

105TH CONGRESS  
1ST SESSION

# S. 984

To promote the growth of free enterprise and economic opportunity in the Caribbean Basin region, increase trade and investment between the Caribbean Basin region and the United States, and encourage the adoption by Caribbean Basin countries of policies necessary for participation in the free trade area of the Americas.

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## IN THE SENATE OF THE UNITED STATES

JUNE 27, 1997

Mr. GRAHAM (for himself, Mr. DEWINE, Mr. MACK, Mr. MCCAIN, and Ms. MOSELEY-BRAUN) (by request) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To promote the growth of free enterprise and economic opportunity in the Caribbean Basin region, increase trade and investment between the Caribbean Basin region and the United States, and encourage the adoption by Caribbean Basin countries of policies necessary for participation in the free trade area of the Americas.

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”.

1 **SEC. 2. FINDINGS AND POLICY.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

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

10 (2) Thirty-four democratically elected leaders  
11 agreed at the 1994 Summit of the Americas to con-  
12 clude negotiation of a Free Trade Area of the Amer-  
13 icas (referred to in this Act as “FTAA”) by the year  
14 2005.

15 (3) The economic security of the countries in  
16 the Caribbean Basin will be enhanced by the comple-  
17 tion of the FTAA.

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

1 region, and accelerate the trend toward more open  
2 economies in the region.

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

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

11 (b) POLICY.—It is the policy of the United States  
12 to—

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

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

24 **SEC. 3. DEFINITIONS.**

25 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) PREFERENTIAL TARIFF AND QUOTA  
6           TREATMENT.—During the transition period—

7                   “(i) GOODS ORIGINATING IN BENE-  
8                   FICIARY COUNTRY.—Clause (iii) applies  
9                   with respect to a textile or apparel article  
10                  that is a CBTEA originating good.

11                   “(ii) CERTAIN OTHER GOODS.—Clause  
12                   (iii) applies with respect to a textile or ap-  
13                   parel article that is imported into the Unit-  
14                   ed States from a CBTEA beneficiary coun-  
15                   try and that—

16                           “(I) is assembled in a CBTEA  
17                           beneficiary country from fabrics whol-  
18                           ly formed and cut in the United  
19                           States from yarns formed in the Unit-  
20                           ed States, and is imported into the  
21                           United States—

22                                   “(aa) under subheading  
23                                   9802.00.80 of the HTS; or

24                                   “(bb) under chapter 61, 62,  
25                                   or 63 of the HTS, if after such

1 assembly the article would have  
2 qualified for entry under sub-  
3 heading 9802.00.80 of the HTS  
4 but for the fact the article was  
5 subjected to stone-washing, en-  
6 zyme-washing, acid-washing,  
7 perma-pressing, oven-baking,  
8 bleaching, embroidery, or gar-  
9 ment-dyeing; or

10 “(II) is identified under subpara-  
11 graph (C) as a handloomed, hand-  
12 made, or folklore article of such coun-  
13 try and is certified as such by the  
14 competent authority of such country.

15 “(iii) TARIFF TREATMENT.—

16 “(I) IN GENERAL.—The Presi-  
17 dent shall proclaim—

18 “(aa) with respect to an ar-  
19 ticle described in clause (i) im-  
20 ported into the United States  
21 from a CBTEA beneficiary coun-  
22 try, a rate of duty equal to the  
23 lesser of ‘x’ or the amount deter-  
24 mined by using the formula  
25 ‘.5(x-y)+y’, in which the terms

1 'x' and 'y' have the meanings  
2 given such terms in subclause  
3 (IV); and

4 “(bb) with respect to an ar-  
5 ticle described in clause (ii), im-  
6 ported into the United States  
7 from a CBTEA beneficiary coun-  
8 try, a rate of duty equal to 50  
9 percent of the amount of duty  
10 that otherwise would apply to  
11 such article.

12 “(II) ADDITIONAL REDUC-  
13 TIONS.—On or after the date on  
14 which the President submits to Con-  
15 gress the first report required under  
16 section 212(f), the President may pro-  
17 claim further reductions in duty for  
18 an article described in clause (i) or  
19 (ii) that is a product of a CBTEA  
20 beneficiary country if the President  
21 determines that the performance of  
22 the country is satisfactory under the  
23 criteria listed in paragraph (5)(C)(ii).  
24 The rate of duty proclaimed by the  
25 President shall be no less than—

1           “(aa) with respect to an ar-  
2           ticle described in clause (i), the  
3           amount determined under sub-  
4           clause (III); and

5           “(bb) with respect to an ar-  
6           ticle described in clause (ii), zero.

