

Calendar No. 207

105TH CONGRESS
1ST Session

S. 1278

[Report No. 105-105]

A BILL

To extend preferential treatment to certain products imported from Caribbean Basin countries.

OCTOBER 9, 1997

Read twice and placed on the calendar

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To extend preferential treatment to certain products imported from Caribbean Basin countries.

IN THE SENATE OF THE UNITED STATES

OCTOBER 9, 1997

Mr. ROTH, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To extend preferential treatment to certain products imported from Caribbean Basin countries.

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.**

4 This Act may be cited as the “United States-Carib-
5 bean Basin Trade Enhancement Act”.

6 **SEC. 2. FINDINGS AND POLICY.**

7 (a) FINDINGS.—Congress makes the following find-
8 ings:

1 (1) The Caribbean Basin Economic Recovery
2 Act (referred to in this Act as “CBERA”) rep-
3 resents a permanent commitment by the United
4 States to encourage the development of strong demo-
5 cratic governments and revitalized economies in
6 neighboring countries in the Caribbean Basin.

7 (2) Thirty-four democratically elected leaders
8 agreed at the 1994 Summit of the Americas to con-
9 clude negotiation of a Free Trade Area of the Amer-
10 icas (referred to in this Act as “FTAA”) by the year
11 2005.

12 (3) The economic security of the countries in
13 the Caribbean Basin will be enhanced by the comple-
14 tion of the FTAA.

15 (4) Offering temporary benefits to Caribbean
16 Basin countries will enhance trade between the Unit-
17 ed States and the Caribbean Basin, encourage devel-
18 opment of trade and investment policies that will fa-
19 cilitate participation of Caribbean Basin countries in
20 the FTAA, preserve the United States commitment
21 to Caribbean Basin beneficiary countries, help fur-
22 ther economic development in the Caribbean Basin
23 region, and accelerate the trend toward more open
24 economies in the region.

1 (5) Promotion of the growth of free enterprise
2 and economic opportunity in the Caribbean Basin
3 will enhance the national security interests of the
4 United States.

5 (6) Increased trade and economic activity be-
6 tween the United States and Caribbean Basin bene-
7 ficiary countries will create expanding export oppor-
8 tunities for United States businesses and workers.

9 (b) POLICY.—It is the policy of the United States
10 to—

11 (1) offer Caribbean Basin beneficiary countries
12 willing to prepare to become a party to the FTAA
13 or a comparable trade agreement, tariff treatment
14 essentially equivalent to that accorded to products of
15 NAFTA countries for certain products not currently
16 eligible for duty-free treatment under the CBERA;
17 and

18 (2) seek the participation of Caribbean Basin
19 beneficiary countries in the FTAA or a trade agree-
20 ment comparable to the FTAA at the earliest pos-
21 sible date, with the goal of achieving full participa-
22 tion in such agreement not later than 2005.

23 **SEC. 3. DEFINITIONS.**

24 In this Act:

1 (1) BENEFICIARY COUNTRY.—The term “bene-
2 ficiary country” has the meaning given the term in
3 section 212(a)(1)(A) of the Caribbean Basin Eco-
4 nomic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

5 (2) CBTEA.—The term “CBTEA” means the
6 United States-Caribbean Basin Trade Enhancement
7 Act.

8 (3) NAFTA.—The term “NAFTA” means the
9 North American Free Trade Agreement entered into
10 between the United States, Mexico, and Canada on
11 December 17, 1992.

12 (4) NAFTA COUNTRY.—The term “NAFTA
13 country” means any country with respect to which
14 the NAFTA is in force.

15 (5) WTO AND WTO MEMBER.—The terms
16 “WTO” and “WTO member” have the meanings
17 given those terms in section 2 of the Uruguay
18 Round Agreements Act (19 U.S.C. 3501).

