

would contradict the Supreme Court ruling in *INS v. Chadha*.

George W. Bush

The White House,
December 18, 2001.

NOTE: H.R. 2299, approved December 18, was assigned Public Law No. 107-87.

Proclamation 7515—To Modify the Harmonized Tariff Schedule of the United States, To Provide Rules of Origin Under the North American Free Trade Agreement for Affected Goods, and for Other Purposes

December 18, 2001

By the President of the United States of America

A Proclamation

1. Section 1205(a) of the Omnibus Trade and Competitiveness Act of 1988 (the “1988 Act”) (19 U.S.C. 3005(a)) directs the United States International Trade Commission (the “Commission”) to keep the Harmonized Tariff Schedule of the United States (HTS) under continuous review and periodically to recommend to the President such modifications in the HTS as the Commission considers necessary or appropriate to accomplish the purposes set forth in that subsection. The Commission has recommended modifications to the HTS pursuant to sections 1205(c) and (d) of the 1988 Act (19 U.S.C. 3005(c) and (d)) to conform the HTS to amendments made to the International Convention on the Harmonized Commodity Description and Coding System (the “Convention”).

2. Section 1206(a) of the 1988 Act (19 U.S.C. 3006(a)) authorizes the President to proclaim modifications to the HTS, based on the recommendations of the Commission under section 1205 of the 1988 Act (19 U.S.C. 3005), if he determines that the modifications are in conformity with the obligations of the United States under the Convention and do not run counter to the national economic interest of the United States. I have determined that the modifications to the HTS proclaimed in this proclamation pursuant to section 1206(a) are in conformity

with the obligations of the United States under the Convention and do not run counter to the national economic interest of the United States.

3. (a) Presidential Proclamation 6641 of December 15, 1993, implemented the North American Free Trade Agreement (the “NAFTA”) with respect to the United States and, pursuant to sections 201 and 202 of the North American Free Trade Agreement Implementation Act (the “NAFTA Implementation Act”) (19 U.S.C. 3331 and 3332), incorporated in the HTS the tariff modifications and rules of origin necessary or appropriate to carry out the NAFTA.

(b) Because the substance of the changes to the Convention will be reflected in slightly differing form in the national tariff schedules of the three parties to the NAFTA, the rules of origin and interpretative rules set forth in Appendix 6.A of Annex 300-B, Annex 401, and Annex 403.1 to the NAFTA must be changed to ensure that the tariff and certain other treatment accorded under the NAFTA to originating goods will continue to be provided under the tariff categories that are being modified to reflect the amendments to the Convention. The NAFTA parties have agreed to make these changes.

4. Section 202 of the NAFTA Implementation Act provides rules for determining whether goods imported into the United States originate in the territory of a NAFTA party and thus are eligible for the tariff and other treatment contemplated under the NAFTA. Section 202(q) of the NAFTA Implementation Act (19 U.S.C. 3332(q)) authorizes the President to proclaim the rules of origin set out in the NAFTA and any subordinate tariff categories necessary to carry out the NAFTA Implementation Act consistent with the NAFTA.

5. I have determined that the modifications to the HTS proclaimed in this proclamation pursuant to sections 201 and 202 of the NAFTA Implementation Act are necessary in order to ensure that the tariff and certain other treatment accorded under the NAFTA, including previously proclaimed staged reductions in rates of duty, will continue to be given to NAFTA originating goods under tariff categories that are being

modified to reflect the amendments to the Convention.

6. Presidential Proclamation 6763 of December 23, 1994, implemented with respect to the United States the trade agreements resulting from the Uruguay Round of multi-lateral trade negotiations, including Schedule XX-United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994 (“Schedule XX”), that were entered into pursuant to sections 1102(a) and (e) of the 1988 Act (19 U.S.C. 2902(a) and (e)) and approved in section 101(a) of the Uruguay Round Agreements Act (URAA) (19 U.S.C. 3511(a)).