7           “(III) RATE OF DUTY FOR ARTI-  
8           CLES DESCRIBED IN CLAUSE (i).—For  
9           purposes of subclause (II)(aa), the  
10          amount of duty that the President  
11          may proclaim under such subclause  
12          with respect to an article described in  
13          clause (i) shall be the lesser of—

14          “(aa) the rate of duty that  
15          would apply to an article at the  
16          time of importation from a  
17          CBTEA beneficiary country but  
18          for the enactment of the  
19          CBTEA, or

20          “(bb) the tariff treatment  
21          that is accorded to a like article  
22          of Mexico under section 2 of the  
23          Annex as implemented pursuant  
24          to United States law.

1                   “(IV) CERTAIN DEFINITIONS.—

2                   For purposes of this clause, the term  
3                   ‘x’ means the rate of duty described in  
4                   subclause (III)(aa) and the term ‘y’  
5                   means the tariff treatment described  
6                   in subclause (III)(bb).

7                   “(iv) NO QUANTITATIVE RESTRIC-  
8                   TIONS.—Except as provided in subpara-  
9                   graph (E), no quantitative restriction or  
10                  consultation level may be applied to the  
11                  importation into the United States of any  
12                  textile or apparel article that—

13                  “(I) is a CBTEA originating  
14                  good, or

15                  “(II) qualifies for preferential  
16                  tariff treatment under clause (ii)(I) or  
17                  (II).

18                  “(B) TRANSITION PERIOD TREATMENT OF  
19                  CERTAIN NONORIGINATING TEXTILE AND AP-  
20                  PAREL ARTICLES.—

21                  “(i) REQUEST FOR PREFERENTIAL  
22                  TARIFF TREATMENT.—At any time during  
23                  the transition period, an interested United  
24                  States person may submit in writing to the  
25                  President a request that the President pro-

1 claim preferential tariff treatment de-  
2 scribed in clauses (iii) and (iv) with respect  
3 to any eligible textile or apparel article de-  
4 scribed in clause (ii). Upon receiving the  
5 request, the President shall determine  
6 promptly whether the article is eligible for  
7 preferential tariff treatment. If the Presi-  
8 dent determines that the article is eligible  
9 for preferential treatment, the President  
10 shall proclaim such treatment with respect  
11 to the article. If the President does not  
12 make a determination within 120 days  
13 after the date a request is received, the re-  
14 quest shall be treated as approved and all  
15 articles listed in the request that are de-  
16 scribed in clause (ii) shall be accorded the  
17 preferential treatment described in clauses  
18 (iii) and (iv).

19 “(ii) ELIGIBLE ARTICLES.—An article  
20 is described in this clause if it is an ap-  
21 parel article provided for in chapter 61 or  
22 62 of the HTS and if—

23 “(I) it is a product of a CBTEA  
24 beneficiary country but does not qual-  
25 ify as a CBTEA originating good;

1           “(II) it is an article described in  
2           the same 8-digit subheading of the  
3           HTS as an article that would be eligi-  
4           ble for the preferential tariff treat-  
5           ment under Appendix 6.B of the  
6           Annex, as implemented pursuant to  
7           United States law, if the article were  
8           imported from Mexico in quantities  
9           that are less than or equal to the  
10          quantities specified in Schedule 6.B.1;  
11          and

12           “(III) the President determines  
13          that—

14           “(aa) the fabric from which  
15           the article is made is not com-  
16           mercially available from produc-  
17           ers in the United States, or

18           “(bb) if the article is knit-  
19           to-shape in a CBTEA beneficiary  
20           country, the yarn from which it  
21           is knit is not commercially avail-  
22           able from producers in the Unit-  
23           ed States.

