

1 (14) *WTO AGREEMENT.*—*The term “WTO Agree-*
2 *ment” means the Agreement Establishing the World*
3 *Trade Organization entered into on April 15, 1994.*

4 (15) *WTO MEMBER.*—*The term “WTO member”*
5 *has the meaning given that term in section 2(10) of*
6 *the Uruguay Round Agreements Act (19 U.S.C.*
7 *3501(10)).*

8 ***DIVISION C—ANDEAN TRADE***
9 ***PREFERENCE ACT***
10 ***TITLE XXXI—ANDEAN TRADE***
11 ***PREFERENCE***

12 ***SEC. 3101. SHORT TITLE.***

13 *This title may be cited as the “Andean Trade Pro-*
14 *motion and Drug Eradication Act”.*

15 ***SEC. 3102. FINDINGS.***

16 *Congress makes the following findings:*

17 (1) *Since the Andean Trade Preference Act was*
18 *enacted in 1991, it has had a positive impact on*
19 *United States trade with Bolivia, Colombia, Ecuador,*
20 *and Peru. Two-way trade has doubled, with the*
21 *United States serving as the leading source of imports*
22 *and leading export market for each of the Andean*
23 *beneficiary countries. This has resulted in increased*
24 *jobs and expanded export opportunities in both the*
25 *United States and the Andean region.*



1 (2) *The Andean Trade Preference Act has been a*
2 *key element in the United States counternarcotics*
3 *strategy in the Andean region, promoting export di-*
4 *versification and broad-based economic development*
5 *that provides sustainable economic alternatives to*
6 *drug-crop production, strengthening the legitimate*
7 *economies of Andean countries and creating viable al-*
8 *ternatives to illicit trade in coca.*

9 (3) *Notwithstanding the success of the Andean*
10 *Trade Preference Act, the Andean region remains*
11 *threatened by political and economic instability and*
12 *fragility, vulnerable to the consequences of the drug*
13 *war and fierce global competition for its legitimate*
14 *trade.*

15 (4) *The continuing instability in the Andean re-*
16 *gion poses a threat to the security interests of the*
17 *United States and the world. This problem has been*
18 *partially addressed through foreign aid, such as Plan*
19 *Colombia, enacted by Congress in 2000. However, for-*
20 *foreign aid alone is not sufficient. Enhancement of le-*
21 *gitimate trade with the United States provides an al-*
22 *ternative means for reviving and stabilizing the*
23 *economies in the Andean region.*

24 (5) *The Andean Trade Preference Act constitutes*
25 *a tangible commitment by the United States to the*



1 (2) *by amending subsection (b) to read as fol-*
2 *lows:*

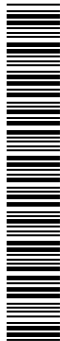
3 “(b) *EXCEPTIONS AND SPECIAL RULES.—*

4 “(1) *CERTAIN ARTICLES THAT ARE NOT IMPORT-*
5 *SENSITIVE.—The President may proclaim duty-free*
6 *treatment under this title for any article described in*
7 *subparagraph (A), (B), (C), or (D) that is the growth,*
8 *product, or manufacture of an ATPDEA beneficiary*
9 *country, that is imported directly into the customs*
10 *territory of the United States from an ATPDEA bene-*
11 *ficiary country, and that meets the requirements of*
12 *this section, if the President determines that such ar-*
13 *ticle is not import-sensitive in the context of imports*
14 *from ATPDEA beneficiary countries:*

15 “(A) *Footwear not designated at the time of*
16 *the effective date of this title as eligible for pur-*
17 *poses of the generalized system of preferences*
18 *under title V of the Trade Act of 1974.*

19 “(B) *Petroleum, or any product derived*
20 *from petroleum, provided for in headings 2709*
21 *and 2710 of the HTS.*

22 “(C) *Watches and watch parts (including*
23 *cases, bracelets and straps), of whatever type in-*
24 *cluding, but not limited to, mechanical, quartz*
25 *digital or quartz analog, if such watches or*



1 *watch parts contain any material which is the*
2 *product of any country with respect to which*
3 *HTS column 2 rates of duty apply.*

4 “(D) *Handbags, luggage, flat goods, work*
5 *gloves, and leather wearing apparel that were*
6 *not designated on August 5, 1983, as eligible ar-*
7 *ticles for purposes of the generalized system of*
8 *preferences under title V of the Trade Act of*
9 *1974.*

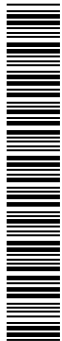
10 “(2) *EXCLUSIONS.—Subject to paragraph (3),*
11 *duty-free treatment under this title may not be ex-*
12 *tended to—*

13 “(A) *textiles and apparel articles which*
14 *were not eligible articles for purposes of this title*
15 *on January 1, 1994, as this title was in effect*
16 *on that date;*

