESIGNATIONS.—The President may modify or with-
21 draw any waiver granted pursuant to subsection (a) or desig-
22 nation made pursuant to subsection (b).

1 **SEC. 302. AUTHORITY TO ENCOURAGE RECIPROCAL COMPETI-**
2 **TIVE PROCUREMENT PRACTICES.**

3 (a) AUTHORITY TO BAR PROCUREMENT FROM NON-
4 DESIGNATED COUNTRIES.—With respect to procurement
5 covered by the Agreement, the President, in order to encour-
6 age additional countries to become parties to the Agreement
7 and to provide appropriate reciprocal competitive government
8 procurement opportunities to United States products and
9 suppliers of such products—

10 (1) shall prohibit the procurement, after the date
11 on which any waiver under section 301(a) first takes
12 effect, of products (A) which are products of a foreign
13 country or instrumentality which is not designated pur-
14 suant to section 301(b), and (B) which would otherwise
15 be eligible products; and

16 (2) may take such other actions within his author-
17 ity as he deems necessary.

18 (b) DEFERRALS AND WAIVERS.—Notwithstanding sub-
19 section (a), but in furtherance of the objective of encouraging
20 countries to become parties to the Agreement and provide
21 appropriate reciprocal competitive government procurement
22 opportunities to United States products and suppliers of such
23 products, the President may—

24 (1) delay, for a period not to exceed two years,
25 the prohibition of procurement, required pursuant to
26 subsection (a)(1), of products of a foreign country or in-

1 strumentality which is not designated pursuant to sec-
2 tion 301(b), except that no such delay shall be granted
3 with respect to the procurement of products of any
4 major industrial country;

5 (2) authorize agency heads to waive, subject to
6 interagency review and general policy guidance by the
7 organization established under section 242(a) of the
8 Trade Expansion Act of 1962 (19 U.S.C. 1872(a)),
9 such prohibition on a case-by-case basis when in the
10 national interest; and

11 (3) authorize the Secretary of Defense to waive,
12 subject to interagency review and policy guidance by
13 the organization established under section 242(a) of the
14 Trade Expansion Act of 1962 (19 U.S.C. 1872(a)),
15 such prohibition for products of any country or instru-
16 mentality which enters into a reciprocal procurement
17 agreement with the Department of Defense.

18 (c) REPORT ON IMPACT OF RESTRICTIONS.—

19 (1) IMPACT ON THE ECONOMY.—On or before
20 July 1, 1981, the President shall report to the Com-
21 mittee on Ways and Means and the Committee on
22 Government Operations of the House of Representa-
23 tives and to the Committee on Finance and the Com-
24 mittee on Governmental Affairs of the Senate on the
25 effects on the United States economy (including effects

1 on employment, production, competition, costs and
2 prices, technological development, export trade, bal-
3 ance of payments, inflation, and the Federal budget) of
4 the refusal of developed countries to allow the Agree-
5 ment to cover the entities of the governments of such
6 countries which are the principal purchasers of goods
7 and equipment in appropriate product sectors.

8 (2) RECOMMENDATIONS FOR ATTAINING RECI-
9 PROCITY.—The report required by paragraph (1) shall
10 include an evaluation of alternative means to obtain
11 equity and reciprocity in such product sectors, includ-
12 ing (A) prohibiting the procurement of products of such
13 countries by United States entities not covered by the
14 Agreement, and (B) modifying the application of title
15 III of the Act of March 3, 1933 (41 U.S.C. 10a et
16 seq.), commonly referred to as the Buy American Act.
17 The report shall include an analysis of the effect of
18 such alternative means on the United States economy
19 (including effects on employment, production, competi-
20 tion, costs and prices, technological development,
21 export trade, balance of payments, inflation, and the
22 Federal budget), and on successful negotiations on the
23 expansion of the coverage of the Agreement pursuant
24 to section 304 (a) and (b), other trade negotiating ob-
25 jectives, the relationship of the Federal Government to

1 State and local governments, and such other factors as
2 the President deems appropriate.
3 (3) CONSULTATION.—In the preparation of the
4 report required by paragraph (1) and the evaluation
5 and analysis required by paragraph (2), the President
6 shall consult with representatives of the public, indus-
7 try, and labor, and make available pertinent, nonconfi-
8 dential information obtained in the course of such prep-
9 aration to the advisory committees established pursuant
10 to section 135 of the Trade Act of 1974.
11 (d) PROPOSED ACTION.—
12 (1) PRESIDENTIAL REPORT.—On or before Octo-
13 ber 1, 1981, the President shall prepare and transmit
14 to the congressional committees referred to in subsec-
15 tion (c)(1) a report which describes the actions he
16 deems appropriate to establish reciprocity with major
17 industrialized countries in the area of Government pro-
18 curement.
19 (2) PROCEDURE.—
20 (A) PRESIDENTIAL DETERMINATION.—If
21 the President determines that any changes in ex-
22 isting law or new statutory authority are required
23 to authorize or to implement any action proposed
24 in the report submitted under paragraph (1), he
25 shall, on or after January 1, 1982, submit to the

1 Congress a bill to accomplish such changes or
2 provide such new statutory authority. Prior to
3 submitting such a bill, the President shall consult
4 with the appropriate committees of the Congress
5 having jurisdiction over legislation involving sub-
6 ject matters which would be affected by such
7 action, and shall submit to such committees a pro-
8 posed draft of such bill.

9 (B) CONGRESSIONAL CONSIDERATION.—The
10 appropriate committee of each House of the Con-
11 gress shall give a bill submitted pursuant to sub-
12 paragraph (A) prompt consideration and shall
13 make its best efforts to take final committee
14 action on such bill in an expeditious manner.

15 **SEC. 303. WAIVER OF DISCRIMINATORY PURCHASING RE-**
16 **QUIREMENTS WITH RESPECT TO PURCHASES OF**
17 **CIVIL AIRCRAFT.**

18 The President may waive the application of the provi-
19 sions of title III of the Act of March 3, 1933 (41 U.S.C. 10a
20 et seq.), popularly referred to as the Buy American Act, in
21 the case of any procurement of civil aircraft and related arti-
22 cles of a country or instrumentality which is a party to the
23 Agreement on Trade in Civil Aircraft. The President may
24 modify or withdraw any waiver granted pursuant to this
25 section.

1 **SEC. 304. EXPANSION OF THE COVERAGE OF THE**
2 **AGREEMENT.**

3 (a) OVERALL NEGOTIATING OBJECTIVE.—The Presi-
4 dent shall seek in the renegotiations provided for in part IX,
5 paragraph 6, of the Agreement more open and equitable
6 market access abroad, and the harmonization, reduction, or
7 elimination of devices which distort trade or commerce relat-
8 ed to Government procurement, with the overall goal of
9 maximizing the economic benefit to the United States
10 through maintaining and enlarging foreign markets for prod-
11 ucts of United States agriculture, industry, mining, and
12 commerce, the development of fair and equitable market
13 opportunities, and open and nondiscriminatory world trade.
14 In carrying out the provisions of this subsection, the Presi-
15 dent shall consider the assessment made in the report
16 required under section 306(a).

17 (b) SECTOR NEGOTIATING OBJECTIVES.—The Presi-
18 dent shall seek, consistent with the overall objective set forth
19 in subsection (a) and to the maximum extent feasible, with
20 respect to appropriate product sectors, competitive opportu-
21 nities for the export of United States products to the devel-
22 oped countries of the world equivalent to the competitive
23 opportunities afforded by the United States, taking into ac-
24 count all barriers to, and other distortions of, international
25 trade affecting that sector.

1 (c) INDEPENDENT VERIFICATION OBJECTIVE.—The
2 President shall seek to establish in the renegotiation provided
3 for in part IX, paragraph 6, of the Agreement a system for
4 independent verification of information provided by parties to
5 the Agreement to the Committee on Government Procure-
6 ment pursuant to part VI, paragraph 9, of the Agreement.
7 (d) REPORTS ON NEGOTIATIONS.—
8 (1) REPORT IN THE EVENT OF INADEQUATE
9 PROGRESS.—If, during the renegotiations of the
10 Agreement, the President at any time determines that
11 the renegotiations are not progressing satisfactorily and
12 are not likely to result, within twelve months of the
13 commencement thereof, in an expansion of the Agree-
14 ment to cover purchases by the entities of the govern-
15 ments of developed countries which are the principal
16 purchasers of goods and equipment in appropriate
17 product sectors, he shall so report to the congressional
18 committees referred to in section 302(c)(1). Taking into
19 account the objectives set forth in subsections (a) and
20 (b) of this section and the factors required to be ana-
21 lyzed under section 302(c), the President shall further
22 report to such committees appropriate actions to seek
23 reciprocity in such product sectors with such countries
24 in the area of government procurement.

1 (2) LEGISLATIVE RECOMMENDATIONS.—Taking
2 into account the factors required to be analyzed under
3 section 302(c), the President may recommend to the
4 Congress legislation (with respect to entities of the
5 Government which are not covered by the Agreement)
6 which may prohibit such entities from purchasing prod-
7 ucts of such countries.
8 (3) ANNUAL REPORTS.—Each annual report of
9 the President under section 163(a) of the Trade Act of
10 1974 made after the date of enactment of this Act
11 shall report the actions, if any, the President deemed
12 appropriate to establish reciprocity in appropriate prod-
13 uct sectors with major industrial countries in the area
14 of government procurement.
15 (e) EXTENSION OF NONDISCRIMINATION AND NA-
16 TIONAL TREATMENT.—Before exercising the waiver author-
17 ity in section 301 for procurement not covered by the Agree-
18 ment on the date of enactment of this Act, the President shall
19 follow the consultation provisions of section 135 and chapter
20 6 of title I of the Trade Act of 1974 for private sector and
21 congressional consultations.
22 **SEC. 305. MONITORING AND ENFORCEMENT.**
23 (a) MONITORING AND ENFORCEMENT STRUCTURE
24 RECOMMENDATIONS.—In the preparation of the recommen-
25 dations for the reorganization of trade functions, the Presi-

1 dent shall ensure that careful consideration is given to moni-
2 toring and enforcing the requirements of the Agreement and
3 this title, with particular regard to the tendering procedures
4 required by the Agreement or otherwise agreed to by a coun-
5 try or instrumentality likely to be designated pursuant to sec-
6 tion 301(b).

7 (b) RULES OF ORIGIN.—

8 (1) ADVISORY RULINGS AND FINAL DETERMINA-
9 TIONS.—For the purposes of this title, the Secretary of
10 the Treasury shall provide for the prompt issuance of
11 advisory rulings and final determinations on whether,
12 under section 308(4)(B), an article is or would be a
13 product of a foreign country or instrumentality desig-
14 nated pursuant to section 301(b).

15 (2) PENALTIES FOR FRAUDULENT CONDUCT.—In
16 addition to any other provisions of law which may be
17 applicable, section 1001 of title 18, United States
18 Code, shall apply to fraudulent conduct with respect to
19 the origin of products for purposes of qualifying for a
20 waiver under section 301 or avoiding a prohibition
21 under section 302.

22 (c) REPORT TO CONGRESS ON RULES OF ORIGIN.—

23 (1) DOMESTIC ADMINISTRATIVE PRACTICES.—
24 As soon as practicable after the close of the two-year
25 period beginning on the date on which any waiver

1 under section 301(a) first takes effect, the President
2 shall prepare and transmit to Congress a report con-
3 taining an evaluation of administrative practices under
4 any provision of law which requires determinations to
5 be made of the country of origin of goods, products,
6 commodities, or other articles of commerce. Such eval-
7 uation shall be accompanied by the President's recom-
8 mendations for legislative and executive measures
9 required to improve and simplify and to make more
10 uniform and consistent such practices. Such evaluation
11 and recommendations shall take into account the spe-
12 cial problems affecting insular possessions of the
13 United States with respect to such practices.

14 (2) FOREIGN ADMINISTRATIVE PRACTICES.—The
15 report required under paragraph (1) shall contain an
16 evaluation of the administrative practices under the
17 laws of each major industrial country which require de-
18 terminations to be made of the country of origin of
19 goods, products, commodities, or other articles of com-
20 merce, including an assessment of such practices on
21 the exports of the United States.

22 **SEC. 306. LABOR SURPLUS AREA STUDIES.**

23 (a) EFFECT ON THE ECONOMY.—Prior to the renegoti-
24 ations provided for in part IX, paragraph 6, of the Agree-
25 ment, the President shall prepare and transmit to the Con-

1 gress a report which assesses the economic impact, including
2 the impact on employment in various regions of the United
3 States, of the waiver of the provisions of title III of the Act
4 of March 3, 1933 (41 U.S.C. 10a et seq.), commonly referred
5 to as the Buy American Act, in the procurement of products
6 produced in labor surplus areas and of the waiver of procure-
7 ment set-asides for labor surplus areas.

8 (b) EFFECT ON TARGETS.—On or before July 1, 1981,
9 the President shall prepare and transmit to the Congress a
10 report which assesses the effect of the waiver of the provi-
11 sions of such title III in the procurement of products pro-
12 duced in labor surplus areas and the waiver of procurement
13 set-asides for labor surplus areas on the fulfillment of the
14 objectives of Executive Order 12073, issued August 16,
15 1978, relating to the encouragement of procurement in labor
16 surplus areas, including an assessment of such waiver on the
17 procurement targets set by the Administrator of the General
18 Services Administration pursuant to such Executive order.
19 On or before January 1, 1980, the President shall begin con-
20 sultation with and provide interim reports to the congression-
21 al committees referred to in section 302(c)(1) concerning the
22 report required by the preceding sentence.

1 **SEC. 307. AVAILABILITY OF INFORMATION TO CONGRES-**
2 **SIONAL ADVISERS.**

3 The Special Representative for Trade Negotiations shall
4 make available to the Members of Congress designated as
5 official advisers pursuant to section 161 of the Trade Act of
6 1974 information compiled by the Committee on Government
7 Procurement under part VI, paragraph 9, of the Agreement.

8 **SEC. 308. DEFINITIONS.**

9 As used in this title—

10 (1) AGREEMENT.—The term "Agreement" means
11 the Agreement on Government Procurement referred
12 to in section 2(c) of this Act, as submitted to the Con-
13 gress, but including rectifications, modifications, and
14 amendments which are accepted by the United States.

15 (2) CIVIL AIRCRAFT.—The term "civil aircraft
16 and related articles" means—

17 (A) all aircraft other than aircraft to be pur-
18 chased for use by the Department of Defense or
19 the United States Coast Guard;

20 (B) the engines (and parts and components
21 for incorporation therein) of such aircraft;

22 (C) any other parts, components, and subas-
23 semblies for incorporation in such aircraft; and

24 (D) any ground flight simulators, and parts
25 and components thereof, for use with respect to
26 such aircraft,

1 whether to be purchased for use as original or replace-
2 ment equipment in the manufacture, repair, mainte-
3 nance, rebuilding, modification, or conversion of such
4 aircraft, and without regard to whether such aircraft or
5 articles receive duty-free treatment pursuant to section
6 601(a)(2).

7 (3) DEVELOPED COUNTRIES.—The term "devel-
8 oped countries" means countries so designated by the
9 President.

10 (4) ELIGIBLE PRODUCTS.—

11 (A) IN GENERAL.—The term "eligible prod-
12 uct" means, with respect to any foreign country
13 or instrumentality, a product or service of that
14 country or instrumentality which is covered under
15 the Agreement for procurement by the United
16 States.

17 (B) RULE OF ORIGIN.—An article is a prod-
18 uct of a country or instrumentality only if (i) it is
19 wholly the growth, product, or manufacture of
20 that country or instrumentality, or (ii) in the case
21 of an article which consists in whole or in part of
22 materials from another country or instrumentality,
23 it has been substantially transformed into a new
24 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.

SEC. 309. EFFECTIVE DATES.

The provisions of this title shall be effective on the date of enactment of this Act, except that—

(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.

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 and which fully meet the objectives of such activity.

SEC. 402. FEDERAL STANDARDS-RELATED ACTIVITIES.

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-re-

1 lated activities with respect to any imported product,
2 that such product is treated no less favorably than are
3 like domestic or imported products, including, but not
4 limited to, when applying tests or test methods, no less
5 favorable treatment with respect to—
6 (A) the acceptance of the product for testing
7 in comparable situations;
8 (B) the administration of the tests in compa-
9 rable situations;
10 (C) the fees charged for tests;
11 (D) the release of test results to the export-
12 er, importer, or agents;
13 (E) the siting of testing facilities and the se-
14 lection of samples for testing; and
15 (F) the treatment of confidential information
16 pertaining to the product.
17 (2) USE OF INTERNATIONAL STANDARDS.—
18 (A) IN GENERAL.—Except as provided in
19 subparagraph (B)(ii), each Federal agency, in de-
20 veloping standards, shall take into consideration
21 international standards and shall, if appropriate,
22 base the standards on international standards.
23 (B) APPLICATION OF REQUIREMENT.—For
24 purposes of this paragraph, the following apply:

1 (i) INTERNATIONAL STANDARDS NOT
2 APPROPRIATE.—The reasons for which the
3 basing of a standard on an international
4 standard may not be appropriate include, but
5 are not limited to, the following:
6 (I) National security requirements.
7 (II) The prevention of deceptive
8 practices.
9 (III) The protection of human
10 health or safety, animal or plant life or
11 health, or the environment.
12 (IV) Fundamental climatic or other
13 geographical factors.
14 (V) Fundamental technological
15 problems.
16 (ii) REGIONAL STANDARDS.—In devel-
17 oping standards, a Federal agency may, but
18 is not required to, take into consideration
19 any international standard promulgated by
20 an international standards organization the
21 membership of which is described in section
22 451(6)(A)(ii).
23 (3) PERFORMANCE CRITERIA.—Each Federal
24 agency shall, if appropriate, develop standards based
25 on performance criteria, such as those relating to the

1 intended use of a product and the level of performance
2 that the product must achieve under defined conditions,
3 rather than on design criteria, such as those relating to
4 the physical form of the product or the types of materi-
5 al of which the product is made.

6 (4) CERTIFICATION ACCESS FOR FOREIGN SUP-
7 PLIERS.—Each Federal agency shall, with respect to
8 any certification system used by it, permit access for
9 obtaining certification under that system to foreign
10 suppliers of a product on the same basis as access is
11 permitted to suppliers of like products, whether of do-
12 mestic or other foreign origin.

13 **SEC. 403. STATE AND PRIVATE STANDARDS-RELATED**
14 **ACTIVITIES.**

15 (a) IN GENERAL.—It is the sense of the Congress that
16 no State agency and no private person should engage in any
17 standards-related activity that creates unnecessary obstacles
18 to the foreign commerce of the United States.

19 (b) PRESIDENTIAL ACTION.—The President shall take
20 such reasonable measures as may be available to promote the
21 observance by State agencies and private persons, in carry-
22 ing out standards-related activities, of requirements equiva-
23 lent to those imposed on Federal agencies under section 402,
24 and of procedures that provide for notification, participation,
25 and publication with respect to such activities.

1 **Subtitle B—Functions of Federal Agencies**

2 **SEC. 411. FUNCTIONS OF SPECIAL REPRESENTATIVE.**

3 (a) IN GENERAL.—The Special Representative shall co-
4 ordinate the consideration of international trade policy issues
5 that arise as a result of, and shall develop international trade
6 policy as it relates to, the implementation of this title.

7 (b) NEGOTIATING FUNCTIONS.—The Special Repre-
8 sentative has responsibility for coordinating United States
9 discussions and negotiations with foreign countries for the
10 purpose of establishing mutual arrangements with respect to
11 standards-related activities. In carrying out this responsibili-
12 ty, the Special Representative shall inform and consult with
13 any Federal agency having expertise in the matters under
14 discussion and negotiation.

15 (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).

16 **SEC. 412. ESTABLISHMENT AND OPERATION OF TECHNICAL**
17 **OFFICES.**

18 (a) ESTABLISHMENT.—

19 (1) FOR NONAGRICULTURAL PRODUCTS.—The
20 Secretary of Commerce shall establish and maintain
21 within the Department of Commerce a technical office
22 that shall carry out the functions prescribed under sub-
23 section (b) with respect to nonagricultural products.

1 (2) FOR AGRICULTURAL PRODUCTS.—The Secre-
2 tary of Agriculture shall establish and maintain within
3 the Department of Agriculture a technical office that
4 shall carry out the functions prescribed under subsec-
5 tion (b) with respect to agricultural products.

6 (b) FUNCTIONS OF OFFICES.—The President shall pre-
7 scribe for each technical office established under subsection
8 (a) such functions as the President deems necessary or appro-
9 priate to implement this title.

10 **SEC. 413. REPRESENTATION OF UNITED STATES INTERESTS**
11 **BEFORE INTERNATIONAL STANDARDS ORGANI-**
12 **ZATIONS.**

13 (a) OVERSIGHT AND CONSULTATION.—The Secretary
14 concerned shall—

15 (1) inform, and consult and coordinate with, the
16 Special Representative with respect to international
17 standards-related activities identified under paragraph
18 (2);

19 (2) keep adequately informed regarding interna-
20 tional standards-related activities and identify those
21 that may substantially affect the commerce of the
22 United States; and

23 (3) carry out such functions as are required under
24 subsections (b) and (c).

1 (b) REPRESENTATION OF UNITED STATES INTERESTS
2 BY PRIVATE PERSONS.—
3 (1) DEFINITIONS.—For purposes of this subsec-
4 tion—
5 (A) ORGANIZATION MEMBER.—The term
6 "organization member" means the private person
7 who holds membership in a private international
8 standards organization.
9 (B) PRIVATE INTERNATIONAL STANDARDS
10 ORGANIZATION.—The term "private international
11 standards organization" means any international
12 standards organization before which the interests
13 of the United States are represented by a private
14 person who is officially recognized by that organi-
15 zation for such purpose.
16 (2) IN GENERAL.—Except as otherwise provided
17 for in this subsection, the representation of United
18 States interests before any private international stand-
19 ards organization shall be carried out by the organiza-
20 tion member.
21 (3) INADEQUATE REPRESENTATION.—If the Sec-
22 retary concerned, after inquiry instituted on his own
23 motion or at the request of any private person, Federal
24 agency, or State agency having an interest therein, has
25 reason to believe that the participation by the organi-

1 zation member in the proceedings of a private interna-
2 tional standards organization will not result in the ade-
3 quate representation of United States interests that
4 are, or may be, affected by the activities of such orga-
5 nization (particularly with regard to the potential
6 impact of any such activity on the international trade
7 of the United States), the Secretary concerned shall
8 immediately notify the organization member concerned.
9 During any such inquiry, the Secretary concerned may
10 solicit and consider the advice of the appropriate repre-
11 sentatives referred to in section 417.

12 (4) ACTION BY ORGANIZATION MEMBER.—If
13 within the 90-day period after the date on which notifi-
14 cation is received under paragraph (3) (or such shorter
15 period as the Secretary concerned determines to be
16 necessary in extraordinary circumstances), the orga-
17 nization member demonstrates to the Secretary
18 concerned its willingness and ability to represent
19 adequately United States interests before the private
20 international standards organization, the Secretary
21 concerned shall take no further action under this
22 subsection.

23 (5) ACTION BY SECRETARY CONCERNED.—If—

24 (A) within the appropriate period referred to
25 in paragraph (4), the organization member does

1 not respond to the Secretary concerned with re-
2 spect to the notification, or does respond but does
3 not demonstrate to the Secretary concerned the
4 requisite willingness and ability to represent ade-
5 quately United States interests; or
6 (B) there is no organization member of the
7 private international standards organization;
8 the Secretary concerned shall make appropriate ar-
9 rangements to provide for the adequate representation
10 of United States interests. In cases where subpara-
11 graph (A) applies, such provision shall be made by the
12 Secretary concerned through the appropriate organiza-
13 tion member if the private international standards or-
14 ganization involved requires representation by that
15 member.
16 (c) REPRESENTATION OF UNITED STATES INTERESTS
17 BY FEDERAL AGENCIES.—With respect to any international
18 standards organization before which the interests of the
19 United States are represented by one or more Federal agen-
20 cies that are officially recognized by that organization for
21 such purpose, the Secretary concerned shall—
22 (1) encourage cooperation among interested Fed-
23 eral agencies with a view toward facilitating the
24 development of a uniform position with respect to the

1 technical activities with which the organization is
2 concerned;
3 (2) encourage such Federal agencies to seek infor-
4 mation from, and to cooperate with, the affected do-
5 mestic interests when undertaking such representation;
6 and
7 (3) not preempt the responsibilities of any Federal
8 agency that has jurisdiction with respect to the activi-
9 ties undertaken by such organization, unless requested
10 to do so by such agency.

