

103D CONGRESS
1ST SESSION

S. 1132

To provide for fair trade in motor vehicle parts, action under trade remedy laws for certain unfair trade practices, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 15), 1993

Mr. RIEGLE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for fair trade in motor vehicle parts, action under trade remedy laws for certain unfair trade practices, 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; DEFINITIONS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Fair Trade in Motor Vehicle Parts Act of 1993”.

6 (b) DEFINITIONS.—For purposes of this Act—

7 (1) MOTOR VEHICLE AND MOTOR VEHICLE
8 PARTS.—

9 (A) The term “motor vehicle” means any
10 article of a kind described in heading 8703 or

1 8704 of the Harmonized Tariff Schedule of the
2 United States.

3 (B) The term “motor vehicle parts” means
4 articles of a kind described in the following pro-
5 visions of the Harmonized Tariff Schedule of
6 the United States if suitable for use in the
7 manufacture or repair of motor vehicles:

8 (i) Subheadings 8407.31.00 through
9 8407.34.20 (relating to spark-ignition re-
10 ciprocating or rotary internal combustion
11 piston engines).

12 (ii) Subheading 8408.20 (relating to
13 the compression-ignition internal combus-
14 tion engines).

15 (iii) Subheading 8409 (relating to
16 parts suitable for use solely or principally
17 with engines described in clauses (i) and
18 (ii)).

19 (iv) Subheading 8483 (relating to
20 transmission shafts and related parts).

21 (v) Subheadings 8706.00.10 and
22 8706.00.15 (relating to chassis fitted with
23 engines).

24 (vi) Heading 8707 (relating to motor
25 vehicle bodies).

1 (vii) Heading 8708 (relating to bump-
2 ers, brakes and servo brakes, gear boxes,
3 drive axles, nondriving axles, road wheels,
4 suspension shock absorbers, radiators,
5 mufflers and exhaust pipes, clutches, steer-
6 ing wheels, steering columns, steering
7 boxes, and other parts and accessories of
8 motor vehicles).

9 The Secretary shall by regulation include as
10 motor vehicle parts such other articles (de-
11 scribed by classification under such Harmonized
12 Tariff Schedule) that the Secretary considers
13 appropriate to carry out this Act.

14 (2) UNITED STATES MOTOR VEHICLE PARTS
15 MANUFACTURER.—The term “United States motor
16 vehicle parts manufacturer” means a manufacturer
17 of motor vehicle parts that—

18 (A) has one or more motor vehicle parts
19 manufacturing facilities located within the
20 United States, and

21 (B)(i) is not owned or controlled by a nat-
22 ural person who is a citizen of a deficit foreign
23 country; and

1 (ii) is not owned or controlled by a cor-
2 poration or other legal entity, wherever located,
3 which is owned or controlled by—

4 (I) natural persons who are citizens of
5 a deficit foreign country, or

6 (II) another corporation or other legal
7 entity that is owned or controlled by natu-
8 ral persons who are citizens of a deficit
9 foreign country.

10 (3) UNITED STATES MOTOR VEHICLE PARTS.—

11 The term “United States motor vehicle parts”
12 means motor vehicle parts produced by United
13 States motor vehicle parts manufacturers in the
14 United States.

15 (4) DEFICIT FOREIGN COUNTRY.—The term

16 “deficit foreign country” means any country with
17 which the United States merchandise trade balance
18 with respect to motor vehicle parts was in deficit in
19 an amount of \$5,000,000,000 or more for each of
20 the 3 most recent calendar years for which data are
21 available.

22 (5) SECRETARY.—The term “Secretary” means

23 the Secretary of Commerce.

1 (6) TRADE REPRESENTATIVE.—The term
2 “Trade Representative” means the United States
3 Trade Representative.

4 **TITLE I—TRADE REMEDY**
5 **ACTIONS**

6 **SEC. 101. “301” ACTION WITH RESPECT TO BARRIERS TO**
7 **MARKET ACCESS OF UNITED STATES-MADE**
8 **MOTOR VEHICLE PARTS.**

9 (a) IN GENERAL.—On the 45th day after the date
10 of the enactment of this Act, any act, policy, or practice
11 of a deficit foreign country that adversely affects the ac-
12 cess to such country’s market of motor vehicle parts pro-
13 duced by United States motor vehicle parts manufacturers
14 (including, but not limited to, any act, policy, or practice
15 utilized in such country’s motor vehicle distribution sys-
16 tem) shall, for purposes of title III of the Trade Act of
17 1974, be considered as an act, policy, or practice of a for-
18 eign country that is unjustifiable and burdens or restricts
19 United States commerce. The Trade Representative shall
20 immediately proceed to determine, in accordance with sec-
21 tion 304(a)(1)(B) of such Act, what action to take under
22 section 301(a) of such Act to obtain the elimination of
23 such act, policy, or practice.

24 (b) NEGOTIATION AGENDA.—If the Trade Represent-
25 ative decides to take action referred to in section

1 301(c)(1)(C) of the Trade Act of 1974 with respect to an
2 act, policy, or practice referred to in subsection (a), the
3 agenda for negotiations shall include—

4 (1) guarantees for sales in the deficit foreign
5 country's market of motor vehicle parts produced in
6 the United States by United States motor vehicle
7 parts manufacturers in an aggregate amount equal
8 to the percentage of such market that would be held
9 by motor vehicle parts produced by United States
10 motor vehicle parts manufacturers if the unfair act,
11 policy, or practice did not exist;

12 (2) the elimination or modification of the as-
13 pects of the deficit foreign country's motor vehicle
14 distribution system (and any other act, policy, or
15 practice) that act as a barrier to the access to the
16 foreign country's market of motor vehicle parts pro-
17 duced in the United States by United States motor
18 vehicle parts manufacturers; and

19 (3) the establishment of procedures for the ex-
20 change of information between the appropriate agen-
21 cies of the United States and the deficit foreign
22 country's government that will permit an accurate
23 assessment of bilateral trade in motor vehicle parts,
24 particularly with respect to the purchase of motor
25 vehicle parts produced in the United States by Unit-

1 ed States motor vehicle parts manufacturers for use
2 by foreign sources in the foreign country's market.