17 “(B) *rum and tafia classified in subheading*
18 *2208.40 of the HTS;*

19 “(C) *sugars, syrups, and sugar-containing*
20 *products subject to over-quota duty rates under*
21 *applicable tariff-rate quotas; or*

22 “(D) *tuna prepared or preserved in any*
23 *manner in airtight containers, except as pro-*
24 *vided in paragraph (4).*



1 “(3) *APPAREL ARTICLES AND CERTAIN TEXTILE*
2 *ARTICLES.*—

3 “(A) *IN GENERAL.*—*Apparel articles that*
4 *are imported directly into the customs territory*
5 *of the United States from an ATPDEA bene-*
6 *ficiary country shall enter the United States free*
7 *of duty and free of any quantitative restrictions,*
8 *limitations, or consultation levels, but only if*
9 *such articles are described in subparagraph (B).*

10 “(B) *COVERED ARTICLES.*—*The apparel ar-*
11 *ticles referred to in subparagraph (A) are the fol-*
12 *lowing:*

13 “(i) *APPAREL ARTICLES ASSEMBLED*
14 *FROM PRODUCTS OF THE UNITED STATES*
15 *OR ATPDEA BENEFICIARY COUNTRIES OR*
16 *PRODUCTS NOT AVAILABLE IN COMMERCIAL*
17 *QUANTITIES.*—*Apparel articles sewn or oth-*
18 *erwise assembled in 1 or more ATPDEA*
19 *beneficiary countries, or the United States,*
20 *or both, exclusively from any one or any*
21 *combination of the following:*

22 “(I) *Fabrics or fabric components*
23 *wholly formed, or components knit-to-*
24 *shape, in the United States, from*
25 *yarns wholly formed in the United*



1 *States or 1 or more ATPDEA bene-*
2 *ficiary countries (including fabrics not*
3 *formed from yarns, if such fabrics are*
4 *classifiable under heading 5602 or*
5 *5603 of the HTS and are formed in the*
6 *United States). Apparel articles shall*
7 *qualify under this subclause only if all*
8 *dyeing, printing, and finishing of the*
9 *fabrics from which the articles are as-*
10 *sembled, if the fabrics are knit fabrics,*
11 *is carried out in the United States.*
12 *Apparel articles shall qualify under*
13 *this subclause only if all dyeing, print-*
14 *ing, and finishing of the fabrics from*
15 *which the articles are assembled, if the*
16 *fabrics are woven fabrics, is carried*
17 *out in the United States.*

18 “(II) *Fabrics or fabric compo-*
19 *nents formed or components knit-to-*
20 *shape, in 1 or more ATPDEA bene-*
21 *ficiary countries, from yarns wholly*
22 *formed in 1 or more ATPDEA bene-*
23 *ficiary countries, if such fabrics (in-*
24 *cluding fabrics not formed from yarns,*
25 *if such fabrics are classifiable under*



1 heading 5602 or 5603 of the HTS and
2 are formed in 1 or more ATPDEA ben-
3 eficiary countries) or components are
4 in chief value of llama, alpaca, or
5 vicuña.

6 “(III) *Fabrics or yarns, to the ex-*
7 *tent that apparel articles of such fab-*
8 *rics or yarns would be eligible for pref-*
9 *erential treatment, without regard to*
10 *the source of the fabrics or yarns,*
11 *under Annex 401 of the NAFTA.*

12 “(ii) *ADDITIONAL FABRICS.—At the re-*
13 *quest of any interested party, the President*
14 *is authorized to proclaim additional fabrics*
15 *and yarns as eligible for preferential treat-*
16 *ment under clause (i)(III) if—*

17 “(I) *the President determines that*
18 *such fabrics or yarns cannot be sup-*
19 *plied by the domestic industry in com-*
20 *mercial quantities in a timely manner;*

21 “(II) *the President has obtained*
22 *advice regarding the proposed action*
23 *from the appropriate advisory com-*
24 *mittee established under section 135 of*
25 *the Trade Act of 1974 (19 U.S.C.*



1 2155) and the United States Inter-
2 national Trade Commission;

3 “(III) within 60 days after the re-
4 quest, the President has submitted a re-
5 port to the Committee on Ways and
6 Means of the House of Representatives
7 and the Committee on Finance of the
8 Senate that sets forth the action pro-
9 posed to be proclaimed and the reasons
10 for such action, and the advice ob-
11 tained under subclause (II);

12 “(IV) a period of 60 calendar
13 days, beginning with the first day on
14 which the President has met the re-
15 quirements of subclause (III), has ex-
16 pired; and

17 “(V) the President has consulted
18 with such committees regarding the
19 proposed action during the period re-
20 ferred to in subclause (III).