24           “(iii) PREFERENTIAL TARIFF TREAT-  
25          MENT.—The amount of duty imposed dur-

1 ing the transition period on an article re-  
2 ceiving preferential tariff treatment under  
3 this subparagraph shall be identical to the  
4 tariff treatment that would apply to the  
5 article under subparagraph (A)(iii) if the  
6 article were a CBTEA originating good.

7 “(iv) QUANTITY OF ELIGIBLE ARTI-  
8 CLES RECEIVING PREFERENTIAL TREAT-  
9 MENT.—In any 12-month period, the  
10 quantity of eligible articles in any category  
11 imported from a CBTEA beneficiary coun-  
12 try that may receive the preferential tariff  
13 treatment described in clause (iii) may not  
14 exceed ten percent of the quantity of arti-  
15 cles in such category imported from such  
16 country under subheading 9802.00.80 of  
17 the HTS, excluding articles that qualified  
18 for preferential tariff treatment under sub-  
19 paragraph (A)(ii) (or would have qualified  
20 for such treatment if that paragraph had  
21 been in effect with respect to imports of  
22 such articles from such country), in the  
23 preceding 12-month period.

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

1 paragraph (A), the President, after consultation  
2 with the CBTEA beneficiary country concerned,  
3 shall determine which, if any, particular textile  
4 and apparel goods of the country shall be treat-  
5 ed as being handloomed, handmade, or folklore  
6 goods of a kind described in section 2.3 (a), (b),  
7 or (c) or Appendix 3.1.B.11 of the Annex.

8 “(D) TRANSITION PERIOD ADJUSTMENT  
9 OF EXISTING QUANTITATIVE RESTRICTIONS.—

10 “(i) IN GENERAL.—During the transi-  
11 tion period, the President, after negotiat-  
12 ing with the CBTEA beneficiary country  
13 concerned, may reduce the quantities of  
14 textile and apparel articles that can be im-  
15 ported into the United States from that  
16 country under existing quantitative restric-  
17 tions to reflect the quantities of textile and  
18 apparel articles from such country that are  
19 exempt from quota restrictions pursuant to  
20 subparagraph (A)(iv).

21 “(ii) TRANSSHIPMENTS.—Whenever  
22 the President finds, based on sufficient evi-  
23 dence, that transshipment within the  
24 meaning of clause (iii) has occurred, the  
25 President, after consultations with the

1           CBTEA beneficiary countries through  
2           whose territories the President finds trans-  
3           shipment to have occurred, may reduce the  
4           quantities of textile and apparel articles  
5           that can be imported into the United  
6           States from each such country by such  
7           amount as the President determines.

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

23          “(E) BILATERAL EMERGENCY ACTIONS.—

24                 “(i) IN GENERAL.—The President  
25                 may take—

1           “(I) bilateral emergency tariff ac-  
2           tions of a kind described in section 4  
3           of the Annex with respect to any tex-  
4           tile or apparel article imported from a  
5           CBTEA beneficiary country if the ap-  
6           plication of tariff treatment under  
7           subparagraph (A) to such article re-  
8           sults in conditions that would be  
9           cause for the taking of such actions  
10          under such section 4 with respect to a  
11          like article described in the same 8-  
12          digit subheading of the HTS that is  
13          imported from Mexico; or

14          “(II) bilateral emergency quan-  
15          titative restriction actions of a kind  
16          described in section 5 of the Annex  
17          with respect to imports of any textile  
18          or apparel article of a CBTEA bene-  
19          ficiary country, including articles eligi-  
20          ble for preferential tariff treatment  
21          under subparagraph (A), if the impor-  
22          tation of such an article into the Unit-  
23          ed States results in conditions that  
24          would be cause for the taking of such  
25          actions under such section 5 with re-

1           spect to a like article described in the  
2           same 8-digit subheading of the HTS  
3           that is imported from Mexico.

