

I am informed that, in applying this concept to imported watches, the Customs Service has followed international practice and has determined that the production of a watch movement results in a substantial transformation and thereby determines the country of origin of the finished watch. Additionally, under the "tariff shift" origin rules adopted under NAFTA, the country of origin of the watch is the country where the movement was produced.

In evaluating product labels or advertising that state a foreign country of origin for watches and other imported products, the Federal Trade Commission has generally permitted foreign claims that are based on substantial transformation. For example, based on the FTCs practice under section 5 of the Federal Trade Commission Act, a watch whose movement was produced in a foreign country from parts sourced worldwide could be labeled and/or advertised as made in that foreign country.

The Federal Trade Commission applies a different and much more strict origin test to watches produced in the United States and the U.S. territories. Under this test, a watch whose movement is produced in the United States or the U.S. territories cannot be labeled or advertised as "Made in the USA" unless all or virtually all of the parts and labor employed in producing the movement and finished watch are of domestic origin. Thus, the FTC applies substantially different tests for determining the foreign and domestic origin of watches. These tests lead to different results in situations in which the only difference between two watches is the country where the movement was assembled.

The FTC's current origin tests for watches discriminate against domestic producers, including those in the U.S. Virgin Islands. Given the globalization of the international watch components industry, it is virtually impossible, as a practical matter, for a domestic producer to source all of its watch components from U.S. sources. Thus, watches produced in the United States from U.S. assembled movements cannot be marked "Made in the USA" even though their production involves highly labor intensive operations which add considerable value to the watch. In contrast, under the FTC's current test, a watch made from a movement assembled in Japan from imported parts could be labeled as "Made in Japan." These conflicting tests put U.S. producers at a considerable disadvantage in the marketplace and are confusing to U.S. consumers.

My legislation would correct this unfair and confusing situation by requiring that the FTC apply the same substantial transformation test for determining the origin of all watches, including those watches that are labeled or advertised as "Made in the USA." This common test will assure that origin rules for domestic watches conform with well-established international and Customs Service practice and the FTC's own practice for imported watches. It will enable U.S. producers, including those in the Virgin Islands, to employ country of origin labels or claims in the same circumstances in which their foreign competitors could label or advertise that their watches are made in a foreign country. Finally, the legislation would provide U.S. consumers with a clear and consistent test for determining where watches are made.

FAIRNESS TO LOCAL CONTRACTORS ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, today I am introducing the Fairness to Local Contractors Act to help local contractors compete for military construction projects. The purpose of the bill is to address concerns raised by various unions, contractors, and the State of Hawaii, that local companies are not getting a fair shot at competing for military construction contracts.

The ability of out-of-state contractors to ignore state tax and employment laws have allowed them to avoid costs that local companies have to meet and thereby outbid our local companies.

The problem of out of state contractors dodging state tax and employment laws was documented at the Congressional hearing I held on August 5, 1995, in Hawaii. The bill incorporates many of the suggestions and proposals made at this hearing on ways to make the bidding process more equitable for local companies.

The bill requires contractors to obtain a state tax clearance in order to be an eligible bidder on military construction projects; it requires them to obtain a state tax clearance and certify compliance with state employment laws in order to receive the final project payment; allows a military agency to withhold payment in order to meet state tax obligations; and it requires a contractor that has won a bid to obtain a state license in the state in which the work is to be performed, if that state requires such a license.

Military construction work is an important part of Hawaii's economy. Not only will Hawaii's local companies benefit from this legislation, but all local companies across the nation will have a fair chance to compete for these projects that are worth millions of dollars.

By joining me in supporting the Fairness to Local Contractors Act we can provide the enforcement needed to make sure all bidders play by the same rules. I urge my colleagues to cosponsor and support this legislation.

TRIBUTE TO LOUIS WELDON HAMMOND

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Attorney Louis Weldon Hammond who, for over 37 years, tirelessly served our veterans and was a trailblazer in his field.

Attorney Hanimond was born in Ridge Spring, SC on January 5, 1939. He attended Morehouse College and obtained his bachelor and law degrees from South Carolina State College. For more than 35 years, he has been married to the former Loretta Thomas. They have two children, Kartika Loretta Hammond and Louis Weldon Hammond II.

After graduating law school as the top Administrative Law student, the Veterans Administration Regional Office in Columbia, South Carolina, recognized his talent and hired Mr. Hammond. His success on the job cast him into the role of trailblazer. Mr. Hammond was the first African American to hold each position as he rose through the ranks. The positions he held included Legal Claims Examiner, Veterans Claims Rating Board, Veterans Claims Examiner Authorizer, Section Chief, Assistant Adjudication Officer and Veterans Service Center Manager. He also served as an Equal Employment Opportunity Counselor and National Equal Employment Investigator.

His career successes led to his appointment to a number of positions of distinction including Chairman of National Adjudication Officer's Advisory Committee, Southern Area Adjudication Officers Advisory Committee, and the V.A.'s top Leadership award. Mr. Hammond's distinguished career also led him to receive the award of first runner-up for Federal Employee of the Year for 1977.

Perhaps his dedicated service to the Veterans Administration stemmed from his distinction as a veteran himself. He rose to the rank of SGT E-6 (Staff Sergeant) and received numerous honors including; Good Conduct Medal, Army Expeditionary Medal, Army Commendation Letter, Outstanding Soldier of Encampment, Outstanding Soldier of Reserve Unit, Court Martial Coordinator—Santo Domingo, Dominican Republic.

Outside his legal and military career, Mr. Hammond was, and continues to be, very active in his community. Mr. Hammond founded a neighborhood organization called New Castle Concerned Citizens, and serves as a poll manager in his Midway precinct. He has also participated in a number of other organizations. He served on the Board of Directors at Providence Home and the Advisory Board of Richland Northeast High School and as former Chairman and Treasurer of the Kitani Foundation, Past President of the South Carolina State College's Columbia Alumni Association, and past president of the Dent Middle School PTO.

Mr. Hammond is a Life Member of the NAACP and Kappa Alpha Psi Fraternity. He is a member of First Calvary Baptist Church, where he has served as Deacon, Chairman of a \$2.5 million building project, as the Minister's Administrative Assistant, and is a member of two choirs. His dedication to South Carolina veterans and to the community was recognized on December 19, 2000 when Governor Jim Hodges awarded Mr. Hammond the Silver Crescent.

Mr. Speaker, we seldom meet people who give so tirelessly of their time and efforts as Louis Weldon Hammond, Sr. Please join me in paying tribute to this wonderful South Carolinian, a personal friend, and a trailblazer who earned the reputation of being a dedicated, just, equitable, fair and caring professional during his long and distinguished career.