19 **SEC. 4. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL**
20 **TRADE BENEFITS TO CERTAIN BENEFICIARY**
21 **COUNTRIES.**

22 (a) TEMPORARY PROVISIONS.—Section 213(b) of the
23 Caribbean Basin Economic Recovery Act (19 U.S.C.
24 2703(b)) is amended to read as follows:

25 “(b) IMPORT-SENSITIVE ARTICLES.—

1 “(1) IN GENERAL.—Subject to paragraphs (2)
2 through (5), the duty-free treatment provided under
3 this title does not apply to—

4 “(A) textile and apparel articles which
5 were not eligible articles for purposes of this
6 title on January 1, 1994, as this title was in ef-
7 fect on that date;

8 “(B) footwear not designated at the time
9 of the effective date of this title as eligible arti-
10 cles for the purpose of the generalized system
11 of preferences under title V of the Trade Act of
12 1974;

13 “(C) tuna, prepared or preserved in any
14 manner, in airtight containers;

15 “(D) petroleum, or any product derived
16 from petroleum, provided for in headings 2709
17 and 2710 of the HTS;

18 “(E) watches and watch parts (including
19 cases, bracelets, and straps), of whatever type
20 including, but not limited to, mechanical, quartz
21 digital or quartz analog, if such watches or
22 watch parts contain any material which is the
23 product of any country with respect to which
24 HTS column 2 rates of duty apply; or

1 “(F) articles to which reduced rates of
2 duty apply under subsection (h).

3 “(2) TRANSITION PERIOD TREATMENT OF CER-
4 TAIN TEXTILE AND APPAREL ARTICLES.—

5 “(A) PRODUCTS COVERED.—During the
6 transition period, the preferential treatment de-
7 scribed in subparagraph (B) shall apply to the
8 following products:

9 “(i) APPAREL ARTICLES ASSEMBLED
10 IN A CBTEA BENEFICIARY COUNTRY.—Ap-
11 parel articles assembled in a CBTEA bene-
12 ficiary country from fabrics wholly formed
13 and cut in the United States, from yarns
14 wholly formed in the United States that
15 are—

16 “(I) entered under subheading
17 9802.00.80 of the HTS; or

18 “(II) entered under chapter 61
19 or 62 of the HTS, if, after such as-
20 sembly, the articles would have quali-
21 fied for entry under subheading
22 9802.00.80 of the HTS but for the
23 fact that the articles were subjected to
24 stone-washing, enzyme-washing, acid
25 washing, perma-pressing, oven-baking,

1 bleaching, garment-dyeing, or other
2 similar processes.

3 “(ii) APPAREL ARTICLES CUT AND AS-
4 SEMBLED IN A CBTEA BENEFICIARY COUN-
5 TRY.—Apparel articles cut in a CBTEA
6 beneficiary country from fabric wholly
7 formed in the United States from yarns
8 wholly formed in the United States, if such
9 articles are assembled in such country with
10 thread formed in the United States.

11 “(iii) HANDLOOMED, HANDMADE, AND
12 FOLKLORE ARTICLES.—A handloomed,
13 handmade, or folklore article of a CBTEA
14 beneficiary country identified under sub-
15 paragraph (C) that is certified as such by
16 the competent authority of such beneficiary
17 country.

18 “(B) PREFERENTIAL TREATMENT.—Ex-
19 cept as provided in subparagraph (E), during
20 the transition period, the articles described in
21 subparagraph (A) shall enter the United States
22 free of duty and free of any quantitative limita-
23 tions.

24 “(C) HANDLOOMED, HANDMADE, AND
25 FOLKLORE ARTICLES DEFINED.—For purposes

1 of subparagraph (A)(iii), the President, after
2 consultation with the CBTEA beneficiary coun-
3 try concerned, shall determine which, if any,
4 particular textile and apparel goods of the coun-
5 try shall be treated as being handloomed, hand-
6 made, or folklore goods of a kind described in
7 section 2.3 (a), (b), or (c) or Appendix 3.1.B.11
8 of the Annex.

9 “(D) PENALTIES FOR TRANS-
10 SHIPMENTS.—

11 “(i) PENALTIES FOR EXPORTERS.—If
12 the President determines, based on suffi-
13 cient evidence, that an exporter has en-
14 gaged in transshipment with respect to
15 textile or apparel products from a CBTEA
16 beneficiary country, then the President
17 shall deny all benefits under this title to
18 such exporter, and any successor of such
19 exporter, for a period of 2 years.