21 “(iii) APPAREL ARTICLES ASSEMBLED
22 IN 1 OR MORE ATPDEA BENEFICIARY COUN-
23 TRIES FROM REGIONAL FABRICS OR RE-
24 GIONAL COMPONENTS.—(I) Subject to the
25 limitation set forth in subclause (II), ap-



1 *parel articles sewn or otherwise assembled*
2 *in 1 or more ATPDEA beneficiary coun-*
3 *tries from fabrics or from fabric components*
4 *formed or from components knit-to-shape,*
5 *in 1 or more ATPDEA beneficiary coun-*
6 *tries, from yarns wholly formed in the*
7 *United States or 1 or more ATPDEA bene-*
8 *ficiary countries (including fabrics not*
9 *formed from yarns, if such fabrics are clas-*
10 *sifiable under heading 5602 or 5603 of the*
11 *HTS and are formed in 1 or more*
12 *ATPDEA beneficiary countries), whether or*
13 *not the apparel articles are also made from*
14 *any of the fabrics, fabric components*
15 *formed, or components knit-to-shape de-*
16 *scribed in clause (i) (unless the apparel ar-*
17 *ticles are made exclusively from any of the*
18 *fabrics, fabric components formed, or com-*
19 *ponents knit-to-shape described in clause*
20 *(i)).*

21 *“(II) The preferential treatment re-*
22 *ferred to in subclause (I) shall be extended*
23 *in the 1-year period beginning October 1,*
24 *2002, and in each of the 4 succeeding 1-year*
25 *periods, to imports of apparel articles in an*



1 amount not to exceed the applicable percent-
2 age of the aggregate square meter equiva-
3 lents of all apparel articles imported into
4 the United States in the preceding 12-
5 month period for which data are available.

6 “(III) For purposes of subclause (II),
7 the term ‘applicable percentage’ means 2
8 percent for the 1-year period beginning Oc-
9 tober 1, 2002, increased in each of the 4
10 succeeding 1-year periods by equal incre-
11 ments, so that for the period beginning Oc-
12 tober 1, 2006, the applicable percentage does
13 not exceed 5 percent.

14 “(iv) *HANDLOOMED, HANDMADE, AND*
15 *FOLKLORE ARTICLES.*—A handloomed,
16 handmade, or folklore article of an
17 ATPDEA beneficiary country identified
18 under subparagraph (C) that is certified as
19 such by the competent authority of such
20 beneficiary country.

21 “(v) *CERTAIN OTHER APPAREL ARTI-*
22 *CLES.*—

23 “(I) *GENERAL RULE.*—Any ap-
24 parel article classifiable under sub-
25 heading 6212.10 of the HTS, except for



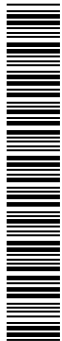
1 *articles entered under clause (i), (ii),*
2 *(iii), or (iv), if the article is both cut*
3 *and sewn or otherwise assembled in the*
4 *United States, or one or more*
5 *ATPDEA beneficiary countries, or*
6 *both.*

7 *“(II) LIMITATION.—During the 1-*
8 *year period beginning on October 1,*
9 *2003, and during each of the 3 suc-*
10 *ceeding 1-year periods, apparel articles*
11 *described in subclause (I) of a producer*
12 *or an entity controlling production*
13 *shall be eligible for preferential treat-*
14 *ment under this paragraph only if the*
15 *aggregate cost of fabrics (exclusive of*
16 *all findings and trimmings) formed in*
17 *the United States that are used in the*
18 *production of all such articles of that*
19 *producer or entity that are entered and*
20 *eligible under this clause during the*
21 *preceding 1-year period is at least 75*
22 *percent of the aggregate declared cus-*
23 *toms value of the fabric (exclusive of*
24 *all findings and trimmings) contained*
25 *in all such articles of that producer or*



1 *entity that are entered and eligible*
2 *under this clause during the preceding*
3 *1-year period.*

4 *“(III) DEVELOPMENT OF PROCE-*
5 *DURE TO ENSURE COMPLIANCE.—The*
6 *United States Customs Service shall*
7 *develop and implement methods and*
8 *procedures to ensure ongoing compli-*
9 *ance with the requirement set forth in*
10 *subclause (II). If the Customs Service*
11 *finds that a producer or an entity con-*
12 *trolling production has not satisfied*
13 *such requirement in a 1-year period,*
14 *then apparel articles described in sub-*
15 *clause (I) of that producer or entity*
16 *shall be ineligible for preferential treat-*
17 *ment under this paragraph during any*
18 *succeeding 1-year period until the ag-*
19 *gregate cost of fabrics (exclusive of all*
20 *findings and trimmings) formed in the*
21 *United States that are used in the pro-*
22 *duction of such articles of that pro-*
23 *ducer or entity entered during the pre-*
24 *ceding 1-year period is at least 85 per-*
25 *cent of the aggregate declared customs*