11 **SEC. 414. STANDARDS INFORMATION CENTER.**

12 (a) ESTABLISHMENT.—The Secretary of Commerce
13 shall maintain within the Department of Commerce a stand-
14 ards information center.
15 (b) FUNCTIONS.—The standards information center
16 shall—
17 (1) serve as the central national collection facility
18 for information relating to standards, certification sys-
19 tems, and standards-related activities, whether such
20 standards, systems, or activities are public or private,
21 domestic or foreign, or international, regional, national,
22 or local;
23 (2) make available to the public at such reason-
24 able fee as the Secretary shall prescribe, copies of in-

1 formation required to be collected under paragraph (1)
2 other than information to which paragraph (3) applies;
3 (3) use its best efforts to make available to the
4 public, at such reasonable fees as the Secretary shall
5 prescribe, copies of information required to be collected
6 under paragraph (1) that is of private origin, on a co-
7 operative basis with the private individual or entity,
8 foreign or domestic, who holds the copyright on the
9 information;
10 (4) in case of such information that is of foreign
11 origin, provide, at such reasonable fee as the Secretary
12 shall prescribe, such translation services as may be
13 necessary;
14 (5) serve as the inquiry point for requests for in-
15 formation regarding standards-related activities, wheth-
16 er adopted or proposed, within the United States,
17 except that in carrying out this paragraph, the Secre-
18 tary of Commerce shall refer all inquiries regarding ag-
19 ricultural products to the technical office established
20 under section 412(a)(2) within the Department of Agri-
21 culture; and
22 (6) provide such other services as may be appro-
23 priate, including but not limited to, such services to the
24 technical offices established under section 412 as may

1 be requested by those offices in carrying out their
2 functions.

3 **SEC. 415. CONTRACTS AND GRANTS.**

4 (a) IN GENERAL.—For purposes of carrying out this
5 title, and otherwise encouraging compliance with the Agree-
6 ment, the Special Representative and the Secretary con-
7 cerned may each, with respect to functions for which respon-
8 sible under this title, make grants to, or enter into contracts
9 with, any other Federal agency, any State agency, or any
10 private person, to assist such agency or person to implement
11 appropriate programs and activities, including, but not limit-
12 ed to, programs and activities—

13 (1) to increase awareness of proposed and adopted
14 standards-related activities;

15 (2) to facilitate international trade through the ap-
16 propriate international and domestic standards-related
17 activities;

18 (3) to provide, if appropriate, and pursuant to sec-
19 tion 413, adequate United States representation in in-
20 ternational standards-related activities; and

21 (4) to encourage United States exports through
22 increased awareness of foreign standards-related activi-
23 ties that may affect United States exports.

1 No contract entered into under this section shall be effective
2 except to such extent, and in such amount, as is provided in
3 advance in appropriation Acts.

4 (b) TERMS AND CONDITIONS.—Any contract entered
5 into, or any grant made, under subsection (a) shall be subject
6 to such terms and conditions as the Special Representative or
7 Secretary concerned shall by regulation prescribe as being
8 necessary or appropriate to protect the interests of the
9 United States.

10 (c) LIMITATIONS.—Financial assistance extended under
11 this section shall not exceed 75 percent of the total costs (as
12 established by the Special Representative or Secretary con-
13 cerned, as the case may be) of the program or activity for
14 which assistance is made available. The non-Federal share of
15 such costs shall be made in cash or kind, consistent with the
16 maintenance of the program or activity concerned.

17 (d) AUDIT.—Each recipient of a grant or contract under
18 this section shall make available to the Special Representa-
19 tive or the Secretary concerned, as the case may be, and to
20 the Comptroller General of the United States, for purposes of
21 audit and examination, any book, document, paper, and
22 record that is pertinent to the funds received under such
23 grant or contract.

1 SEC. 416. TECHNICAL ASSISTANCE.

2 The Special Representative and the Secretary con-
3 cerned may each, with respect to functions for which respon-
4 sible under this title, make available, on a reimbursable basis
5 or otherwise, to any other Federal agency, State agency, or
6 private person such assistance, including, but not limited to,
7 employees, services, and facilities, as may be appropriate to
8 assist such agency or person in carrying out standards-relat-
9 ed activities in a manner consistent with this title.

10 SEC. 417. CONSULTATIONS WITH REPRESENTATIVES OF DO-
11 MESTIC INTERESTS.

12 In carrying out the functions for which responsible
13 under this title, the Special Representative and the Secretary
14 concerned shall solicit technical and policy advice from the
15 committees, established under section 135 of the Trade Act
16 of 1974 (19 U.S.C. 2155), that represent the interests con-
17 cerned, and may solicit advice from appropriate State agen-
18 cies and private persons.

19 Subtitle C—Administrative and Judicial Proceed-
20 ings Regarding Standards-Related Activities

21 CHAPTER 1—REPRESENTATIONS ALLEGING
22 UNITED STATES VIOLATIONS OF OBLIGATIONS

23 SEC. 421. RIGHT OF ACTION UNDER THIS CHAPTER.

24 Except as provided under this chapter, the provisions of
25 this subtitle do not create any right of action under the laws
26 of the United States with respect to allegations that any

1 standards-related activity engaged in within the United
2 States violates the obligations of the United States under the
3 Agreement.

4 **SEC. 422. REPRESENTATIONS.**

5 Any—

6 (1) Party to the Agreement; or

7 (2) foreign country that is not a Party to the
8 Agreement but is found by the Special Representative
9 to extend rights and privileges to the United States
10 that are substantially the same as those that would be
11 so extended if that foreign country were a Party to the
12 Agreement;

13 may make a representation to the Special Representative al-
14 leging that a standards-related activity engaged in within the
15 United States violates the obligations of the United States
16 under the Agreement. Any such representation must be made
17 in accordance with procedures that the Special Representa-
18 tive shall by regulation prescribe and must provide a reason-
19 able indication that the standards-related activity concerned
20 is having a significant trade effect. No person other than a
21 Party to the Agreement or a foreign country described in
22 paragraph (2) may make such a representation.

1 **SEC. 423. ACTION AFTER RECEIPT OF REPRESENTATIONS.**

2 (a) REVIEW.—Upon receipt of any representation made
3 under section 422, the Special Representative shall review
4 the issues concerned in consultation with—

5 (1) the agency or person alleged to be engaging in
6 violations under the Agreement;

7 (2) the member agencies of the interagency trade
8 organization established under section 242(a) of the
9 Trade Expansion Act of 1962 (19 U.S.C. 1872(a));

10 (3) other appropriate Federal agencies; and

11 (4) appropriate representatives referred to in sec-
12 tion 417.

13 (b) RESOLUTION.—The Special Representative shall
14 undertake to resolve, on a mutually satisfactory basis, the
15 issues set forth in the representation through consultation
16 with the parties concerned.

17 **SEC. 424. PROCEDURE AFTER FINDING BY INTERNATIONAL**
18 **FORUM.**

19 (a) IN GENERAL.—If an appropriate international
20 forum finds that a standards-related activity being engaged in
21 within the United States conflicts with the obligations of the
22 United States under the Agreement, the interagency trade
23 organization established under section 242(a) of the Trade
24 Expansion Act of 1962 (19 U.S.C. 1872(a)) shall review the
25 finding and the matters related thereto with a view to recom-
26 mending appropriate action.

1 (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).

2 CHAPTER 2—OTHER PROCEEDINGS REGARDING 3 CERTAIN STANDARDS-RELATED ACTIVITIES

4 SEC. 441. FINDINGS OF RECIPROCITY REQUIRED IN ADMINIS- 5 TRATIVE PROCEEDINGS.

6 (a) IN GENERAL.—Except as provided under chapter 1, 7 no Federal agency may consider a complaint or petition 8 against any standards-related activity regarding an imported 9 product, if that activity is engaged in within the United 10 States and is covered by the Agreement, unless the Special 11 Representative finds, and informs the agency concerned in 12 writing, that—

13 (1) the country of origin of the imported product 14 is a Party to the Agreement or a foreign country de- 15 scribed in section 422(2); and

16 (2) the dispute settlement procedures provided 17 under the Agreement are not appropriate.

18 (b) EXEMPTIONS.—This section does not apply with re- 19 spect to causes of action arising under—

20 (1) the antitrust laws as defined in subsection (a) 21 of the first section of the Clayton Act (15 U.S.C. 22 12(a)); or

1 (2) statutes administered by the Secretary of Ag-
2 riculture.
3 This section does not apply with respect to petitions and pro-
4 ceedings that are provided for under the practices of any
5 Federal agency for the purpose of ensuring, in accordance
6 with section 553 of title 5, United States Code, that interest-
7 ed persons are given an opportunity to participate in agency
8 rulemaking or to seek the issuance, amendment, or repeal of
9 a rule.

10 **SEC. 442. NOT CAUSE FOR STAY IN CERTAIN CIRCUMSTANCES.**

11 No standards-related activity being engaged in within
12 the United States may be stayed in any judicial or adminis-
13 trative proceeding on the basis that such activity is currently
14 being considered, pursuant to the Agreement, by an interna-
15 tional forum.

16 Subtitle D—Definitions and Miscellaneous
17 Provisions

18 **SEC. 451. DEFINITIONS.**

19 As used in this title—
20 (1) AGREEMENT.—The term "Agreement" means
21 the Agreement on Technical Barriers to Trade ap-
22 proved under section 2(a) of this Act.
23 (2) CERTIFICATION SYSTEM.—The term "certifi-
24 cation system" means a system—

1 (A) for determining whether a product con-
2 forms with product standards applicable to that
3 product; and
4 (B) if a product so conforms, for attesting, by
5 means of a document, mark, or other appropriate
6 evidence of conformity, to that conformity.
7 Such term also includes any modification of, or change
8 to, any such system.
9 (3) FEDERAL AGENCY.—The term "Federal
10 agency" means any of the following within the mean-
11 ing of chapter 2 of part I of title 5, United States
12 Code:
13 (A) Any executive department.
14 (B) Any military department.
15 (C) Any Government corporation.
16 (D) Any Government-controlled corporation.
17 (E) Any independent establishment.
18 (4) INTERNATIONAL CERTIFICATION SYSTEM.—
19 The term "international certification system" means a
20 certification system that is adopted by an international
21 standards organization.
22 (5) INTERNATIONAL STANDARD.—The term "in-
23 ternational standard" means any standard that is pro-
24 mulgated by an international standards organization.

1 (6) INTERNATIONAL STANDARDS ORGANIZA-
2 TION.—The term "international standards organiza-
3 tion" means any organization—
4 (A) the membership of which is open to rep-
5 resentatives, whether public or private, of the
6 United States and—
7 (i) all Parties to the Agreement, or
8 (ii) some but not all Parties of the
9 Agreement; and
10 (B) that is engaged in international stand-
11 ards-related activities.
12 (7) INTERNATIONAL STANDARDS-RELATED AC-
13 TIVITY.—The term "international standards-related ac-
14 tivity" means the negotiation, development, or promul-
15 gation of, or any amendment or change to, an interna-
16 tional standard, or an international certification system,
17 or both.
18 (8) PARTY TO THE AGREEMENT.—The term
19 "Party to the Agreement" means any foreign country
20 or instrumentality determined by the President to have
21 assumed, and to be applying, the obligations of the
22 Agreement with respect to the United States.
23 (9) PRIVATE PERSON.—The term "private
24 person" means—

1 (A) any individual who is a citizen or nation-
2 al of the United States; and
3 (B) any corporation, partnership, association,
4 or other legal entity organized or existing under
5 the law of any State, whether for profit or not for
6 profit.
7 (10) PRODUCT.—The term "product" means any
8 natural or manufactured item.
9 (11) SECRETARY CONCERNED.—The term "Sec-
10 retary concerned" means the Secretary of Commerce
11 with respect to functions under this title relating to
12 nonagricultural products, and the Secretary of Agricul-
13 ture with respect to functions under this title relating
14 to agricultural products.
15 (12) SPECIAL REPRESENTATIVE.—The term
16 "Special Representative" means the Special Repre-
17 sentative for Trade Negotiations.
18 (13) STANDARD.—The term "standard" means
19 any of the following, and any amendment or change to
20 any of the following:
21 (A) The specification of the characteristics of
22 a product, including, but not limited to, levels of
23 quality, performance, safety, or dimensions.
24 (B) Specifications relating to the terminol-
25 ogy, symbols, testing and test methods, packag-

1 ing, or marking or labeling requirements applica-
2 ble to a product.
3 (C) Administrative procedures related to the
4 application of any specification referred to in para-
5 graph (A) or (B).
6 (14) STANDARDS-RELATED ACTIVITY.—The term
7 "standards-related activity" means the development,
8 adoption, or application of any standard or any certifi-
9 cation system.
10 (15) STATE.—The term "State" means any of
11 the several States, the District of Columbia, the Com-
12 monwealth of Puerto Rico, the Virgin Islands, Ameri-
13 can Samoa, Guam and any other Commonwealth, ter-
14 ritory, or possession of the United States.
15 (16) STATE AGENCY.—The term "State agency"
16 means any department, agency, or other instrumentali-
17 ty of the government of any State or of any political
18 subdivision of any State.
19 (17) UNITED STATES.—The term "United
20 States", when used in a geographical context, means
21 all States.
22 **SEC. 452. EXEMPTIONS UNDER TITLE.**
23 This title does not appy to—
24 (1) any standards activity engaged in by any Fed-
25 eral agency or State agency for the use (including, but

1 not limited to, use with respect to research and devel-
2 opment, production, or consumption) of that agency or
3 the use of another such agency; or
4 (2) any standards activity engaged in by any pri-
5 vate person solely for use in the production or con-
6 sumption of products by that person.

7 **SEC. 453. REPORTS TO CONGRESS ON OPERATION OF**
8 **AGREEMENT.**

9 As soon as practicable after the close of the 3-year
10 period beginning on the date on which this title takes effect,
11 and as soon as practicable after the close of each succeeding
12 3-year period, the Special Representative shall prepare and
13 submit to Congress a report containing an evaluation of the
14 operation of the Agreement, both domestically and interna-
15 tionally, during the period.

16 **SEC. 454. EFFECTIVE DATE.**

17 This title shall take effect on January 1, 1980, if the
18 Agreement enters into force with respect to the United
19 States by that date.

20 TITLE V—IMPLEMENTATION OF CERTAIN
21 TARIFF NEGOTIATIONS

22 **SEC. 501. AMENDMENT OF TARIFF SCHEDULES.**

23 Whenever in this title an amendment or repeal is ex-
24 pressed in terms of an amendment to, or repeal of, a schedule
25 or other provision, the reference shall be considered to be

1 made to a schedule or other provision of the Tariff Schedules
2 of the United States (19 U.S.C. 1202).

3 **SEC. 502. EFFECTIVE DATES OF CERTAIN TARIFF REDUC-**
4 **TIONS.**

5 (a) GENERAL.—If the President determines that appro-
6 priate concessions have been received from foreign countries
7 under trade agreements entered into before January 3, 1980,
8 under title I of the Trade Act of 1974, then the amendments
9 to the Tariff Schedules of the United States under sections
10 505, 506, 508, 509, 510, 511, 512, and 513 shall be effec-
11 tive with respect to articles entered, or withdrawn from
12 warehouse, for consumption on or after the date proclaimed
13 by the President.

14 (b) TERMINATION OR WITHDRAWAL.—For purposes of
15 section 125 (19 U.S.C. 2135) of the Trade Act of 1974 the
16 amendments made under sections 508, 511, 512, and 513
17 not including the rates of duty appearing in rate column num-
18 bered 2, if any, shall be considered to be trade agreement
19 obligations entered into under the Trade Act of 1974, of
20 benefit to foreign countries or instrumentalities.

21 (c) TARIFF REDUCTIONS.—For purposes of sections
22 101 and 601(7) of the Trade Act of 1974 (19 U.S.C. 2111,
23 2481), the rates of duty in the rate column numbered 1 or 2
24 as the result of the amendments, if any, made under sections

1 505, 506, 509, 510, 511, and 514 shall be considered to be
2 the rates of duty existing or in effect on January 1, 1975.

3 **SEC. 503. STAGING OF CERTAIN TARIFF REDUCTIONS.**

4 (a) IN GENERAL.—The aggregate reduction in the rate
5 of duty applicable to items described in this subsection in
6 effect on any day pursuant to a trade agreement entered into
7 under section 101 of the Trade Act of 1974 before January
8 3, 1980, may exceed the limitation in section 109(a) of such
9 Act (19 U.S.C. 2119):

10 (1) Items amended under section 223(d) of this
11 Act to the extent that they apply to articles which the
12 President determines were not imported into the
13 United States before January 1, 1978, and were not
14 produced in the United States before May 1, 1978.

15 (2)(A) Items to the extent that they apply to arti-
16 cles which the President determines are not import
17 sensitive and are the product of a least developed de-
18 veloping country as defined in the United Nations Gen-
19 eral Assembly list of "Least Developed Countries" and
20 which are beneficiary developing countries under sec-
21 tion 502 of the Trade Act of 1974.

22 (B) The President may at any time suspend the
23 treatment accorded under subparagraph (A) in which
24 case the aggregate reduction in effect for such products

1 shall be the reduction in effect for countries other than
2 least developed developing countries.
3 (3) Item 628.57. Notwithstanding the first sen-
4 tence of this subsection, the limitation in section 109(a)
5 of the Trade Act of 1974 may be exceeded only to the
6 extent necessary to permit an aggregate reduction of
7 4.8 percent ad valorem in the rate of duty in effect
8 under such item during the first 1-year period after the
9 effective date of the first reduction in the rate of duty
10 proclaimed for such item.
11 (4) Items 132.50, 170.10, 170.15, 170.20,
12 177.62, 186.15, and 429.47.
13 (5) Items 306.31, 306.32, 306.33, and 306.34.
14 Notwithstanding subsection (a), the limitation in section
15 109(a) of the Trade Act of 1974 may be exceeded only
16 to the extent necessary to permit the total reduction
17 proclaimed under section 101 of the Trade Act of 1974
18 relating to such item to take effect within 2 years after
19 the effective date of the first reduction in the rate of
20 duty proclaimed for such item.
21 (6) Items for which the President determines the
22 effective date of the first reduction will be between
23 June 30, 1980, and January 1, 1981, to the extent
24 necessary to permit the second reduction to take effect
25 on January 1, 1981.

1 (b) OPPORTUNITY FOR COMMENT.—Before making any
2 determination under subsection (a) (1) and (2), the President
3 shall provide interested parties an opportunity to comment
4 and shall publish his final determinations in the Federal Reg-
5 ister before July 1, 1980.

6 **SEC. 504. SNAPBACK OF TEXTILE TARIFF REDUCTIONS.**

7 The headnotes to Schedule 3 are amended by adding at
8 the end thereof the following new headnote:

9 "8. In the case of each item in this schedule and sched-
10 ule 7 on which the United States has agreed to reduce the
11 rate of duty, pursuant to a trade agreement entered into
12 under section 101 of the Trade Act of 1974 before January
13 3, 1980, on any cotton, wool, or manmade fiber textile prod-
14 uct as defined in the Arrangement Regarding International
15 Trade in Textiles, as extended on December 14, 1977 (the
16 Arrangement), if the Arrangement, or a substitute arrange-
17 ment, including unilateral import restrictions or bilateral
18 agreements, determined by the President to be suitable,
19 ceases to be in effect with respect to the United States before
20 the total reduction in the rate of duty for such item under
21 sections 101 and 109 of the Trade Act of 1974 has become
22 effective, then the President shall proclaim the rate of duty in
23 rate column numbered 1 for such item existing on January 1,
24 1975, to be the rate of duty effective, with respect to articles
25 entered, or withdrawn from warehouse, for consumption,

1 within 30 days after such cessation and until the President
2 proclaims the continuation of such reduction under the next
3 sentence. If subsequently the Arrangement, or a substitute
4 arrangement, including unilateral import restrictions or bi-
5 lateral agreements, determined by the President to be suit-
6 able, is in effect with respect to the United States, then the
7 President shall proclaim the continuation of the reduction of
8 such rate of duty pursuant to such trade agreement. For pur-
9 poses of section 109(c)(2) of the Trade Act of 1974, any time
10 when a rate of duty existing on January 1, 1975, is in effect
11 under this headnote shall be time when part of such reduction
12 is not in effect by reason of legislation of the United States or
13 action thereunder.".

14 **SEC. 505. GOAT AND SHEEP (EXCEPT LAMB) MEAT.**

15 Schedule 1, part 2, subpart B is amended by striking
16 out item 106.20 and inserting in lieu thereof the following
17 new items:

"	106.22	Sheep (except lambs)	2.5¢ per lb.	5¢ per lb.	
	106.25	Goats	2.5¢ per lb.	5¢ per lb.	".

18 **SEC. 506. CERTAIN FRESH, CHILLED, OR FROZEN BEEF.**

19 Schedule 1, part 2, subpart B is amended by striking
20 out item 107.60 and inserting in lieu thereof the following
21 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 con-			

	sumer (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.

SEC. 508. CARROTS.

Schedule 1, part 8, subpart A is amended as follows:

(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.

1 **SEC. 509. DINNERWARE.**

2 Schedule 5, part 2, subpart C is amended—

3 (1) by striking out "(items 533.23, 533.25,
4 533.26, 533.28, 533.63, 533.65, 533.66, 533.68 and
5 533.69)" in headnote 2(a) and inserting in lieu thereof
6 the following: "(items 533.22, 533.24, 533.62, and
7 533.64)";

8 (2) by striking out "or (c)" in headnote 2(a);

9 (3) by striking out "533.23, 533.25, 533.26,
10 533.28, 533.63, 533.65, 533.66, or 533.68" in head-
11 note 2(b) and inserting in lieu thereof the following:
12 "533.22, 533.24, 533.62 or 533.64";

13 (4) by striking out "appraiser" in headnote 2(b)
14 and inserting in lieu thereof "appropriate customs offi-
15 cer";

16 (5) by inserting a comma and "sold or offered for
17 sale," after "12 teacups and their saucers" in headnote
18 2(b);

19 (6) by striking out headnote 2(c) and redesignat-
20 ing headnote 2(d) as 2(c); and

21 (7) by striking out items 533.11 through 533.77,
22 including the superior heading to such items, and in-
23 serting 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.	".

1 **SEC. 510. TARIFF TREATMENT OF WATCHES.**

2 Schedule 7, part 2, subpart E is amended—

3 (1) by striking out subsection (a) in headnote 3
4 and redesignating subsections (b), (c), (d), (e), and (f) as
5 (a), (b), (c), (d), and (e), respectively,

6 (2) by striking out "items 717.––, 718.––, and
7 719.––." in headnote 3(b) (as redesignated by para-
8 graph (1)) and inserting in lieu thereof "item 719.––.",

9 (3) by striking out the last two sentences in head-
10 note 3(b) (as redesignated by paragraph (1)) and insert-
11 ing in lieu thereof the following: "For citation pur-
12 poses, the two blanks on the end of such item number
13 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 716.30 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 head-note 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 adjust-ment	";

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.

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.

Schedule 8, part 7 is amended—

1 (1) by adding the following new headnote:

2 "2. The provisions of items 870.40 and 870.45 do not
3 apply to—

4 "(i) articles of textile materials; articles provided
5 for in schedule 5; articles of leather or of fur on the
6 skin;

7 "(ii) articles provided for in schedule 6, part 2,
8 part 3 (subparts A through F except items 652.12
9 through 652.38, inclusive, 652.84, 652.88, 653.00,
10 and 653.01), part 5 (except item 688.40), or part 6,
11 but interchangeable agricultural and horticultural im-
12 plements are classifiable in item 870.40 even if mount-
13 ed at the time of importation on a tractor provided for
14 in part 6B of schedule 6;

15 "(iii) ball or roller bearings, including such bear-
16 ings with integral shafts, and parts thereof, provided
17 for in items 680.33 through 680.35, inclusive; or

18 "(iv) articles provided for in item 666.00."; and

19 (2) by inserting, in numerical sequence, the fol-
20 lowing 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 of articles provided for in item 666.00, 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

".