7. Pursuant to the authority provided in section 111 of the URAA (19 U.S.C. 3521) and sections 1102(a) and (e) of the 1988 Act, Proclamation 6763 included the staged reductions in rates of duty that the President determined to be necessary or appropriate to carry out the concessions set forth in Schedule XX. In order to ensure the continuation of such staged reductions in rates of duty for imported goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed, including certain technical or conforming changes within the tariff schedule.

8. Presidential Proclamation 7351 of October 2, 2000, implemented section 211 of the United States-Caribbean Basin Trade Partnership Act (title II of Public Law 106-200, 114 Stat. 286) (CBTPA), in order to provide certain preferential tariff treatment to eligible articles that are the product of any country that the President has designated as a “CBTPA beneficiary country” and that has satisfied the requirements of section 213(b)(4)(A)(ii) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(b)(4)(A)(ii)). Section 213(b)(3) of the CBERA (19 U.S.C. 2703(b)(3)) provides that the tariff treatment accorded at any time under the CBTPA to any article referred to in section 213(b)(1)(B) through (F) of the CBERA (19 U.S.C. 2703(b)(1)(B) through (F)) that is a CBTPA originating good shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of

the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

9. Pursuant to section 213(b) of the CBERA, Proclamation 7351 included the staged reductions in rates of duty that the President determined to be necessary or appropriate to provide such identical tariff treatment to CBTPA originating goods. In order to ensure the continuation of such staged reductions in rates of duty for imported goods under tariff categories that are being modified to reflect the amendments to the Convention and the conforming changes in the NAFTA rules of origin, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

10. Presidential Proclamation 7512 of December 7, 2001, implemented with respect to the United States the Agreement Between the United States of America and the Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area (JFTA), which was entered into on October 24, 2000, and implemented pursuant to section 101 of the United States-Jordan Free Trade Area Implementation Act (the “JFTA Act”) (19 U.S.C. 2112 Note). That proclamation included the staged reductions in rates of duty that I determined to be necessary or appropriate to carry out the concessions set forth in Annex 2.1 to the JFTA. In order to ensure the continuation of such staged reductions in rates of duty for originating goods under tariff categories that are being modified to reflect the amendments to the Convention, I have determined that additional modifications to the HTS are necessary or appropriate to carry out the duty reductions previously proclaimed.

11. Section 201(b) of the NAFTA Implementation Act (19 U.S.C. 3331(b)) authorizes the President, subject to the consultation and layover requirements of section 103(a) of the NAFTA Implementation Act (19 U.S.C. 3313(a)), to proclaim accelerated schedules of duty elimination that the United States may agree to with Mexico or Canada. Consistent with Article 302(3) of the NAFTA, I, through my duly empowered representative,

have entered into an agreement with the Government of Mexico providing for an accelerated schedule of duty elimination for specific goods of Mexico.

12. Pursuant to section 201(b) of the NAFTA Implementation Act, I have determined that the modifications herein proclaimed of duties on goods originating in the territory of a NAFTA party are necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Mexico provided for by the NAFTA, and to carry out the agreement with Mexico providing an accelerated schedule of duty elimination for specific goods. Pursuant to section 213(b)(3)(A) of the CBERA (19 U.S.C. 2703(b)(3)), I have determined that the rates of duty resulting from the accelerated schedule of duty elimination for specific goods of Mexico should also apply to CBTPA originating goods described in the same 8-digit subheadings of the HTS.

13. Section 604 of the Trade Act of 1974, as amended (the "1974 Act") (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

Now, Therefore, I, George W. Bush, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including section 604 of the 1974 Act, sections 1102, 1205, and 1206 of the 1988 Act, section 213 of the CBERA, sections 201 and 202 of the NAFTA Implementation Act, section 111 of the URAA, and section 101 of the JFTA Act, do hereby proclaim:

(1) In order to modify the HTS to conform it to the Convention or any amendment thereto recommended for adoption, to promote the uniform application of the Convention, to establish additional subordinate tariff categories to carry out modifications to the rules of origin under the NAFTA, and to make technical and conforming changes to existing provisions, the HTS is modified as set forth in Annex I to this proclamation.