3 (c) ADDITIONAL ESTIMATES AND CONSEQUENTIAL
4 EFFECT.—

5 (1) ESTIMATE.—If the Trade Representative
6 decides to take action under section 301(c)(1)(C) of
7 the Trade Act of 1974, the Trade Representative
8 shall promptly estimate, on the basis of the best in-
9 formation available—

10 (A) the percentage share of the deficit for-
11 eign country's market for motor vehicle parts
12 that is currently accounted for by motor vehicle
13 parts produced in the United States by United
14 States motor vehicle parts manufacturers;

15 (B) the percentage share of the deficit for-
16 eign country's market for motor vehicle parts
17 which would be accounted for by United States
18 motor vehicle parts if an act, policy, or practice
19 referred to in subsection (a) did not exist; and

20 (C) the dollar value of the difference be-
21 tween the percentage shares estimated under
22 subparagraphs (A) and (B).

23 (2) SUBSEQUENT ACTION.—If the negotiations
24 referred to in subsection (b) are unsuccessful, any
25 action subsequently taken under section 301 of the

1 Trade Act of 1974 in response to the deficit foreign
 2 country's acts, policies, or practices shall be substan-
 3 tially equivalent to the dollar value estimated under
 4 paragraph (1)(C).

5 **SEC. 102. ANTIDUMPING INVESTIGATION REGARDING**
 6 **MOTOR VEHICLE PARTS OF DEFICIT FOR-**
 7 **EIGN COUNTRIES.**

8 Not later than 60 days after the date of the enact-
 9 ment of this Act, the Secretary shall commence an inves-
 10 tigation under section 732(a) of the Tariff Act of 1930
 11 to determine if imports of motor vehicle parts into the
 12 United States that are products of any deficit foreign
 13 country, or sales (or the likelihood of sales) of such parts
 14 for importation into the United States, constitute grounds
 15 for the imposition of antidumping duties under section
 16 731 of such Act.

17 **TITLE II—EXTENSION AND MODI-**
 18 **FICATION OF FAIR TRADE IN**
 19 **AUTO PARTS ACT**

20 **SEC. 201. EXTENSION AND MODIFICATION OF FAIR TRADE**
 21 **IN AUTO PARTS ACT.**

22 (a) IN GENERAL.—Section 2125 of the Fair Trade
 23 in Auto Parts Act of 1988 (15 U.S.C. 4704) is amended
 24 by striking “December 31, 1993” and inserting “Decem-
 25 ber 31, 1998”.

1 (b) FUNCTIONS OF SECRETARY OF COMMERCE.—
2 Section 2123(b) of the Fair Trade in Auto Parts Act of
3 1988 (15 U.S.C. 4702(b)) is amended by striking “and”
4 at the end of paragraph (6), by striking the period at the
5 end of paragraph (7) and inserting “; and”, and by adding
6 at the end the following new paragraph:

7 “(8) coordinate—

8 “(A) United States policy regarding auto
9 parts and the market for auto parts; and

10 “(B) the sharing of data and market infor-
11 mation among the relevant departments and
12 agencies of the United States Government, in-
13 cluding the Department of the Treasury, the
14 Department of Justice, the Department of
15 Commerce, and the Office of the United States
16 Trade Representative.”.

17 (c) DEFINITIONS.—Section 2122 of the Fair Trade
18 in Auto Parts Act of 1988 (15 U.S.C. 4701 note) is
19 amended—

20 (1) by striking “For purposes of” and inserting

21 “(a) JAPANESE MARKETS.—For purposes of”;

22 (2) by adding at the end the following new sub-
23 section:

24 “(b) OTHER DEFINITIONS.—For purposes of this
25 part:

1 “(1) The term ‘auto parts and accessories’ has
2 the meaning given the term ‘motor vehicle parts’ in
3 section 1(b)(1)(B) of the Fair Trade in Motor Vehi-
4 cle Parts Act of 1993.

5 “(2) The term ‘United States auto parts manu-
6 facturer’ means a manufacturer of auto parts that—

7 “(A) has one or more auto parts manufac-
8 turing facilities located within the United
9 States, and

10 “(B)(i) is not owned or controlled by a
11 natural person who is a citizen of Japan; and

12 “(ii) is not owned or controlled by a cor-
13 poration or other legal entity, wherever located,
14 which is owned or controlled by—

15 “(I) natural persons who are citizens
16 of Japan, or

17 “(II) another corporation or other
18 legal entity that is owned or controlled by
19 natural persons who are citizens of Japan.

20 “(3) The terms ‘United States-made auto parts
21 and accessories’ and ‘United States-made auto parts’
22 have the meaning given the term ‘United States
23 motor vehicle parts’ in section 1(b)(3) of the Fair
24 Trade in Motor Vehicle Parts Act of 1993.”; and

- 1 (3) by striking “**DEFINITION**” in the heading
- 2 and inserting “**DEFINITIONS**”.

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