1 **SEC. 513. WOOL.**

2 Subpart B, part 1 of the Appendix is amended by strik-
3 ing out "On or before 6/30/80" in the effective period
4 column applicable to items 905.10 and 905.11 and inserting
5 in lieu thereof "On or before 6/30/85".

6 **SEC. 514. CONVERSION TO AD VALOREM EQUIVALENTS OF**
7 **CERTAIN COLUMN 2 TARIFF RATES.**

8 (a) GENERAL.—The rates of duty appearing in rate
9 column numbered 2 under the items listed below are amend-
10 ed to the rates of duty appearing below next to each such
11 item, respectively:

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.
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.

Item:	Rate of duty:
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.

Item:	Rate of duty:
608.10	3% ad val.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
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.
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.

Item:	Rate of duty:
790.59	56% ad val.
790.60	55.5% ad val.
790.61	52% ad val.
790.62	51% ad val.

1 (b) EFFECTIVE DATE.—The amendments made by sub-
2 section (a) apply with respect to articles entered, or with-
3 drawn from warehouse, for consumption after December 31,
4 1979.

5 **TITLE VI—CIVIL AIRCRAFT AGREEMENT**

6 **SEC. 601. CIVIL AIRCRAFT AND PARTS.**

7 (a) GENERAL.—When the conditions under section 2(b)
8 of this Act on acceptance of the Agreement on Trade in Civil
9 Aircraft are fulfilled, the President may proclaim after Sep-
10 tember 30, 1979, the changes provided for under the follow-
11 ing amendments:

12 (1) The headnotes to schedule 6, part 6, subpart
13 C of the Tariff Schedules of the United States are
14 amended by inserting the following new headnote:

15 "3. Certified for Use in Civil Aircraft.

16 "(a) Whenever the term 'certified for use in civil air-
17 craft' is used in an item description in the schedules, the
18 importer shall file a written statement, accompanied by such
19 supporting documentation as the Secretary of the Treasury
20 may require, with the appropriate customs officer stating that
21 the imported article has been imported for use in civil air-
22 craft, that it will be so used, and that the article has been
23 approved for such use by the Administrator of the Federal

1 Aviation Administration (F.A.A.) or by the airworthiness au-
2 thority in the country of exportation, if such approval is rec-
3 ognized by the F.A.A. as an acceptable substitute for F.A.A.
4 certification, or that an application for approval for such use
5 has been submitted to, and accepted by, the Administrator of
6 the F.A.A.

7 "(b) For purposes of the schedules, the term 'civil air-
8 craft' means all aircraft other than aircraft purchased for use
9 by the Department of Defense or the United States Coast
10 Guard.".

11 (2) A duty rate of "Free" in rate column num-
12 bered 1 of the Tariff Schedules of the United States for
13 those articles classified in the following items which
14 the President determines would provide coverage com-
15 parable to that provided by foreign countries in the
16 Annex to the Agreement on Trade in Civil Aircraft if
17 such articles are certified for use in civil aircraft in ac-
18 cordance with headnote 3 to schedule 6, part 6, sub-
19 part C of the Tariff Schedules of the United States:

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	

1 (3) Section 466 of the Tariff Act of 1930 (19
2 U.S.C. 1466) is amended by adding at the end thereof
3 the following new subsection:
4 "(d) The duty imposed under subsection (a) shall not
5 apply to the cost of repair parts, materials, or expenses of
6 repairs in a foreign country upon a United States civil air-
7 craft, within the meaning of headnote 3 to Schedule 6, part
8 6, subpart C of the Tariff Schedules of the United States.".
9 (b) TERMINATION AND WITHDRAWAL.—For purposes
10 of section 125 of the Trade Act of 1974, the amendments
11 made under subsection (a), if any, shall be considered to be
12 trade agreement obligations entered into under the Trade Act
13 of 1974 of benefit to foreign countries or instrumentalities.

14 TITLE VII—CERTAIN AGRICULTURAL
15 MEASURES

16 SEC. 701. LIMITATION ON CHEESE IMPORTS.

17 (a) PROCLAMATION.—The President shall by proclama-
18 tion limit the amount of quota cheese which may enter the
19 customs territory of the United States in any calendar year

1 after 1979 to not more than 111,000 metric tons. Any such
2 proclamation shall be considered a proclamation which is
3 issued by the President under section 22 of the Agricultural
4 Adjustment Act (7 U.S.C. 624) and which meets the require-
5 ments of such section.

6 (b) RESTRICTION ON EMERGENCY ACTION.—No in-
7 crease in the amount proclaimed under subsection (a) to an
8 amount greater than 111,000 metric tons for any calendar
9 year may be proclaimed except in accordance with section 22
10 of the Agricultural Adjustment Act. The President may not
11 proclaim any such increase to an amount greater than
12 111,000 metric tons by use of the procedure established for
13 immediate action by the second paragraph of subsection (b) of
14 such section, at any time before January 1, 1983, unless the
15 Secretary determines that extraordinary circumstances war-
16 rant such action and reports such determination to the
17 President.

18 (c) DEFINITIONS.—For purposes of this title—

19 (1) QUOTA CHEESE.—The term "quota cheese"
20 means the articles provided for in the following items
21 of the Tariff Schedules of the United States:

22 (A) 117.00 (except Stilton produced in the
23 United Kingdom);

24 (B) 117.05 (except Stilton produced in the
25 United Kingdom);

1 (C) 117.15;

2 (D) 117.20;

3 (E) 117.25;

4 (F) 117.40 (except Goya in original loaves);

5 (G) 117.55;

6 (H) 117.60 (except Gammelost and Nokke-

7 lost);

8 (I) 117.75 (except goat's milk cheeses and

9 soft-ripened cow's milk cheeses);

10 (J) 117.81; and

11 (K) 117.85 (except goat's milk cheeses and

12 soft-ripened cow's milk cheeses).

13 (2) SECRETARY.—The term "Secretary" means

14 the Secretary of Agriculture.

15 **SEC. 702. ENFORCEMENT.**

16 (a) DETERMINATION AND LISTING OF SUBSIDIES.—

17 (1) INITIAL DETERMINATION AND ANNUAL LIST-

18 ING.—Not later than January 1, 1980, the administer-

19 ing authority shall—

20 (A) determine, in consultation with the Sec-

21 retary, whether any foreign government is provid-

22 ing a subsidy with respect to any article of quota

23 cheese, and

24 (B) publish a list of the type and the amount

25 of each such subsidy which is determined to exist.

1 Not later than January 1 of each year beginning with
2 1981, the administering authority shall republish such
3 list, incorporating the changes and additional subsidies
4 determined for the preceding calendar year under para-
5 graph (2).

6 (2) QUARTERLY DETERMINATION OF CHANGES
7 AND ADDITIONAL SUBSIDIES.—Not later than April 1,
8 July 1, and October 1 of each year beginning with
9 1980, and not later than January 1 of each year begin-
10 ning with 1981, the administering authority shall de-
11 termine, in consultation with the Secretary—

12 (A) whether any changes in the type or
13 amount of any subsidy included in the current
14 annual list under paragraph (1) (as modified by
15 quarterly lists under this paragraph) have oc-
16 curred, and

17 (B) whether any subsidy not included in such
18 list is being provided with respect to any article of
19 quota cheese by a foreign government, and the
20 type and amount of any such subsidy which is de-
21 termined to exist.

22 Not later than April 1, July 1, and October 1, the ad-
23 ministering authority shall publish such changes and
24 additional subsidies for the preceding calendar quarter.

1 (3) ADDITIONAL DETERMINATIONS.—Any
2 person, including the Secretary, may request the ad-
3 ministering authority to make a determination under
4 subparagraph (A) or (B) of paragraph (2). Not later
5 than 30 days after receiving such a request, the admin-
6 istering authority shall (A) make the determination, in
7 consultation with the Secretary, (B) notify the person
8 making the request of such determination, and (C) pub-
9 lish such modification, if any. Any such determination
10 shall be in addition to the quarterly determinations re-
11 quired under paragraph (2). Requests made under this
12 paragraph shall be supported by information reasonably
13 available to the person requesting the determination.
14 (b) COMPLAINTS OF PRICE-UNDERCUTTING BY SUBSI-
15 DIZED IMPORTS.—
16 (1) IN GENERAL.—Any person may make a writ-
17 ten complaint to the Secretary alleging that—
18 (A) the price at which any article of quota
19 cheese is offered for sale in the United States on
20 a duty-paid wholesale basis (hereinafter in this
21 section referred to as the "duty-paid wholesale
22 price") is less than the domestic wholesale market
23 price of similar articles produced in the United
24 States, and

1 (B) a foreign government is providing a sub-
2 sidy with respect to such article of quota cheese.
3 (2) DETERMINATIONS.—(A) The Secretary shall
4 investigate and determine, not later than 30 days after
5 receiving a complaint under paragraph (1), the validity
6 of the allegations made under paragraph (1)(A).
7 (B) Except as otherwise provided in this subpara-
8 graph, the existence and the type and amount of any
9 subsidy alleged under paragraph (1)(B) shall be deter-
10 mined by reference to the current list, as determined
11 and published under subsection (a). If the complaint al-
12 leges a subsidy which is not included in such current
13 list, or which is different in type or amount from a sub-
14 sidy which is included in such current list, the Secre-
15 tary shall immediately request the administering au-
16 thority to make a determination with respect to the
17 subsidy pursuant to subsection (a)(3). The administer-
18 ing authority shall make such determination in accord-
19 ance with such subsection and shall report such deter-
20 mination to the Secretary.
21 (c) REPORTS OF DETERMINATIONS.—
22 (1) PUBLICATION.—The Secretary shall publish
23 the determinations made under subsection (b) in the
24 Federal Register not later than 5 days after the date

1 on which the Secretary makes his determination under
2 subsection (b)(2)(A).
3 (2) NOTIFICATION OF FOREIGN GOVERNMENT.—
4 Whenever it is determined under subsection (b) that
5 the duty-paid wholesale price of any article of quota
6 cheese is less than the domestic wholesale market
7 price of a similar article produced in the United States
8 and that a foreign government is providing a subsidy
9 with respect to such article of quota cheese, the Secre-
10 tary shall immediately notify the Special Representa-
11 tive for Trade Negotiations. The Special Representa-
12 tive shall notify the foreign government or govern-
13 ments involved of such determination not later than 3
14 days after the date on which the Secretary makes his
15 determination under subsection (b)(2)(A).
16 (3) REPORT TO PRESIDENT.—If, within 15 days
17 after receiving notification under paragraph (2), the for-
18 eign government does not eliminate the subsidy or take
19 such action as may be necessary to ensure that the
20 duty-paid wholesale price of the article of quota cheese
21 will not be less than the domestic wholesale market
22 price of similar articles produced in the United States,
23 the Secretary shall immediately—
24 (A) report the determinations under subsec-
25 tion (b) to the President, and

1 (B) recommend the imposition of a fee or
2 quantitative limitation with respect to the impor-
3 tation of such article of quota cheese from the
4 country involved, in such amount as the Secretary
5 determines necessary.
6 (d) PRESIDENTIAL ACTION.—
7 (1) IN GENERAL.—Not later than 7 days after re-
8 ceiving a report under subsection (c)(3) with respect to
9 an article of quota cheese (or not later than 3 days
10 after receiving a report under paragraph (2) of this
11 subsection in any case in which such paragraph ap-
12 plies), the President shall—
13 (A) proclaim the imposition of a fee on the
14 importation of such article from the country in-
15 volved in such amount (not to exceed the amount
16 of the subsidy determined under subsection
17 (b)(2)(B)) as may be necessary to ensure that the
18 duty-paid wholesale price of such article will not
19 be less than the domestic wholesale market price
20 of similar articles produced in the United States,
21 or
22 (B) proclaim a prohibition on the entry, in
23 whole or part, of such article of quota cheese from
24 such country into the United States,

1 and shall direct the Commissioner of Customs to ad-
2 minister and enforce such fee or quantitative limitation.
3 Any fee imposed under subparagraph (A) or any quan-
4 titative limitation imposed under subparagraph (B)
5 shall be in addition to any other fee or quantitative
6 limitation imposed by law on the importation of quota
7 cheese.

8 (2) ADDITIONAL INVESTIGATION.—If the Presi-
9 dent finds that the determinations or recommendations
10 of the Secretary reported under subsection (c)(3) are
11 unsubstantiated by fact, he shall, not later than 7 days
12 after receiving such report, notify the Secretary and
13 direct him to make a further investigation. The Secre-
14 tary shall, within 7 days of receiving such notification,
15 make such investigation and report his findings to the
16 President, including any modification in such determi-
17 nations or recommendations. The President shall there-
18 upon make the proclamation required by paragraph (1),
19 unless the Secretary finds that there is no basis for the
20 determinations or recommendations reported under
21 subsection(c)(3) whether or not modified.

22 (e) ADMINISTRATION.—Any fee or quantitative limita-
23 tion proclaimed pursuant to subsection (d) and any termina-
24 tion or modification thereof pursuant to subsection (g) shall
25 apply with respect to articles entered, or withdrawn from

1 warehouse, for consumption after the date which is 3 days
2 after the President makes the proclamation required by sub-
3 section (d). Such fees shall be treated for administrative pur-
4 poses as duties imposed by the Tariff Act of 1930, but shall
5 not be considered as duties for the purpose of granting any
6 preferential concession under any law or international obliga-
7 tion of the United States.

8 (f) INAPPLICABILITY OF COUNTERVAILING DUTIES
9 DURING EFFECTIVE PERIOD OF CHEESE AGREEMENTS.—
10 No countervailing duty shall be imposed under title I of this
11 Act or under section 303 of the Tariff Act of 1930 with
12 respect to an article of quota cheese which is the product of
13 any country at any time during which an agreement relating
14 to cheese described in section 2(c)(8) containing a commit-
15 ment from a foreign government with respect to price un-
16 dercutting is in effect between the United States and such
17 country.

18 (g) TERMINATION OR MODIFICATION OF PRESIDEN-
19 TIAL ACTION.—

20 (1) TERMINATION.—If, at any time after the
21 President takes an action under subsection (d) with re-
22 spect to the importation from a foreign country of an
23 article of quota cheese, the Secretary receives reason-
24 able evidence and assurance that, with respect to

1 future entries of such article into the customs territory
2 of the United States—
3 (A) the duty-paid wholesale price of such ar-
4 ticle will not be less than the domestic wholesale
5 market price of similar articles produced in the
6 United States, or
7 (B) the foreign government will no longer
8 provide a subsidy with respect to such article of
9 quota cheese,
10 the Secretary shall notify the President of such finding
11 and the President shall, by proclamation, terminate
12 such action with respect to the importation of such ar-
13 ticle from such country.
14 (2) MODIFICATION.—The Secretary shall recom-
15 mend to the President such modifications of fees or
16 quantitative limitations imposed under subsection (d)
17 with respect to any article of quota cheese as may be
18 necessary to ensure that the duty-paid wholesale price
19 of such article will not be less than the domestic
20 wholesale market price of similar articles produced in
21 the United States, and the President shall, by procla-
22 mation, make such modifications. The amount of any
23 fee, as so modified, shall not be greater than the
24 amount of the subsidy provided by the foreign govern-
25 ment with respect to the article of quota cheese.

1 (h) DEFINITIONS.—For purposes of this section—

2 (1) ADMINISTERING AUTHORITY.—The term "ad-
3 ministering authority" has the same meaning such
4 term has in section 771(1) of the Tariff Act of 1930.

5 (2) SUBSIDY.—The term "subsidy" has the same
6 meaning such term has in section 771(5) of the Tariff
7 Act of 1930.

8 (3) DOMESTIC WHOLESALE MARKET, DOMESTIC
9 WHOLESALE MARKET PRICE, AND DUTY-PAID
10 WHOLESALE PRICE.—The domestic wholesale market
11 and the domestic wholesale market price of any article
12 similar to an article of quota cheese, and the duty-paid
13 wholesale price of any article of quota cheese shall be
14 determined under regulations prescribed by the Secre-
15 tary not later than January 1, 1980, in accordance
16 with chapter 5 of title 5 of the United States Code.

17 **SEC. 703. LIMITATION ON IMPORTS OF CHOCOLATE CRUMB.**

18 The President shall by proclamation—

19 (1) increase the amount of the articles of choco-
20 late provided for in item 950.15 of the Tariff Schedules
21 of the United States which may enter the customs ter-
22 ritory of the United States in any calendar year after
23 1979 to include—

24 (A) 2,000 metric tons from Australia, and

25 (B) one kilogram from New Zealand, and

1 (2) increase the amount of the articles of choco-
2 late and the articles containing chocolate provided for
3 in item 950.16 of the Tariff Schedules of the United
4 States which may enter the customs territory of the
5 United States in any calendar year after 1979 to in-
6 clude one kilogram from New Zealand.

7 Such proclamation shall be considered a proclamation which
8 is issued by the President pursuant to section 22 of the Agri-
9 cultural Adjustment Act (7 U.S.C. 624) and which meets the
10 requirements of such section.

11 **SEC. 704. AMENDMENTS TO MEAT IMPORT LAW.**

12 (a) IN GENERAL.—Subsection (a) of section 2 of the
13 Act entitled "An Act to provide for the free importation of
14 certain wild animals, and to provide for the imposition of
15 quotas on certain meat and meat products" (78 Stat. 594) is
16 amended to read as follows:

17 "(a)(1) It is the policy of the Congress that the aggre-
18 gate quantity of the articles specified in items 106.10 (relat-
19 ing to fresh, chilled, or frozen cattle meat), 106.22 (relating
20 to fresh, chilled, or frozen meat of sheep (except lambs)),
21 106.25 (relating to fresh, chilled, or frozen meat of goats),
22 and 107.61 (relating to certain prepared fresh, chilled, or
23 frozen beef) of the Tariff Schedules of the United States
24 which may be imported into the United States in any calen-
25 dar year beginning after December 31, 1964, should not

1 exceed 725,400,000 pounds, increased or decreased as pro-
2 vided in paragraph (2).

3 "(2) The amount referred to in paragraph (1) shall be
4 increased or decreased for any calendar year by the same
5 percentage that estimated average annual domestic commer-
6 cial production of the articles specified in items 106.10,
7 106.22, and 106.25 of the Tariff Schedules of the United
8 States in that calendar year and the two preceding calendar
9 years increases or decreases in comparison with the average
10 annual domestic commercial production of such articles
11 during the years 1959 through 1963, inclusive.".

12 (b) MINIMUM ACCESS FLOOR.—Paragraph (1) of sub-
13 section (c) of section 2 of such Act is amended by adding at
14 the end thereof the following: "Notwithstanding the preced-
15 ing sentence, no limitation proclaimed for a calendar year
16 after 1979 shall be less than 1,200,000,000 pounds.".

17 (c) CONFORMING AMENDMENTS.—

18 (1) Paragraphs (1) and (2) of subsection (b) of sec-
19 tion 2 of such Act is amended by inserting "(1)" after
20 "subsection (a)".

21 (2) Subsection (c)(1) of section 2 of such Act is
22 amended by inserting "(1)" after "subsection (a)".

23 (3) Subsection (c)(3) of section 2 of such Act is
24 amended by inserting inserting "(1)" after "subsection
25 (a)".

1 (4) Paragraphs (2) and (3) of subsection (d) of sec-
2 tion 2 of such Act are amended by inserting "(1)" after
3 "subsection (a)".
4 (d) EFFECTIVE DATE.—The amendment made by
5 subsection (a) shall apply to calendar years after 1979. The
6 amendments made by subsection (c) shall take effect on Janu-
7 ary 1, 1980.

8 TITLE VIII—TREATMENT OF DISTILLED 9 SPIRITS

10 Subtitle A—Tax Treatment

11 SEC. 801. SHORT TITLE; AMENDMENT OF 1954 CODE.

12 (a) SHORT TITLE.—This subtitle may be cited as the
13 "Distilled Spirits Tax Revision Act of 1979".
14 (b) AMENDMENT OF 1954 CODE.—Except as otherwise
15 expressly provided, whenever in this subtitle an amendment
16 or repeal is expressed in terms of an amendment to, or repeal
17 of, a section or other provision, the reference shall be consid-
18 ered to be made to a section or other provision of the Internal
19 Revenue Code of 1954.

20 SEC. 802. REPEAL OF WINE-GALLON METHOD OF TAXING DIS- 21 TILLED SPIRITS.

22 Paragraph (1) of section 5001(a) (relating to imposition,
23 rate, and attachment of tax) is amended to read as follows:
24 "(1) IN GENERAL.—There is hereby imposed on
25 all distilled spirits produced in or imported into the

1 United States a tax at the rate of $10.50 on each
2 proof gallon and a proportionate tax at the like rate on
3 all fractional parts of a proof gallon."

4 **SEC. 803. REPEAL OF RECTIFICATION TAXES ON DISTILLED**
5 **SPIRITS.**

6 (a) GALLONAGE TAXES.—Subpart B of part I of sub-
7 chapter A of chapter 51 (imposing rectification taxes) is
8 hereby repealed.

9 (b) OCCUPATIONAL TAX.—Subpart A of part II of sub-
10 chapter A of chapter 51 (imposing occupational tax on rectifi-
11 ers) is hereby repealed.

12 **SEC. 804. DETERMINATION AND PAYMENT OF TAX.**

13 (a) DETERMINATION.—Subsection (a) of section 5006
14 (relating to determination of tax) is amended to read as
15 follows:

16 "(a) REQUIREMENTS.—

17 "(1) IN GENERAL.—Except as otherwise provided
18 in this section, the tax on distilled spirits shall be de-
19 termined when the spirits are withdrawn from bond.
20 Such tax shall be determined by such means as the
21 Secretary shall by regulations prescribe, and with the
22 use of such devices and apparatus (including but not
23 limited to tanks and pipelines) as the Secretary may
24 require. The tax on distilled spirits withdrawn from the
25 bonded premises of a distilled spirits plant shall be de-

1 termined upon completion of the gauge for determina-
2 tion of tax and before withdrawal from bonded prem-
3 ises, under such regulations as the Secretary shall
4 prescribe.

5 "(2) DISTILLED SPIRITS NOT ACCOUNTED
6 FOR.—If the Secretary finds that the distiller has not
7 accounted for all the distilled spirits produced by him,
8 he shall, from all the evidence he can obtain, determine
9 what quantity of distilled spirits was actually produced
10 by such distiller, and an assessment shall be made for
11 the difference between the quantity reported and the
12 quantity shown to have been actually produced at the
13 rate of tax imposed by law for every proof gallon."

14 (b) EXTENSION OF TIME FOR PAYING TAX.—Section
15 5061 (relating to method of collecting tax) is amended by
16 adding at the end thereof the following new subsection:

17 "(d) EXTENSION OF TIME FOR COLLECTING TAX ON
18 DISTILLED SPIRITS.—In the case of distilled spirits to
19 which subsection (a) applies which are withdrawn from the
20 bonded premises of a distilled spirits plant under bond for
21 deferred payment of tax, the last day for filing a return (with
22 remittances) for each semimonthly return period shall be de-
23 termined 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.

"If the return period is in—	Such last day shall be—
1982 or any year thereafter.....	The last day of the second succeeding return period."

1 **SEC. 805. ALL-IN-BOND METHOD OF DETERMINING EXCISE**
2 **TAX ON DISTILLED SPIRITS.**

3 (a) ESTABLISHMENT OF DISTILLED SPIRITS
4 PLANTS.—Section 5171 (relating to establishment of dis-
5 tilled spirits plants) is amended to read as follows:

6 **"SEC. 5171. ESTABLISHMENT.**

7 "(a) CERTAIN OPERATIONS MAY BE CONDUCTED
8 ONLY ON BONDED PREMISES.—Except as otherwise pro-
9 vided by law, operations as a distiller, warehouseman, or
10 processor may be conducted only on the bonded premises of a
11 distilled spirits plant by a person who is qualified under this
12 subchapter.

13 "(b) ESTABLISHMENT OF DISTILLED SPIRITS
14 PLANT.—A distilled spirits plant may be established only by
15 a person who intends to conduct at such plant operations as a
16 distiller, as a warehouseman, or as both.

