

104TH CONGRESS
2D SESSION

S. 1976

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.

IN THE SENATE OF THE UNITED STATES

JULY 19, 1996

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

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, that tariff
15 issues relating to Northern Ireland and the bor-
16 der counties are subject to the common com-
17 mercial policy provided for in article 113 of the
18 Treaty of Rome and that any negotiations con-
19 cerning them must conform to European Union
20 law and paragraphs 5, 6, 7, and 8 of article
21 XXIV of the GATT.

22 (B) The Congress further notes that while
23 there is no precedent in European Union prac-
24 tice for the free trade agreement contemplated
25 in this Act, the effect of such an agreement will

1 be to support important ongoing European
2 Union efforts to achieve greater social cohesion
3 in a unique and disadvantaged region, to the
4 long-term benefit of the European Union, the
5 United States, and the larger international
6 community; therefore, the President should be
7 authorized to negotiate such concessions in ac-
8 cordance with the terms and conditions set
9 forth in the Act.

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

12 (a) NEGOTIATIONS.—

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

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

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

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

23 (2) AGREEMENT LIMITED TO QUALIFIED AREAS
24 OF NORTHERN IRELAND AND THE REPUBLIC OF
25 IRELAND.—Notwithstanding any other provision of

1 law, no trade benefit shall be extended to any coun-
2 try by reason of the extension of any trade benefit
3 to another country under a trade agreement entered
4 into under paragraph (1) with such other country.

5 (b) LIMITATIONS AND STAGING.—

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

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

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

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

22 (2) LIMITATION ON AGGREGATE REDUCTION.—

23 The aggregate reduction in the rate of duty on any
24 article which is in effect on any day pursuant to a
25 trade agreement entered into under subsection (a)

1 shall not exceed the aggregate reduction which
2 would have been in effect on such a day if a reduc-
3 tion of 3 percent ad valorem per year or a reduction
4 of 10 percent per year of the total reduction, which-
5 ever is greater, had taken effect on the effective date
6 of the first reduction proclaimed pursuant to sub-
7 section (a).

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

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

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

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

1 (B) that article is imported directly from a
2 qualified area of Northern Ireland or the Re-
3 public of Ireland into the customs territory of
4 the United States; and

5 (C) the sum of—

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

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

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

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

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

1 (A) simple combining or packaging oper-
2 ations; or

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

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

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

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

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

1 (c) REGULATIONS.—The Secretary of the Treasury,
2 after consultation with the United States Trade Rep-
3 resentative, shall prescribe such regulations as may be
4 necessary to carry out this section.

5 **SEC. 4. ITC REPORTS.**

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

15 **SEC. 5. CONSULTATION WITH CONGRESS BEFORE AGREE-**
16 **MENT ENTERED INTO.**

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

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

23 (2) each other committee of the House of Rep-
24 resentatives and the Senate, and each joint commit-
25 tee of the Congress, which has jurisdiction over leg-

1 islation involving subject matters which would be af-
2 fected by the trade agreement.

3 (b) SCOPE.—The consultation described in subsection
4 (a) shall include consultation with respect to—

5 (1) the nature of the agreement;

6 (2) how the agreement related to the obliga-
7 tions of the parties; and

8 (3) all matters relating to the implementation
9 of the agreement, including whether the agreement
10 includes subject matter for which supplemental im-
11 plementing legislation may be required.

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

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

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

23 (2) within 60 days after entering into the
24 agreement, the President submits to the Congress a
25 description of those changes to existing laws that the

1 President considers would be required in order to
2 bring the United States into compliance with the
3 agreement;

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

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

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

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

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

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

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

22 (2) a statement setting forth the reasons of the
23 President regarding how the agreement serves the
24 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 jobs.

7 (B) Providing adequate security for the
8 protection of minority employees at the work-
9 place.

10 (C) Banning provocative sectarian or polit-
11 ical emblems from the workplace.

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

16 (E) Providing that layoff, recall and termi-
17 nation procedures do not favor a particular reli-
18 gious group.

19 (F) Abolishing job reservations, appren-
20 ticeship restrictions and differential employment
21 criteria which discriminate on the basis of reli-
22 gion.

23 (G) Providing for the development of train-
24 ing programs that will prepare substantial num-
25 bers of minority employees for skilled jobs, in-

1 including the expansion of existing programs and
2 the creation of new programs to train, upgrade
3 and improve the skills of minority employees.

4 (H) Establishing procedures to assess,
5 identify and actively recruit minority employees
6 with the potential for further advancement.

7 (I) Approving for the appointment of a
8 senior management staff member to be respon-
9 sible for the employment efforts of the entity
10 and, within a reasonable period of time, the im-
11 plementation of the principles described above.

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