

104TH CONGRESS  
2D SESSION

# H. R. 3599

To authorize the President to enter into a trade agreement concerning Northern Ireland and certain Border Counties of the Republic of Ireland, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1996

Mr. MANTON (for himself, Mr. KING, and Mr. GILMAN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To authorize the President to enter into a trade agreement concerning Northern Ireland and certain Border Counties of the Republic of Ireland, 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. FINDINGS.**

4 The Congress makes the following findings:

5 (1) It is in the interest of the United States  
6 that the precarious peace process now underway in  
7 Northern Ireland and the Republic of Ireland suc-  
8 ceed, both to ensure stability for important allies

1 and friends of the United States and to assure a  
2 mutually beneficial flow of trade and commerce.

3 (2) Locally sustainable economic development  
4 within Northern Ireland and the Border Counties of  
5 the Republic of Ireland creates the basis for political  
6 stability and enhances the likelihood of peace.

7 (3) The granting of reasonable tariff conces-  
8 sions for products and goods originating in Northern  
9 Ireland and the Border Counties of the Republic of  
10 Ireland will provide an incentive for such develop-  
11 ment.

12 (A) The Congress notes that both the  
13 United Kingdom and the Republic of Ireland  
14 are members of the European Union (EU), that  
15 tariff issues relating to Northern Ireland and  
16 the Border Counties are subject to the common  
17 commercial policy provided for in Article 113 of  
18 the Treaty of Rome and that any negotiations  
19 concerning them must conform to EU law and  
20 Paragraphs 5, 6, 7, and 8 of Article XXIV of  
21 the GATT.

22 (B) The Congress further notes that while  
23 there is no precedent in EU practice for the  
24 free trade agreement contemplated in this Act,  
25 the effect of such an agreement will be to sup-

1 port important on-going EU efforts to achieve  
2 greater social cohesion in a unique and dis-  
3 advantaged region, to the long-term benefit of  
4 the European Union, the United States, and  
5 the larger international community.

6 (4) The President should be authorized to nego-  
7 tiate such concessions in accordance with the terms  
8 and conditions set forth in the Act.

9 **SEC. 2. FREE TRADE AGREEMENT WITH NORTHERN IRE-**  
10 **LAND.**

11 (a) NEGOTIATIONS.—

12 (1) IN GENERAL.—The President may enter  
13 into a trade agreement with respect to qualified  
14 areas of Northern Ireland and the Republic of Ire-  
15 land which provides for—

16 (A) the harmonization, reduction, and  
17 elimination of trade barriers;

18 (B) the prohibition of or limitations on the  
19 impositions of trade barriers;

20 (C) the elimination or reduction of any  
21 duty imposed by the United States

22 (2) AGREEMENT LIMITED TO QUALIFIED AREAS  
23 OF NORTHERN IRELAND AND THE REPUBLIC OF  
24 IRELAND.—Notwithstanding any other provision of  
25 law, no trade benefit shall be extended to any coun-

1 try by reason of the extension of any trade benefit  
2 to another country under a trade agreement entered  
3 into under paragraph (1) with such other country.

4 (b) LIMITATIONS AND STAGING.—

5 (1) IN GENERAL.—No proclamation may be  
6 made under subsection (a) that—

7 (A) reduces any rate of duty (other than a  
8 rate of duty that does not exceed 5 percent ad  
9 valorem on the date of enactment of this Act)  
10 to a rate of duty which is less than 5 percent  
11 of the rate of duty that applies on such a date  
12 of enactment;

13 (B) reduces the rate of duty on an article  
14 over a period greater than 10 years after the  
15 first reduction that is proclaimed to carry out  
16 a trade agreement with respect to such article;  
17 or

18 (C) increase any rate of duty above the  
19 rate that applies on the date of the enactment  
20 of this Act.

21 (2) LIMITATION ON AGGREGATE REDUCTION.—

22 The aggregate reduction in the rate of duty on any  
23 article which is in effect on any day pursuant to a  
24 trade agreement entered into under subsection (a)  
25 shall not exceed the aggregate reduction which

1 would have been in effect on such a day if a reduc-  
2 tion of 3 percent ad valorem per year or a reduction  
3 of 10 percent per year of the total reduction, which-  
4 ever is greater, had taken effect on the effective date  
5 of the first reduction proclaimed pursuant to sub-  
6 section (a).

7 (3) EXEMPTION FROM STAGING.—No staging is  
8 required under paragraph (2) with respect to a duty  
9 reduction that is proclaimed under subsection (a) for  
10 an article of a kind that is not produced in the Unit-  
11 ed States. The United States International Trade  
12 Commission shall advise the President of the iden-  
13 tity of articles that may be exempted from staging  
14 under this paragraph.