17 "(c) REGISTRATION.—

18 "(1) IN GENERAL.—Each person shall, before
19 commencing operations at a distilled spirits plant (and
20 at such other times as the Secretary may by regula-
21 tions prescribe), make application to the Secretary for,
22 and receive notice of, the registration of such plant.

23 "(2) APPLICATION REQUIRED WHERE NEW OP-
24 ERATIONS ARE ADDED.—No operation in addition to

1 those set forth in the application made pursuant to
2 paragraph (1) may be conducted at a distilled spirits
3 plant until the person has made application to the Sec-
4 retary for, and received notice of, the registration of
5 such additional operation.

6 "(3) SECRETARY MAY ESTABLISH MINIMUM CA-
7 PACITY AND LEVEL OF ACTIVITY REQUIREMENTS.—
8 The Secretary may by regulations prescribe for each
9 type of operation minimum capacity and level of activi-
10 ty requirements for qualifying premises as a distilled
11 spirits plant.

12 "(4) APPLICANT MUST COMPLY WITH LAW AND
13 REGULATIONS.—No plant (or additional operation)
14 shall be registered under this section until the applicant
15 has complied with the requirements of law and regula-
16 tions in relation to the qualification of such plant (or
17 additional operation).

18 "(d) PERMITS.—

19 "(1) REQUIREMENTS.—Each person required to
20 file an application for registration under subsection (c)
21 whose distilled spirits operations (or any part thereof)
22 are not required to be covered by a basic permit under
23 the Federal Alcohol Administration Act (27 U.S.C.
24 secs. 203 and 204) shall, before commencing the oper-
25 ations (or part thereof) not so covered, apply for and

1 obtain a permit under this subsection from the Secre-
2 tary to engage in such operations (or part thereof).
3 Subsections (b), (c), (d), (e), (f), (g), and (h) of section
4 5271 are hereby made applicable to persons filing
5 applications and permits required by or issued under
6 this subsection.

7 "(2) EXCEPTIONS FOR AGENCIES OF A STATE
8 OR POLITICAL SUBDIVISIONS.—Paragraph (1) shall
9 not apply to any agency of a State or political subdivi-
10 sion thereof or to any officer or employee of any such
11 agency, and no such agency, officer, or employee shall
12 be required to obtain a permit thereunder.

13 "(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)."

14 (b) CHANGES IN PROVISIONS RELATING TO FACILI-
15 TIES ON BONDED PREMISES OF DISTILLED SPIRITS
16 PLANTS.—

17 (1) Paragraphs (2), (3), (4), and (5) of section
18 5178(a) (relating to location, construction, and arrange-
19 ment on premises of distilled spirits plants) are amend-
20 ed to read as follows:

21 "(2) PRODUCTION OPERATIONS.—

1 "(A) Any person establishing a distilled spir-
2 its plant may, as described in his application for
3 registration, produce distilled spirits from any
4 source or substance.
5 "(B) The distilling system shall be continu-
6 ous and shall be so designed and constructed and
7 so connected as to prevent the unauthorized re-
8 moval of distilled spirits before their production
9 gauge.
10 "(C) The Secretary is authorized to order
11 and require—
12 "(i) such identification of, changes of,
13 and additions to, distilling apparatus, con-
14 necting pipes, pumps, tanks, and any ma-
15 chinery connected with or used in or on the
16 premises, and
17 "(ii) such fastenings, locks, and seals to
18 be part of any of the stills, tubs, pipes, tanks,
19 and other equipment,
20 as he may deem necessary to facilitate inspection
21 and afford adequate security to the revenue.
22 "(3) WAREHOUSING OPERATIONS.—
23 "(A) Any person establishing a distilled spir-
24 its plant for the production of distilled spirits may,
25 as described in the application for registration,

1 warehouse bulk distilled spirits on the bonded
2 premises of such plant.
3 "(B) Distilled spirits plants for the bonded
4 warehousing of bulk distilled spirits elsewhere
5 than as described in subparagraph (A) may be es-
6 tablished at the discretion of the Secretary by
7 proprietors referred to in subparagraph (A) or by
8 other persons under such regulations as the Sec-
9 retary shall prescribe.
10 "(4) PROCESSING OPERATIONS.—Any person es-
11 tablishing a distilled spirits plant may, as described in
12 the application for registration, process distilled spirits
13 on the bonded premises of such plant."
14 (2) Section 5212 (relating to transfer of distilled
15 spirits between bonded premises) is amended—
16 (A) by striking out "Distilled spirits" and in-
17 serting in lieu thereof "Bulk distilled spirits", and
18 (B) by striking out "distilled spirits" and in-
19 serting in lieu thereof "bulk distilled spirits".
20 (c) BONDS.—Section 5173 (relating to qualification
21 bonds) is amended to read as follows:
22 **"SEC. 5173. BONDS.**
23 "(a) OPERATIONS AT, AND WITHDRAWALS FROM,
24 DISTILLED SPIRITS PLANT MUST BE COVERED BY
25 BOND.—

1 "(1) OPERATIONS.—No person intending to es-
2 tablish a distilled spirits plant may commence oper-
3 ations at such plant unless such person has furnished
4 bond covering operations at such plant.
5 "(2) WITHDRAWALS.—No distilled spirits (other
6 than distilled spirits withdrawn under section 5214 or
7 7510) may be withdrawn from bonded premises except
8 on payment of tax unless the proprietor of the bonded
9 premises has furnished bond covering such withdrawal.
10 "(b) OPERATIONS BONDS.—The bond required by para-
11 graph (1) of subsection (a) shall meet the requirements of
12 paragraph (1), (2), or (3) of this subsection:
13 "(1) ONE PLANT BOND.—The bond covers oper-
14 ations at a single distilled spirits plant.
15 "(2) ADJACENT WINE CELLAR BOND.—The bond
16 covers operations at a distilled spirits plant and at an
17 adjacent bonded wine cellar.
18 "(3) AREA BOND.—The bond covers operations at
19 2 or more distilled spirits plants (and adjacent bonded
20 wine cellars) which—
21 "(A) are located in the same geographical
22 area (as designated in regulations prescribed by
23 the Secretary), and

1 "(B) are operated by the same person (or, in
2 the case of a corporation, by such corporation and
3 its controlled subsidiaries).
4 "(c) WITHDRAWAL BONDS.—The bond required by
5 paragraph (2) of subsection (a) shall cover withdrawals from
6 1 or more bonded premises the operations at which could be
7 covered by the same operations bond under subsection (b).
8 "(d) UNIT BONDS.—Under regulations prescribed by
9 the Secretary, the requirements of paragraphs (1) and (2) of
10 subsection (a) shall be treated as met by a unit bond which
11 covers both operations at, and withdrawals from, 1 or more
12 bonded premises which could be covered by the same oper-
13 ations bond under subsection (b).
14 "(e) TERMS AND CONDITIONS.—
15 "(1) IN GENERAL.—Any bond furnished under
16 this section shall be conditioned that the person fur-
17 nishing the bond—
18 "(A) will faithfully comply with all provisions
19 of law and regulations relating to the activities
20 covered by such bond, and
21 "(B) will pay—
22 "(i) all taxes imposed by this chapter,
23 and

1 "(ii) all penalties incurred by, or fines
2 imposed on, such person for violation of any
3 such provision.
4 "(2) OTHER TERMS AND CONDITIONS.—Any
5 bond furnished under this section shall contain such
6 other terms and conditions as may be required by regu-
7 lations prescribed by the Secretary.
8 "(f) AMOUNT.—
9 "(1) IN GENERAL.—The penal sum of any bond
10 shall be the amount determined under regulations pre-
11 scribed by the Secretary.
12 "(2) MAXIMUM AND MINIMUM AMOUNT.—The
13 Secretary shall by regulations prescribe a minimum
14 amount and a maximum amount for each type of bond
15 which may be furnished under this section.
16 "(g) TOTAL AMOUNT AVAILABLE.—The total amount
17 of any bond furnished under this section shall be available for
18 the satisfaction of any liability incurred under the terms and
19 conditions of such bond.
20 "(h) SPECIAL RULES.—For purposes of this section—
21 "(1) WITHDRAWAL BONDS.—In the case of any
22 bond furnished under this section which covers with-
23 drawals but not operations—
24 "(A) such bond shall be in addition to the
25 operations bond, and

1 "(B) if distilled spirits are withdrawn under
2 such bond, the operations bond shall no longer
3 cover liability for payment of the tax on the spir-
4 its withdrawn.
5 "(2) ADJACENT WINE CELLARS.—
6 "(A) REQUIREMENTS.—No wine cellar shall
7 be treated as being adjacent to a distilled spirits
8 plant unless—
9 "(i) such distilled spirits plant is quali-
10 fied under this subchapter for the production
11 of distilled spirits, and
12 "(ii) such wine cellar and the distilled
13 spirits plant are operated by the same person
14 (or, in the case of a corporation, by such cor-
15 poration and its controlled subsidiaries).
16 "(B) BOND IN LIEU OF WINE CELLAR
17 BOND.—In the case of any adjacent wine cellar, a
18 bond furnished under this section which covers
19 operations at such wine cellar shall be in lieu of
20 any bond which would otherwise be required
21 under section 5354 with respect to such wine
22 cellar (other than supplemental bonds required
23 under the second sentence of section 5354)."
24 (d) ALCOHOLIC INGREDIENTS ADDED TO DISTILLED
25 SPIRITS TAXED AS DISTILLED SPIRITS.—Paragraph (2) of

1 section 5001(a) (relating to products containing distilled spir-
2 its) is amended to read as follows:

3 "(2) PRODUCTS CONTAINING DISTILLED SPIR-
4 ITS.—All products of distillation, by whatever name
5 known, which contain distilled spirits, on which the tax
6 imposed by law has not been paid, and any alcoholic
7 ingredient added to such products, shall be considered
8 and taxed as distilled spirits."

9 (e) DEFINITIONS.—Section 5002 (relating to defini-
10 tions) is amended to read as follows:

11 **"SEC. 5002. DEFINITIONS.**

12 "(a) IN GENERAL.—For purposes of this chapter—

13 "(1) DISTILLED SPIRITS PLANT.—The term 'dis-
14 tilled spirits plant' means an establishment which is
15 qualified under subchapter B to perform any distilled
16 spirits operation.

17 "(2) DISTILLED SPIRITS OPERATION.—The term
18 'distilled spirits operation' means any operation for
19 which qualification is required under subchapter B.

20 "(3) BONDED PREMISES.—The term 'bonded
21 premises', when used with respect to distilled spirits,
22 means the premises of a distilled spirits plant, or part
23 thereof, on which distilled spirits operations are author-
24 ized to be conducted.

1 "(4) DISTILLER.—The term 'distiller' includes
2 any person who—
3 "(A) produces distilled spirits from any
4 source or substance,
5 "(B) brews or makes mash, wort, or wash fit
6 for distillation or for the production of distilled
7 spirits (other than the making or using of mash,
8 wort, or wash in the authorized production of
9 wine or beer, or the production of vinegar by
10 fermentation),
11 "(C) by any process separates alcoholic spir-
12 its from any fermented substance, or
13 "(D) making or keeping mash, wort, or
14 wash, has a still in his possession or use.
15 "(5) PROCESSOR.—
16 "(A) IN GENERAL.—The term 'processor',
17 when used with respect to distilled spirits, means
18 any person who—
19 "(i) manufactures, mixes, or otherwise
20 processes distilled spirits, or
21 "(ii) manufactures any article.
22 "(B) RECTIFIER, BOTTLER, ETC., INCLUD-
23 ED.—The term 'processor' includes (but is not
24 limited to) a rectifier, bottler, and denaturer.

1 "(6) CERTAIN OPERATIONS NOT TREATED AS
2 PROCESSING.—In applying paragraph (5), there shall
3 not be taken into account—
4 "(A) OPERATIONS AS DISTILLER.—Any
5 process which is the operation of a distiller.
6 "(B) MIXING OF TAXPAID SPIRITS FOR IM-
7 MEDIATE CONSUMPTION.—Any mixing (after de-
8 termination of tax) of distilled spirits for immedi-
9 ate consumption.
10 "(C) USE BY APOTHECARIES.—Any process
11 performed by an apothecary with respect to dis-
12 tilled spirits which such apothecary uses exclu-
13 sively in the preparation or making up of medi-
14 cines unfit for use for beverage purposes.
15 "(7) WAREHOUSEMAN.—The term 'warehouse-
16 man', when used with respect to distilled spirits, means
17 any person who stores bulk distilled spirits.
18 "(8) DISTILLED SPIRITS.—The terms 'distilled
19 spirits', 'alcoholic spirits', and 'spirits' mean that sub-
20 stance known as ethyl alcohol, ethanol, or spirits of
21 wine in any form (including all dilutions and mixtures
22 thereof from whatever source or by whatever process
23 produced).

1 "(9) BULK DISTILLED SPIRITS.—The term 'bulk
2 distilled spirits' means distilled spirits in a container
3 having a capacity in excess of 1 wine gallon.
4 "(10) PROOF SPIRITS.—The term 'proof spirits'
5 means that liquid which contains one-half its volume of
6 ethyl alcohol of a specific gravity of 0.7939 at 60 de-
7 grees Fahrenheit (referring to water at 60 degrees
8 Fahrenheit as unity).
9 "(11) PROOF GALLON.—The term 'proof gallon'
10 means a United States gallon of proof spirits, or the
11 alcoholic equivalent thereof.
12 "(12) CONTAINER.—The term 'container', when
13 used with respect to distilled spirits, means any recep-
14 tacle, vessel, or form of package, bottle, tank, or pipe-
15 line used, or capable of use, for holding, storing, trans-
16 ferring, or conveying distilled spirits.
17 "(13) APPROVED CONTAINER.—The term 'ap-
18 proved container', when used with respect to distilled
19 spirits, means a container the use of which is author-
20 ized by regulations prescribed by the Secretary.
21 "(14) ARTICLE.—Unless another meaning is dis-
22 tinctly expressed or manifestly intended, the term 'arti-
23 cle' means any substance in the manufacture of which
24 denatured distilled spirits are used.

1 "(15) EXPORT.—The terms 'export', 'exported',
2 and 'exportation' include shipments to a possession of
3 the United States.
4 "(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."

5 **SEC. 806. REMOVAL OF REQUIREMENT OF ON-SITE INSPEC-**
6 **TION.**
7 (a) SUPERVISION OF OPERATIONS.—Section 5202 (re-
8 lating to supervision of operations) is amended to read as
9 follows:
10 **"SEC. 5202. SUPERVISION OF OPERATIONS.**
11 "All operations on the premises of a distilled spirits
12 plant shall be conducted under such supervision and controls
13 (including the use of Government locks and seals) as the Sec-
14 retary shall by regulations prescribe."
15 (b) REMOVAL OF REQUIREMENT THAT REVENUE OF-
16 FICERS MUST BE ASSIGNED TO THE PREMISES.—The first
17 sentence of subsection (a) of section 5221 (relating to com-
18 mencement, suspension, and resumption of operations) is
19 amended by striking out "until an internal revenue officer has
20 been assigned to the premises" and inserting in lieu thereof

1 "until written notice has been given to the Secretary stating
2 when operations will begin".

3 **SEC. 807. TECHNICAL, CONFORMING, AND CLERICAL AMEND-**
4 **MENTS.**

5 (a) TECHNICAL AND CONFORMING AMENDMENTS.—

6 (1) SECTION 5003.—

7 (A) Paragraph (9) of section 5003 (relating
8 to cross references to exemptions, etc.) is amend-
9 ed by striking out "section 5522(a) and".

10 (B) Section 5003 is amended by redesignat-
11 ing paragraph (15) as paragraph (17) and by in-
12 serting after paragraph (14) the following new
13 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)."

14 (2) SECTION 5004.—

15 (A) Subsection (b) of section 5004 (relating
16 to other property subject to lien) is hereby
17 repealed.

18 (B) Subsection (c) of section 5004 is redesig-
19 nated as subsection (b).

1 (C) Subparagraph (B) of section 5004(a)(2) is
2 amended by striking out "or (3)" and inserting in
3 lieu thereof "(3), or (11)".
4 (3) SECTION 5005.—
5 (A) Subsection (c) of section 5005 (relating
6 to proprietors of distilled spirits plants) is amend-
7 ed by striking out paragraph (3) thereof.
8 (B) Subsection (d) of section 5005 is amend-
9 ed by striking out "or (3)" and inserting in lieu
10 thereof "(3), or (11)".
11 (C) Paragraph (1) of section 5005(f) is
12 amended to read as follows:

"(1) For provisions requiring bond covering operations at, and withdrawals from, distilled spirits plants, see section 5173."

13 (D) Subsection (f) of section 5005 is amended
14 by adding at the end thereof the following new
15 paragraph:

"(6) For provisions relating to transfer of tax liability for wine, see section 5043(a)(1)(A)."

16 (4) SECTION 5006.—
17 (A) The first sentence of paragraph (1) of
18 section 5006(b) is amended by striking out ", not-
19 withstanding that the time specified in any bond
20 given for the withdrawal of the spirits entered in
21 storage in such cask or package has not expired,
22 except" and inserting in lieu thereof "; except".

1 (B) Subsection (b) of section 5006 is amend-
2 ed by striking out "in storage in internal revenue
3 bond" each place it appears and inserting in lieu
4 thereof "on bonded premises".
5 (5) SECTION 5007.—Subsection (a) of section
6 5007 (relating to tax on distilled spirits removed from
7 bonded premises) is amended to read as follows:
8 "(a) TAX ON DISTILLED SPIRITS REMOVED FROM
9 BONDED PREMISES.—The tax on domestic distilled spirits
10 and on distilled spirits removed from customs custody under
11 section 5232 shall be paid in accordance with section 5061."
12 (6) SECTION 5008.—
13 (A) Paragraph (1) of section 5008(a) (relating
14 to distilled spirits lost or destroyed in bond) is
15 amended—
16 (i) by striking out "and" at the end of
17 subparagraph (A),
18 (ii) by striking out "subsection (b)(1)."
19 at the end of subparagraph (B) and inserting
20 in lieu thereof "subsection (b); and", and
21 (iii) by adding at the end thereof the fol-
22 lowing new subparagraph:
23 "(C) UNEXPLAINED SHORTAGE.—In the
24 case of an unexplained shortage of bottled distilled
25 spirits."

1 (B) Paragraph (5) of section 5008(a) is
2 amended to read as follows:
3 "(5) APPLICABILITY.—The provisions of this sub-
4 section shall extend to and apply in respect of distilled
5 spirits lost after the tax was determined and before
6 completion of the physical removal of the distilled spir-
7 its from the bonded premises."
8 (C) Section 5008 is amended by striking out
9 subsections (b), (c), (d), and (e) and by inserting in
10 lieu thereof the following:
11 "(b) VOLUNTARY DESTRUCTION.—The proprietor of
12 the distilled spirits plant or other persons liable for the tax
13 imposed by this chapter or by section 7652 with respect to
14 any distilled spirits in bond may voluntarily destroy such
15 spirits, but only if such destruction is under such supervision
16 and under such regulations as the Secretary may prescribe.
17 "(c) DISTILLED SPIRITS RETURNED TO BONDED
18 PREMISES.—
19 "(1) IN GENERAL.—Whenever any distilled spirits
20 withdrawn from bonded premises on payment or deter-
21 mination of tax are returned to the bonded premises of
22 a distilled spirits plant under section 5215(a), the Sec-
23 retary shall abate or (without interest) credit or refund
24 the tax imposed under section 5001(a)(1) (or the tax

1 equal to such tax imposed under section 7652) on the
2 spirits so returned.
3 "(2) CLAIM MUST BE FILED WITHIN 6 MONTHS
4 OF RETURN OF SPIRITS.—No allowance under para-
5 graph (1) may be made unless claim therefor is filed
6 within 6 months of the date of the return of the spirits.
7 Such claim may be filed only by the proprietor of the
8 distilled spirits plant to which the spirits were re-
9 turned, and shall be filed in such form as the Secretary
10 may by regulations prescribe."
11 (D) Section 5008 is amended by redesignat-
12 ing subsections (f), (g), and (h) as subsections (d),
13 (e), and (f), respectively.
14 (E) Subsection (e) of section 5008 (as redes-
15 ignated by subparagraph (D)) is amended—
16 (i) by striking out "subsections (b)(2),
17 (c), and (d)," and inserting in lieu thereof
18 "subsection (c),", and
19 (ii) by striking out "under such subsec-
20 tions" and inserting in lieu thereof "under
21 such subsection".
22 (7) SECTION 5009.—Section 5009 (relating to
23 drawback) is hereby repealed.
24 (8) SECTION 5043.—Subparagraph (A) of section
25 5043(a)(1) (relating to collection of taxes on wines) is

1 amended by striking out "between bonded wine cel-
2 lars".
3 (9) SECTION 5061.—
4 (A) The first sentence of subsection (a) of
5 section 5061 (relating to method of collecting tax)
6 and the first sentence of subsection (b) of section
7 5061 are each amended by striking out "rectified
8 distilled spirits and wines,".
9 (B) Subsection (b) of section 5061 is amend-
10 ed by striking out paragraph (3) and by redesig-
11 nating paragraphs (4), (5), (6), and (7) as para-
12 graphs (3), (4), (5), and (6), respectively.
13 (10) SECTION 5064.—Section 5064 (relating to
14 losses resulting from disaster, vandalism, or malicious
15 mischief) is amended—
16 (A) by striking out "rectified products," each
17 place it appears, and
18 (B) by striking out "RECTIFIED PRODUCTS,"
19 in the heading of subsection (c).
20 (11) SECTION 5066.—
21 (A) The first sentence of paragraph (1) of
22 section 5066(a) (relating to distilled spirits for use
23 of foreign embassies, legations, etc.) is amended
24 by striking out "distilled spirits bottled in bond for
25 export under the provisions of section 5233, or

1 bottled distilled spirits returned to bonded prem-
2 ises under section 5215(b)," and inserting in lieu
3 thereof "bottled distilled spirits".
4 (B) Subsection (b) of section 5066 is amend-
5 ed by striking out "or domestic distilled spirits
6 transferred to customs bonded warehouses under
7 section 5521(d)(2)".
8 (12) SECTION 5116.—Paragraph (1) of section
9 5116(b) (relating to cross references) is amended by
10 striking out "section 5205(a)(2)" and inserting in lieu
11 thereof "section 5205(a)(1)".
12 (13) SECTION 5172.—Section 5172 (relating to
13 application for registration) is amended by striking out
14 "section 5171(a)" and inserting in lieu thereof "section
15 5171(c)".
16 (14) SECTION 5174.—Section 5174 (relating to
17 withdrawal bonds) is hereby repealed.
18 (15) SECTION 5175.—
19 (A) Subsection (a) of section 5175 (relating
20 to export bonds) is amended by striking out "for
21 storage therein pending exportation".
22 (B) Subsection (b) of section 5175 (relating
23 to export bonds) is amended to read as follows:
24 "(b) EXCEPTION WHERE PROPRIETOR WITHDRAWS
25 SPIRITS FOR EXPORTATION.—In the case of distilled spirits

1 withdrawn from bonded premises by the proprietor for expor-
2 tation without payment of tax, the bond of such proprietor
3 required to be furnished under paragraph (1) of section
4 5173(a) covering such premises shall cover such exportation,
5 and subsection (a) shall not apply."

6 (16) SECTION 5176.—

7 (A) Subsection (a) of section 5176 (relating
8 to new or renewed bonds) is amended by striking
9 out ", 5174,".

10 (B) Subsection (b) of section 5176 is amend-
11 ed to read as follows:

12 "(b) BONDS.—If the proprietor of a distilled spirits plant
13 fails or refuses to furnish a bond required under paragraph (1)
14 of section 5173(a) or to renew the same, and neglects to
15 immediately withdraw the spirits and pay the tax thereon,
16 the Secretary shall proceed to collect the tax."

17 (17) SECTION 5177.—Subsection (a) of section
18 5177 (relating to other provisions relating to bonds) is
19 amended by striking out ", 5174,".

20 (18) SECTION 5178.—Subparagraph (A) of sec-
21 tion 5178(a)(1) (relating to premises of distilled spirits
22 plant) is amended by striking out "section 5171(a)"
23 and inserting in lieu thereof "section 5171(c)".

