

S 2113

United States-Peru Trade Promotion Agreement Implementation Act

Congress: 110 (2007–2009, Ended)

Chamber: Senate

Policy Area: Foreign Trade and International Finance

Introduced: Sep 27, 2007

Current Status: By Senator Baucus from Committee on Finance filed written report. Report No. 110-249. Additional vie

Latest Action: By Senator Baucus from Committee on Finance filed written report. Report No. 110-249. Additional views filed. (Dec 14, 2007)

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Sponsor

Name: Sen. Baucus, Max [D-MT]

Party: Democratic • State: MT • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Grassley, Chuck [R-IA]	R · IA		Sep 27, 2007

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Reported By	Nov 6, 2007

Subjects & Policy Tags

Policy Area:

Foreign Trade and International Finance

Related Bills

Bill	Relationship	Last Action
110 HR 3688	Identical bill	Dec 14, 2007: Became Public Law No: 110-138.

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

United States-Peru Trade Promotion Agreement Implementation Act - **Title I: Approval of, and General Provisions Relating to, the Agreement** - (Sec. 101) Approves the United States-Peru Trade Promotion Agreement (the Agreement) entered into on April 12, 2006 (and amended on June 24 and June 25, 2007) with the government of Peru and the statement of administrative action proposed to implement the Agreement, both submitted to Congress on September 27, 2007. Provides for the Agreement's entry into force upon certain conditions being met on or after January 1, 2008.

(Sec. 103) Authorizes the President to proclaim actions, and other appropriate officers of the U.S. government to issue regulations, necessary to ensure appropriate implementation of any provision of this Act that takes effect on the date the Agreement enters into force. Declares that proclaimed actions that are not subject to consultation and layover requirements under this Act shall not take effect before the 15th day after the text of the proclamation is published in the Federal Register. Provides that presidential proclamations calling for action under this Act 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.

(Sec. 106) Authorizes the United States to resolve any claim against it covered by the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in the Agreement.

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 Peru as a beneficiary developing country for purposes of the General System of Preferences program under the Trade Act of 1974 on the date the Agreement enters into force.

Authorizes the President, subject to the consultation and layover requirements of this Act, to deem as necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions provided for by the Agreement such: (1) modifications or continuation of any duty; (2) modifications as the United States may agree to with Peru regarding the staging of any duty treatment specified in the Agreement; (3) continuation of duty-free or excise treatment; or (4) additional duties.

(Sec. 202) Provides for additional duties, under specified conditions, on certain agricultural safeguard goods.

(Sec. 203) Prescribes certain rules of origin with respect to the reduction and elimination of duties imposed by the United States and Peru on certain goods wholly obtained or produced entirely in the territory of the other country. Specifies content requirements allowing certain textile and apparel goods to be considered originating goods. Prescribes a special rule for certain automotive goods.

(Sec. 204) Amends the Consolidated Omnibus Budget Reconciliation Act of 1985 to prohibit the charge of a fee for

certain customs services with respect to originating goods under the Agreement. Prohibits any service exempted from such fees from being funded with money from the Customs User Fee Account.

(Sec. 205) Amends the Tariff Act of 1930 to exempt: (1) an importer from penalties for making an incorrect claim that a good qualifies as an originating good under the Agreement if the importer voluntarily and promptly makes a corrected declaration and pays any duties owing; and (2) an exporter or producer from penalties for making false certifications of origin under the Agreement if such person, promptly after issuing such certification, has reason to believe that it contains or is based on incorrect information, and voluntarily provides a written notice to every recipient of it. Exempts persons from penalties if: (1) the information was correct at the time it was provided in a Peru Trade Promotion Agreement (PTPA) certification of origin but was later rendered incorrect because of a change in circumstances; and (2) the person promptly and voluntarily provides written notice of the change in circumstances to all recipients of such certification.

Provides that, if the U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement of the Department of Homeland Security finds indications of a pattern of conduct by an importer, exporter, or producer of false or unsupported representations that goods qualify under the rules of origin, the U.S. Customs and Border Protection may suspend preferential tariff treatment under the Agreement for entries of identical goods covered by subsequent representations by the individuals until it determines that the representations conform with such rules.

(Sec. 206) Authorizes the Customs Service to reliquidate an entry and refund any excess duties (including merchandise processing fees) paid on a good qualifying under the rules of origin for which no claim for preferential treatment was made at the time of importation if the importer takes certain actions within one year after such importation.