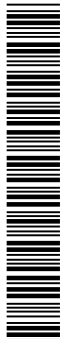
1 *value of the fabric (exclusive of all*
2 *findings and trimmings) contained in*
3 *all such articles of that producer or en-*
4 *tity that are entered and eligible under*
5 *this clause during the preceding 1-year*
6 *period.*

7 “(vi) *SPECIAL RULES.—*

8 “(I) *EXCEPTION FOR FINDINGS*
9 *AND TRIMMINGS.—An article otherwise*
10 *eligible for preferential treatment*
11 *under this paragraph shall not be in-*
12 *eligible for such treatment because the*
13 *article contains findings or trimmings*
14 *of foreign origin, if such findings and*
15 *trimmings do not exceed 25 percent of*
16 *the cost of the components of the assem-*
17 *bled product. Examples of findings and*
18 *trimmings are sewing thread, hooks*
19 *and eyes, snaps, buttons, ‘bow buds’,*
20 *decorative lace, trim, elastic strips,*
21 *zippers, including zipper tapes and la-*
22 *bel, and other similar products.*

23 “(II) *CERTAIN INTERLINING.—*

24 *(aa) An article otherwise eligible for*
25 *preferential treatment under this para-*



1 *graph shall not be ineligible for such*
2 *treatment because the article contains*
3 *certain interlinings of foreign origin, if*
4 *the value of such interlinings (and any*
5 *findings and trimmings) does not ex-*
6 *ceed 25 percent of the cost of the com-*
7 *ponents of the assembled article.*

8 *“(bb) Interlinings eligible for the*
9 *treatment described in division (aa)*
10 *include only a chest type plate, ‘hymo’*
11 *piece, or ‘sleeve header’, of woven or*
12 *weft-inserted warp knit construction*
13 *and of coarse animal hair or man-*
14 *made filaments.*

15 *“(cc) The treatment described in*
16 *this subclause shall terminate if the*
17 *President makes a determination that*
18 *United States manufacturers are pro-*
19 *ducing such interlinings in the United*
20 *States in commercial quantities.*

21 *“(III) DE MINIMIS RULE.—An ar-*
22 *ticle that would otherwise be ineligible*
23 *for preferential treatment under this*
24 *subparagraph because the article con-*
25 *tains yarns not wholly formed in the*



1 *United States or in one or more*
2 *ATPDEA beneficiary countries shall*
3 *not be ineligible for such treatment if*
4 *the total weight of all such yarns is not*
5 *more than 7 percent of the total weight*
6 *of the good.*

7 *“(IV) SPECIAL ORIGIN RULE.—An*
8 *article otherwise eligible for pref-*
9 *erential treatment under clause (i) or*
10 *(iii) shall not be ineligible for such*
11 *treatment because the article contains*
12 *nylon filament yarn (other than elas-*
13 *tomeric yarn) that is classifiable under*
14 *subheading 5402.10.30, 5402.10.60,*
15 *5402.31.30, 5402.31.60, 5402.32.30,*
16 *5402.32.60, 5402.41.10, 5402.41.90,*
17 *5402.51.00, or 5402.61.00 of the HTS*
18 *from a country that is a party to an*
19 *agreement with the United States es-*
20 *tablishing a free trade area, which en-*
21 *tered into force before January 1,*
22 *1995.*

23 *“(vii) TEXTILE LUGGAGE.—Textile*
24 *luggage—*



1 “(I) assembled in an ATPDEA
2 beneficiary country from fabric wholly
3 formed and cut in the United States,
4 from yarns wholly formed in the
5 United States, that is entered under
6 subheading 9802.00.80 of the HTS; or

7 “(II) assembled from fabric cut in
8 an ATPDEA beneficiary country from
9 fabric wholly formed in the United
10 States from yarns wholly formed in the
11 United States.

12 “(C) *HANDLOOMED, HANDMADE, AND FOLK-*
13 *LORE ARTICLES.*—For purposes of subparagraph
14 (B)(iv), the President shall consult with rep-
15 resentatives of the ATPDEA beneficiary coun-
16 tries concerned for the purpose of identifying
17 particular textile and apparel goods that are
18 mutually agreed upon as being handloomed,
19 handmade, or folklore goods of a kind described
20 in section 2.3(a), (b), or (c) of the Annex or Ap-
21 pendix 3.1.B.11 of the Annex.