24 (19) SECTION 5180.—The first sentence of sub-
25 section (a) of section 5180 (relating to signs) is amend-

1 ed to read as follows: "Every person engaged in dis-
2 tilled spirits operations shall place and keep conspicu-
3 ously on the outside of his place of business a sign
4 showing the name of such person and denoting the
5 business, or businesses, in which engaged."

6 (20) SECTION 5181.—Section 5181 (relating to
7 cross references) is amended by striking out "as rectifi-
8 er, see section 5081, or".

9 (21) SECTION 5201.—Subsection (a) of section
10 5201 (relating to regulation of operations) is amended
11 to read as follows:

12 "(a) IN GENERAL.—Proprietors of distilled spirits
13 plants shall conduct all operations authorized to be conducted
14 on the premises of such plants under such regulations as the
15 Secretary shall prescribe."

16 (22) SECTION 5203.—

17 (A) The first sentence of section 5203(b) (re-
18 lating to entry and examination of premises) is
19 amended by striking out "where distilled spirits
20 are produced or rectified" and inserting in lieu
21 thereof "where distilled spirits operations are car-
22 ried on".

23 (B) The last sentence of section 5203(c) is
24 amended by striking out "not under the control of

1 the internal revenue officer in charge" and insert-
2 ing in lieu thereof "on such premises".
3 (C) The first sentence of section 5203(d) is
4 amended by striking out "where distilled spirits
5 are produced or rectified" and inserting in lieu
6 thereof "where distilled spirits operations are car-
7 ried on".
8 (23) SECTION 5204.—Subsection (a) of section
9 5204 (relating to gauging) is amended by striking out
10 ", in addition to those specified in section 5202(f),".
11 (24) SECTION 5205.—
12 (A) Subsection (a) of section 5205 (relating
13 to stamps) is amended by striking out paragraph
14 (1) and by redesignating paragraphs (2) and (3) as
15 paragraphs (1) and (2), respectively.
16 (B) Paragraph (1) of section 5205(a) (as re-
17 designated by subparagraph (A)) is amended—
18 (i) by striking out "OTHER" in the
19 heading, and
20 (ii) by striking out subparagraph (D) and
21 by redesignating subparagraphs (E), (F), and
22 (G) as subparagraphs (D), (E), and (F),
23 respectively.
24 (C) Paragraph (2) of section 5205(c) is
25 amended by striking out the last sentence.

1 (D) Section 5205 is amended by striking out
2 subsection (d) and by redesignating subsections
3 (e), (f), (g), (h), and (i) as subsections (d), (e), (f),
4 (g), and (h), respectively.
5 (E) Subsection (h) of section 5205 (as redes-
6 ignated by subparagraph (D)) is amended by strik-
7 ing out paragraph (4) and by redesignating para-
8 graph (5) as paragraph (4).
9 (25) SECTION 5207.—Section 5207 (relating to
10 records and reports) is amended to read as follows:
11 **"SEC. 5207. RECORDS AND REPORTS.**
12 "(a) RECORDS OF DISTILLED SPIRITS PLANT PROPRI-
13 ETORS.—Every distilled spirits plant proprietor shall keep
14 records in such form and manner as the Secretary shall by
15 regulations prescribe of:
16 "(1) The following production activities—
17 "(A) the receipt of materials intended for use
18 in the production of distilled spirits, and the use
19 thereof,
20 "(B) the receipt and use of distilled spirits
21 received for redistillation, and
22 "(C) the kind and quantity of distilled spirits
23 produced.
24 "(2) The following storage activities—

1 "(A) the kind and quantity of distilled spirits,
2 wines, and alcoholic ingredients entered into
3 storage,
4 "(B) the kind and quantity of distilled spirits,
5 wines, and alcoholic ingredients removed, and the
6 purpose for which removed, and
7 "(C) the kind and quantity of distilled spirits
8 returned to storage.
9 "(3) The following denaturation activities—
10 "(A) the kind and quantity of denaturants re-
11 ceived and used or otherwise disposed of,
12 "(B) the kind and quantity of distilled spirits
13 denatured, and
14 "(C) the kind and quantity of denatured dis-
15 tilled spirits removed.
16 "(4) The following processing activities—
17 "(A) all distilled spirits, wines, and alcoholic
18 ingredients received or transferred,
19 "(B) the kind and quantity of distilled spirits
20 packaged or bottled,
21 "(C) the kind and quantity of distilled spirits
22 removed from his premises, and
23 "(D) the receipt, use, and balance on hand of
24 all stamps required by law or regulations to be
25 used by him.

1 "(5) Such additional information with respect to
2 activities described in paragraphs (1), (2), (3), and (4),
3 and with respect to other activities, as may by regula-
4 tions be required.

5 "(b) REPORTS.—Every person required to keep records
6 under subsection (a) shall render such reports covering his
7 operations, at such times and in such form and manner and
8 containing such information, as the Secretary shall by regula-
9 tions prescribe.

10 "(c) PRESERVATION AND INSPECTION.—The records
11 required by subsection (a) and a copy of each report required
12 by subsection (b) shall be kept on the premises where the
13 operations covered by the record are carried on and shall be
14 available for inspection by any internal revenue officer during
15 business hours, and shall be preserved by the person required
16 to keep such records and reports for such period as the Sec-
17 retary shall by regulations prescribe.

18 "(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)."

19 (26) SECTION 5211.—

20 (A) Paragraph (1) of the third sentence of
21 section 5211 (relating to production and entry of
22 distilled spirits) is amended to read as follows:

1 "(1) deposit of such spirits on bonded premises for
2 storage or processing;".
3 (B) The third sentence of section 5211 is
4 amended by inserting "and" at the end of para-
5 graph (3), by striking out "; or" at the end of
6 paragraph (4) and inserting in lieu thereof a
7 period, and by striking out paragraph (5).
8 (27) SECTION 5213.—The text of section 5213
9 (relating to withdrawal of distilled spirits from bonded
10 premises on determination of tax) is amended to read
11 as follows:
12 "Subject to the provisions of section 5173, distilled spir-
13 its may be withdrawn from the bonded premises of a distilled
14 spirits plant on payment or determination of tax thereon, in
15 approved containers, under such regulations as the Secretary
16 shall prescribe."
17 (28) SECTION 5214.—
18 (A) Paragraph (6) of section 5214(a) is
19 amended to read as follows:
20 "(6) without payment of tax for transfer to manu-
21 facturing bonded warehouses for manufacturing in such
22 warehouses for export, as authorized by law; or".
23 (B) Paragraph (9) of section 5214(a) (relating
24 to withdrawal of distilled spirits from bonded
25 premises free of tax or without payment of tax) is

1 amended by striking out "in the case of distilled
2 spirits bottled in bond for export under section
3 5233 or distilled spirits returned to bonded prem-
4 ises under section 5215(b),".

5 (C) Paragraph (10) of section 5214(a) is
6 amended by striking out "distillery operations"
7 and inserting in lieu thereof "distilled spirits oper-
8 ations".

9 (D) Subsection (a) of section 5214 is amend-
10 ed by striking out the period at the end of para-
11 graph (10) and inserting in lieu thereof "; or",
12 and by adding at the end thereof the following
13 new paragraph:

14 "(11) free of tax when contained in an article
15 (within the meaning of section 5002(a)(14))."

16 (E) Subsection (b) of section 5214 is amend-
17 ed by redesignating paragraphs (4), (5), (6), and
18 (7) as paragraphs (5), (6), (7), and (8), respective-
19 ly, and by inserting after paragraph (3) the follow-
20 ing 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."

21 (29) SECTION 5215.—Section 5215 (relating to
22 return of tax determined distilled spirits to bonded
23 premises) is amended to read as follows:

1 **"SEC. 5215. RETURN OF TAX DETERMINED DISTILLED SPIRITS**
2 **TO BONDED PREMISES.**

3 "(a) GENERAL RULE.—Under such regulations as the
4 Secretary may prescribe, distilled spirits on which tax has
5 been determined or paid may be returned to the bonded
6 premises of a distilled spirits plant but only for destruction,
7 denaturation, redistillation, reconditioning, or rebottling.

8 "(b) APPLICABILITY OF CHAPTER TO DISTILLED
9 SPIRITS RETURNED TO A DISTILLED SPIRITS PLANT.—All
10 provisions of this chapter applicable to distilled spirits in bond
11 shall be applicable to distilled spirits returned to bonded
12 premises under the provisions of this section on such return.

13 "(c) RETURN OF BOTTLED DISTILLED SPIRITS FOR
14 RELABELING AND RESTAMPING.—Under such regulations
15 as the Secretary shall prescribe, bottled distilled spirits with-
16 drawn from bonded premises may be returned to bonded
17 premises for relabeling or restamping, and the tax under sec-
18 tion 5001 shall not again be collected on such spirits.

19 "(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)."

20 (30) SECTION 5222.—Subsection (c) of section
21 5222 (relating to processing of distilled spirits contain-
22 ing extraneous substances) is amended by striking out
23 ", in the production facilities of a distilled spirits
24 plant".

1 (31) SECTION 5223.—

2 (A) Subsection (c) of section 5223 (relating
3 to redistillation of articles and residue) is amended
4 by inserting "or on the bonded premises of a dis-
5 tilled spirits plant" after "subchapter D".

6 (B) Subsection (e) of section 5223 is amend-
7 ed by striking out the last sentence thereof.

8 (32) SECTION 5231.—Section 5231 (relating to
9 entry for deposit in storage) is amended to read as
10 follows:

11 **"SEC. 5231. ENTRY FOR DEPOSIT.**

12 "All distilled spirits entered for deposit on the bonded
13 premises of a distilled spirits plant under section 5211 shall,
14 under such regulations as the Secretary shall prescribe, be
15 deposited in the facilities on the bonded premises designated
16 in the entry for deposit."

17 (33) SECTION 5232.—Subsection (b) of section
18 5232 (relating to imported distilled spirits) is amended
19 by striking out paragraph (1) and by redesignating
20 paragraphs (2) and (3) as paragraphs (1) and (2),
21 respectively.

22 (34) SECTION 5233.—Section 5233 (relating to
23 bottling of distilled spirits in bond) is hereby repealed.

1 (35) SECTION 5234.—Section 5234 (relating to
2 mingling and blending of distilled spirits) is hereby
3 repealed.

4 (36) SECTION 5235.—The second sentence of
5 section 5235 (relating to bottling of alcohol for indus-
6 trial purposes) is amended to read as follows: "The
7 provisions of section 5205(a)(1) shall not apply to alco-
8 hol bottled, stamped, and labeled as such under this
9 section."

10 (37) SECTION 5241.—Section 5241 (relating to
11 authority to denature) is amended to read as follows:
12 **"SEC. 5241. AUTHORITY TO DENATURE.**

13 "Under such regulations as the Secretary shall pre-
14 scribe, distilled spirits may be denatured on the bonded prem-
15 ises of a distilled spirits plant qualified for the processing of
16 distilled spirits. Distilled spirits to be denatured under this
17 section shall be of such kind and such degree of proof as the
18 Secretary shall by regulations prescribe. Distilled spirits de-
19 natured under this section may be used on the bonded prem-
20 ises of a distilled spirits plant in the manufacture of any
21 article."

22 (38) SECTIONS 5251 AND 5252.—Part III of
23 subchapter C of chapter 51 (sections 5251 and 5252,
24 relating to operations on bottling premises) is hereby
25 repealed.

(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)".

(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

(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)".

(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".

(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".

1 (44) SECTION 5362.—Subsection (b) of section
2 5362 (relating to transfers of wine between bonded
3 wine cellars) is amended to read as follows:
4 "(b) TRANSFERS OF WINE BETWEEN BONDED PREM-
5 ISES.—
6 "(1) IN GENERAL.—Wine on which the tax has
7 not been paid or determined may, under such regula-
8 tions as the Secretary shall prescribe, be transferred in
9 bond between bonded premises.
10 "(2) WINE TRANSFERRED TO A DISTILLED SPIR-
11 ITS PLANT MAY NOT BE REMOVED FOR CONSUMPTION
12 OR SALE AS WINE.—Any wine transferred to the
13 bonded premises of a distilled spirits plant—
14 "(A) may be used in the manufacture of a
15 distilled spirits product, and
16 "(B) may not be removed from such bonded
17 premises for consumption or sale as wine.
18 "(3) CONTINUED LIABILITY FOR TAX.—The lia-
19 bility for tax on wine transferred to the bonded prem-
20 ises of a distilled spirits plant pursuant to paragraph
21 (1) shall (except as otherwise provided by law) contin-
22 ue until the wine is used in a distilled spirits product.
23 "(4) TRANSFER IN BOND NOT TREATED AS RE-
24 MOVAL FOR CONSUMPTION OR SALE.—For purposes
25 of this chapter, the removal of wine for transfer in

1 bond between bonded premises shall not be treated as
2 a removal for consumption or sale.
3 "(5) BONDED PREMISES.—For purposes of this
4 subsection, the term 'bonded premises' means a bonded
5 wine cellar or the bonded premises of a distilled spirits
6 plant."
7 (45) SECTION 5363.—Section 5363 (relating to
8 taxpaid wine bottling house operations) is amended by
9 striking out the last 2 sentences thereof.
10 (46) SECTION 5364.—Section 5364 (relating to
11 standard wine premises) is hereby repealed.
12 (47) SECTION 5365.—Section 5365 (relating to
13 segregation of operations) is amended to read as fol-
14 lows:
15 **"SEC. 5365. SEGREGATION OF OPERATIONS.**
16 "The Secretary may require by regulations such segre-
17 gation of operations within the premises, by partitions or oth-
18 erwise, as may be necessary to prevent jeopardy to the reve-
19 nue, to prevent confusion between untaxpaid wine operations
20 and such other operations as are authorized in this sub-
21 chapter, to prevent substitution with respect to the several
22 methods of producing effervescent wines, and to prevent the
23 commingling of standard wines with other than standard
24 wines."

1 (48) SECTION 5381.—The last sentence of section
2 5381 (relating to natural wine) is amended to read as
3 follows: "Any wine conforming to such definition
4 except for having become substandard by reason of its
5 condition shall be deemed not to be natural wine,
6 unless the condition is corrected."

7 (49) SECTION 5391.—Section 5391 (relating to
8 exemption from rectifying and spirits taxes) is amended
9 to read as follows:

10 **"SEC. 5391. EXEMPTION FROM DISTILLED SPIRITS TAXES.**

11 "Notwithstanding any other provision of law, the tax
12 imposed by section 5001 on distilled spirits shall not, except
13 as provided in this subchapter, be assessed, levied, or collect-
14 ed from the proprietor of any bonded wine cellar with respect
15 to his use of wine spirits in wine production, in such prem-
16 ises; except that, whenever wine or wine spirits are used in
17 violation of this subchapter, the applicable tax imposed by
18 section 5001 shall be collected unless the proprietor satisfac-
19 torily shows that such wine or wine spirits were not know-
20 ingly used in violation of law."

21 (50) SECTIONS 5521, 5522, AND 5523.—Part III
22 of subchapter H of chapter 51 (sections 5521, 5522,
23 and 5523, relating to manufacturing bonded ware-
24 houses) is hereby repealed.

1 (51) SECTION 5551.—Subsection (a) of section
2 5551 (relating to general provisions relating to bonds)
3 is amended by striking out "bonded warehouseman,
4 rectifier," each place it appears and inserting in lieu
5 thereof "warehouseman, processor,".

6 (52) SECTION 5601.—

7 (A) Paragraph (2) of section 5601(a) (relating
8 to criminal penalties) is amended to read as fol-
9 lows:

10 "(2) FAILURE TO FILE APPLICATION.—engages
11 in the business of a distiller or processor without
12 having filed application for and received notice of regis-
13 tration, as required by section 5171(c); or".

14 (B) Paragraphs (3) and (5) of section 5601(a)
15 are each amended by striking out "bonded ware-
16 houseman, rectifier, or bottler" and inserting in
17 lieu thereof "warehouseman, or processor".

18 (C) Paragraph (4) of section 5601(a) is
19 amended to read as follows:

20 "(4) FAILURE OR REFUSAL OF DISTILLER,
21 WAREHOUSEMAN, OR PROCESSOR TO GIVE BOND.—
22 carries on the business of a distiller, warehouseman, or
23 processor without having given bond as required by
24 law; or".

1 (D) Paragraph (10) of section 5601(a) is
2 amended to read as follows:
3 "(10) UNLAWFUL PROCESSING.—engages in or
4 carries on the business of a processor—
5 "(A) with intent to defraud the United States
6 of any tax on the distilled spirits processed by
7 him; or
8 "(B) with intent to aid, abet, or assist any
9 person or persons in defrauding the United States
10 of the tax on any distilled spirits; or".
11 (E) Paragraph (11) of section 5601(a) is
12 amended to read as follows:
13 "(11) UNLAWFUL PURCHASE, RECEIPT, OR
14 PROCESSING OF DISTILLED SPIRITS.—purchases, re-
15 ceives, or processes any distilled spirits, knowing or
16 having reasonable grounds to believe that any tax due
17 on such spirits has not been paid or determined as
18 required by law; or".
19 (F) Subsection (b) of section 5601 is amend-
20 ed by striking out "rectifier" and inserting in lieu
21 thereof "processor".
22 (53) SECTION 5604.—
23 (A) Paragraph (1) of section 5604(a) (relating
24 to penalties related to stamps, marks, brands, and
25 containers) is amended by striking out "section

1 5205(a)(2)" and inserting in lieu thereof "section
2 5205(a)(1)".
3 (B) Paragraph (2) of section 5604(a) is
4 amended—
5 (i) by striking out "section 5205(a) (1)
6 or (2)" and inserting in lieu thereof "section
7 5205(a)(1)", and
8 (ii) by striking out "section 5205(a)(3)"
9 and inserting in lieu thereof "section
10 5205(a)(2)".
11 (C) Paragraph (3) of section 5604(a) is
12 amended by striking out "section 5205(g)" and
13 inserting in lieu thereof "section 5205(f)".
14 (D) Paragraph (6) of section 5604(a) is
15 amended by striking out "section 5205(a)(3)" and
16 inserting in lieu thereof "section 5205(a)(2)".
17 (E) Paragraph (13) of section 5604(a) is
18 amended by striking out "section 5205(a) (2) and
19 (3)" and inserting in lieu thereof "section
20 5205(a)".
21 (54) SECTION 5610.—Section 5610 (relating to
22 disposal of forfeited equipment and material for distill-
23 ing) is amended by striking out "or rectifying" and
24 inserting in lieu thereof "or processing".

1 (55) SECTION 5612.—Subsection (b) of section
2 5612 (relating to forfeiture of taxpaid distilled spirits
3 remaining on bonded premises) is amended to read as
4 follows:
5 "(b) EXCEPTIONS.—Subsection (a) shall not apply in
6 the case of—
7 "(1) distilled spirits in the process of prompt re-
8 moval from bonded premises on payment or determina-
9 tion of the tax; or
10 "(2) distilled spirits returned to bonded premises
11 in accordance with the provisions of section 5215."
12 (56) SECTION 5615.—Paragraph (5) of section
13 5615 (relating to property subject to forfeiture) is
14 amended by striking out "distillery, bonded warehouse,
15 or rectifying or bottling establishment" each place it
16 appears and inserting in lieu thereof "distilled spirits
17 plant".
18 (57) SECTION 5663.—Section 5663 (relating to
19 cross references) is amended by striking out ", and for
20 penalties for rectified products, see part I".
21 (58) SECTION 5681.—
22 (A) Subsection (a) of section 5681 (relating
23 to penalty relating to signs) is amended by strik-
24 ing out "distilling, warehousing of distilled spirits,
25 rectifying, or bottling of distilled spirits" and

1 inserting in lieu thereof "distilled spirits
2 operations".
3 (B) Subsection (b) of section 5681 is
4 amended—
5 (i) by striking out "distiller, warehouse-
6 man of distilled spirits, rectifier, or bottler of
7 distilled spirits" and inserting in lieu thereof
8 "distiller, warehouseman, or processor of dis-
9 tilled spirits",
10 (ii) by striking out "section 5171(a)"
11 and inserting in lieu thereof "section
12 5171(c)", and
13 (iii) by striking out "distiller, bonded
14 warehouseman, rectifier, bottler of distilled
15 spirits" and inserting in lieu thereof "distill-
16 er, warehouseman, or processor of distilled
17 spirits".
18 (C) Subsection (c) of section 5681 is amend-
19 ed to read as follows:
20 "(c) PREMISES WHERE NO SIGN IS PLACED OR
21 KEPT.—Every person who works in any distilled spirits
22 plant or wholesale liquor establishment, on which no sign
23 required by section 5115(a) or section 5180(a) is placed or
24 kept, and every person who knowingly receives at, or carries
25 or conveys any distilled spirits to or from any such distilled

1 spirits plant or wholesale liquor establishment, or who know-
2 ingly carries or delivers any grain, molasses, or other raw
3 material to any distilled spirits plant on which such a sign is
4 not placed and kept, shall forfeit all vehicles, aircraft, or ves-
5 sels used in carrying or conveying such property and shall be
6 fined not more than $1,000, or imprisoned not more than 1
7 year, or both."

8 (D) Subsection (d) of section 5681 is amend-
9 ed by striking out "distillery or rectifying estab-
10 lishment" and inserting in lieu thereof "distilled
11 spirits plant".

12 (59) SECTION 5682.—Section 5682 (relating to
13 penalty for breaking locks or gaining access) is amend-
14 ed by striking out "duly authorized internal revenue of-
15 ficer, or" and inserting in lieu thereof "authorized in-
16 ternal revenue officer or any approved lock or seal
17 placed thereon by a distilled spirits plant proprietor, or
18 who".

19 (60) SECTION 5691.—Subsection (a) of section
20 5691 (relating to penalties for nonpayment of special
21 taxes related to liquors) is amended by striking out
22 "rectifier,".

23 (b) CLERICAL AMENDMENTS.—

1 (1) The table of subparts for part I of subchapter
2 A of chapter 51 is amended by striking out the item
3 relating to subpart B.
4 (2) The table of sections for subpart A of part I of
5 subchapter A of chapter 51 is amended by striking out
6 the item relating to section 5009.
7 (3) The table of subparts for part II of subchapter
8 A of chapter 51 is amended by striking out the item
9 relating to subpart A.
10 (4) The table of sections for subchapter B of chap-
11 ter 51 is amended—
12 (A) by striking out the item relating to
13 section 5173 and inserting in lieu thereof the
14 following:

"Sec. 5173. Bonds.";

15 (B) by striking out the item relating to sec-
16 tion 5174; and
17 (C) by striking out the item relating to
18 section 5178 and inserting in lieu thereof the
19 following:

"Sec. 5178. Distilled spirits plants."

20 (5) The table of parts for subchapter C of chapter
21 51 is amended by striking out the item relating to part
22 III.

1 (6) The table of sections for subpart C of part II
2 of subchapter C of chapter 51 is amended—
3 (A) by striking out the item relating to
4 section 5231 and inserting in lieu thereof the
5 following:

"Sec. 5231. Entry for deposit.";

6 and
7 (B) by striking out the items relating to sec-
8 tions 5233 and 5234.
9 (7) The table of sections for part II of subchapter
10 F of chapter 51 is amended by striking out the item
11 relating to section 5364.
12 (8) The table of sections for part IV of subchapter
13 F of chapter 51 is amended by striking out the item
14 relating to section 5391 and inserting in lieu thereof
15 the following:

"Sec. 5391. Exemption from distilled spirits taxes."

16 (9) The table of parts for subchapter H of chapter
17 51 is amended by striking out the item relating to part
18 III.

19 **SEC. 808. TRANSITIONAL RULES RELATING TO DETERMINA-**
20 **TION AND PAYMENT OF TAX.**

21 (a) LIABILITY FOR PAYMENT OF TAX.—Except as oth-
22 erwise provided in this section, the tax on all distilled spirits
23 which have been withdrawn from bond on determination of

1 tax and on which tax has not been paid by the close of De-
2 cember 31, 1979, shall become due on January 1, 1980, and
3 shall be payable in accordance with section 5061 of the In-
4 ternal Revenue Code of 1954.

5 (b) TREATMENT OF CONTROLLED STOCK AND BULK
6 WINE.—

7 (1) ELECTION WITH RESPECT TO CONTROLLED
8 STOCK.—The proprietor of a distilled spirits plant may
9 elect to convert any distilled spirits or wine which on
10 January 1, 1980, is controlled stock.