4           “(ii) RULES RELATING TO BILATERAL  
5           EMERGENCY ACTION.—For purposes of ap-  
6           plying bilateral emergency action under  
7           this subparagraph—

8                   “(I) the requirements of para-  
9                   graph (5) of section 4 of the Annex  
10                  (relating to providing compensation)  
11                  shall not apply;

12                  “(II) the term ‘transition period’  
13                  in sections 4 and 5 of the Annex shall  
14                  have the meaning given that term in  
15                  paragraph (5)(G) of this subsection;

16                  “(III) the requirements to con-  
17                  sult specified in section 4 or 5 of the  
18                  Annex shall be treated as satisfied if  
19                  the President requests consultations  
20                  with the beneficiary country in ques-  
21                  tion and the country does not agree to  
22                  consult within the time period speci-  
23                  fied under section 4 or 5, whichever is  
24                  applicable;

1           “(IV) during the first 14 months  
2 after imports commence from a  
3 CBTEA beneficiary country under  
4 paragraph (2)(A) (or recommence be-  
5 cause of a redesignation of such coun-  
6 try), the minimum quantity of any  
7 textile or apparel article from such  
8 country subject to quantitative restric-  
9 tions may be determined under para-  
10 graph 7 of section 5 of the Annex  
11 based on a reasonable estimate (using  
12 available data where possible) of the  
13 quantity of such articles imported  
14 from such country during the relevant  
15 period (as defined in such paragraph  
16 7) that did not qualify or would not  
17 have qualified as originating goods;  
18 and

19           “(V) after the 14-month period  
20 described in subclause (IV), the mini-  
21 mum quantity of articles subject to  
22 such quantitative restrictions shall be  
23 determined under paragraph 7 of sec-  
24 tion 5 of the Annex based on the most

1 recently available Bureau of the Cen-  
2 sus import statistics.

3 “(3) PREFERENTIAL TARIFF TREATMENT OF  
4 CERTAIN OTHER ARTICLES ORIGINATING IN CBTEA  
5 BENEFICIARY COUNTRIES.—

6 “(A) IN GENERAL.—During the transition  
7 period, the President shall proclaim a rate of  
8 duty, with respect to any article referred to in  
9 any of subparagraphs (B) through (F) of para-  
10 graph (1) that is a CBTEA originating good,  
11 equal to the lesser of—

12 “(i) ‘x’, or

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

15 For purposes of the preceding sentence, the  
16 terms ‘x’ and ‘y’ have the meanings given such  
17 terms in subparagraph (C).

18 “(B) ADDITIONAL REDUCTIONS.—

19 “(i) IN GENERAL.—On or after the  
20 date on which the President submits to  
21 Congress the first report required under  
22 section 212(f), the President may proclaim  
23 further reductions in the rate of duty for  
24 any article described in subparagraph (A)  
25 in accordance with this subparagraph if

1 the President determines that the perform-  
2 ance of the country is satisfactory under  
3 the criteria listed in paragraph (5)(C)(ii).

4 “(ii) RATE OF DUTY.—The rate of  
5 duty proclaimed by the President under  
6 this subparagraph shall be no less than the  
7 lesser of—

8 “(I) the rate of duty that would  
9 apply to the article at the time of im-  
10 portation from the country but for the  
11 enactment of the CBTEA, or

12 “(II) the tariff treatment that is  
13 accorded a like article of Mexico  
14 under Annex 302.2 of NAFTA as im-  
15 plemented pursuant to United States  
16 law.

17 “(C) CERTAIN DEFINITIONS.—For pur-  
18 poses of subparagraph (A), the term ‘x’ means  
19 the rate of duty described in subparagraph  
20 (B)(ii)(I) and the term ‘y’ means the tariff  
21 treatment described in subparagraph  
22 (B)(ii)(II).

23 “(D) EXCEPTION.—Paragraphs (A) and  
24 (B) do not apply to any article accorded duty-

1 free treatment under U.S. Note 2(b) to sub-  
2 chapter II of chapter 98 of the HTS.

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

12 “(4) CUSTOMS PROCEDURES.—

13 “(A) IN GENERAL.—

14 “(i) REGULATIONS.—Any importer  
15 that claims preferential tariff treatment  
16 under paragraph (2) or (3) shall comply  
17 with customs procedures similar in all ma-  
18 terial respects to the requirements of Arti-  
19 cle 502(1) of the NAFTA as implemented  
20 pursuant to United States law, in accord-  
21 ance with regulations promulgated by the  
22 Secretary of the Treasury.