22 “(D) *PENALTIES FOR TRANSSHIPMENT.*—

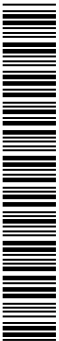
23 “(i) *PENALTIES FOR EXPORTERS.*—If
24 the President determines, based on sufficient
25 evidence, that an exporter has engaged in



1 *transshipment with respect to apparel arti-*
2 *cles from an ATPDEA beneficiary country,*
3 *then the President shall deny all benefits*
4 *under this title to such exporter, and any*
5 *successor of such exporter, for a period of 2*
6 *years.*

7 “(ii) *PENALTIES FOR COUNTRIES.—*
8 *Whenever the President finds, based on suf-*
9 *ficient evidence, that transshipment has oc-*
10 *curred, the President shall request that the*
11 *ATPDEA beneficiary country or countries*
12 *through whose territory the transshipment*
13 *has occurred take all necessary and appro-*
14 *priate actions to prevent such trans-*
15 *shipment. If the President determines that a*
16 *country is not taking such actions, the*
17 *President shall reduce the quantities of ap-*
18 *parel articles that may be imported into the*
19 *United States from such country by the*
20 *quantity of the transshipped articles multi-*
21 *plied by 3, to the extent consistent with the*
22 *obligations of the United States under the*
23 *WTO.*

24 “(iii) *TRANSSHIPMENT DESCRIBED.—*
25 *Transshipment within the meaning of this*



1 *subparagraph has occurred when pref-*
2 *erential treatment under subparagraph (A)*
3 *has been claimed for an apparel article on*
4 *the basis of material false information con-*
5 *cerning the country of origin, manufacture,*
6 *processing, or assembly of the article or any*
7 *of its components. For purposes of this*
8 *clause, false information is material if dis-*
9 *closure of the true information would mean*
10 *or would have meant that the article is or*
11 *was ineligible for preferential treatment*
12 *under subparagraph (A).*

13 “(E) *BILATERAL EMERGENCY ACTIONS.*—

14 “(i) *IN GENERAL.*—*The President may*
15 *take bilateral emergency tariff actions of a*
16 *kind described in section 4 of the Annex*
17 *with respect to any apparel article im-*
18 *ported from an ATPDEA beneficiary coun-*
19 *try if the application of tariff treatment*
20 *under subparagraph (A) to such article re-*
21 *sults in conditions that would be cause for*
22 *the taking of such actions under such sec-*
23 *tion 4 with respect to a like article de-*
24 *scribed in the same 8-digit subheading of*
25 *the HTS that is imported from Mexico.*



1 “(i) *RULES RELATING TO BILATERAL*
2 *EMERGENCY ACTION.—For purposes of ap-*
3 *plying bilateral emergency action under*
4 *this subparagraph—*

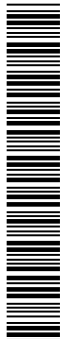
5 “(I) *the requirements of para-*
6 *graph (5) of section 4 of the Annex (re-*
7 *lating to providing compensation)*
8 *shall not apply;*

9 “(II) *the term ‘transition period’*
10 *in section 4 of the Annex shall mean*
11 *the period ending December 31, 2006;*
12 *and*

13 “(III) *the requirements to consult*
14 *specified in section 4 of the Annex*
15 *shall be treated as satisfied if the*
16 *President requests consultations with*
17 *the ATPDEA beneficiary country in*
18 *question and the country does not*
19 *agree to consult within the time period*
20 *specified under section 4 of the Annex.*

21 “(4) *TUNA.—*

22 “(A) *GENERAL RULE.—Tuna that is har-*
23 *vested by United States vessels or ATPDEA ben-*
24 *eficiary country vessels, that is prepared or pre-*
25 *served in any manner, in an ATPDEA bene-*



1 *ficiary country, in foil or other flexible airtight*
2 *containers weighing with their contents not more*
3 *than 6.8 kilograms each, and that is imported*
4 *directly into the customs territory of the United*
5 *States from an ATPDEA beneficiary country,*
6 *shall enter the United States free of duty and*
7 *free of any quantitative restrictions.*

8 “(B) *DEFINITIONS.—In this paragraph—*

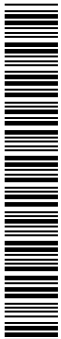
9 “(i) *UNITED STATES VESSEL.—A*
10 *‘United States vessel’ is a vessel having a*
11 *certificate of documentation with a fishery*
12 *endorsement under chapter 121 of title 46,*
13 *United States Code.*

14 “(ii) *ATPDEA VESSEL.—An*
15 *‘ATPDEA vessel’ is a vessel—*

16 “(I) *which is registered or re-*
17 *corded in an ATPDEA beneficiary*
18 *country;*

19 “(II) *which sails under the flag of*
20 *an ATPDEA beneficiary country;*

21 “(III) *which is at least 75 percent*
22 *owned by nationals of an ATPDEA*
23 *beneficiary country or by a company*
24 *having its principal place of business*
25 *in an ATPDEA beneficiary country, of*



1 *which the manager or managers, chair-*
2 *man of the board of directors or of the*
3 *supervisory board, and the majority of*
4 *the members of such boards are nation-*
5 *als of an ATPDEA beneficiary country*
6 *and of which, in the case of a com-*
7 *pany, at least 50 percent of the capital*
8 *is owned by an ATPDEA beneficiary*
9 *country or by public bodies or nation-*
10 *als of an ATPDEA beneficiary coun-*
11 *try;*