15 (4) ROUNDING.—If the President determines  
16 that such action will simplify the computation of re-  
17 ductions under paragraph (1) or (2), the President  
18 may round an annual reduction by an amount equal  
19 to the lesser of—

20 (A) the difference between the reduction  
21 without regard to this paragraph and the next  
22 lower whole numbers; or

23 (B) one-half of 1 percent ad valorem.

24 (5) OTHER LIMITATIONS.—A rate of duty re-  
25 duction or increase that may not be proclaimed by

1 reason of paragraph (1) may take effect only if a  
2 provision authorizing such reduction is included  
3 within an implementing bill provided for in connec-  
4 tion with the agreement authorized by this Act and  
5 that bill is enacted into law.

6 **SEC. 3. CRITERIA FOR DUTY-FREE TREATMENT OF ARTI-**  
7 **CLES.**

8 (a) IN GENERAL.—

9 (1) ARTICLE MUST BE GROWTH, PRODUCT, OR  
10 MANUFACTURE OF QUALIFIED AREA OF NORTHERN  
11 IRELAND OR THE REPUBLIC OF IRELAND.—The re-  
12 duction or elimination of any duty imposed on any  
13 article by the United States provided for in a trade  
14 agreement entered into with a qualified area of  
15 Northern Ireland or the Republic of Ireland under  
16 this Act shall apply only if—

17 (A) that article is the growth, product, or  
18 manufacture of a qualified area of Northern  
19 Ireland or the Republic of Ireland or is a new  
20 or different article of commerce that has been  
21 grown, produced, or manufactured in a quali-  
22 fied area of Northern Ireland or the Republic of  
23 Ireland;

24 (B) that article is imported directly from a  
25 qualified area of Northern Ireland or the Re-

1 public of Ireland into the customs territory of  
2 the United States; and

3 (C) the sum of—

4 (i) the cost of value of the materials  
5 produced in a qualified area of Northern  
6 Ireland or the Republic of Ireland, plus

7 (ii) the direct costs of processing oper-  
8 ations performed in a qualified area of  
9 Northern Ireland or the Republic of Ire-  
10 land,

11 is not less than 35 percent of the appraised  
12 value of such article at the time it is entered.

13 If the cost or value of materials produced in the cus-  
14 toms territory of the United States is included with  
15 respect to an article to which this subsection applies,  
16 an amount not to exceed 15 percent of the appraised  
17 value of the article at the time it is entered that is  
18 attributable to such United States cost or value may  
19 be applied toward determining the percentage re-  
20 ferred to in subparagraph (C).

21 (2) OTHER REQUIREMENTS.—No article may be  
22 considered to meet the requirements of paragraph  
23 (1)(A) by virtue of having merely undergone—

24 (A) simple combining or packaging oper-  
25 ations; or

1 (B) mere dilution with water or mere dilu-  
2 tion with another substance that does not mate-  
3 rially alter the characteristics of the article.

4 (b) DIRECT COSTS.—As used in this section, the  
5 phrase “direct costs of processing operations” includes,  
6 but is not limited to—

7 (1) all actual labor costs involved in the growth,  
8 production, manufacture, or assembly of the specific  
9 merchandise, including fringe benefits, on-the-job  
10 training and the cost of engineering, supervisory,  
11 quality control, and similar personnel; and

12 (2) dies, molds, tooling, and depreciation on  
13 machinery and equipment which are allocable to the  
14 specific merchandise.

15 Such phrase does not include costs which are not directly  
16 attributable to the merchandise concerned, or are not costs  
17 of manufacturing the product, such as (A) profit, and (B)  
18 general expenses of doing business which are either not  
19 allocable to the specific merchandise or are not related to  
20 the growth, production, manufacture, or assembly of the  
21 merchandise, such as administrative salaries, casualty and  
22 liability insurance, advertising, and salesmen’s salaries,  
23 commissions, or expenses.

24 (c) REGULATIONS.—The Secretary of the Treasury,  
25 after consultation with the United States Trade Rep-

1 resentative, shall prescribe such regulations as may be  
2 necessary to carry out this section.

3 **SEC. 4. ITC REPORTS.**

4 Before any reduction or elimination of any duty is  
5 proclaimed with respect to any article under this Act, the  
6 United States International Trade Commission shall ad-  
7 vise the President regarding the probable economic effect  
8 of providing duty-free treatment for such article that is  
9 a product of a qualified area of Northern Ireland or the  
10 Republic of Ireland on industries in the United States pro-  
11 ducing like or directly competitive articles and on consum-  
12 ers.

13 **SEC. 5. CONSULTATION WITH CONGRESS BEFORE AGREE-**  
14 **MENT ENTERED INTO.**

15 (a) CONSULTATION.—Before entering into any trade  
16 agreement under this Act, the President shall consult  
17 with—

18 (1) the Committee on Ways and Means of the  
19 House of Representatives and the Committee on Fi-  
20 nance of the Senate; and

21 (2) each other committee of the House of Rep-  
22 resentatives and the Senate, and each joint commit-  
23 tee of the Congress, which has jurisdiction over leg-  
24 islation involving subject matters which would be af-  
25 fected by the trade agreement.