20 “(ii) PENALTIES FOR COUNTRIES.—
21 Whenever the President finds, based on
22 sufficient evidence, that transshipment has
23 occurred, the President shall request that
24 the CBTEA beneficiary country or coun-
25 tries through whose territory the trans-

1 shipment has occurred take all necessary
2 and appropriate actions to prevent such
3 transshipment. If the President determines
4 that a country is not taking such actions,
5 the President shall reduce the quantities of
6 textile and apparel articles that may be im-
7 ported into the United States from such
8 country by the quantity of the trans-
9 shipped articles multiplied by 3.

10 “(iii) TRANSSHIPMENT DESCRIBED.—
11 Transshipment within the meaning of this
12 subparagraph has occurred when pref-
13 erential treatment for a textile or apparel
14 article under subparagraph (B) has been
15 claimed on the basis of material false in-
16 formation concerning the country of origin,
17 manufacture, processing, or assembly of
18 the article or any of its components. For
19 purposes of this clause, false information is
20 material if disclosure of the true informa-
21 tion would mean or would have meant that
22 the article is or was ineligible for pref-
23 erential treatment under subparagraph
24 (B).

25 “(E) BILATERAL EMERGENCY ACTIONS.—

1 “(i) IN GENERAL.—The President
2 may take bilateral emergency tariff actions
3 of a kind described in section 4 of the
4 Annex with respect to any apparel article
5 imported from a CBTEA beneficiary coun-
6 try if the application of tariff treatment
7 under subparagraph (B) to such article re-
8 sults in conditions that would be cause for
9 the taking of such actions under such sec-
10 tion 4 with respect to a like article de-
11 scribed in the same 8-digit subheading of
12 the HTS that is imported from Mexico.

13 “(ii) RULES RELATING TO BILATERAL
14 EMERGENCY ACTION.—For purposes of ap-
15 plying bilateral emergency action under
16 this subparagraph—

17 “(I) the requirements of para-
18 graph (5) of section 4 of the Annex
19 (relating to providing compensation)
20 shall not apply;

21 “(II) the term ‘transition period’
22 in section 4 of the Annex shall have
23 the meaning given that term in para-
24 graph (5)(D) of this subsection; and

1 “(III) the requirements to con-
 2 sult specified in section 4 of the
 3 Annex shall be treated as satisfied if
 4 the President requests consultations
 5 with the beneficiary country in ques-
 6 tion and the country does not agree to
 7 consult within the time period speci-
 8 fied under section 4.

9 “(3) PREFERENTIAL TARIFF TREATMENT OF
 10 CERTAIN OTHER ARTICLES ORIGINATING IN CBTEA
 11 BENEFICIARY COUNTRIES.—

12 “(A) IN GENERAL.—During the transition
 13 period, the President shall proclaim a rate of
 14 duty, with respect to any article referred to in
 15 any of subparagraphs (B) through (F) of para-
 16 graph (1) that is a CBTEA originating good,
 17 equal to the lesser of—

18 “(i) ‘x’, or

19 “(ii) the amount determined by using
 20 the formula $.5(x-y)+y$.

21 For purposes of the preceding sentence, the
 22 terms ‘x’ and ‘y’ have the meanings given such
 23 terms in subparagraph (C).

24 “(B) ADDITIONAL REDUCTIONS.—

1 “(i) IN GENERAL.—The President
2 may proclaim further reductions in the
3 rate of duty for any article described in
4 subparagraph (A) in accordance with this
5 subparagraph if the President determines
6 that the performance of the country is sat-
7 isfactory under the criteria listed in para-
8 graph (5)(B)(ii).

9 “(ii) RATE OF DUTY.—The rate of
10 duty proclaimed by the President under
11 this subparagraph shall be no less than the
12 lesser of—

13 “(I) the rate of duty that would
14 apply to the article at the time of im-
15 portation from the country but for the
16 enactment of the CBTEA, or

17 “(II) the rate of duty that ap-
18 plies to a like article of Mexico under
19 Annex 302.2 of NAFTA as imple-
20 mented pursuant to United States
21 law.

22 “(C) CERTAIN DEFINITIONS.—For pur-
23 poses of subparagraph (A), the term ‘x’ means
24 the rate of duty described in subparagraph

1 (B)(ii)(I) and the term ‘y’ means the rate of
2 duty described in subparagraph (B)(ii)(II).