12 *“(IV) of which the master and of-*
13 *ficers are nationals of an ATPDEA*
14 *beneficiary country; and*

15 *“(V) of which at least 75 percent*
16 *of the crew are nationals of an*
17 *ATPDEA beneficiary country.*

18 “(5) *CUSTOMS PROCEDURES.—*

19 “(A) *IN GENERAL.—*

20 “(i) *REGULATIONS.—Any importer*
21 *that claims preferential treatment under*
22 *paragraph (1), (3), or (4) shall comply with*
23 *customs procedures similar in all material*
24 *respects to the requirements of Article*
25 *502(1) of the NAFTA as implemented pur-*



1 *suant to United States law, in accordance*
2 *with regulations promulgated by the Sec-*
3 *retary of the Treasury.*

4 “(i) *DETERMINATION.*—

5 “*(I) IN GENERAL.*—*In order to*
6 *qualify for the preferential treatment*
7 *under paragraph (1), (3), or (4) and*
8 *for a Certificate of Origin to be valid*
9 *with respect to any article for which*
10 *such treatment is claimed, there shall*
11 *be in effect a determination by the*
12 *President that each country described*
13 *in subclause (II)—*

14 “*(aa) has implemented and*
15 *follows, or*

16 “*(bb) is making substantial*
17 *progress toward implementing*
18 *and following,*

19 *procedures and requirements similar*
20 *in all material respects to the relevant*
21 *procedures and requirements under*
22 *chapter 5 of the NAFTA.*

23 “*(II) COUNTRY DESCRIBED.*—*A*
24 *country is described in this subclause if*



1 *it is an ATPDEA beneficiary*
2 *country—*

3 *“(aa) from which the article*
4 *is exported; or*

5 *“(bb) in which materials*
6 *used in the production of the arti-*
7 *cle originate or in which the arti-*
8 *cle or such materials undergo pro-*
9 *duction that contributes to a*
10 *claim that the article is eligible*
11 *for preferential treatment under*
12 *paragraph (1), (3), or (4).*

13 *“(B) CERTIFICATE OF ORIGIN.—The Certifi-*
14 *cate of Origin that otherwise would be required*
15 *pursuant to the provisions of subparagraph (A)*
16 *shall not be required in the case of an article im-*
17 *ported under paragraph (1), (3), or (4) if such*
18 *Certificate of Origin would not be required under*
19 *Article 503 of the NAFTA (as implemented pur-*
20 *suant to United States law), if the article were*
21 *imported from Mexico.*

22 *“(C) REPORT ON COOPERATION OF ATPDEA*
23 *COUNTRIES CONCERNING CIRCUMVENTION.—The*
24 *United States Commissioner of Customs shall*



1 *conduct a study analyzing the extent to which*
2 *each ATPDEA beneficiary country—*

3 *“(i) has cooperated fully with the*
4 *United States, consistent with its domestic*
5 *laws and procedures, in instances of cir-*
6 *cumvention or alleged circumvention of ex-*
7 *isting quotas on imports of textile and ap-*
8 *parel goods, to establish necessary relevant*
9 *facts in the places of import, export, and,*
10 *where applicable, transshipment, including*
11 *investigation of circumvention practices, ex-*
12 *changes of documents, correspondence, re-*
13 *ports, and other relevant information, to the*
14 *extent such information is available;*

15 *“(ii) has taken appropriate measures,*
16 *consistent with its domestic laws and proce-*
17 *dures, against exporters and importers in-*
18 *volved in instances of false declaration con-*
19 *cerning quantities, description, classifica-*
20 *tion, or origin of textile and apparel goods;*
21 *and*

22 *“(iii) has penalized the individuals*
23 *and entities involved in any such cir-*
24 *cumvention, consistent with its domestic*
25 *laws and procedures, and has worked closely*



1 to seek the cooperation of any third country
2 to prevent such circumvention from taking
3 place in that third country.

4 *The Commissioner of Customs shall submit to the*
5 *Congress, not later than October 1, 2003, a re-*
6 *port on the study conducted under this subpara-*
7 *graph.*

8 “(6) *DEFINITIONS.*—*In this subsection—*

9 “(A) *ANNEX.*—*The term ‘the Annex’ means*
10 *Annex 300-B of the NAFTA.*

11 “(B) *ATPDEA BENEFICIARY COUNTRY.*—
12 *The term ‘ATPDEA beneficiary country’ means*
13 *any ‘beneficiary country’, as defined in section*
14 *203(a)(1) of this title, which the President des-*
15 *ignates as an ATPDEA beneficiary country, tak-*
16 *ing into account the criteria contained in sub-*
17 *sections (c) and (d) of section 203 and other ap-*
18 *propriate criteria, including the following:*

19 “(i) *Whether the beneficiary country*
20 *has demonstrated a commitment to—*

21 “(I) *undertake its obligations*
22 *under the WTO, including those agree-*
23 *ments listed in section 101(d) of the*
24 *Uruguay Round Agreements Act, on or*
25 *ahead of schedule; and*



1 “(II) participate in negotiations
2 toward the completion of the FTAA or
3 another free trade agreement.