11 (2) ELECTION WITH RESPECT TO WINE.—The
12 proprietor of a distilled spirits plant may elect to con-
13 vert any bulk wine which on January 1, 1980, is on
14 the premises of a distilled spirits plant.

15 (3) EFFECT OF ELECTION.—If an election under
16 paragraph (1) or (2) is in effect with respect to any
17 controlled stock or wine—

18 (A) any distilled spirits, wine, or rectification
19 tax previously paid or determined on such con-
20 trolled stock or wine shall be abated or (without
21 interest) credited or refunded under such regula-
22 tions as the Secretary shall prescribe, and

23 (B) such controlled stock or wine shall be
24 treated as distilled spirits or wine on which tax
25 has not been paid or determined.

1 (4) MAKING OF ELECTIONS.—The elections under
2 this subsection shall be made at such time and in such
3 manner as the Secretary shall by regulations prescribe.
4 (c) TAXPAID STOCK.—
5 (1) TAXPAID STOCK MAY REMAIN ON BONDED
6 PREMISES DURING 1980.—Section 5612(a) of the In-
7 ternal Revenue Code of 1954 (relating to forfeiture of
8 taxpaid distilled spirits remaining on bonded premises)
9 shall not apply during 1980.
10 (2) SEPARATION OF TAXPAID STOCK.—All dis-
11 tilled spirits and wine on which tax has been paid and
12 which are on the bonded premises of a distilled spirits
13 plant shall be physically separated from other distilled
14 spirits and wine. Such separation shall be by the use of
15 separate tanks, rooms, or buildings, or by partitioning,
16 or by such other methods as the Secretary finds will
17 distinguish such distilled spirits and wine from other
18 distilled spirits and wine on the bonded premises of the
19 distilled spirits plant.
20 (d) RETURN OF DISTILLED SPIRITS PRODUCTS CON-
21 TAINING TAXPAID WINE.—With respect to distilled spirits
22 returned to the bonded premises of distilled spirits plants
23 during 1980, section 5008(c)(1) of the Internal Revenue
24 Code of 1954 (relating to refunds for distilled spirits returned

1 to bonded premises) shall be treated as including a reference
2 to section 5041 of such Code.

3 (e) RETURN OF DISTILLED SPIRITS PRODUCTS CON-
4 TAINING OTHER ALCOHOLIC INGREDIENTS.—With respect
5 to distilled spirits to which alcoholic ingredients other than
6 distilled spirits have been added and which have been with-
7 drawn from a distilled spirits plant before January 1, 1980,
8 section 5215(a) of the Internal Revenue Code of 1954 shall
9 apply only if such spirits are returned to the distilled spirits
10 plant from which withdrawn.

11 (f) SECRETARY DEFINED.—For purposes of this sec-
12 tion, the term "Secretary" means the Secretary of the Treas-
13 ury or his delegate.

14 **SEC. 809. TRANSITIONAL RULES RELATING TO ALL-IN-BOND**
15 **METHOD.**

16 (a) NEW APPLICATION REQUIRED.—

17 (1) IN GENERAL.—For purposes of section 5171
18 of the Internal Revenue Code of 1954 (relating to es-
19 tablishment of distilled spirits plants), each person who
20 intends to continue any distilled spirits operation at a
21 premises after December 31, 1979, shall be treated as
22 intending to establish a distilled spirits plant on such
23 premises on January 1, 1980.

24 (2) CURRENT REGISTRATION TO REMAIN IN
25 EFFECT.—Notwithstanding paragraph (1), the registra-

1 tion of any person under section 5171 of the Internal
2 Revenue Code of 1954 which is in effect on December
3 31, 1979, shall remain in effect until final action on
4 the application required by paragraph (1).

5 (b) CONTINUING OPERATIONS AT EXISTING PREM-
6 ISES.—With respect to any operation which was permitted
7 to be conducted on May 1, 1979, at premises which were
8 registered on such date under section 5171 of the Internal
9 Revenue Code of 1954, the determination of whether such
10 premises qualify for registration under such section as a dis-
11 tilled spirits plant shall be made without regard to whether or
12 not—

13 (1) the person engaged in operations at such
14 premises is registered under such section with respect
15 to such premises as a distiller or warehouseman, and

16 (2) such premises meet the minimum capacity and
17 level of activity requirements for that type of
18 operation.

19 (c) NEW BOND REQUIRED.—For purposes of section
20 5173 of the Internal Revenue Code of 1954 (relating to
21 bonds), each person who intends to continue operation at a
22 premises after December 31, 1979, shall be treated as in-
23 tending to establish a distilled spirits plant on such premises
24 on January 1, 1980.

1 **SEC. 810. EFFECTIVE DATE.**

2 The amendments made by this title shall take effect on
3 January 1, 1980.

4 Subtitle B—Tariff Treatment

5 **SEC. 851. REPEAL OF PROVISION THAT EACH WINE GALLON**
6 **IS TO BE COUNTED AS AT LEAST ONE PROOF**
7 **GALLON.**

8 The first sentence of headnote 2 to part 12 of schedule
9 1 of the Tariff Schedules of the United States is amended to
10 read as follows: "The standard for determining the proof of
11 brandy and other spirits or liquors of any kind when imported
12 is the same as that which is defined in the laws relating to
13 internal revenue."

14 **SEC. 852. CHANGES IN RATES OF DUTY.**

15 So much of subpart D of part 12 of schedule 1 of the
16 Tariff Schedules of the United States as follows headnote 1 is
17 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.

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.

(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

1 that a foreign country or instrumentality has not implement-
2 ed concessions to the United States affecting alcoholic bever-
3 ages which were negotiated in the agreement entered into
4 before January 3, 1980, under the authority of title I of the
5 Trade Act of 1974, the President shall withdraw, suspend, or
6 modify the application of substantially equivalent trade
7 agreement obligations of benefit to such foreign country or
8 instrumentality under section 125 of the Trade Act of 1974
9 (19 U.S.C. 2135).

10 (c) FURTHER NEGOTIATIONS TO REMOVE BAR-
11 RIERS.—If, as the result of his review under subsection (a),
12 the President determines that foreign tariff or nontariff bar-
13 riers are unduly burdening or restricting the United States
14 exports of alcoholic beverages, he shall enter into negotia-
15 tions under the Trade Act of 1974 to eliminate or reduce
16 such barriers.

17 **SEC. 855. AUTHORITY TO PROCLAIM EXISTING RATES FOR**
18 **CERTAIN ITEMS.**

19 (a) GENERAL RULE.—In the case of any item set forth
20 in subpart D of part 12 of schedule 1 of the Tariff Schedules
21 of the United States, as amended by section 852 of this Act,
22 whenever the President determines that adequate reciprocal
23 concessions have been received therefor under a trade agree-
24 ment entered into under the Trade Act of 1974, he may (not-
25 withstanding section 109 of such Act) proclaim that the rate

1 of duty applicable to such item shall be the rate of duty ap-
2 pearing in rate column numbered 1 on January 1, 1979, for
3 the comparable item, determined on a proof gallon basis. For
4 purposes of sections 101 and 601(7) of the Trade Act of
5 1974, the rates of duty proclaimed under the preceding sen-
6 tence shall be deemed to be the rates of duty existing on
7 January 1, 1975.

8 (b) TERMINATION AND WITHDRAWAL AUTHORITY.—
9 For purposes of section 125 of the Trade Act of 1974, any
10 rate of duty proclaimed under subsection (a) shall be deemed
11 to be a trade agreement obligation entered into under the
12 Trade Act of 1974 which is of benefit to a foreign country or
13 instrumentality. In the case of any item affected by any such
14 proclamation, the last sentence of subsection (c) of such sec-
15 tion 125 shall be applied as if it authorized (in addition to any
16 increase authorized therein) an increase up to the rate of duty
17 for such item set forth in rate column numbered 1 of subpart
18 D of part 12 of schedule 1 of the Tariff Schedules of the
19 United States, as amended by section 852 of this Act.

20 **SEC. 856. AMENDMENTS OF SECTION 311 OF THE TARIFF ACT**
21 **OF 1930.**

22 (a) CERTAIN TRANSFERS TO WAREHOUSES PENDING
23 EXPORTATION.—In the case of articles described in section
24 5522(a) of the Internal Revenue Code of 1954 (as in effect
25 before its repeal by section 807(a)(50) of the Distilled Spirits

1 Tax Revision Act of 1979), the first sentence of the eighth
2 paragraph of section 311 of the Tariff Act of 1930 (19
3 U.S.C. 1311) shall be applied as if such first sentence did not
4 include the phrase "at an exterior port".

5 (b) REMOVAL OF REFERENCE TO RECTIFICATION
6 TAXES.—Effective January 1, 1980, the second proviso to
7 the last paragraph of section 311 of the Tariff Act of 1930 is
8 hereby repealed.

9 TITLE IX—ENFORCEMENT OF UNITED 10 STATES RIGHTS

11 SEC. 901. ENFORCEMENT OF UNITED STATES RIGHTS UNDER 12 TRADE AGREEMENTS AND RESPONSE TO CER- 13 TAIN FOREIGN PRACTICES.

14 Chapter 1 of title III of the Trade Act of 1974 (19
15 U.S.C. 2411) is amended to read as follows:

16 "CHAPTER 1—ENFORCEMENT OF UNITED STATES 17 RIGHTS UNDER TRADE AGREEMENTS AND RE- 18 SPONSE TO CERTAIN FOREIGN TRADE PRAC- 19 TICES

20 "SEC. 301. DETERMINATIONS AND ACTION BY PRESIDENT.

21 "(a) DETERMINATIONS REQUIRING ACTION.—If the
22 President determines that action by the United States is
23 appropriate—

24 "(1) to enforce the rights of the United States
25 under any trade agreement; or

1 "(2) to respond to any act, policy, or practice of a
2 foreign country or instrumentality that—
3 "(A) is inconsistent with the provisions of, or
4 otherwise denies benefits to the United States
5 under, any trade agreement, or
6 "(B) is unjustifiable, unreasonable, or dis-
7 criminatory and burdens or restricts United States
8 commerce;
9 the President shall take all appropriate and feasible action
10 within his power to enforce such rights or to obtain the elimi-
11 nation of such act, policy, or practice. Action under this sec-
12 tion may be taken on a nondiscriminatory basis or solely
13 against the products or services of the foreign country or
14 instrumentality involved.
15 "(b) OTHER ACTION.—Upon making a determination
16 described in subsection (a), the President, in addition to
17 taking action referred to in such subsection, may—
18 "(1) suspend, withdraw, or prevent the application
19 of, or refrain from proclaiming, benefits of trade agree-
20 ment concessions to carry out a trade agreement with
21 the foreign country or instrumentality involved; and
22 "(2) impose duties or other import restrictions on
23 the products of, and fees or restrictions on the services
24 of, such foreign country or instrumentality for such
25 time as he determines appropriate.

1 "(c) PRESIDENTIAL PROCEDURES.—

2 "(1) ACTION ON OWN MOTION.—If the President
3 decides to take action under this section and no peti-
4 tion requesting action on the matter involved has been
5 filed under section 302, the President shall publish
6 notice of his determination, including the reasons for
7 the determination in the Federal Register. Unless he
8 determines that expeditious action is required, the
9 President shall provide an opportunity for the presenta-
10 tion of views concerning the taking of such action.

11 "(2) ACTION REQUESTED BY PETITION.—Not
12 later than 21 days after the date on which he receives
13 the recommendation of the Special Representative
14 under section 304 with respect to a petition, the Presi-
15 dent shall determine what action, if any, he will take
16 under this section, and shall publish notice of his deter-
17 mination, including the reasons for the determination,
18 in the Federal Register.

19 "(d) SPECIAL PROVISIONS.—

20 "(1) DEFINITION OF COMMERCE.—For purposes
21 of this section, the term 'commerce' includes, but is not
22 limited to, services associated with international trade,
23 whether or not such services are related to specific
24 products.

1 "(2) VESSEL CONSTRUCTION SUBSIDIES.—An
2 act, policy, or practice of a foreign country or instru-
3 mentality that burdens or restricts United States com-
4 merce may include the provision, directly or indirectly,
5 by that foreign country or instrumentality of subsidies
6 for the construction of vessels used in the commercial
7 transportation by water of goods between foreign coun-
8 tries and the United States.

9 **"SEC. 302. PETITIONS FOR PRESIDENTIAL ACTION.**

10 "(a) FILING OF PETITION WITH SPECIAL REPRE-
11 SENTATIVE.—Any interested person may file a petition with
12 the Special Representative for Trade Negotiations (herein-
13 after in this chapter referred to as the 'Special Representa-
14 tive') requesting the President to take action under section
15 301 and setting forth the allegations in support of the re-
16 quest. The Special Representative shall review the allega-
17 tions in the petition and, not later than 45 days after the date
18 on which he received the petition, shall determine whether to
19 initiate an investigation.

20 "(b) DETERMINATIONS REGARDING PETITIONS.—

21 "(1) NEGATIVE DETERMINATION.—If the Special
22 Representative determines not to initiate an investiga-
23 tion with respect to a petition, he shall inform the peti-
24 tioner of his reasons therefor and shall publish notice of

1 the determination, together with a summary of such
2 reasons, in the Federal Register.
3 "(2) AFFIRMATIVE DETERMINATION.—If the
4 Special Representative determines to initiate an inves-
5 tigation with respect to a petition, he shall initiate an
6 investigation regarding the issues raised. The Special
7 Representative shall publish the text of the petition in
8 the Federal Register and shall, as soon as possible,
9 provide opportunity for the presentation of views con-
10 cerning the issues, including a public hearing—
11 "(A) within the 30-day period after the date
12 of the determination (or on a date after such
13 period if agreed to by the petitioner), if a public
14 hearing within such period is requested in the pe-
15 tition; or
16 "(B) at such other time if a timely request
17 therefor is made by the petitioner.
18 **"SEC. 303. CONSULTATION UPON INITIATION OF INVESTIGA-**
19 **TION.**
20 "On the date an affirmative determination is made
21 under section 302(b) with respect to a petition, the Special
22 Representative, on behalf of the United States, shall request
23 consultations with the foreign country or instrumentality con-
24 cerned regarding issues raised in the petition. If the case in-
25 volves a trade agreement and a mutually acceptable resolu-

1 tion is not reached during the consultation period, if any,
2 specified in the trade agreement, the Special Representative
3 shall promptly request proceedings on the matter under the
4 formal dispute settlement procedures provided under such
5 agreement. The Special Representative shall seek informa-
6 tion and advice from the petitioner and the appropriate pri-
7 vate sector representatives provided for under section 135 in
8 preparing United States presentations for consultations and
9 dispute settlement proceedings.

10 **"SEC. 304. RECOMMENDATIONS BY THE SPECIAL REPRE-**
11 **SENTATIVE.**

12 "(a) RECOMMENDATIONS.—

13 "(1) IN GENERAL.—On the basis of the investiga-
14 tion under section 302, and the consultations (and the
15 proceedings, if applicable) under section 303, and sub-
16 ject to subsection (b), the Special Representative shall
17 recommend to the President what action, if any, he
18 should take under section 301 with respect to the
19 issues raised in the petition. The Special Representa-
20 tive shall make that recommendation not later than—

21 "(A) 7 months after the date of the initiation
22 of the investigation under section 302(b)(2) if the
23 petition alleges only an export subsidy covered by
24 the Agreement on Interpretation and Application
25 of Articles VI, XVI, and XXIII of the General

1 Agreement on Tariffs and Trade (relating to sub-
2 sidies and countervailing measures and hereinafter
3 referred to in this section as the 'Subsidies Agree-
4 ment');
5 "(B) 8 months after the date of the investi-
6 gation initiation if the petition alleges any matter
7 covered by the Subsidies Agreement other than
8 only an export subsidy;
9 "(C) in the case of a petition involving a
10 trade agreement approved under section 2(a) of
11 the Trade Agreements Act of 1979 (other than
12 the Subsidies Agreement), 30 days after the dis-
13 pute settlement procedure is concluded; or
14 "(D) 12 months after the date of the investi-
15 gation initiation in any case not described in sub-
16 paragraph (A), (B), or (C).
17 "(2) SPECIAL RULE.—In the case of any peti-
18 tion—
19 "(A) an investigation with respect to which
20 is initiated on or after the date of the enactment
21 of the Trade Agreements Act of 1979 (including
22 any petition treated under section 903 of that Act
23 as initiated on such date); and

1 "(B) to which the 12-month time limitation
2 set forth in subparagraph (D) of paragraph (1)
3 would but for this paragraph apply;
4 if a trade agreement approved under section 2(a) of
5 such Act of 1979 that relates to any allegation made
6 in the petition applies between the United States and a
7 foreign country or instrumentality before the 12-month
8 period referred to in subparagraph (B) expires, the
9 Special Representative shall make the recommendation
10 required under paragraph (1) with respect to the peti-
11 tion not later than the close of the period specified in
12 subparagraph (A), (B), or (C), as appropriate, of such
13 paragraph, and for purposes of such subparagraph (A)
14 or (B), the date of the application of such trade agree-
15 ment between the United States and the foreign coun-
16 try or instrumentality concerned shall be treated as the
17 date on which the investigation with respect to such
18 petition was initiated; except that consultations and
19 proceedings under section 303 need not be undertaken
20 within the period specified in such subparagraph (A),
21 (B), or (C), as the case may be, to the extent that the
22 requirements under such section were complied with
23 before such period begins.
24 "(3) REPORT IF SETTLEMENT DELAYED.—In
25 any case in which a dispute is not resolved before the

1 close of the minimum dispute settlement period pro-
2 vided for in a trade agreement referred to in paragraph
3 (1)(C) (other than the Subsidies Agreement), the Spe-
4 cial Representative, within 15 days after the close of
5 such period, shall submit a report to Congress setting
6 forth the reasons why the dispute was not resolved
7 within the minimum period, the status of the case at
8 the close of the period, and the prospects for resolu-
9 tion. For purposes of this paragraph, the minimum dis-
10 pute settlement period provided for under any such
11 trade agreement is the total period of time that results
12 if all stages of the formal dispute settlement procedures
13 are carried out within the time limitations specified in
14 the agreement, but computed without regard to any
15 extension authorized under the agreement of any stage.
16 "(b) CONSULTATION BEFORE RECOMMENDATION.—
17 Before recommending that the President take action under
18 section 301 with respect to the treatment of any product or
19 service of a foreign country or instrumentality which is the
20 subject of a petition filed under section 302, the Special Rep-
21 resentative, unless he determines that expeditious action is
22 required—
23 "(1) shall provide opportunity for the presentation
24 of views, including a public hearing if requested by any
25 interested person;

1 "(2) shall obtain advice from the appropriate pri-
2 vate sector advisory representatives provided for under
3 section 135; and
4 "(3) may request the views of the International
5 Trade Commission regarding the probable impact on
6 the economy of the United States of the taking of
7 action with respect to such product or service.
8 If the Special Representative does not comply with para-
9 graphs (1) and (2) because expeditious action is required, he
10 shall, after making the recommendation concerned to the
11 President, comply with such paragraphs.
12 **"SEC. 305. REQUESTS FOR INFORMATION.**
13 "(a) IN GENERAL.—Upon receipt of written request
14 therefor from any person, the Special Representative shall
15 make available to that person information (other than that to
16 which confidentiality applies) concerning—
17 "(1) the nature and extent of a specific trade
18 policy or practice of a foreign government or instru-
19 mentality with respect to particular merchandise, to
20 the extent that such information is available to the
21 Special Representative or other Federal agencies;
22 "(2) United States rights under any trade agree-
23 ment and the remedies which may be available under
24 that agreement and under the laws of the United
25 States; and

1 "(3) past and present domestic and international
2 proceedings or actions with respect to the policy or
3 practice concerned.
4 "(b) IF INFORMATION NOT AVAILABLE.—If informa-
5 tion that is requested by an interested party under subsection
6 (a) is not available to the Special Representative or other
7 Federal agencies, the Special Representative shall, within 30
8 days after receipt of the request—
9 "(1) request the information from the foreign gov-
10 ernment; or
11 "(2) decline to request the information and inform
12 the person in writing of the reasons for the refusal.
13 **"SEC. 306. ADMINISTRATION.**
14 "The Special Representative shall—
15 "(1) issue regulations concerning the filing of peti-
16 tions and the conduct of investigations and hearings
17 under this chapter;
18 "(2) keep the petitioner regularly informed of all
19 determinations and developments regarding his case
20 under this section, including the reasons for any undue
21 delays; and
22 "(3) submit a report to the House of Representa-
23 tives and the Senate semiannually describing the peti-
24 tions filed and the determinations made (and reasons
25 therefor) under section 302, developments in and cur-

1 rent status of each such proceeding, and the actions
2 taken, or the reasons for no action, by the President
3 under section 301.".

4 **SEC. 902. CONFORMING AMENDMENTS.**

5 (a) ELIMINATION OF CONGRESSIONAL PROCE-
6 DURES.—Chapter 5 of title I of the Trade Act of 1974 is
7 amended as follows:

8 (1) Section 152(a) is amended—

9 (A) by amending paragraph (1)(A) to read as
10 follows:

11 "(A) a concurrent resolution of the two
12 Houses of the Congress, the matter after the re-
13 solving clause of which is as follows: 'That the
14 Congress does not approve the action taken by, or
15 the determination of, the President under section
16 203 of the Trade Act of 1974 transmitted to the
17 Congress on .', the blank space
18 being filled with the appropriate date; and";

19 (B) by striking out "paragraph (3)," in para-
20 graph (1)(B) and inserting in lieu thereof "para-
21 graph (2),";

22 (C) by striking out paragraph (2); and

23 (D) by redesignating paragraph (3) as para-
24 graph (2).

1 (2) Section 154 is amended by striking out
2 "302(a)," in subsection (a); and by striking out
3 "302(b)," in subsection (b).
4 (b) TABLE OF CONTENTS.—The table of contents of the
5 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.";

6 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.".

7 **SEC. 903. EFFECTIVE DATE.**

8 The amendments made by sections 901 and 902 shall
9 take effect on the date of the enactment of this Act. Any
10 petition for review filed with the Special Representative for
11 Trade Negotiations under section 301 of the Trade Act of
12 1974 (as in effect on the day before such date of enactment)
13 and pending on such date of enactment shall be treated as an
14 investigation initiated on such date of enactment under sec-
15 tion 302(b)(2) of the Trade Act of 1974 (as added by section
16 901 of this Act) and any information developed by, or submit-
17 ted to, the Special Representative before such date of enact-

1 ment under the review shall be treated as part of the infor-
2 mation developed during such investigation.