23 “(ii) DETERMINATION.—In order to  
24 qualify for such preferential tariff treat-  
25 ment and for a Certificate of Origin to be

1 valid with respect to any article for which  
2 such treatment is claimed, there shall be in  
3 effect a determination by the President  
4 that—

5 “(I) the CBTEA beneficiary  
6 country from which the article is ex-  
7 ported, and

8 “(II) each CBTEA beneficiary  
9 country in which materials used in the  
10 production of the article originate or  
11 undergo production that contributes  
12 to a claim that the article is a  
13 CBTEA originating good, has imple-  
14 mented and follows, or is making sub-  
15 stantial progress toward implementing  
16 and following, procedures and require-  
17 ments similar in all material respects  
18 to the relevant procedures and re-  
19 quirements under chapter 5 of the  
20 NAFTA.

21 “(B) CERTIFICATE OF ORIGIN.—The Cer-  
22 tificate of Origin that otherwise would be re-  
23 quired pursuant to the provisions of subpara-  
24 graph (A) shall not be required in the case of  
25 an article imported under paragraph (2) or (3)

1 if such Certificate of Origin would not be re-  
2 quired under Article 503 of the NAFTA (as im-  
3 plemented pursuant to United States law), if  
4 the article were imported from Mexico.

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

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

9 “(B) CATEGORY.—For purposes of para-  
10 graph (2)(B)(iv), ‘category’ means a category  
11 that is described in the most current edition of  
12 the Correlation: Textile and Apparel Categories  
13 with the Harmonized Tariff Schedule of the  
14 United States, prepared by the Department of  
15 Commerce.

16 “(C) CBTEA BENEFICIARY COUNTRY.—

17 “(i) IN GENERAL.—The term  
18 ‘CBTEA beneficiary country’ means any  
19 ‘beneficiary country’, as defined by section  
20 212(a)(1)(A) of this title, which the Presi-  
21 dent determines has demonstrated a com-  
22 mitment to—

23 “(I) undertake its obligations  
24 under the WTO on or ahead of sched-  
25 ule;

1 “(II) participate in negotiations  
2 toward the completion of the FTAA  
3 or a comparable trade agreement; and

4 “(III) undertake other steps nec-  
5 essary for that country to become a  
6 party to the FTAA or a comparable  
7 trade agreement.

8 “(ii) CRITERIA FOR DETERMINA-  
9 TION.—In making the determination under  
10 clause (i), the President may consider the  
11 criteria in sections 212 (b) and (c) and  
12 other appropriate criteria, including—

13 “(I) the extent to which the  
14 country follows accepted rules of  
15 international trade provided for under  
16 the agreements listed in section  
17 101(d) of the Uruguay Round Agree-  
18 ments Act;

19 “(II) the extent to which the  
20 country provides protection of intellec-  
21 tual property rights—

22 “(aa) in accordance with  
23 standards established in the  
24 Agreement on Trade-Related As-  
25 pects of Intellectual Property

1 Rights described in section  
2 101(d)(15) of the Uruguay  
3 Round Agreements Act;

4 “(bb) in accordance with  
5 standards established in chapter  
6 17 of the NAFTA; and

7 “(cc) by granting the hold-  
8 ers of copyrights the ability to  
9 control the importation and sale  
10 of products that embody copy-  
11 righted works, extending the pe-  
12 riod set forth in Article 1711(6)  
13 of NAFTA for protecting test  
14 data for agricultural chemicals to  
15 10 years, protecting trademarks  
16 regardless of their subsequent  
17 designation as geographic indica-  
18 tions, and providing enforcement  
19 against the importation of in-  
20 fringing products at the border;

21 “(III) the extent to which the  
22 country provides protections to inves-  
23 tors and investments of the United  
24 States substantially equivalent to

1 those set forth in chapter 11 of the  
2 NAFTA;

3 “(IV) the extent to which the  
4 country provides the United States  
5 and other WTO members nondiscrim-  
6 inatory, equitable, and reasonable  
7 market access with respect to the  
8 products for which benefits are pro-  
9 vided under paragraphs (2) and (3),  
10 and in other relevant product sectors  
11 as determined by the President;

12 “(V) the extent to which the  
13 country provides internationally recog-  
14 nized worker rights, including—

15 “(aa) the right of associa-  
16 tion,

17 “(bb) the right to organize  
18 and bargain collectively,

19 “(cc) prohibition on the use  
20 of any form of coerced or com-  
21 pulsory labor,