4 “(ii) The extent to which the country
5 provides protection of intellectual property
6 rights consistent with or greater than the
7 protection afforded under the Agreement on
8 Trade-Related Aspects of Intellectual Prop-
9 erty Rights described in section 101(d)(15)
10 of the Uruguay Round Agreements Act.

11 “(iii) The extent to which the country
12 provides internationally recognized worker
13 rights, including—

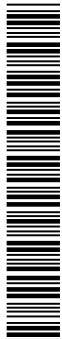
14 “(I) the right of association;

15 “(II) the right to organize and
16 bargain collectively;

17 “(III) a prohibition on the use of
18 any form of forced or compulsory
19 labor;

20 “(IV) a minimum age for the em-
21 ployment of children; and

22 “(V) acceptable conditions of work
23 with respect to minimum wages, hours
24 of work, and occupational safety and
25 health.



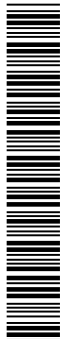
1 “(iv) Whether the country has imple-
2 mented its commitments to eliminate the
3 worst forms of child labor, as defined in sec-
4 tion 507(6) of the Trade Act of 1974.

5 “(v) The extent to which the country
6 has met the counternarcotics certification
7 criteria set forth in section 490 of the For-
8 eign Assistance Act of 1961 (22 U.S.C.
9 2291j) for eligibility for United States as-
10 sistance.

11 “(vi) The extent to which the country
12 has taken steps to become a party to and
13 implements the Inter-American Convention
14 Against Corruption.

15 “(vii) The extent to which the
16 country—

17 “(I) applies transparent, non-
18 discriminatory, and competitive proce-
19 dures in government procurement
20 equivalent to those contained in the
21 Agreement on Government Procure-
22 ment described in section 101(d)(17) of
23 the Uruguay Round Agreements Act;
24 and



1 “(II) contributes to efforts in
2 international fora to develop and im-
3 plement international rules in trans-
4 parency in government procurement.

5 “(viii) The extent to which the country
6 has taken steps to support the efforts of the
7 United States to combat terrorism.

8 “(C) NAFTA.—The term ‘NAFTA’ means
9 the North American Free Trade Agreement en-
10 tered into between the United States, Mexico,
11 and Canada on December 17, 1992.

12 “(D) WTO.—The term ‘WTO’ has the
13 meaning given that term in section 2 of the Uru-
14 guay Round Agreements Act (19 U.S.C. 3501).

15 “(E) ATPDEA.—The term ‘ATPDEA’
16 means the Andean Trade Promotion and Drug
17 Eradication Act.

18 “(F) FTAA.—The term ‘FTAA’ means the
19 Free Trade Area for the Americas.”.

20 (b) DETERMINATION REGARDING RETENTION OF DES-
21 IGNATION.—Section 203(e)(1) of the Andean Trade Pref-
22 erence Act (19 U.S.C. 3202(e)(1)) is amended—

23 (1) by redesignating subparagraphs (A) and (B)
24 as clauses (i) and (ii), respectively;

25 (2) by inserting “(A)” after “(1)”; and



1 (3) by adding at the end the following:

2 “(B) The President may, after the requirements of
3 paragraph (2) have been met—

4 “(i) withdraw or suspend the designation of any
5 country as an ATPDEA beneficiary country, or

6 “(ii) withdraw, suspend, or limit the application
7 of preferential treatment under section 204(b)(1), (3),
8 or (4) to any article of any country,

9 if, after such designation, the President determines that, as
10 a result of changed circumstances, the performance of such
11 country is not satisfactory under the criteria set forth in
12 section 204(b)(6)(B).”.

13 (c) CONFORMING AMENDMENTS.—(1) Section 202 of
14 the Andean Trade Preference Act (19 U.S.C. 3201) is
15 amended by inserting “(or other preferential treatment)”
16 after “treatment”.

17 (2) Section 204(a) of the Andean Trade Preference Act
18 (19 U.S.C. 3203(a)) is amended—

19 (A) in paragraph (1)—

20 (i) by inserting “(or otherwise provided
21 for)” after “eligibility”; and

22 (ii) by inserting “(or preferential treat-
23 ment)” after “duty-free treatment”; and

24 (B) in paragraph (2), by striking “subsection
25 (a)” and inserting “paragraph (1)”.



1 (d) *PETITIONS FOR REVIEW.*—

2 (1) *IN GENERAL.*—Not later than 180 days after
3 the date of the enactment of this Act, the President
4 shall promulgate regulations regarding the review of
5 eligibility of articles and countries under the Andean
6 Trade Preference Act, consistent with section 203(e) of
7 such Act, as amended by this title.

