

S 2027

United States-Bahrain Free Trade Agreement Implementation Act

Congress: 109 (2005–2007, Ended)

Chamber: Senate

Policy Area: Foreign Trade and International Finance

Introduced: Nov 16, 2005

Current Status: Sponsor introductory remarks on measure. (CR S13484-13485)

Latest Action: Sponsor introductory remarks on measure. (CR S13484-13485) (Dec 13, 2005)

Official Text: <https://www.congress.gov/bill/109th-congress/senate-bill/2027>

Sponsor

Name: Sen. Grassley, Chuck [R-IA]

Party: Republican • **State:** IA • **Chamber:** Senate

Cosponsors (1 total)

| Cosponsor | Party / State | Role | Date Joined |
|-------------------------|---------------|------|--------------|
| Sen. Baucus, Max [D-MT] | D · MT | | Nov 16, 2005 |

Committee Activity

| Committee | Chamber | Activity | Date |
|-------------------|---------|-------------|-------------|
| Finance Committee | Senate | Reported By | Dec 8, 2005 |

Subjects & Policy Tags

Policy Area:

Foreign Trade and International Finance

Related Bills

| Bill | Relationship | Last Action |
|-------------|----------------|---|
| 109 HR 4340 | Identical bill | Jan 11, 2006: Became Public Law No: 109-169. |

(This measure has not been amended since it was introduced. The summary has been expanded because action occurred on the measure.)

United States-Bahrain Free Trade Agreement Implementation Act - **Title I: Approval of, and General Provisions Relating to, the Agreement** - (Sec. 101) Approves the United States-Bahrain Free Trade Agreement entered into on September 14, 2004, with the government of Bahrain, and the statement of administrative action proposed to implement the Agreement, both submitted to Congress on November 16, 2005.

(Sec. 103) Authorizes the President to proclaim actions, and other appropriate officers of the U.S. government to issue regulations, necessary to ensure that any provision of this Act that takes effect on the date the Agreement enters into force is appropriately implemented.

(Sec. 104) Provides that presidential proclamations subject to the following consultation and layover requirements may be proclaimed only if: (1) the President has obtained advice regarding the proposed action from the appropriate advisory committees and the U.S. International Trade Commission (ITC); (2) the President has reported to specified congressional committees with respect to such action; (3) a period of 60 days has expired; and (4) the President has consulted with the appropriate congressional committees during such 60-day period.

(Sec. 105) Authorizes the President to establish or designate within the Department of Commerce an office to provide administrative assistance to dispute settlement panels established under the Agreement. Authorizes appropriations.

Title II: Customs Provisions - (Sec. 201) Authorizes the President to proclaim necessary or appropriate modifications or continuation of duty, continuation of duty-free or excise treatment, or additional duties to carry out the Agreement.

Requires the President to terminate the designation of Bahrain as a beneficiary developing country for purposes of the Trade Act of 1974 on the date the Agreement enters into force.

Allows the President to substitute for the base rate an ad valorem rate deemed to be equivalent to the base rate with respect to any good for which such rate in the Agreement is a specific or compound rate of duty.

(Sec. 202) Prescribes rules of origin with respect to the reduction and elimination of duties imposed by the United States and Bahrain on goods imported directly from Bahrain or the United States into the other country's territory. Specifies content requirements allowing certain textile and apparel goods to be considered originating goods.

Authorizes the President to proclaim, as part of the Harmonized Tariff Schedule of the United States, certain provisions in the Agreement (including modifications) and any additional subordinate category that is necessary to carry out this title, consistent with the Agreement.

(Sec. 203) Amends the Consolidated Omnibus Budget Reconciliation Act of 1985 to prohibit the charge of a fee for certain customs services with respect to goods imported from, and originating in, Bahrain. Prohibits any service exempted from such fees from being funded with money from the Customs User Fee Account.

(Sec. 204) Authorizes the President to direct the Secretary of the Treasury, during the period of a verification procedure by the Bahrain government requested by the Secretary, to determine: (1) the compliance of an exporter or producer in Bahrain with applicable customs laws, regulations, procedures, requirements, or practices affecting trade in textile or apparel goods; or (2) the accuracy of a claim that a good exported or produced by the exporter or producer qualifies as

an originating good, or is a good of Bahrain.

Authorizes the President to require the Secretary to suspend liquidation of the entry of any textile or apparel good: (1) subject to compliance verification if the verification was based on a reasonable suspicion of unlawful activity related to the good; or (2) for which an accuracy claim has been made about its origin.