3 “(D) EXCEPTION.—Subparagraphs (A)
4 and (B) do not apply to any article accorded
5 duty-free treatment under U.S. Note 2(b) to
6 subchapter II of chapter 98 of the HTS.

7 “(E) RELATIONSHIP TO DUTY REDUC-
8 TIONS UNDER SUBSECTION (h).—If at any time
9 during the transition period the rate of duty
10 that would (but for action taken under subpara-
11 graph (A) or (B)) apply with respect to any ar-
12 ticle under subsection (h) is a rate of duty that
13 is lower than the rate of duty resulting from
14 such action, then such lower rate of duty shall
15 be applied.

16 “(4) CUSTOMS PROCEDURES.—

17 “(A) IN GENERAL.—

18 “(i) REGULATIONS.—Any importer
19 that claims preferential treatment under
20 paragraph (2) or (3) shall comply with
21 customs procedures similar in all material
22 respects to the requirements of Article
23 502(1) of the NAFTA as implemented
24 pursuant to United States law, in accord-

1 ance with regulations promulgated by the
2 Secretary of the Treasury.

3 “(ii) DETERMINATION.—

4 “(I) IN GENERAL.—In order to
5 qualify for the preferential treatment
6 under paragraph (2) or (3) and for a
7 Certificate of Origin to be valid with
8 respect to any article for which such
9 treatment is claimed, there shall be in
10 effect a determination by the Presi-
11 dent that each country described in
12 subclause (II)—

13 “(aa) has implemented and
14 follows, or

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

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

22 “(II) COUNTRY DESCRIBED.—A
23 country is described in this subclause
24 if it is a CBTEA beneficiary coun-
25 try—

1 “(aa) from which the article
2 is exported, or

3 “(bb) in which materials
4 used in the production of the ar-
5 ticle originate or in which the ar-
6 ticle or such materials undergo
7 production that contributes to a
8 claim that the article is eligible
9 for preferential treatment.

10 “(B) CERTIFICATE OF ORIGIN.—The Cer-
11 tificate of Origin that otherwise would be re-
12 quired pursuant to the provisions of subpara-
13 graph (A) shall not be required in the case of
14 an article imported under paragraph (2) or (3)
15 if such Certificate of Origin would not be re-
16 quired under Article 503 of the NAFTA (as im-
17 plemented pursuant to United States law), if
18 the article were imported from Mexico.

19 “(5) DEFINITIONS AND SPECIAL RULES.—For
20 purposes of this subsection—

21 “(A) ANNEX.—The term ‘the Annex’
22 means Annex 300–B of the NAFTA.

23 “(B) CBTEA BENEFICIARY COUNTRY.—

24 “(i) IN GENERAL.—The term
25 ‘CBTEA beneficiary country’ means any

1 'beneficiary country', as defined by section
2 212(a)(1)(A) of this title, which the Presi-
3 dent determines has demonstrated a com-
4 mitment to—

5 “(I) undertake its obligations
6 under the WTO on or ahead of sched-
7 ule;

8 “(II) participate in negotiations
9 toward the completion of the FTAA
10 or a comparable trade agreement; and

11 “(III) undertake other steps nec-
12 essary for that country to become a
13 party to the FTAA or a comparable
14 trade agreement.

15 “(ii) CRITERIA FOR DETERMINA-
16 TION.—In making the determination under
17 clause (i), the President may consider the
18 criteria in sections 212 (b) and (c) and
19 other appropriate criteria, including—

20 “(I) the extent to which the
21 country follows accepted rules of
22 international trade provided for under
23 the agreements listed in section
24 101(d) of the Uruguay Round Agree-
25 ments Act;

1 “(II) the extent to which the
2 country provides protection of intellec-
3 tual property rights—

4 “(aa) in accordance with
5 standards established in the
6 Agreement on Trade-Related As-
7 pects of Intellectual Property
8 Rights described in section
9 101(d)(15) of the Uruguay
10 Round Agreements Act;

11 “(bb) in accordance with
12 standards established in chapter
13 17 of the NAFTA; and