22 “(dd) a minimum age for  
23 the employment of children, and

24 “(ee) acceptable conditions  
25 of work with respect to minimum

1 wages, hours of work, and occu-  
2 pational safety and health;

3 “(VI) the extent to which the  
4 country adopts, maintains, and effec-  
5 tively enforces laws providing for high  
6 levels of environmental protection;

7 “(VII) 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 for  
11 eligibility for United States assistance;

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

18 “(IX) the extent to which the  
19 country enters into and implements  
20 an agreement with the United States  
21 for the exchange of tax information,  
22 as described in section 274(h)(6)(C)  
23 of the Internal Revenue Code;

24 “(X) the extent to which the  
25 country—

1           “(aa) supports the multilat-  
2           eral and regional objectives of the  
3           United States with respect to  
4           government procurement, includ-  
5           ing the negotiation of government  
6           procurement provisions as part of  
7           the FTAA and conclusion of a  
8           WTO transparency agreement as  
9           provided in the declaration of the  
10          WTO Ministerial Conference held  
11          in Singapore on December 9–13,  
12          1996, and

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

21           “(XI) the extent to which the  
22           country follows the rules on customs  
23           valuation set forth in the WTO Agree-  
24           ment on Implementation of Article  
25           VII of the GATT 1994 (described in

1 section 101(d)(8) of the Uruguay  
2 Round Agreements Act);

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

20 “(D) CBTEA ORIGINATING GOOD.—

21 “(i) IN GENERAL.—The term  
22 ‘CBTEA originating good’ means a good  
23 that meets the rules of origin for a good  
24 set forth in chapter 4 of the NAFTA as  
25 implemented pursuant to United States

1 law, and, in the case of a good described  
2 in Appendix 6.A of the Annex, the require-  
3 ments stated in Appendix 6.A as imple-  
4 mented pursuant to United States law.

5 “(ii) APPLICATION OF CHAPTER 4  
6 AND ANNEX 6.A.—In applying chapter 4  
7 and Appendix 6.A with respect to a  
8 CBTEA beneficiary country for purposes  
9 of this subsection—

10 “(I) no country other than the  
11 United States and a CBTEA bene-  
12 ficiary country may be treated as  
13 being a party to the NAFTA;

14 “(II) any reference to trade be-  
15 tween the United States and Mexico  
16 shall be deemed to refer to trade be-  
17 tween the United States and a  
18 CBTEA beneficiary country;

19 “(III) any reference to a party  
20 shall be deemed to refer to a CBTEA  
21 beneficiary country or the United  
22 States; and

23 “(IV) any reference to parties  
24 shall be deemed to refer to any com-  
25 bination of CBTEA beneficiary coun-

1 tries or to the United States and a  
2 CBTEA beneficiary country (or any  
3 combination thereof).

4 “(E) INTERESTED UNITED STATES PER-  
5 SON.—For purposes of paragraph (2)(B)(i), the  
6 term ‘interested United States person’ means—

7 “(i) a person doing business in the  
8 United States as—

9 “(I) an importer of wearing ap-  
10 parel or fabric piece goods, or

11 “(II) a producer of wearing ap-  
12 parel, or

13 “(ii) a labor union representing work-  
14 ers employed in the United States in the  
15 production of wearing apparel.

16 “(F) TEXTILE OR APPAREL ARTICLE.—  
17 The term ‘textile or apparel article’ means any  
18 article referred to in paragraph (1)(A) that is  
19 a good listed in Appendix 1.1 of the Annex.

20 “(G) TRANSITION PERIOD.—The term  
21 ‘transition period’ means, with respect to a  
22 CBTEA beneficiary country, the period that be-  
23 gins on the date of enactment of the CBTEA  
24 and ends on the earlier of—

25 “(i) September 30, 2005, 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                   “(H) CBTEA.—The term ‘CBTEA’ means  
6                   the United States-Caribbean Basin Trade En-  
7                   hancement Act.