3 **TITLE X—JUDICIAL REVIEW**

4 **SEC. 1001. JUDICIAL REVIEW.**

5 (a) REVIEW PROCEDURES APPLICABLE TO COUNTER-
6 VAILING DUTY AND ANTIDUMPING DUTY MATTERS.—Title
7 V of the Tariff Act of 1930 (19 U.S.C. 1501, et seq.) is
8 amended by inserting after section 516 the following new
9 section:

10 **"SEC. 516A. JUDICIAL REVIEW IN COUNTERVAILING DUTY**
11 **AND ANTIDUMPING DUTY PROCEEDINGS.**

12 "(a) REVIEW OF DETERMINATION.—

13 "(1) REVIEW OF CERTAIN DETERMINATIONS.—
14 Within 30 days after the date of publication in the
15 Federal Register of notice of—

16 "(A) a determination by the Secretary or the
17 administering authority, under section 303(a)(3),
18 702(c), or 732(c) of this Act, not to initiate an in-
19 vestigation,

20 "(B) a determination by the administering
21 authority, under section 703(c) or 733(c) of this
22 Act, that a case is extraordinarily complicated,

23 "(C) a determination by the administering
24 authority or the Commission, under section 751(b)

1 of this Act, not to review an agreement or a de-
2 termination based upon changed circumstances,
3 "(D) a negative determination by the Com-
4 mission, under section 703(a) or 733(a) of this
5 Act, as to whether there is reasonable indication
6 of material injury, threat of material injury, or
7 material retardation, or
8 "(E) a negative determination by the admin-
9 istering authority under section 703(b) or 733(b)
10 of this Act,
11 an interested party who is a party to the proceeding in
12 connection with which the matter arises may com-
13 mence an action in the United States Customs Court
14 by filing concurrently a summons and complaint, each
15 with the content and in the form, manner, and style
16 prescribed by the rules of that court, contesting any
17 factual findings or legal conclusions upon which the de-
18 termination is based.
19 "(2) REVIEW OF DETERMINATIONS ON
20 RECORD.—
21 "(A) IN GENERAL.—Within thirty days after
22 the date of publication in the Federal Register
23 of—

1 "(i) notice of any determination de-
2 scribed in clause (ii), (iii), (iv), or (v) of sub-
3 paragraph (B), or
4 "(ii) an antidumping or countervailing
5 duty order based upon any determination de-
6 scribed in clause (i) of subparagraph (B),
7 an interested party who is a party to the proceed-
8 ing in connection with which the matter arises
9 may commence an action in the United States
10 Customs Court by filing a summons, and within
11 thirty days thereafter a complaint, each with the
12 content and in the form, manner, and style pre-
13 scribed by the rules of that court, contesting any
14 factual findings or legal conclusions upon which
15 the determination is based.
16 "(B) REVIEWABLE DETERMINATIONS.—The
17 determinations which may be contested under
18 subparagraph (A) are as follows:
19 "(i) Final affirmative determinations by
20 the Secretary and by the Commission under
21 section 303, or by the administering authori-
22 ty and by the Commission under section 705
23 or 735 of this Act.
24 "(ii) A final negative determination by
25 the Secretary, the administering authority, or

1 the Commission under section 303, 705, or
2 735 of this Act.
3 "(iii) A determination, other than a de-
4 termination reviewable under paragraph (1),
5 by the Secretary, the administering authori-
6 ty, or the Commission under section 751 of
7 this Act.
8 "(iv) A determination by the administer-
9 ing authority, under section 704 or 734 of
10 this Act, to suspend an antidumping duty or
11 a countervailing duty investigation.
12 "(v) An injurious effect determination
13 by the Commission under section 704(h) or
14 734(h) of this Act.
15 "(3) PROCEDURES AND FEES.—The procedures
16 and fees set forth in subsections (b), (c), and (e) of sec-
17 tion 2632 of title 28, United States Code, apply to an
18 action under this section.
19 "(b) STANDARDS OF REVIEW.—
20 "(1) REMEDY.—The court shall hold unlawful any
21 determination, finding, or conclusion found—
22 "(A) in an action brought under paragraph
23 (1) of subsection (a), to be arbitrary, capricious, an
24 abuse of discretion, or otherwise not in accord-
25 ance with law, or

1 "(B) in an action brought under paragraph
2 (2) of subsection (a), to be unsupported by sub-
3 stantial evidence on the record, or otherwise not
4 in accordance with law.
5 "(2) RECORD FOR REVIEW.—
6 "(A) IN GENERAL.—For the purposes of this
7 subsection, the record, unless otherwise stipulated
8 by the parties, shall consist of—
9 "(i) a copy of all information presented
10 to or obtained by the Secretary, the adminis-
11 tering authority, or the Commission during
12 the course of the administrative proceeding,
13 including all governmental memoranda per-
14 taining to the case and the record of ex parte
15 meetings required to be kept by section
16 777(a)(3); and
17 "(ii) a copy of the determination, all
18 transcripts or records of conferences or hear-
19 ings, and all notices published in the Federal
20 Register.
21 "(B) CONFIDENTIAL OR PRIVILEGED MATE-
22 RIAL.—The confidential or privileged status ac-
23 corded to any documents, comments, or informa-
24 tion shall be preserved in any action under this
25 section. Notwithstanding the preceding sentence,

1 the court may examine, in camera, the confiden-
2 tial or privileged material, and may disclose such
3 material under such terms and conditions as it
4 may order.

5 "(c) LIQUIDATION OF ENTRIES.—

6 "(1) LIQUIDATION IN ACCORDANCE WITH DE-
7 TERMINATION.—Unless such liquidation is enjoined by
8 the court under paragraph (2) of this subsection, en-
9 tries of merchandise of the character covered by a de-
10 termination of the Secretary, the administering authori-
11 ty, or the Commission contested under subsection (a)
12 shall be liquidated in accordance with the determina-
13 tion of the Secretary, the administering authority, or
14 the Commission, if they are entered, or withdrawn
15 from warehouse, for consumption on or before the date
16 of publication in the Federal Register by the Secretary
17 or the administering authority of a notice of a decision
18 of the United States Customs Court, or of the United
19 States Court of Customs and Patent Appeals, not in
20 harmony with that determination. Such notice of a de-
21 cision shall be published within ten days from the date
22 of the issuance of the court decision.

23 "(2) INJUNCTIVE RELIEF.—In the case of a de-
24 termination described in paragraph (2) of subsection (a)
25 by the Secretary, the administering authority, or the

1 Commission, the United States Customs Court may
2 enjoin the liquidation of some or all entries of merchan-
3 dise covered by a determination of the Secretary, the
4 administering authority, or the Commission, upon a re-
5 quest by an interested party for such relief and a
6 proper showing that the requested relief should be
7 granted under the circumstances. In ruling on a re-
8 quest for such injunctive relief, the court shall consider,
9 among other factors, whether—
10 "(A) the party filing the action is likely to
11 prevail on the merits,
12 "(B) the party filing the action would be ir-
13 reparably harmed if liquidation of some or all of
14 the entries is not enjoined,
15 "(C) the public interest would best be served
16 if liquidation is enjoined, and
17 "(D) the harm to the party filing the action
18 would be greater if liquidation of some or all of
19 the entries is not enjoined than the harm to other
20 persons if liquidation of some or all of the entries
21 is enjoined.
22 "(3) REMAND FOR FINAL DISPOSITION.—If the
23 final disposition of an action brought under this section
24 is not in harmony with the published determination of
25 the Secretary, the administering authority, or the Com-

1 mission, the matter shall be remanded to the Secre-
2 tary, the administering authority, or the Commission,
3 as appropriate, for disposition consistent with the final
4 disposition of the court.

5 "(d) STANDING.—Any interested party who was a party
6 to the proceeding under section 303 of this Act or title VII of
7 this Act shall have the right to appear and be heard as a
8 party in interest before the United States Customs Court.
9 The party filing the action shall notify all interested parties of
10 the filing of an action pursuant to this section.

11 "(e) LIQUIDATION IN ACCORDANCE WITH FINAL DE-
12 CISION.—If the cause of action is sustained in whole or in
13 part by a decision of the United States Customs Court or of
14 the United States Court of Customs and Patent Appeals—

15 "(1) entries of merchandise of the character cov-
16 ered by the published determination of the Secretary,
17 the administering authority, or the Commission, which
18 is entered, or withdrawn from warehouse, for consump-
19 tion after the date of publication in the Federal Regis-
20 ter by the Secretary or the administering authority of a
21 notice of the court decision, and

22 "(2) entries, the liquidation of which was enjoined
23 under subsection (c)(2),

24 shall be liquidated in accordance with the final court decision
25 in the action. Such notice of the court decision shall be pub-

1 lished within ten days from the date of the issuance of the
2 court decision.
3 "(f) DEFINITIONS.—For purposes of this section—
4 "(1) ADMINISTERING AUTHORITY.—The term
5 'administering authority' means the administering au-
6 thority described in section 771(1) of this Act.
7 "(2) COMMISSION.—The term 'Commission'
8 means the United States International Trade Commis-
9 sion.
10 "(3) INTERESTED PARTY.—The term 'interested
11 party' means any person described in section 771(9) of
12 this Act.
13 "(4) SECRETARY.—The term 'Secretary' means
14 the Secretary of the Treasury.".
15 (b) CONFORMING AMENDMENTS.—
16 (1) AMENDMENT OF SECTION 516 OF THE
17 TARIFF ACT OF 1930.—Section 516 of the Tariff Act
18 of 1930 (19 U.S.C. 1516) is amended—
19 (A) by striking out so much of such section
20 as precedes subsection (e) and inserting in lieu
21 thereof the following:
22 **"SEC. 516. PETITIONS BY DOMESTIC INTERESTED PARTIES.**
23 "(a) REQUEST FOR CLASSIFICATION AND RATE OF
24 DUTY; PETITION.—The Secretary shall, upon written re-
25 quest by an interested party (as defined in section 771(9) (C),

1 (D), and (E) of this Act) furnish the classification and the rate
2 of duty imposed upon designated imported merchandise of a
3 class or kind manufactured, produced, or sold at wholesale by
4 such interested party. If the interested party believes that the
5 appraised value, the classification, or rate of duty is not cor-
6 rect, it may file a petition with the Secretary setting forth—
7 "(1) a description of the merchandise,
8 "(2) the appraised value, the classification, or the
9 rate of duty that it believes proper, and
10 "(3) the reasons for its belief.
11 "(b) DETERMINATION ON PETITION.—If, after receipt
12 and consideration of a petition filed by such an interested
13 party, the Secretary determines that the appraised value, the
14 classification, or rate of duty is not correct, he shall deter-
15 mine the proper appraised value, classification, or rate of
16 duty and shall notify the petitioner of his determination. All
17 such merchandise entered for consumption or withdrawn
18 from warehouse for consumption more than thirty days after
19 the date such notice to the petitioner is published in the
20 weekly Customs Bulletin shall be appraised, classified, or as-
21 sessed as to the rate of duty in accordance with the Secre-
22 tary's determination.
23 "(c) CONTEST BY PETITIONER OF APPRAISED VALUE,
24 CLASSIFICATION, OR RATE OF DUTY.—If the Secretary de-
25 termines that the appraised value, classification, or rate of

1 duty with respect to which a petition was filed pursuant to
2 subsection (a) of this section is correct, he shall notify the
3 petitioner. If dissatisfied with the determination of the Secre-
4 tary, the petitioner may file with the Secretary, not later
5 than thirty days after the date of the notification, notice that
6 it desires to contest the appraised value, classification, or rate
7 of duty. Upon receipt of notice from the petitioner, the Secre-
8 tary shall cause publication to be made of his determination
9 as to the proper appraised value, classification, or rate of
10 duty and of the petitioner's desire to contest, and shall there-
11 after furnish the petitioner with such information as to the
12 entries and consignees of such merchandise, entered after the
13 publication of the determination of the Secretary, at such
14 ports of entry designated by the petitioner in his notice of
15 desire to contest, as will enable the petitioner to contest the
16 appraised value, classification, or rate of duty imposed upon
17 such merchandise in the liquidation of one such entry at such
18 port. The Secretary shall direct the appropriate customs offi-
19 cer at such ports to immediately notify the petitioner by mail
20 when the first of such entries is liquidated.", and
21 (B) by redesignating subsections (e), (f), (g),
22 and (h), as subsections (d), (e), (f), and (g), and
23 (C) in subsection (f), as that subsection is re-
24 designated by subparagraph (B) of this para-
25 graph—

1 (i) by inserting "in the Federal Register
2 by the Secretary or the administering au-
3 thority of a notice" immediately before "of
4 the court decision", and
5 (ii) by adding at the end thereof the fol-
6 lowing: "Such notice of the court decision
7 shall be published within ten days from the
8 date of the issuance of the court decision.".
9 (2) AMENDMENT OF SECTION 515 OF THE
10 TARIFF ACT OF 1930.—Section 515(a) of such Act (19
11 U.S.C. 1515(a)) is amended by adding at the end
12 thereof the following: "Such notice shall include a
13 statement of the reasons for the denial, as well as a
14 statement informing the protesting party of his right to
15 file a civil action contesting the denial of a protest
16 under section 514 of the Tariff Act of 1930.".
17 (3) AMENDMENT OF SECTION 514 OF THE
18 TARIFF ACT OF 1930.—Section 514 of such Act (19
19 U.S.C. 1514) is amended—
20 (A) in subsection (a), by inserting "subsection
21 (b) of this section," immediately after "Except as
22 provided in",
23 (B) in subsection (a), by striking out "Ameri-
24 can manufacturers, producers, and wholesalers"
25 and inserting in lieu thereof "domestic interested

1 parties as defined in section 771(9) (C), (D), and
2 (E) of this Act",
3 (C) by redesignating subsections (b) and (c)
4 as subsections (c) and (d),
5 (D) by inserting after subsection (a) the fol-
6 lowing new subsection:
7 "(b) With respect to determinations made under section
8 303 of this Act or title VII of this Act which are reviewable
9 under section 516A of this title, determinations of the appro-
10 priate customs officer are final and conclusive upon all per-
11 sons (including the United States and any officer thereof)
12 unless a civil action contesting a determination listed in sec-
13 tion 516A of this title is commenced in the United States
14 Customs Court.",
15 (E) in paragraph (1) of subsection (c), as that
16 subsection is redesignated by subparagraph (C) of
17 this paragraph, by striking out the last sentence
18 thereof and inserting in lieu thereof the following:
19 "Except as provided in sections 485(d) and 557(b)
20 of this Act, protests may be filed with respect to
21 merchandise which is the subject of a decision
22 specified in subsection (a) of this section by—
23 "(A) the importers or consignees shown on
24 the entry papers, or their sureties;

1 "(B) any person paying any charge or
2 exaction;
3 "(C) any person seeking entry or delivery;
4 "(D) any person filing a claim for drawback;
5 or
6 "(E) any authorized agent of any of the per-
7 sons described in clauses (A) through (D)", and
8 (F) in paragraph (2) of subsection (c), as that
9 subsection is redesignated by subparagraph (C) of
10 this paragraph, by adding at the end thereof the
11 following: "A protest by a surety which has an
12 unsatisfied legal claim under its bond may be filed
13 within 90 days from the date of mailing of notice
14 of demand for payment against its bond. If an-
15 other party has not filed a timely protest, the
16 surety's protest shall certify that it is not being
17 filed collusively to extend another authorized
18 person's time to protest as specified in this
19 subsection.".
20 (4) AMENDMENTS TO TITLE 28 OF THE UNITED
21 STATES CODE.—
22 (A) Section 1541(a) of title 28, United States
23 Code, is amended by inserting immediately before
24 the period at the end thereof a comma and the
25 following: "and from any interlocutory order

1 granting, continuing, modifying, refusing, or dis-
2 solving an injunction, or refusing to dissolve or
3 modify an injunction, under section 516A(c)(2) of
4 the Tariff Act of 1930".
5 (B) Section 1582 of such title is amended—
6 (i) in subsection (b), by striking out
7 "American manufacturers, producers, or
8 wholesalers pursuant to section 516" and in-
9 serting in lieu thereof "interested parties
10 under sections 516 and 516A";
11 (ii) in subsection (c), by inserting "and
12 516A" immediately after "section 516" each
13 time it appears; and
14 (iii) by adding at the end thereof the fol-
15 lowing:
16 "(e) The Customs Court shall have exclusive jurisdiction
17 of any civil action brought by a party-at-interest to review a
18 final determination made under section 305(b)(1) of the Trade
19 Agreements Act of 1979. For purposes of this subsection, the
20 term 'party-at-interest' means—
21 "(1) a foreign manufacturer, producer, or export-
22 er, or a United States importer of merchandise which
23 is the subject of a final determination under section
24 305(b) of the Trade Agreements Act of 1979,

1 "(2) a manufacturer, producer, or wholesaler in
2 the United States of a like product,
3 "(3) United States members of a labor organiza-
4 tion or other association of workers whose members
5 are employed in the manufacture, production, or
6 wholesale in the United States of a like product, and
7 "(4) a trade or business association a majority of
8 whose members manufacture, produce, or wholesale a
9 like product in the United States.
10 "(f) The Customs Court shall have exclusive jurisdiction
11 of any application for the issuance of a protective order under
12 section 777(c)(2) of the Tariff Act of 1930.".
13 (C) Section 2632(f) of such title is amended
14 by striking out "Upon service" and inserting in
15 lieu thereof "Except as provided in section 516A
16 of the Tariff Act of 1930, upon service".
17 (D) Section 2633 of such title is amended—
18 (i) in the section heading, by striking
19 out "American manufacturer, producer, or
20 wholesaler";
21 (ii) by inserting "and section 516A" im-
22 mediately after "section 516"; and
23 (iii) by inserting "(a)" immediately
24 before "Every proceeding" and by adding at
25 the end thereof the following:

1 "(b) Of those proceedings given precedence under sub-
2 section (a) of this section, any proceeding for the review of a
3 determination under section 516A(a)(1)(B) or 516A(a)(1)(E)
4 of the Tariff Act of 1930 shall be given priority over other
5 such proceedings.".

6 (E) Section 2637 of such title is amended—

7 (i) in subsection (a) by striking out "In
8 any proceeding" and inserting in lieu thereof
9 "Except as otherwise provided by law, in
10 any proceeding"; and

11 (ii) in subsection (b), by striking out "by
12 an American manufacturer, producer, or
13 wholesaler" and inserting in lieu thereof
14 "under section 2632(a) of this title".

15 (F) The table of sections for chapter 169 of
16 such title is amended by striking out the item re-
17 lating to section 2633 and inserting in lieu thereof
18 the following new item:

"Sec. 2633. Precedence of cases.".

19 **SEC. 1002. EFFECTIVE DATE AND TRANSITIONAL RULES.**

20 (a) EFFECTIVE DATE.—The amendments made by this
21 title shall take effect on that date (hereinafter in this section
22 referred to as the "effective date") on which title VII of the
23 Tariff Act of 1930 (as added by title I of this Act) takes
24 effect; and section 515(a) of such Act of 1930 (as amended by

1 section 901(b)(2)) shall apply with respect to any denial, in
2 whole or in part, of a protest filed under section 514 of such
3 Act of 1930 on or after the effective date.

4 (b) TRANSITIONAL RULES.—

5 (1) CERTAIN PROTESTS, PETITIONS, ACTIONS,
6 ETC.—The amendments made by this title shall not
7 apply with respect to—

8 (A) any protest, petition, or notice of desire
9 to contest filed before the effective date under
10 section 514, 516(a), or 516(d), respectively, of the
11 Tariff Act of 1930;

12 (B) any civil action commenced before the ef-
13 fective date under section 2632 of title 28 of the
14 United States Code; or

15 (C) any civil action commenced after the ef-
16 fective date under such section 2632 if the pro-
17 test, petition, or notice of desire to contest (under
18 section 514, 516(a), or 516(d), respectively, of the
19 Tariff Act of 1930) on which such action is based
20 was filed before such effective date.

21 "(2) LAW TO BE APPLIED FOR PURPOSES OF
22 SUCH ACTIONS.—Notwithstanding the repeal of the
23 Antidumping Act, 1921, by section 106(a) of this Act,
24 and the amendment of section 303 of the Tariff Act of
25 1930 by section 103 of this Act, the law in effect on

1 the date of any finding or determination contested in a
2 civil action described in subparagraph (A), (B), or (C)
3 of paragraph (1) shall be applied for purposes of that
4 action.

5 (3) CERTAIN COUNTERVAILING AND ANTIDUMP-
6 ING DUTY ASSESSMENTS.—The amendments made by
7 this title shall apply with respect to the review of the
8 assessment of, or failure to assess, any countervailing
9 duty or antidumping duty on entries subject to a coun-
10 tervailing duty order or antidumping finding if the as-
11 sessment is made after the effective date. If no assess-
12 ment of such duty had been made before the effective
13 date that could serve the party seeking review as the
14 basis of a review of the underlying determination,
15 made by the Secretary of the Treasury or the Interna-
16 tional Trade Commission before the effective date, on
17 which such order, finding, or lack thereof is based,
18 then the underlying determination shall be subject to
19 review in accordance with the law in effect on the day
20 before the effective date.

21 (4) CERTAIN COUNTERVAILING AND ANTIDUMP-
22 ING DUTY DETERMINATIONS.—With respect to any
23 preliminary determination or final determination of the
24 Secretary of the Treasury under section 303 of the
25 Tariff Act of 1930 or the Antidumping Act, 1921,

1 which is treated under section 102 of this Act as if
2 made under section 703(b), 705(a), 733(b), or 735(a) of
3 the Tariff Act of 1930 (as added by title I of this Act)
4 such determinations shall be subject to judicial review
5 in the same manner and to the same extent as if made
6 on the day before the effective date.

7 TITLE XI—MISCELLANEOUS PROVISIONS

8 SEC. 1101. EXTENSION OF NONTARIFF BARRIER NEGOTIATING 9 AUTHORITY.

10 Section 102(b) of the Trade Act of 1974 (19 U.S.C.
11 2112) is amended by striking out "5-year period" and insert-
12 ing in lieu thereof "13-year period".

13 SEC. 1102. AUCTION OF IMPORT LICENSES.

14 (a) IN GENERAL.—Notwithstanding any other provision
15 of law, the President may sell import licenses at public auc-
16 tion under such terms and conditions as he deems appropri-
17 ate. Regulations prescribed under this subsection shall, to the
18 extent practicable and consistent with efficient and fair ad-
19 ministration, insure against inequitable sharing of imports by
20 a relatively small number of the larger importers.

21 (b) DEFINITION OF IMPORT LICENSE.—For purposes
22 of this section, the term "import license" means any docu-
23 mentation used to administer a quantitative restriction im-
24 posed or modified after the date of enactment of this Act
25 under—

1 (1) section 125, 203, 301, or 406 of the Trade
2 Act of 1974 (19 U.S.C. 2135, 2253, 2411, or 2436),
3 (2) the International Emergency Economic
4 Powers Act (50 U.S.C. App. 1701–1706),
5 (3) authority under the headnotes of the Tariff
6 Schedules of the United States, but not including any
7 quantitative restriction imposed under section 22 of the
8 Agricultural Adjustment Act of 1934 (7 U.S.C. 624),
9 (4) the Trading With the Enemy Act (50 U.S.C.
10 App. 1–44),
11 (5) section 204 of the Agricultural Act of 1956 (7
12 U.S.C. 1854) other than for meat or meat products, or
13 (6) any Act enacted explicitly for the purpose of
14 implementing an international agreement to which the
15 United States is a party, including such agreements re-
16 lating to commodities, but not including any agreement
17 relating to cheese or dairy products.