14 “(cc) by granting the hold-
15 ers of copyrights the ability to
16 control the importation and sale
17 of products that embody copy-
18 righted works, extending the pe-
19 riod set forth in Article 1711(6)
20 of NAFTA for protecting test
21 data for agricultural chemicals to
22 10 years, protecting trademarks
23 regardless of their subsequent
24 designation as geographic indica-
25 tions, and providing enforcement

1 against the importation of in-
2 fringing products at the border;

3 “(III) the extent to which the country
4 provides protections to investors and in-
5 vestments of the United States substan-
6 tially equivalent to those set forth in chap-
7 ter 11 of the NAFTA;

8 “(IV) the extent to which the country
9 provides the United States and other WTO
10 members nondiscriminatory, equitable, and
11 reasonable market access with respect to
12 the products for which benefits are pro-
13 vided under paragraphs (2) and (3), and in
14 other relevant product sectors as deter-
15 mined by the President;

16 “(V) the extent to which the country
17 provides internationally recognized worker
18 rights, including—

19 “(aa) the right of associa-
20 tion,

21 “(bb) the right to organize
22 and bargain collectively,

23 “(cc) prohibition on the use
24 of any form of coerced or com-
25 pulsory labor,

1 “(dd) a minimum age for
2 the employment of children, and

3 “(ee) acceptable conditions
4 of work with respect to minimum
5 wages, hours of work, and occu-
6 pational safety and health;

7 “(VI) whether the country has
8 met the counter-narcotics certification
9 criteria set forth in section 490 of the
10 Foreign Assistance Act of 1961 (22
11 U.S.C. 2291j) for eligibility for Unit-
12 ed States assistance;

13 “(VII) the extent to which the
14 country becomes a party to and imple-
15 ments the Inter-American Convention
16 Against Corruption, and becomes
17 party to a convention regarding the
18 extradition of its nationals;

19 “(VIII) the extent to which the
20 country—

21 “(aa) supports the multilat-
22 eral and regional objectives of the
23 United States with respect to
24 government procurement, includ-
25 ing the negotiation of government

1 procurement provisions as part of
2 the FTAA and conclusion of a
3 WTO transparency agreement as
4 provided in the declaration of the
5 WTO Ministerial Conference held
6 in Singapore on December 9
7 through 13, 1996, and

8 “(bb) applies transparent
9 and competitive procedures in
10 government procurement equiva-
11 lent to those contained in the
12 WTO Agreement on Government
13 Procurement (described in sec-
14 tion 101(d)(17) of the Uruguay
15 Round Agreements Act);

16 “(IX) the extent to which the
17 country follows the rules on customs
18 valuation set forth in the WTO Agree-
19 ment on Implementation of Article
20 VII of the GATT 1994 (described in
21 section 101(d)(8) of the Uruguay
22 Round Agreements Act);

23 “(X) the extent to which the
24 country affords to products of the
25 United States which the President de-

1 termines to be of commercial impor-
2 tance to the United States with re-
3 spect to such country, and on a non-
4 discriminatory basis to like products
5 of other WTO members, tariff treat-
6 ment that is no less favorable than
7 the most favorable tariff treatment
8 provided by the country to any other
9 country pursuant to any free trade
10 agreement to which such country is a
11 party, other than the Central Amer-
12 ican Common Market or the Carib-
13 bean Community and Common Mar-
14 ket.

15 “(C) CBTEA ORIGINATING GOOD.—

16 “(i) IN GENERAL.—The term
17 ‘CBTEA originating good’ means a good
18 that meets the rules of origin for a good
19 set forth in chapter 4 of the NAFTA as
20 implemented pursuant to United States
21 law.

22 “(ii) APPLICATION OF CHAPTER 4.—
23 In applying chapter 4 with respect to a
24 CBTEA beneficiary country for purposes
25 of this subsection—

1 “(I) no country other than the
2 United States and a CBTEA bene-
3 ficiary country may be treated as
4 being a party to the NAFTA;

5 “(II) any reference to trade be-
6 tween the United States and Mexico
7 shall be deemed to refer to trade be-
8 tween the United States and a
9 CBTEA beneficiary country;

10 “(III) any reference to a party
11 shall be deemed to refer to a CBTEA
12 beneficiary country or the United
13 States; and

14 “(IV) any reference to parties
15 shall be deemed to refer to any com-
16 bination of CBTEA beneficiary coun-
17 tries or to the United States and a
18 CBTEA beneficiary country (or any
19 combination thereof).