8                   “(I) FTAA.—The term ‘FTAA’ means the  
9                   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 requirements  
2 of subsection (a)(2) and paragraph (2) have been  
3 met—

4           “(i) withdraw or suspend the designation  
5 of any country as a CBTEA beneficiary coun-  
6 try, or

7           “(ii) withdraw, suspend, or limit the appli-  
8 cation of preferential tariff treatment under  
9 section 213(b) (2) and (3) to any article of any  
10 country, if, after such designation, the Presi-  
11 dent determines that as a result of changed cir-  
12 cumstances, the performance of such country is  
13 not satisfactory under the criteria set forth in  
14 section 213(b)(5)(C).”;

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

17           “(3) If preferential treatment under section  
18 213(b) (2) and (3) is withdrawn, suspended, or lim-  
19 ited with respect to a CBTEA beneficiary country,  
20 such country shall not be deemed to be a ‘party’ for  
21 the purposes of applying section 213(b)(5)(D) to im-  
22 ports of articles for which preferential treatment has  
23 been withdrawn, suspended, or limited with respect  
24 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.—Not later than  
5 December 15, 2000, and at the end of each 3-year period  
6 thereafter, the President shall submit to Congress a report  
7 regarding the operation of this title, including—

8 (1) with respect to subsections (b) and (c), the  
9 results of a general review of beneficiary countries  
10 based on the considerations described in such sub-  
11 sections; and

12 (2) the performance of each CBTEA bene-  
13 ficiary country with respect to the criteria set forth  
14 in section 213(b)(5)(C)(ii).”.

15 (d) INTERNATIONAL TRADE COMMISSION RE-  
16 PORTS.—

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

20 “(a) REPORTING REQUIREMENT.—

21 (1) IN GENERAL.—The United States Inter-  
22 national Trade Commission (in this section referred  
23 to as the ‘Commission’) shall submit to Congress  
24 and the President, biennial reports regarding the

1 economic impact of this title on United States indus-  
2 tries and consumers.

3 “(2) FIRST REPORT.—The first report shall be  
4 submitted not later than September 30 of the year  
5 following the year in which the Caribbean Basin  
6 Trade Enhancement Act is enacted. No report shall  
7 be required under this section after September 30,  
8 2005.

9 “(3) TREATMENT OF PUERTO RICO, ETC.—For  
10 purposes of this section, industries in the Common-  
11 wealth of Puerto Rico and the insular possessions of  
12 the United States are considered to be United States  
13 industries.”.

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

17 “(a) REPORTING REQUIREMENTS.—

18 “(1) IN GENERAL.—The United States Inter-  
19 national Trade Commission (in this section referred  
20 to as the ‘Commission’) shall submit to Congress  
21 and the President, biennial reports regarding the  
22 economic impact of this title on United States indus-  
23 tries and consumers, and, in conjunction with other  
24 agencies, the effectiveness of this title in promoting

1 drug-related crop eradication and crop substitution  
2 efforts of the beneficiary countries.

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

8 “(3) TREATMENT OF PUERTO RICO, ETC.— For  
9 purposes of this section, industries in the Common-  
10 wealth of Puerto Rico and the insular possessions of  
11 the United States are considered to be United States  
12 industries.”.

13 (e) CONFORMING AMENDMENTS.—Section 213(a)(1)  
14 of the Caribbean Basin Economic Recovery Act (19  
15 U.S.C. 2703(a)(1)) is amended by inserting “and except  
16 as provided in subsection (b) (2) and (3)” after “Tax Re-  
17 form Act of 1986,”.

18 **SEC. 5. ADEQUATE AND EFFECTIVE PROTECTION FOR IN-**  
19 **TELLECTUAL PROPERTY RIGHTS.**

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

23 “Notwithstanding any other law, the President may deter-  
24 mine that a country is not providing adequate and effec-  
25 tive protection of intellectual property rights under para-

1 graph (9), even if the country is in compliance with the  
2 country's obligations under the Agreement on Trade-Related  
3 Aspects of Intellectual Property Rights described in  
4 section 101(d)(15) of the Uruguay Round Agreements Act  
5 (19 U.S.C. 3511(d)(15)).”.

6 **SEC. 6. DEFINITIONS.**

7 Section 212(a)(1) of the Caribbean Basin Economic  
8 Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding  
9 at the end the following new subparagraph:

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

14 “(E) The terms ‘WTO’ and ‘WTO member’  
15 have the meanings given those terms in  
16 section 2 of the Uruguay Round Agreements  
17 Act (19 U.S.C. 3501).”.

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