- 1 (b) SCOPE.—The consultation described in subsection  
2 (a) shall include consultation with respect to—
- 3 (1) the nature of the agreement;
  - 4 (2) how the agreement related to the obliga-  
5 tions of the parties; and
  - 6 (3) all matters relating to the implementation  
7 of the agreement, including whether the agreement  
8 includes subject matter for which supplemental im-  
9 plementing legislation may be required.

10 **SEC. 6. IMPLEMENTATION OF TRADE AGREEMENTS.**

11 (a) NOTIFICATION AND SUBMISSION.—Any agree-  
12 ment entered into under this Act shall enter into force  
13 with respect to the United States if (and only if)—

14 (1) the President, at least 90 calendar days be-  
15 fore the day on which the President enters into the  
16 trade agreement, notifies the House of Representa-  
17 tives and the Senate of the President’s intention to  
18 enter into the agreement, and promptly thereafter  
19 published notice of such intention in the Federal  
20 Register;

21 (2) within 60 days after entering into the  
22 agreement, the President submits to the Congress a  
23 description of those changes to existing laws that the  
24 President considers would be required in order to

1 bring the United States into compliance with the  
2 agreement;

3 (3) after entering into the agreement, the Presi-  
4 dent submits a copy of the final text of the agree-  
5 ment, together with—

6 (A) a draft of an implementing bill, if nec-  
7 essary;

8 (B) a statement of any administrative ac-  
9 tion proposed to implement the trade agree-  
10 ment; and

11 (C) the supporting information described  
12 in paragraph (2); and

13 (4) the implementing bill, if necessary, is en-  
14 acted into law.

15 (b) SUPPORTING INFORMATION.—The supporting in-  
16 formation required under subsection (a)(3)(C) consists  
17 of—

18 (1) an explanation as to how the implementing  
19 bill and proposed administrative action will change  
20 or affect existing law; and

21 (2) a statement setting forth the reasons of the  
22 President regarding how the agreement serves the  
23 interest of United States commerce.

1 **SEC. 7. DEFINITION OF QUALIFYING AREA.**

2 As used in this Act, the term “qualifying area”  
3 means a county that—

4 (1) is contiguous to Northern Ireland;

5 (2) suffers from the severest form of economic  
6 deprivation as defined by the United Kingdom’s re-  
7 port, Relative Deprivation in Northern Ireland, Oc-  
8 casional Paper Number 28, Policy Planning and Re-  
9 search Unit, September; and the European Union’s  
10 report, Special Support Programme for Peace and  
11 Reconciliation 1995–1999. Those counties to be in-  
12 cluded as “qualified areas” are: Derry, Limavady,  
13 Strabane, Magherafelt, Omagh, Cookstown,  
14 Dungannon, Fermanagh, Moyle, Newry and Mourne,  
15 Armagh, and those parts of Belfast Urban area  
16 known as “Making Belfast Work” designated areas,  
17 in Northern Ireland; and the border counties of  
18 Donegal, Sligo, Leitrim, Cavan, Monaghan and  
19 Louth in the Republic of Ireland;

20 (3) has a rate of unemployment higher than the  
21 local or urban average of unemployment in Northern  
22 Ireland; and

23 (4) the employers in counties where there is a  
24 history of workplace discrimination who would be eli-  
25 gible shall be in compliance with the principles of

1 economic justice, known as the “MacBride Prin-  
2 ciples.” Specifically, these principles are—

3 (A) increasing the representation of indi-  
4 viduals, from underrepresented religious groups  
5 in the workforce, including managerial, super-  
6 visory, administrative, clerical, and technical  
7 jobs.

8 (B) providing adequate security for the  
9 protection of minority employees at the work-  
10 place;

11 (C) banning provocative sectarian or politi-  
12 cal emblems from the workplace;

13 (D) providing that all job openings be ad-  
14 vertised publicly and providing that special re-  
15 cruitment efforts be made to attract applicants  
16 from underrepresented religious groups;

17 (E) providing that layoff, recall and termi-  
18 nation procedures do not favor a particular reli-  
19 gious group;

20 (F) abolishing job reservations, apprentice-  
21 ship restrictions and differential employment  
22 criteria which discriminate on the basis of reli-  
23 gion;

24 (G) providing for the development of train-  
25 ing programs that will prepare substantial num-

1           bers of minority employees for skilled jobs, in-  
2           cluding the expansion of existing programs and  
3           the creation of new programs to train, upgrade  
4           and improve the skills of minority employees;

5           (H) establishing procedures to assess, iden-  
6           tify and actively recruit minority employees  
7           with the potential for further advancement; and

8           (I) approving for the appointment of a sen-  
9           ior management staff member to be responsible  
10          for the employment efforts of the entity and,  
11          within a reasonable period of time, the imple-  
12          mentation of the principles described above.

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