20 “(D) TRANSITION PERIOD.—The term
21 ‘transition period’ means, with respect to a
22 CBTEA beneficiary country, the period that be-
23 gins on January 1, 1998, and ends on the ear-
24 lier of—

25 “(i) December 31, 2000, or

1 “(ii) the date on which the FTAA or
2 a comparable trade agreement enters into
3 force with respect to the United States and
4 the CBTEA beneficiary country.

5 “(E) CBTEA.—The term ‘CBTEA’ means
6 the United States-Caribbean Basin Trade En-
7 hancement Act.

8 “(F) FTAA.—The term ‘FTAA’ means
9 the Free Trade Area of the Americas.”.

10 (b) DETERMINATION REGARDING RETENTION OF
11 DESIGNATION.—Section 212(e) of the Caribbean Basin
12 Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

13 (1) in paragraph (1)—

14 (A) by redesignating subparagraphs (A)
15 and (B) as clauses (i) and (ii), respectively;

16 (B) by inserting “(A)” after “(1)”;

17 (C) by striking “would be barred” and all
18 that follows through the end period and insert-
19 ing: “no longer satisfies one or more of the con-
20 ditions for designation as a beneficiary country
21 set forth in subsection (b) or such country fails
22 adequately to meet one or more of the criteria
23 set forth in subsection (e).”; and

24 (D) by adding at the end the following:

1 “(B) The President may, after the require-
2 ments of subsection (a)(2) and paragraph (2)
3 have been met—

4 “(i) withdraw or suspend the designa-
5 tion of any country as a CBTEA bene-
6 ficiary country, or

7 “(ii) withdraw, suspend, or limit the
8 application of preferential treatment under
9 section 213(b) (2) and (3) to any article of
10 any country, if, after such designation, the
11 President determines that as a result of
12 changed circumstances, the performance of
13 such country is not satisfactory under the
14 criteria set forth in section 213(b)(5)(B).”;
15 and

16 (2) by adding after paragraph (2) the following
17 new paragraph:

18 “(3) If preferential treatment under section
19 213(b) (2) and (3) is withdrawn, suspended, or lim-
20 ited with respect to a CBTEA beneficiary country,
21 such country shall not be deemed to be a ‘party’ for
22 the purposes of applying section 213(b)(5)(C) to im-
23 ports of articles for which preferential treatment has
24 been withdrawn, suspended, or limited with respect
25 to such country.”.

1 (c) REPORTING REQUIREMENTS.—Section 212(f) of
2 the Caribbean Basin Economic Recovery Act (19 U.S.C.
3 2702(f)) is amended to read as follows:

4 “(f) REPORTING REQUIREMENTS.—

5 “(1) IN GENERAL.—Not later than December
6 31, 1997, and at the end of each 3-year period
7 thereafter, the President shall submit to Congress a
8 report regarding the operation of this title, includ-
9 ing—

10 “(A) with respect to subsections (b) and
11 (c), the results of a general review of bene-
12 ficiary countries based on the considerations de-
13 scribed in such subsections; and

14 “(B) the performance of each beneficiary
15 country or CBTEA beneficiary country, as the
16 case may be, under the criteria set forth in sec-
17 tion 213(b)(5)(B)(ii).

18 “(2) PUBLIC COMMENT.—Before submitting the
19 report described in paragraph (1), the United States
20 Trade Representative shall publish a notice in the
21 Federal Register requesting public comments on
22 whether beneficiary countries are meeting the cri-
23 teria listed in section 213(b)(5)(B)(i), and on the
24 performance of each beneficiary country or CBTEA

1 beneficiary country, as the case may be, with respect
2 to the criteria listed in section 213(b)(5)(B)(ii).”.

3 (d) INTERNATIONAL TRADE COMMISSION RE-
4 PORTS.—

5 (1) Section 215(a) of the Caribbean Basin Eco-
6 nomic Recovery Act (19 U.S.C. 2704(a)) is amended
7 to read as follows:

8 “(a) REPORTING REQUIREMENT.—

9 “(1) IN GENERAL.—The United States Inter-
10 national Trade Commission (in this section referred
11 to as the ‘Commission’) shall submit to Congress
12 and the President, biennial reports regarding the
13 economic impact of this title on United States indus-
14 tries and consumers.