(Sec. 207) Requires a person who issues a PTPA certification of origin for a good exported from the United States to make, keep for at least five years after such certification is issued, and render for examination and inspection all records and supporting documents related to such certification.

(Sec. 208) Authorizes the President to direct the Secretary of the Treasury, during the period of a verification procedure by the government of Peru, to determine: (1) that an exporter or producer in Peru is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods; or (2) that a claim is accurate that such a good exported or produced by the exporter or producer qualifies as an originating good, or is a good of Peru.

Requires the Secretary to: (1) suspend preferential tariff treatment under the Agreement of any textile or apparel good that a person subject to such verification has produced or exported if the Secretary believes there is insufficient information to sustain a claim for such treatment; (2) deny preferential treatment to such goods if the Secretary decides that a person has provided incorrect information to support a claim for such treatment; (3) detain such goods if the Secretary considers there is insufficient information to determine their country of origin; and (4) deny entry to such goods if the Secretary determines that a person has provided erroneous information of their origin.

Authorizes: (1) the President to deny preferential treatment and entry into the United States to such textile and apparel goods, if the Secretary determines that the information obtained from verification is insufficient to make a determination; and (2) the Secretary to publish the name of any person engaged in circumvention of applicable laws, regulations, or procedures affecting trade in such goods, or who has failed to demonstrate that it produces or is capable of producing them.

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 Peruvian 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 Peruvian articles receiving import relief under the Agreement.

(Sec. 313) Requires the President, after receiving an affirmative injury determination from the ITC, to provide (including the extension) in the aggregate up to four-years of 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 whose period for tariff elimination exceeds 10 years.

(Sec. 315) Applies to the four-year import relief provided by the President (see section 313, above) the compensation authority of the Trade Act of 1974 which authorizes the President to grant Peru 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 elimination of a duty under the Agreement, a Peruvian 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, 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 (including the extension) in the aggregate to three years.

(Sec. 326) Prohibits any import relief under this subtitle with respect to any article five 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 Peru 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 an investigation or determination 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.

Subtitle C: Cases Under Title II of the Trade Act of 1974 - (Sec. 331) Requires the ITC, whenever it makes an affirmative determination that an imported article constitutes a substantial cause or threat of serious injury to a domestic industry producing an article like or directly competitive with it, also to find (and report to the President) whether imports from Peru that qualify as originating goods are a substantial cause or threat of serious injury to such industry. Authorizes the President to exclude goods of Peru from any import relief action if they are not a substantial cause or threat of serious injury to the domestic industry.

Title IV: Procurement - (Sec. 401) Amends the Trade Agreements Act of 1979 to make eligible for U.S. government procurement products or services of a foreign country or instrumentality that is a party to the Agreement.

Title V: Trade in Timber Products of Peru - (501) Directs the President to establish an Interagency Committee to oversee and obtain verification whether the producer or exporter of Peruvian timber products to the United States has complied with applicable laws of Peru governing the harvest of, and trade in, such products. Authorizes the Committee to direct the U.S. Customs and Border Protection to take certain action including to detain or deny entry of shipments of Peruvian timber products pending verification.

(Sec. 502) Requires the United States Trade Representative (USTR) to report to Congress on steps taken by the United States and Peru on carrying out the Agreement with respect to trade in timber products of Peru.

Title VI: Offsets - (Sec. 601) Amends the Consolidated Omnibus Budget Reconciliation Act of 1985 to extend certain customs fees for the processing of merchandise entered into the United States through December 13, 2014.

(Sec. 602) Amends the Tax Increase Prevention and Reconciliation Act of 2005 to increase the amount of any corporate estimated tax installment otherwise due by a corporation with assets of not less than \$1 billion in July, August, or September of 2012 to 115.75% of such amount.

Actions Timeline

- **Dec 14, 2007:** By Senator Baucus from Committee on Finance filed written report. Report No. 110-249. Additional views filed.
- **Nov 6, 2007:** Committee on Finance. Reported by Senator Baucus without amendment. Without written report.
- **Nov 6, 2007:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 471.
- **Sep 27, 2007:** Introduced in Senate
- **Sep 27, 2007:** Read twice and referred to the Committee on Finance pursuant to section 2103(b) of Public Law 107-210.