Authorizes the President to direct the Secretary, if the information obtained is insufficient for a verification determination, to: (1) publish the name and address of the person that is the subject of the verification; (2) deny preferential tariff treatment under the Agreement to any textile or apparel good exported or produced by such person or that is the subject of a claim for verification of origin; and (3) deny entry of such goods into the United States.

Title III: Relief From Imports - Subtitle A: Relief From Imports Benefiting From the Agreement - (Sec. 311)

Authorizes an entity (including a trade association, firm, certified or recognized union, or group of workers) to petition the ITC for an adjustment to U.S. obligations under the Agreement. Requires the ITC, upon the filing of a petition, to investigate promptly whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Bahraini article is being imported into the United States in such increased quantities as to be a substantial cause or threat of serious injury to the domestic industry producing an article like, or directly competitive with, the imported article. Exempts from such an investigation any Bahraini articles already subject to import relief under the Agreement.

(Sec. 313) Requires the President, after receiving an affirmative injury determination from the ITC, to provide certain three-year import relief to remedy or prevent such injury, and to facilitate efforts of the domestic industry to make a positive adjustment to import competition. Includes among such relief measures: (1) suspension of any further reduction provided by the Agreement in the duty imposed on such article; and (2) an increase in the rate of duty imposed on such article to a level that does not exceed an amount determined according to a specified formula.

(Sec. 314) Prohibits any import relief 10 years after the Agreement enters into force, except for articles about which Bahrain has consented to such relief.

(Sec. 315) Applies to the three-year import relief provided by the President the compensation authority of the Trade Act of 1974, which authorizes the President to grant Bahrain new concessions as compensation for the imposition of import relief in a bilateral safeguard investigation in order to maintain the general level of reciprocal concessions under the Agreement.

(Sec. 316) Amends the Trade Act of 1974 to apply to ITC investigations conducted under this Act the procedural requirements of the Tariff Act of 1930 concerning release of confidential business information.

Subtitle B: Textile and Apparel Safeguard Measures - (Sec. 321) Authorizes an interested party to request the President to adjust U.S. obligations under the Agreement. Requires the President, pursuant to such a request, to determine whether, as a result of the reduction or elimination of a duty under the Agreement, a Bahraini textile or apparel article is being imported into the United States in such increased quantities as to constitute a substantial cause or threat of serious damage to a domestic industry producing an article like, or directly competitive with, the imported article.

(Sec. 322) Authorizes the President, if an affirmative serious damage determination is made, to provide certain import relief to remedy or prevent the damage and to facilitate adjustment by the domestic industry to import competition, including to increase the rate of duty imposed on the article to a level that does not exceed an amount determined according to a specified formula.

(Sec. 323) Limits such relief to three years.

(Sec. 326) Prohibits any import relief under this subtitle with respect to any article 10 years after the Agreement enters into force.

(Sec. 327) Applies to any import relief provided by the President under this subtitle the compensation authority of the Trade Act of 1974, which authorizes the President to grant Bahrain new concessions as compensation for the imposition of import relief in a textile and apparel safeguard proceeding, in order to maintain the general level of reciprocal concessions under the Agreement.

(Sec. 328) Prohibits the President from releasing confidential business information received in connection with a review under this subtitle unless the submitting party had notice, at the time of submission, that such information would be released, or the party subsequently consents to such release. Requires any party submitting such confidential business information also to provide a nonconfidential version of the information, in which the confidential business information is summarized or, if necessary, deleted.

Title IV: Procurement - (Sec. 401) Amends the Trade Agreements Act of 1979 to make eligible for U.S. government procurement any product or service of a foreign country or instrumentality that is a party to a free trade agreement that entered into force with respect to the United States between December 31, 2005, and July 2, 2006.

Actions Timeline

- **Dec 13, 2005:** Sponsor introductory remarks on measure. (CR S13484-13485)
- **Dec 8, 2005:** Committee on Finance. Reported by Senator Grassley under authority of the order of the Senate of 11/18/2005 without amendment. With written report No. 109-199.
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- **Dec 8, 2005:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 306.
- **Nov 18, 2005:** Committee on Finance. Ordered to be reported without amendment favorably.
- **Nov 16, 2005:** Introduced in Senate
- **Nov 16, 2005:** Read twice and referred to the Committee on Finance.