15 “(2) FIRST REPORT.—The first report shall be
16 submitted not later than September 30 of the year
17 following the year in which the United States-Carib-
18 bean Basin Trade Enhancement Act is enacted. No
19 report shall be required under this section after Sep-
20 tember 30, 2005.

21 “(3) TREATMENT OF PUERTO RICO, ETC.—For
22 purposes of this section, industries in the Common-
23 wealth of Puerto Rico and the insular possessions of
24 the United States are considered to be United States
25 industries.”.

1 (2) Section 206(a) of the Andean Trade Pref-
2 erence Act (19 U.S.C. 3204(a)) is amended to read
3 as follows:

4 “(a) REPORTING REQUIREMENTS.—

5 “(1) IN GENERAL.—The United States Inter-
6 national Trade Commission (in this section referred
7 to as the ‘Commission’) shall submit to Congress
8 and the President, biennial reports regarding the
9 economic impact of this title on United States indus-
10 tries and consumers, and, in conjunction with other
11 agencies, the effectiveness of this title in promoting
12 drug-related crop eradication and crop substitution
13 efforts of the beneficiary countries.

14 “(2) SUBMISSION.—During the period that this
15 title is in effect, the report required by paragraph
16 (1) shall be submitted on September 30 of each year
17 that the report required by section 215 of the Carib-
18 bean Basin Economic Recovery Act is not submitted.

19 “(3) TREATMENT OF PUERTO RICO, ETC.—For
20 purposes of this section, industries in the Common-
21 wealth of Puerto Rico and the insular possessions of
22 the United States are considered to be United States
23 industries.”.

24 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

25 (1) IN GENERAL.—

1 (A) Section 211 of the Caribbean Basin
2 Economic Recovery Act (19 U.S.C. 2701) is
3 amended by inserting “(or other preferential
4 treatment)” after “treatment”.

5 (B) Section 213(a)(1) of the Caribbean
6 Basin Economic Recovery Act (19 U.S.C.
7 2703(a)(1)) is amended by inserting “and ex-
8 cept as provided in subsection (b) (2) and (3),”
9 after “Tax Reform Act of 1986,”.

10 (2) DEFINITIONS.—Section 212(a)(1) of the
11 Caribbean Basin Economic Recovery Act (19 U.S.C.
12 2702(a)(1)) is amended by adding at the end the
13 following new subparagraphs:

14 “(D) The term ‘NAFTA’ means the North
15 American Free Trade Agreement entered into
16 between the United States, Mexico, and Canada
17 on December 17, 1992.

18 “(E) The terms ‘WTO’ and ‘WTO mem-
19 ber’ have the meanings given those terms in
20 section 2 of the Uruguay Round Agreements
21 Act (19 U.S.C. 3501).”.

1 **SEC. 5. ADEQUATE AND EFFECTIVE PROTECTION FOR IN-**
2 **TELLECTUAL PROPERTY RIGHTS.**

3 Section 212(c) of the Caribbean Basin Economic Re-
4 covery Act (19 U.S.C. 2702(c)) is amended by adding at
5 the end the following flush sentence:

6 “Notwithstanding any other provision of law, the Presi-
7 dent may determine that a country is not providing ade-
8 quate and effective protection of intellectual property
9 rights under paragraph (9), even if the country is in com-
10 pliance with the country’s obligations under the Agree-
11 ment on Trade-Related Aspects of Intellectual Property
12 Rights described in section 101(d)(15) of the Uruguay
13 Round Agreements Act (19 U.S.C. 3511(d)(15)).”.

14 **SEC. 6. FEES FOR CERTAIN CUSTOMS SERVICES.**

15 Section 13031(b)(1)(C) of the Consolidated Omnibus
16 Budget Reconciliation Act of 1985 (19 U.S.C.
17 58c(b)(1)(C)) is amended by striking “to fiscal years” and
18 all that follows through “1997” and inserting “before
19 April 1, 2000”.