8 (2) *CONTENT OF REGULATIONS.*—The regulations
9 shall be similar to the regulations regarding eligi-
10 bility under the generalized system of preferences
11 under title V of the Trade Act of 1974 with respect
12 to the timetable for reviews and content, and shall in-
13 clude procedures for requesting withdrawal, suspen-
14 sion, or limitations of preferential duty treatment
15 under the Andean Trade Preference Act, conducting
16 reviews of such requests, and implementing the results
17 of the reviews.

18 (e) *REPORTING REQUIREMENTS.*—Section 203(f) of
19 the Andean Trade Preference Act (19 U.S.C. 3202(f)) is
20 amended to read as follows:

21 “(f) *REPORTING REQUIREMENTS.*—

22 “(1) *IN GENERAL.*—Not later than April 30,
23 2003, and every 2 years thereafter during the period
24 this title is in effect, the United States Trade Rep-



1 *representative shall submit to the Congress a report re-*
2 *garding the operation of this title, including—*

3 *“(A) with respect to subsections (c) and (d),*
4 *the results of a general review of beneficiary*
5 *countries based on the considerations described*
6 *in such subsections; and*

7 *“(B) the performance of each beneficiary*
8 *country or ATPEA beneficiary country, as the*
9 *case may be, under the criteria set forth in sec-*
10 *tion 204(b)(6)(B).*

11 *“(2) PUBLIC COMMENT.—Before submitting the*
12 *report described in paragraph (1), the United States*
13 *Trade Representative shall publish a notice in the*
14 *Federal Register requesting public comments on*
15 *whether beneficiary countries are meeting the criteria*
16 *listed in section 204(b)(6)(B).”.*

17 **SEC. 3104. TERMINATION.**

18 *(a) IN GENERAL.—Section 208 of the Andean Trade*
19 *Preference Act (19 U.S.C. 3206) is amended to read as fol-*
20 *lows:*

21 **“SEC. 208. TERMINATION OF PREFERENTIAL TREATMENT.**

22 *“No duty-free treatment or other preferential treat-*
23 *ment extended to beneficiary countries under this title shall*
24 *remain in effect after December 31, 2006.”.*



1 (b) *RETROACTIVE APPLICATION FOR CERTAIN LIQ-*
2 *UIDATIONS AND RELIQUIDATIONS.*—

3 (1) *IN GENERAL.*—*Notwithstanding section 514*
4 *of the Tariff Act of 1930 or any other provision of*
5 *law, and subject to paragraph (3), the entry—*

6 (A) *of any article to which duty-free treat-*
7 *ment (or preferential treatment) under the Ande-*
8 *an Trade Preference Act (19 U.S.C. 3201 et seq.)*
9 *would have applied if the entry had been made*
10 *on December 4, 2001, and*

11 (B) *that was made after December 4, 2001,*
12 *and before the date of the enactment of this Act,*
13 *shall be liquidated or reliquidated as if such duty-free*
14 *treatment (or preferential treatment) applied, and the*
15 *Secretary of the Treasury shall refund any duty paid*
16 *with respect to such entry.*

17 (2) *ENTRY.*—*As used in this subsection, the term*
18 *“entry” includes a withdrawal from warehouse for*
19 *consumption.*

20 (3) *REQUESTS.*—*Liquidation or reliquidation*
21 *may be made under paragraph (1) with respect to an*
22 *entry only if a request therefor is filed with the Cus-*
23 *tom Service, within 180 days after the date of the en-*
24 *actment of this Act, that contains sufficient informa-*
25 *tion to enable the Customs Service—*



1 (A) to locate the entry; or

2 (B) to reconstruct the entry if it cannot be
3 located.

4 **SEC. 3105. REPORT ON FREE TRADE AGREEMENT WITH**
5 **ISRAEL.**

6 (a) *REPORT TO CONGRESS.*—The United States Trade
7 Representative shall review the implementation of the
8 United States-Israel Free Trade Agreement and shall sub-
9 mit to the Speaker of the House of Representatives, the
10 President of the Senate, the Committee on Ways and Means
11 of the House of Representatives, and the Committee on Fi-
12 nance of the Senate a report on the results of such review.

13 (b) *CONTENTS OF REPORT.*—The report under sub-
14 section (a) shall include the following:

15 (1) A review of the terms of the United States-
16 Israel Free Trade Agreement, particularly the terms
17 with respect to market access commitments.

18 (2) A review of subsequent agreements which
19 may have been reached between the parties to the
20 Agreement and of unilateral concessions of additional
21 benefits received by each party from the other.

22 (3) A review of any current negotiations between
23 the parties to the Agreement with respect to imple-
24 mentation of the Agreement and other pertinent mat-
25 ters.