(2) In order to modify the rules of origin under the NAFTA to reflect the modifications to the HTS being made to conform it to the Convention and to make certain conforming changes, general note 12 to the HTS is further modified as provided in Annex II to this proclamation.

(3) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1-General subcolumn under section 111(a) of the URAA, as provided in Presidential Proclamation 6763, for goods classifiable in the provisions modified by Annex I to this proclamation that are entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section A of Annex III to this proclamation, the rate of duty in the HTS set forth in the Rates of Duty 1-General subcolumn for each of the HTS subheadings enumerated in section A of Annex III shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(4) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1-Special subcolumn for originating goods of Mexico under the NAFTA that are classifiable in the provisions modified by Annex I to this proclamation and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section B of Annex III to this proclamation, the rate of duty in the HTS set forth in the Rates of Duty 1-Special subcolumn for each of the HTS subheadings enumerated in section B of Annex III shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(5) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1-Special subcolumn for originating goods of CBTPA beneficiary countries that are classifiable in the provisions modified by Annex I to this proclamation and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section C of Annex III to this proclamation, the rate of duty in the HTS set forth in the Rates of Duty 1-Special subcolumn for each of the HTS subheadings enumerated in section C of Annex III shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(6) In order to provide for the continuation of previously proclaimed staged duty reductions in the Rates of Duty 1-Special subcolumn for originating goods of Jordan under the JFTA that are classifiable in the provisions modified by Annex I to this proclamation and entered, or withdrawn from warehouse for consumption, on or after each of the dates specified in section D of Annex III to this proclamation, the rate of duty in the HTS set forth in the Rates of Duty 1-Special subcolumn for each of the HTS subheadings enumerated in section D of Annex III shall be deleted and the rate of duty provided in such section inserted in lieu thereof.

(7) In order to provide an accelerated schedule of duty elimination for specific goods of Mexico under the terms of general note 12 to the HTS, and to provide identical tariff treatment for originating goods of a CBTPA beneficiary country provided for in the same HTS subheading, the special tariff treatment set forth in the HTS for the pertinent subheadings is modified as provided in Annex IV to this proclamation.

(8) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(9)(a) The modifications and technical rectifications to the HTS made by Annexes I and II to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the later of (i) January 1, 2002, or (ii) the 15th day after the date of publication of this proclamation in the *Federal Register*.

(b) The modifications made by Annexes III and IV to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the respective dates specified in each section of such Annexes for the goods described therein.

In Witness Whereof, I have hereunto set my hand this eighteenth day of December, in the year of our Lord two thousand one, and of the Independence of the United States of America the two hundred and twenty-sixth.

George W. Bush

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NOTE: This proclamation will be published in the *Federal Register* on December 26.

Remarks Prior to a Meeting With Congressional Leaders

December 19, 2001

Economic Stimulus Package

I am proud to report that members of both political parties and both bodies of Congress have come to an agreement as to how to stimulate our economy and how to take care of people in need, people who have lost their job.

I'm proud of the Members around this table for making the conscious decision to work together to answer some serious needs that face our country. A lot of people have lost their jobs and don't have health care, and the people around this table said, "I want to do something about it," and they proposed a very constructive, real plan.

A lot of people around this table understand that in the long term we've got to make sure our economy grows. And so we've provided stimulus to the economy, most of which affects middle-class America. The income tax rate reduction affects those making \$27,000 to \$65,000 a year, hard-working Americans who could use help coming into the holiday season.

I can't thank the chairman, the Speaker, the leaders around this table for recognizing that there's something more important than politics, and that's to do our jobs, to recognize we have a serious problem and address it and solve the problem.

This bill can pass both bodies. This bill will pass the House; it's got enough votes to pass the Senate. And therefore, I look forward to working with both bodies in any way I can to convince those who are reluctant to get a bill done that this makes sense for America, so we can leave for Christmas knowing full-well that we've done the people's business.

Again, congratulations to you all. I want to thank you for your work, thank you for your care for America. Thank you all.