18 **SEC. 1103. ADVICE FROM PRIVATE SECTOR.**

19 Section 135 of the Trade Act of 1974 (19 U.S.C. 2155)
20 is amended—
21 (1) by striking out ", in accordance with the pro-
22 visions of this section," in subsection (a),
23 (2) by striking out "101 or 102" in subsection (a)
24 and inserting in lieu thereof "101, 102, or 124",

1 (3) by inserting before the period in subsection (a)
2 a comma and the following: "with respect to the oper-
3 ation of any trade agreement once entered into, and
4 with respect to other matters arising in connection
5 with the administration of the trade policy of the
6 United States",
7 (4) by striking out "any trade agreement referred
8 to in section 101 or 102" in subsection (b)(1) and in-
9 serting in lieu thereof the following: "matters referred
10 to in subsection (a)",
11 (5) by striking out subsection (b)(2) and inserting
12 in lieu thereof the following:
13 "(2) The Committee shall meet at the call of the Special
14 Representative for Trade Negotiations. The Chairman of the
15 Committee shall be elected by the Committee from among its
16 members. Members of the Committee shall be appointed by
17 the President for a period of 2 years and may be reappointed
18 for one or more additional periods.",
19 (6) by striking out so much of subsection (c) as
20 precedes paragraph (2) and inserting in lieu thereof the
21 following:
22 "(c)(1) The President may, on his own initiative, or at
23 the request of organizations representing industry, labor, ag-
24 riculture, or services, establish general policy advisory com-
25 mittees for industry, labor, agriculture, or services, respec-

1 tively, to provide general policy advice on matters referred to
2 in subsection (a). Such committees shall, insofar as is practi-
3 cable, be representative of all industry, labor, agricultural,
4 and service interests, respectively, including small business
5 interests, and shall be organized by the Special Representa-
6 tive for Trade Negotiations and the Secretary of Commerce,
7 Labor, or Agriculture, as appropriate.",

8 (7) by striking out the first two sentences of sub-
9 section (c)(2) and inserting in lieu thereof the following:
10 "The President shall establish such sectoral or func-
11 tional advisory committees as may be appropriate.
12 Such committees shall, insofar as is practicable, be
13 representative of all industry, labor, agricultural, or
14 service interests (including small business interests) in
15 the sector or functional areas concerned.",

16 (8) by striking out "the President, acting through
17 the Special Representative for Trade Negotiations
18 and" in the third sentence of subsection (c)(2) and in-
19 serting in lieu thereof the following: "the Special Rep-
20 resentative for Trade Negotiations and",

21 (9) by striking out "product sector" in the last
22 sentence of subsection (c)(2),

23 (10) by inserting ", in the case of each sectoral
24 committee," in the last sentence of subsection (c)(2)
25 immediately before "the product lines",

1 (11) by striking out subsection (d) and inserting in
2 lieu thereof the following:
3 "(d) Committees established under subsection (c) shall
4 meet at the call of the Special Representative for Trade Ne-
5 gotiations and the Secretary of Agriculture, Commerce, or
6 Labor, as appropriate, to provide policy advice, technical
7 advice and information, and advice on other factors relevant
8 to the matters referred to in subsection (a).",
9 (12) by striking out "and each sector advisory
10 committee, if the sector," in the first sentence of sub-
11 section (e)(1) and inserting in lieu thereof the following:
12 "and each sector or functional advisory committee, if
13 the sector or area",
14 (13) by inserting "or functional area" immediately
15 after "appropriate sector" in the second sentence of
16 subsection (e)(1),
17 (14) by inserting "or within the functional area"
18 immediately before the period at the end of subsection
19 (e)(1),
20 (15) by striking out subsection (e)(2) and redesig-
21 nating subsection (e)(1) as subsection (e),
22 (16) by—
23 (A) striking out "groups" in subsection (f)(2)
24 and inserting in lieu thereof "committees", and

1 (B) striking out "on the negotiation of any
2 trade agreement" in such subsection and inserting
3 in lieu thereof "with respect to matters referred
4 to in subsection (a)",
5 (17) by striking out "a trade agreement referred
6 to in section 101 or 102" in subsection (g)(1)(A) and
7 inserting in lieu thereof the following: "matters re-
8 ferred to in subsection (a)",
9 (18) by—
10 (A) striking out "trade negotiations" in sub-
11 section (g)(1)(B) and inserting in lieu thereof
12 "matters referred to in subsection (a)", and
13 (B) striking out "proposed trade agreements"
14 in subsection (g)(2) and inserting in lieu thereof
15 "matters referred to in subsection (a)",
16 (19) by—
17 (A) striking out ", both during preparation
18 for negotiations and actual negotiations" in the
19 first sentence of subsection (i),
20 (B) striking out "arising in preparation for or
21 in the course of such negotiations" in the second
22 sentence of such subsection, and
23 (C) striking out "to the negotiations" in the
24 second sentence of such subsection and inserting

1 in lieu thereof the following: "with respect to
2 matters referred to in subsection (a)",
3 (20) by striking out "trade agreement referred to
4 in section 101 or 102" in subsections (j) and (k) and
5 inserting in lieu thereof "matters referred to in subsec-
6 tion (a)",
7 (21) by adding at the end of subsection (k) the fol-
8 lowing new sentence: "To the maximum extent practi-
9 cable, the members of the committees established
10 under subsections (b) and (c), and other appropriate
11 parties, shall be informed and consulted before and
12 during any such negotiations and may be permitted to
13 participate in international meetings to the extent the
14 head of the United States delegation deems appropri-
15 ate, but may not speak or negotiate for the United
16 States.", and
17 (22) by adding at the end thereof the following
18 new subsection:
19 "(l) The provisions of title XVIII of the Food and Agri-
20 culture Act of 1977 shall not apply to an advisory committee
21 established under subsection (c).".

1 **SEC. 1104. STUDY OF POSSIBLE AGREEMENTS WITH NORTH**
2 **AMERICAN COUNTRIES.**

3 (a) IN GENERAL.—Section 612 of the Trade Act of
4 1974 (19 U.S.C. 2486) is amended by inserting "(a)" before
5 "It" and by adding at the end thereof the following:

6 "(b) The President shall study the desirability of enter-
7 ing into trade agreements with countries in the northern por-
8 tion of the western hemisphere to promote the economic
9 growth of the United States and such countries and the
10 mutual expansion of market opportunities and report to the
11 Committee on Ways and Means of the House of Representa-
12 tives and the Committee on Finance of the Senate his find-
13 ings and conclusions within 2 years after the date of enact-
14 ment of this Act. The study shall include an examination of
15 competitive opportunities and conditions of competition be-
16 tween such countries and the United States in the agricultur-
17 al, energy, and other appropriate sectors.".

18 (b) CLERICAL AMENDMENTS.—

19 (1) The caption of section 612 of such Act is
20 amended to read as follows:

21 **"SEC. 612. TRADE RELATIONS WITH NORTH AMERICAN COUN-**
22 **TRIES.".**

23 (2) The table of contents of such Act is amended
24 by striking out the item relating to section 612 and in-
25 serting in lieu thereof the following new item:

"Sec. 612. Trade relations with North American countries.".

1 **SEC. 1105. AMENDMENTS TO SECTION 337 OF THE TARIFF ACT**
2 **OF 1930.**

3 (a) RELATIONSHIP TO COUNTERVAILING AND ANTI-
4 DUMPING DUTY INVESTIGATIONS.—Paragraph (3) of section
5 337(b) of the Tariff Act of 1930 (19 U.S.C. 1337) is amend-
6 ed—

7 (1) by striking out "the matter" and inserting in
8 lieu thereof "a matter, in whole or in part,", and

9 (2) by adding at the end thereof the following: "If
10 the Commission has reason to believe the matter
11 before it is based solely on alleged acts and effects
12 which are within the purview of section 303, 701, or
13 731 of this Act, it shall terminate, or not institute, any
14 investigation into the matter. If the Commission has
15 reason to believe the matter before it is based in part
16 on alleged acts and effects which are within the pur-
17 view of section 303, 701, or 731 of this Act, and in
18 part on alleged acts and effects which may, indepen-
19 dently from or in conjunction with those within the
20 purview of such section, establish a basis for relief
21 under this section, then it may institute or continue an
22 investigation into the matter. If the Commission noti-
23 fies the Secretary or the administering authority (as
24 defined in section 771(1) of this Act) with respect to a
25 matter under this paragraph, the Commission may sus-
26 pend its investigation during the time the matter is

1 before the Secretary or administering authority for
2 final decision. For purposes of computing the 1-year or
3 18-month periods prescribed by this subsection, there
4 shall be excluded such period of suspension. Any final
5 decision of the Secretary under section 303 of this Act
6 or by the administering authority under section 701 or
7 731 of this Act with respect to which the Commission
8 has notified the Secretary or administering authority
9 shall be conclusive upon the Commission with respect
10 to the issue of less-than-fair-value sales or subsidiza-
11 tion and the matters necessary for such decision.".
12 (b) CIVIL PENALTY FOR VIOLATION OF ORDER.—Sub-
13 section (f) of section 337 of such Act (19 U.S.C. 1337(f)) is
14 amended by inserting "(1)" before "In lieu of", and by
15 adding at the end thereof the following new paragraph:
16 "(2) Any person who violates an order issued by the
17 Commission under paragraph (1) after it has become final
18 shall forfeit and pay to the United States a civil penalty for
19 each day on which an importation of articles, or their sale,
20 occurs in violation of the order of not more than the greater
21 of $10,000 or the domestic value of the articles entered or
22 sold on such day in violation of the order. Such penalty shall
23 accrue to the United States and may be recovered for the
24 United States in a civil action brought by the Commission in
25 the Federal District Court for the District of Columbia or for

1 the district in which the violation occurs. In such actions, the
2 United States district courts may issue mandatory injunctions
3 incorporating the relief sought by the Commission as they
4 deem appropriate in the enforcement of such final orders of
5 the Commission.".

6 (c) CONFORMING AMENDMENT.—The fourth sentence
7 of section 337(c) of such Act (19 U.S.C. 1337(c)) is amended
8 by striking out "(d) or (e)" and inserting in lieu thereof "(d),
9 (e), or (f)".

10 **SEC. 1106. TECHNICAL AMENDMENTS TO THE TRADE ACT OF**
11 **1974.**

12 (a) AMENDMENT OF TRADE ACT OF 1974.—Except as
13 otherwise specifically provided in this section, any reference
14 in this section by way of amendment, repeal, or other change
15 to a provision of law is a reference to the specified provision
16 of the Trade Act of 1974.

17 (b) TABLE OF CONTENTS.—In the table of contents the
18 item relating to section 261 is amended to read as follows:

"Sec. 261. Definition of firm.".

19 (c) TITLE I.—

20 (1) Section 102(e)(2) is amended by striking out
21 "copy of such agreement" and inserting in lieu thereof
22 "copy of the final legal text of such agreement". The
23 amendment made by the preceding sentence shall
24 apply with respect to trade agreements submitted to

1 the Congress under section 102 of the Trade Act of
2 1974 after the date of the enactment of this Act.
3 (2) The next to last sentence of section 121(c) is
4 amended to read as follows: "Such trade agreement
5 may be entered into under section 102.".
6 (3) Paragraph (2) of section 109(c) is amended by
7 striking out "such" and inserting in lieu thereof "any".
8 (4) Section 5315(24) of title 5, United States
9 Code, is amended by inserting immediately after
10 "Commission" the following: "(5)".
11 (5) Paragraph (1) of section 152(c) is amended by
12 striking out "153(b)" and inserting in lieu thereof
13 "154(b)".
14 (d) TITLE II.—
15 (1) Section 203(a)(4) is amended by inserting ",
16 conclude, and carry out" immediately after "negoti-
17 ate".
18 (2) Section 203(b) is amended by—
19 (A) striking out "On the day on which the
20 President proclaims import relief under this sec-
21 tion or announces his intention to negotiate one or
22 more orderly marketing agreements," in para-
23 graph (1) and inserting in lieu thereof "On the
24 day the President determines under section 202 to
25 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".

1 (6) Section 203(g)(2) is amended by striking out
2 "or (e)(2)" each place it appears and inserting in lieu
3 thereof "(e)(2), or (e)(3)".
4 (7) Subsection (h) of section 203 is amended by—
5 (A) inserting "or (i)(3)" after "(i)(2)" in para-
6 graphs (3) and (4), and
7 (B) by striking out "one 3-year period" in
8 paragraph (3) and inserting in lieu thereof "one
9 period of not more than 3 years".
10 (8) The caption of section 261 is amended to read
11 as follows:
12 **"SEC. 261. DEFINITION OF FIRM.".**
13 (e) TITLE III.—Section 331(c) is amended by striking
14 out "515(d)" and inserting in lieu thereof "315(d)".
15 (f) TITLE IV.—
16 (1) Section 402(c)(1) is amended by striking out
17 "subsection (a)" and inserting in lieu thereof "subsec-
18 tions (a)".
19 (2) Section 404(c) is amended by striking out the
20 comma.
21 (3) Section 405(b)(8) is amended by striking out
22 "those" and inserting in lieu thereof "arrangements".
23 (g) TITLE V.—
24 (1) Section 502(b)(2) is amended by striking out
25 "withhold supplies of vital commodity resources from

1 international trade or to raise the price of such com-
2 modities to an unreasonable level which causes serious
3 disruption of the world economy;".
4 (2) Section 502(b)(6) is amended by inserting a
5 comma after "partnership".
6 (3) Section 504(c)(1) is amended—
7 (A) by striking out "60 days" and inserting
8 in lieu thereof "90 days", and
9 (B) by striking out "60th day," and inserting
10 in lieu thereof "90th day,".
11 (h) TITLE VI.—
12 (1) Section 601(2) is amended by striking out
13 "and" and inserting in lieu thereof "or".
14 (2) Section 602(a) is amended by striking out ",
15 as amended".
16 (3) Section 242 of the Trade Expansion Act of
17 1962 (19 U.S.C. 1872) is amended by striking out
18 "subsections (c) and (d)" each place it appears and in-
19 serting in lieu thereof "subsection (d)".
20 (i) Section 602(f) is amended by striking out the last
21 comma.

1 **SEC. 1107. TECHNICAL AMENDMENTS TO THE TARIFF SCHED-**
2 **ULES OF THE UNITED STATES.**

3 (a) GENERAL HEADNOTE CHANGES.—The general
4 headnotes for the Tariff Schedules of the United States (19
5 U.S.C. 1202) are amended—

6 (1) by inserting "and" after "subpart E" in head-
7 note 3(a)(1), and

8 (2) by striking out "Germany (the Soviet zone
9 and the Soviet sector of Berlin)" in headnote 3(e) and
10 inserting in lieu thereof "German Democratic Republic
11 and East Berlin".

12 (b) TOBACCO.—Schedule 1, part 13 of such Schedules
13 is amended by redesignating headnotes 5 and 6 as 3 and 4,
14 respectively.

15 (c) FLUORANTHENE.—Schedule 4, part 1, subpart A,
16 item 401.36 of such Schedules is amended to read "Fluor-
17 anthene."

18 (d) STRUCTURES.—Schedule 6, part 3, subpart F of
19 such Schedules is amended by striking out items 652.97 and
20 652.99 and the superior heading thereto and by inserting in
21 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. ".

1 (e) MEASURING, TESTING, AND CONTROLLING IN-
2 STRUMENTS.—Schedule 7, part 2, subpart D of such Sched-
3 ules is amended—
4 (1) by striking out "711.00" in headnote 1 and
5 headnote 2(a) and inserting "711.04" in lieu thereof;
6 and
7 (2) by striking out "712.00 to 712.99" in head-
8 note 2 and inserting "712.05 to 712.51" in lieu there-
9 of.
10 (f) PHOTOGRAPHIC PRODUCTS.—The article descrip-
11 tion in item 722.10 of such Schedules is amended to read as
12 follows: "Having a photographic lens valued over 50 percent
13 of the value of the article.".
14 (g) BUTTONS.—Schedule 7, part 7, subpart A of such
15 Schedules is amended—
16 (1) by striking out "745.22," in headnote 2(a);
17 and
18 (2) by redesignating headnote 4 as headnote 3.
19 (h) PRESSURE-SENSITIVE ARTICLES.—Schedule 7,
20 part 13, subpart A, headnote 1(ii) of such Schedules is
21 amended by striking "13B" and inserting "13C" in lieu
22 thereof.

1 **SEC. 1108. REPORTING OF STATISTICS ON A**
2 **COST-INSURANCE-FREIGHT BASIS.**

3 (a) IN GENERAL.—Section 301 of title 13, United
4 States Code, is amended by adding at the end thereof the
5 following new subsections:

6 "(e) There shall be reported, on monthly and cumulative
7 bases, for each item in the Tariff Schedules of the United
8 States Annotated, the United States port of entry value (as
9 determined under subsection (b)(6)). There shall be reported,
10 on monthly and cumulative bases, the balance of internation-
11 al trade for the United States reflecting (1) the aggregate
12 value of all United States imports as reported in accordance
13 with the first sentence of this subsection, and (2) the aggre-
14 gate value of all United States exports. The values and bal-
15 ance of trade required to be reported by this subsection shall
16 be released no later than 48 hours before the release of any
17 other government statistics concerning values of United
18 States imports or United States balance of trade, or statistics
19 from which such values or balance may be derived.

20 "(f) On or before January 1, 1981, and as often thereaf-
21 ter as may be necessary to reflect significant changes in
22 rates, there shall be reported for each item of the Tariff
23 Schedules of the United States Annotated, the ad valorem or
24 ad valorem equivalent rate of duty which would have been
25 required to be imposed on dutiable imports under that item, if
26 the United States customs values of such imports were based

1 on the United States port of entry value (as reported in ac-
2 cordance with the first sentence of subsection (e)) in order to
3 collect the same amount of duties on imports under that item
4 as are currently collected.".

5 (b) EFFECTIVE DATE.—The amendment made by sub-
6 section (a) shall apply to reports made after December 31,
7 1979.

8 **SEC. 1109. REORGANIZING AND RESTRUCTURING OF INTERNA-**
9 **TIONAL TRADE FUNCTIONS OF THE UNITED**
10 **STATES GOVERNMENT.**

11 (a) IN GENERAL.—The President shall submit to the
12 Congress, not later than July 10, 1979, a proposal to re-
13 structure the international trade functions of the Executive
14 Branch of the United States Government. In developing his
15 proposal, the President shall consider, among other possibili-
16 ties, strengthening the coordination and functional responsi-
17 bilities of the Office of the Special Representative for Trade
18 Negotiations to include, among other things, representation
19 of the United States in all matters before the General Agree-
20 ment on Tariffs and Trade, the establishment of a board of
21 trade with a coordinating mechanism in the Executive Office
22 of the President, and the establishment of a Department of
23 International Trade and Investment. The recommendations
24 of the President, as embodied in such proposal, should in-
25 clude a monitoring and enforcement structure which would

1 insure protection of United States rights under agreements
2 negotiated pursuant to the Tokyo Round of the Multilateral
3 Trade Negotiations and all other elements of multilateral and
4 bilateral international trade agreements. The proposal should
5 result in an upgrading of commercial programs and commer-
6 cial attaches overseas to assure that United States trading
7 partners are meeting their trade agreement obligations, par-
8 ticularly those entered into under such agreements, including
9 the tendering procedures of the Agreement on Government
10 Procurement.

11 (b) CONGRESSIONAL ACTION.—In order to ensure that
12 the 96th Congress takes final action on a comprehensive re-
13 organization of trade functions as soon as possible, the appro-
14 priate committee of each House of the Congress shall give
15 the proposal by the President immediate consideration and
16 shall make its best efforts to take final committee action to
17 reorganize and restructure the international trade functions of
18 the United States Government by November 10, 1979.

19 **SEC. 1110. STUDY OF EXPORT TRADE POLICY.**

20 (a) REVIEW OF EXPORT PROMOTION AND DISINCEN-
21 TIVES.—The President shall review all export promotion
22 functions of the executive branch and potential programmatic
23 and regulatory disincentives to exports, and shall submit to
24 the Congress a report of that review not later than July 15,
25 1980. The report should make particular reference to those

1 activities which enhance the role of small and medium-sized
2 businesses in export trade.

3 (b) CONDITIONS OF COMPETITION STUDY.—Not later
4 than July 15, 1980, the President shall submit to the Con-
5 gress a study of the factors bearing on the competitive pos-
6 ture of United States producers and the policies and pro-
7 grams required to strengthen the relative competitive posi-
8 tion of the United States in world markets.

9 **SEC. 1111. GENERALIZED SYSTEM OF PREFERENCES.**

10 (a) IN GENERAL.—Title V of the Trade Act of 1974
11 (19 U.S.C. 2461 et seq.) is amended as follows:

12 (1) Section 502(a)(3) is amended by inserting "or
13 which is contributing to comprehensive regional eco-
14 nomic integration among its members through appro-
15 priate means, including, but not limited to, the reduc-
16 tion of duties," immediately before "the President".

17 (2) Section 502(e) is amended by—

18 (A) inserting "(1)" immediately after "(e)";
19 and

20 (B) adding at the end thereof the following
21 new paragraph:

22 "(2) The President may exempt from the application of
23 paragraph (2) of subsection (b) any country that enters into a
24 bilateral product-specific trade agreement with the United
25 States under section 101 or 102 of the Trade Act of 1974

1 before January 3, 1980. The President shall terminate the
2 exemption granted to any country under the preceding sen-
3 tence if that country interrupts or terminates the delivery of
4 supplies of petroleum and petroleum products to the United
5 States.".

6 (3) Section 503(b) is amended—

7 (A) by amending paragraph (2) to read as
8 follows:

9 "(2) If the sum of (A) the cost or value of the materials
10 produced in the beneficiary developing country or any 2 or
11 more countries which are members of the same association of
12 countries which is treated as one country under section
13 502(a)(3), plus (B) the direct costs of processing operations
14 performed in such beneficiary developing country or such
15 member countries is not less than 35 percent of the appraised
16 value of such article at the time of its entry into the customs
17 territory of the United States."; and

18 (B) by striking out the penultimate sentence.

19 (4) Section 504 is amended—

20 (A) by adding at the end of subsection (c) the
21 following new paragraph:

22 "(3) For purposes of this subsection, the term 'country'
23 does not include an association of countries which is treated
24 as one country under section 502(a)(3), but does include a
25 country which is a member of any such association."; and

1 (B) by inserting at the end of subsection (d)
2 the following new sentence: "The President may
3 disregard subsection (c)(1)(B) with respect to any
4 eligible article if the appraised value of the total
5 imports of such article into the United States
6 during the preceding calendar year is not in
7 excess of an amount which bears the same ratio
8 to $1,000,000 as the gross national product of the
9 United States for that calendar year, as deter-
10 mined by the Department of Commerce, bears to
11 the gross national product of the United States for
12 calendar year 1979.".
13 (b) EFFECTIVE DATE.—The amendments made by
14 paragraph (4) of subsection (a) shall take effect on April 1,
15 1980.

16 **SEC. 1112. CONCESSION-RELATED REVENUE LOSSES TO**
17 **UNITED STATES POSSESSIONS.**

18 (a) DETERMINATIONS BY SECRETARY OF COM-
19 MERCE.—
20 (1) IMPACT OF CONCESSIONS.—Upon the request
21 of the government of a possession of the United States,
22 the Secretary of Commerce shall determine before Jan-
23 uary 1, 1980—
24 (A) whether a concession was granted by the
25 United States in the Tokyo round of the Multilat-

1 eral Trade Negotiations on an article produced in
2 that possession on which excise taxes are levied
3 by the United States, and
4 (B) whether the sum of the amounts trans-
5 ferred and paid over to that possession attributa-
6 ble to such taxes for calendar year 1978 were
7 equal to, or greater than, an amount equal to 10
8 percent of the tax revenues (not including rev-
9 enues associated with petroleum or petroleum
10 products) of that possession for 1978.
11 (2) ANNUAL DETERMINATIONS.—If the determi-
12 nations of the Secretary under subparagraphs (A) and
13 (B) of paragraph (1) are affirmative, then he shall de-
14 termine, within 3 months after the close of each of the
15 fiscal years 1980 through 1984, whether that conces-
16 sion contributed importantly to a reduction in the sum
17 of the amounts transferred and paid over to that pos-
18 session on account of such excise taxes for the most
19 recently closed fiscal year. In making his determina-
20 tion, the Secretary shall take into account the extent
21 to which other factors may have contributed to the re-
22 duction. The Secretary shall determine the amount of
23 the reduction by subtracting the amount so transferred
24 and paid over for the fiscal year from the amount
25 which would have been transferred and paid over for

1 the fiscal year if the products of the possession with
2 respect to which the excise tax is imposed had main-
3 tained a share of the United States market for that
4 product which was the share of the United States
5 market for the product for fiscal year 1979.

6 (b) INCLUSION OF COMPENSATORY AMOUNT IN
7 BUDGET OF THE UNITED STATES.—If the Secretary deter-
8 mines an amount under subsection (a)(2), he shall advise the
9 President of that amount and the President may include, in
10 the first Budget or Supplemental Budget submitted under the
11 Budget and Accounting Act, 1921, after receiving such
12 advice, an amount, equal to the amount so determined by the
13 Secretary, for payment to the government of that possession
14 to offset the amount of the reduction. If the President in-
15 cludes an amount different from the amount determined by
16 the Secretary or no amount, the President shall promptly
17 submit a report to the Congress setting forth his reasons for
18 submitting such a different amount. Upon appropriation, such
19 sums shall be paid promptly to the government of such pos-
20 session. There are authorized to be appropriated such sums
21 as may be necessary for the purposes of this section for fiscal
22 years 1981 through 1985.

23 (c) REPORT TO THE CONGRESS.—On January 31,
24 1984, the President shall report to the Congress on the oper-
25 ation of this section, the reductions in revenues determined

1 under this section, and any reductions which are likely to
2 occur in fiscal years beginning after September 30, 1984. If
3 he determines that such action is warranted, he shall recom-
4 mend to the Congress in such report an extension of the ap-
5 plication of this section to such fiscal years.

6 **SEC. 1113. NO BUDGET AUTHORITY FOR ANY FISCAL YEAR**
7 **BEFORE FISCAL YEAR 1981.**

8 Nothing in this Act shall be construed as authorizing the
9 enactment of new budget authority for any fiscal year begin-
10 ning before October 1, 1980.

11 **SEC. 1114. EFFECTIVE DATE.**

12 Except as otherwise provided in this title, this title shall
13 take effect on the date of enactment of this Act.

Union Calendar No. 193

96TH CONGRESS
1ST SESSION

H. R. 4537

[Report No. 96–317]

A BILL

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

JUNE 19, 1979

Referred to the Committee on Ways and Means

JULY 3, 1979

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed