

## **JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE**

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1047) to suspend duties on narrowly defined products, miscellaneous trade-related items, and technical corrections to the Trade Development Act of 2002, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

#### **TITLE I--TARIFF PROVISIONS**

##### **SECTION 1101 – REFERENCE; EXPIRED PROVISIONS**

###### *Present law*

Subchapter II of Chapter 99 of the Harmonized Tariff Schedule of the United States provides rates of duty for certain items.

###### *House bill*

The House bill strikes certain subheadings in subchapter II of Chapter 99.

###### *Senate amendment*

The Senate amendment is the same as the House bill with minor technical changes.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment with minor technical changes.

**Subtitle A--Temporary Duty Suspensions and Reductions**

**Chapter 1--New Duty Suspensions and Reductions**

**SECTIONS 1111 THROUGH 1441**

*Present law*

Imports of the goods described in sections 1111 through 1441 enter under the specified Harmonized Tariff Schedule subheading with the associated tariff rate.

*House bill*

The House bill provides for the suspension or reduction of duties of 306 products identified in section 1101 through 1406 of H.R. 1047.

*Senate amendment*

The Senate amendment struck all House provisions and substituted provisions that in most cases were identical or had only minor technical changes. There are exceptions as follows. The Senate amendment added additional duty suspensions at Sections 1399-1419 of the Senate amendment. The Senate amendment deleted House Section 1124 (Buctril) because of opposition from a domestic maker of the product. The Senate amendment inadvertently did not include House Sections 1176, 1338, 1403, and 1414.

*Conference agreement*

After consideration of the technical and policy differences between the two bills, Conferees agreed to the following:

The House recedes to the following Senate amendments: Sections 1109, 1111, 1144, 1145, 1148, 1161, 1166, 1205, 1215, 1223, 1124, 1231, 1245, 1290, 1312, 1317, 1322, 1324, 1336, 1340, 1341, 1343, 1363, 1365, 1376, 1381, 1386, 1399-1419. The Senate recedes to the following House provisions: Sections 1101-1108, 1110, 1112-1113, 1125-1144, 1147-1148, 1150-1161, 1163-1166, 1168-1206, 1208-1216, 1218-1224, 1227-1232, 1234-1246, 1248-1291, 1293-1313, 1315-1318, 1320-1323, 1325, 1327-1337, 1338-1342, 1345, 1347-1365, 1367, 1369-1371, 1372-1378, 1380-

1383, 1385-1388, 1390-1401, and 1406. The provisions expire on December 31, 2006.

The House further recedes to the Senate in dropping Section 1124 (Buctril) of the House bill. Conferees agree to make technical changes to Section 1420 of the Senate amendment (Bags for certain toys). The Senate recedes to the House with respect to certain footwear with the exception that the duty is reduced to 0. Conferees further agree to include additional duty suspensions.

## **Chapter 2--Existing Duty Suspensions and Reductions**

### **SECTIONS 1451 THROUGH 1456 – EXTENSION OF CERTAIN EXISTING DUTY SUSPENSIONS**

#### *Present law*

Imports of the goods described in section 1451 through 1456 enter under the specified Harmonized Tariff Schedule subheading with the associated tariff rate.

#### *House bill*

The House bill extends the existing duty suspensions for products identified in Sections 1451 through 1456 until 12/31/2005.

#### *Senate amendment*

The Senate amendment made no changes to the House bill except for extending the existing duty suspensions for the products identified until 12/31/2006.

#### *Conference agreement*

The House recedes to the Senate. The conference agreement includes two additional extensions of duty suspensions for polyvinyl chloride and ceramic knives.

### **SECTION 1457 – EFFECTIVE DATE**

#### *Present law*

No provision.

#### *House bill*

Except as otherwise provided, the House bill makes the extension of duty

suspensions provided in Sections 1451 through 1456 effective as of January 1, 2003.

*Senate amendment*

Except as otherwise provided, the Senate amendment makes the extension of duty suspensions provided in Sections 1451 through 1456 effective as of January 1, 2004.

*Conference agreement*

The House recedes to the Senate.

**Subtitle B--Other Tariff Provisions**

**Chapter 1--Liquidation or Reliquidation of Certain Entries**

*Statement of Conferees regarding provisions to reliquidate certain entries:*

Conferees noted with great concern the large number of requests for reliquidation of imported entries. The standard for including reliquidations is clear government error. In this instance, some of the requests for reliquidation of imported products arose out of the fact that importers of like products were forgiven their debt in prior miscellaneous trade legislation. Conferees concluded that it was only fair to put all importers of like products on an equal footing. For this and other reasons conferees chose to be broadly inclusive in accepting reliquidation provisions in this conference report. In future legislation, however, conferees believe it is important that Congress authorize reliquidation of import entries only when there is clear government error, and sponsors of such legislation should be mindful of whether there is equal treatment for all importers of like products. Conferees intend that the test for "clear government error" for future reliquidations be strictly construed. Conferees further do not view inclusion of any particular reliquidation in this conference report as precedent that similar request should be included in future legislation.

**SECTION 1501 – CERTAIN TRAMWAY CARS**

*Present law*

Imports of the goods described in section 1501 were liquidated.

*House bill*

The House bill provides for the liquidation or reliquidation of certain tramway car entries as duty free.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1502 – LIBERTY BELL REPLICA**

*Present law*

Liberty Bell replicas are currently liquidated at a rate of 5.8% ad valorem.

*House bill*

The House bill provides for the liquidation or reliquidation of a replica of the Liberty Bell, imported from the Whitechapel Bell Foundry of London, England, as duty-free.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1503 – CERTAIN ENTRIES OF COTTON GLOVES**

*Present law*

Certain identified entries of cotton gloves entered during the period from September 8, 1994 to February 2, 2000 were liquidated.

*House bill*

The House bill provides for the liquidation or reliquidation of certain identified entries of cotton gloves entered during the period from September 8, 1994 to February 2, 2000.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1504 – CERTAIN ENTRIES OF POSTERS**

*Present law*

Certain identified entries of posters entered during the period from June 19, 2000 to May 18, 2001 were liquidated.

*House bill*

The House bill provides for the liquidation or reliquidation of certain identified entries of posters entered during the period from June 19, 2000 to May 18, 2001.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1505 – CERTAIN ENTRIES OF POSTERS ENTERED IN 1999 AND 2000**

*Present law*

Certain identified entries of posters entered in 1999 and 2001 entered during the period from March 8, 1999 to November 1, 2000, were liquidated.

*House bill*

The House bill provides for the liquidation or reliquidation of certain identified entries of posters entered during the period from March 8, 1999 to November 1, 2000.

*Senate amendment*

The Senate amendment is the same as the House bill with additional items.

*Conference agreement*

The House recesses to the Senate.

**SECTION 1506 – CERTAIN ENTRIES OF 13-INCH TELEVISIONS**

*Present law*

Certain identified entries of 13-inch televisions entered during the period from April 17, 1999 to May 31, 2000 were liquidated.

*House bill*

The House bill provides for the liquidation or reliquidation of certain identified entries of 13-inch televisions entered during the period from April 17, 1999 to May 31, 2000.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1507 – NEOPRENE SYNCHRONOUS TIMING BELTS**

*Present law*

Certain identified entries of neoprene synchronous timing belts were liquidated during the period from July 6, 1989 to April 17, 1990.

*House bill*

The House bill provides for the liquidation or reliquidation of certain identified entries of neoprene synchronous timing belts entered during the period from July 6, 1989 to April 17, 1990.

*Senate amendment*

No provision.

*Conference agreement*

The Senate recesses to the House.

**SECTION 1508 – CERTAIN ENTRIES OF ROLLER CHAIN**

*Present Law*

Certain identified entries of roller chain subject to antidumping duties, entered during the period from June 30, 1981, to December 2, 1996, were liquidated.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified entries of roller chain entered during the period from June 30, 1981 to December 2, 1996.

*Conference agreement*

The House recesses to the Senate.

**SECTION 1509 -- JUICES ENTERED IN APRIL 1993**

*Present law*

Section 313(j) of the Tariff Act of 1930 (19 U.S.C. section 1313(j)) allows exporters to claim drawback under certain circumstances.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified drawback claims, of juices entered in April of 1993.



*Conference agreement*

The House recedes to the Senate.

**SECTION 1510 -- JUICES ENTERED IN MARCH 1994**

*Present law*

Section 313(j) of the Tariff Act of 1930 (19 U.S.C. section 1313(j)) allows exporters to claim drawback under certain circumstances.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified drawback claims on entries of juices entered in March of 1994.

*Conference agreement*

The House recedes to the Senate.

**SECTION 1511 – CERTAIN ENTRIES PREMATURELY LIQUIDATED IN ERROR**

*Present law*

Certain identified entries of aramid fibers entered during the period from July 29, 1994 to March 24, 2000 were prematurely liquidated in error.

*House bill*

The House bill provides for the liquidation or reliquidation of certain entries of aramid fibers, which were entered under the incorrect duty rate and prematurely liquidated in error, during the period from September 8, 1994 to March 24, 2000.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1512 – CERTAIN POSTERS ENTERED DURING 2000 AND 2001**

*Present law*

Certain identified entries of posters entered during the period from September 24, 2000, to February 28, 2001, were liquidated.

*House bill*

No provision.

*Senate amendment*

The House bill provides for the liquidation or reliquidation of certain identified entries of posters entered during the period from September 24, 2000, to February 28, 2001.

*Conference agreement*

The House recedes to the Senate.

**SECTION 1513 – CERTAIN OTHER ENTRIES**

*Present law*

Certain entries entered during the period from February 22, 1995, to February 9, 1996, were liquidated by U.S. Customs.

*House bill*

No provision

*Senate Amendment*

This provision would provide for the reliquidation of certain entries and allow importers to claim drawback claims for the re-export of such goods.

*Conference Agreement*

The House recesses to the Senate.

**SECTION 1514 – CERTAIN RAILWAY PASSENGER COACHES**

*Present law*

Certain identified entries of railway passenger coaches were liquidated.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified entries of railway passenger coaches.

*Conference agreement*

The House recesses to the Senate.

**SECTION 1515 – CERTAIN VANADIUM CARBIDES**

*Present law*

Certain identified entries of certain entries of vanadium carbides and vanadium carbonitride entered during the period from June 20, 1999 to July 12, 2000, were liquidated.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified entries of vanadium carbides and vanadium carbonitride entered during the period from June 20, 1999 to July 12, 2000.

*Conference agreement*

The House recesses to the Senate.

## **SECTION 1516 – STEEL WIRE ROPE ENTRIES**

### *Present law*

Certain identified entries of steel wire rope entered during the period from August 4, 1998 to February 8, 1999 were liquidated.

### *House bill*

No provision.

### *Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified entries of steel wire rope entered during the period from August 4, 1998 to February 8, 1999.

### *Conference agreement*

The House recesses to the Senate.

## **SECTIONS 1517 THROUGH 1536 -- CERTAIN ENTRIES OF TOMATO SAUCE PREPARATION**

### *Present law*

Certain identified entries of tomato sauce preparation were liquidated.

### *House bill*

No provision.

### *Senate amendment*

The Senate amendment provides for the liquidation or reliquidation of certain identified entries of tomato sauce preparation.

### *Conference agreement*

The House recesses to the Senate.

## **Chapter 2--Miscellaneous Provisions**

## **SECTIONS 1551 THROUGH 1559**

*Present law*

See description of present law in Senate Report 108-28.

*House bill*

See description of provisions and reasons for change in Senate Report 108-28.

*Senate amendment*

The Senate amendment made no changes to the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1560 – AUTHORITY FOR THE ESTABLISHMENT OF  
INTEGRATED BORDER INSPECTION AREAS AT THE UNITED STATES-  
CANADA BORDER**

*Present law*

Section 127 of the Treasury Department Appropriations Act of 2003 (P.L. 108-7) contains this provision.

*House bill*

The House bill requires the Commissioner of Customs to seek to establish Integrated Border Inspection Areas on either side of the United States-Canada border in which U.S. Customs officers can inspect vehicles entering the United States from Canada before they enter the United States, or Canadian Customs officers can inspect vehicles entering Canada from the United States before they enter Canada.

*Senate amendment*

No provision.

*Conference agreement*

The Senate recedes to the House.

## **SECTION 1561 – DESIGNATION OF FOREIGN LAW ENFORCEMENT OFFICERS**

### *Present law*

Section 127 of the Treasury Department Appropriations Act of 2003 (P.L. 108-7) contains this provision.

### *House bill*

The House bill amends Section 401(i) of the Tariff Act of 1930 to provide for inspections and pre-clearance in foreign countries and to authorize the Secretary of State to enter into agreements with foreign countries for the stationing of foreign customs and agriculture inspection officers in the United States.

### *Senate amendment*

No provision.

### *Conference agreement*

The Senate recedes to the House.

## **SECTION 1562 – AMENDMENTS TO THE UNITED STATES INSULAR POSSESSION PROGRAM**

### *Present law*

Additional U.S. Note 5 to HTS Chapter 91 provides for the duty-free entry of defined quantities of watches and watch movements produced in the U.S. insular possessions. This provision requires the Secretaries of Commerce and the Interior (the ‘Secretaries’) to allocate such duty exemptions among the insular possessions and issue appropriate licenses for such duty exemptions. Note 5 also requires the Secretaries to issue duty-refund certificates (known as Production Incentive Certificates, or PICs) to each insular possession watch and watch movement producer based on the producer's duty-free shipments and creditable wages during the previous calendar year. Additional U.S. Note 3 to Chapter 71, which was added to the HTS in 1999, provides that a producer of any article of jewelry that is provided for in heading 7113 and that is the product of the insular possessions is also eligible for PIC benefits provided for in Additional U.S. Note 5(h) to Chapter 91. In addition, Additional U.S. Note 3 to Chapter 71 provided that, for a two-year transition period, any article of jewelry provided for in heading 7113 that was assembled in the insular possessions

would be treated as a product of the insular possessions for purposes of General Note 3(a)(iv), which provides duty-free treatment for insular possession products.

*House bill*

The House bill amends Additional U.S. Note 5(h) to HTS Chapter 91 to: (1) remove current restrictions on the use of Production Incentive Certificates by permitting the use of such certificates for refunds of duties on any articles imported into the United States; (2) extend the PIC program through 2015; and (3) increase the value of PICs to correspond to the loss of any comparative duty advantage for insular watches, contingent upon future eliminations or reductions in worldwide watch duties

The House bill further amends Additional U.S. Note 3 to HTS Chapter 71 of the Harmonized Tariff Schedule of the United States to: (1) add a separate 10,000,000-unit cap for jewelry to account for the fact that jewelry is generally produced at higher volumes than watches; and (2) provide a transition rule under which jewelry assembled by a new insular jewelry producer would receive duty-free treatment for 18 months after the producer's commencement of operations.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**SECTION 1563 – MODIFICATION OF PROVISIONS RELATED TO  
DRAWBACK CLAIMS**

*Present law*

See description of present law in Senate Report 108-28.

*House bill*

See description of provisions and reasons for change in Senate Report 108-28.

*Senate amendment*

The Senate amendment made no changes to the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**Subtitle C--Effective Date**

**SECTION 1571 – EFFECTIVE DATE**

*Present law*

No provision.

*House bill*

The House bill makes the amendments in this title applicable on or after the 15<sup>th</sup> day after the date of the enactment of the Act.

*Senate amendment*

The Senate amendment is the same as the House bill.

*Conference agreement*

The conference agreement follows the House bill and the Senate amendment.

**TITLE II--OTHER TRADE PROVISIONS**

**Subtitle A – Miscellaneous Provisions**

**SECTION 2001 – TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ARMENIA**

*Present law*

Armenia's NTR status is currently governed by Title IV of the Trade Act of 1974, as amended by the Customs and Trade Act of 1990 (title IV). Section 402 of title IV (also known as the Jackson-Vanik amendment) sets forth requirements relating to freedom of emigration, which must be met or waived by the President in order for the President to grant nondiscriminatory normal trade relations (NTR) status to a non-market economy country. Armenia, which was granted NTR in 1992, was found to be in full compliance with the Jackson-Vanik freedom of emigration requirements on June 3, 1997. NTR has continuously been renewed for Armenia, subject to semiannual review by the President. Armenia became a member of the



World Trade Organization on February 5, 2003.

*House bill*

No provision.

*Senate Amendment*

No provision.

*Conference Agreement*

The conference agreement grants the President the authority to: (1) determine that Title IV of the Trade Act of 1974 should no longer apply to Armenia; and (2) proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Armenia.

**SECTION 2002 – MODIFICATION TO CELLAR TREATMENT OF  
NATURAL WINE**

*Present law*

The United States allows the importation of wine produced in other countries without requiring either testing or certification in order to confirm that the wine has been produced in accordance with U.S. regulations. U.S. authorities simply require a certification that the wine has been produced in accordance with the regulations of the country of export, even though such foreign regulations may not be comparable to U.S. law. In contrast, a large number of U.S. trading partners require testing and laboratory analysis of U.S. wines imported for consumption to determine whether the wine conforms to their particular winemaking regulations and practices. Such foreign regulations can constitute a non-tariff trade barrier for U.S. goods.

In an effort to facilitate trade in wine, in December 2001, the United States along with other signatories signed a plurilateral agreement establishing a Mutual Acceptance Agreement on Winemaking Practices (MAA), also known as the Wine Accord. The primary focus of the MAA is to eliminate testing of wine for reasons other than health or safety. It is the first multilateral agreement to embrace the concept of equivalency in the Technical Barriers to Trade Agreement of the WTO.

*House bill*

The House bill provision conforms to the requirements of the MAA and establishes procedures to assure that countries not party to the MAA meet minimum requirements.

*Senate amendment*

No provision.

*Conference agreement*

The Senate recedes to the House.

**SECTION 2003 – ARTICLES ELIGIBLE FOR PREFERENTIAL TREATMENT UNDER THE ANDEAN TRADE PREFERENCE ACT**

*Present law*

See description of present law in Senate Report 108-28.

*House bill*

See description of provisions and reasons for change in Senate Report 108-28.

*Senate amendment*

The Senate amendment made technical corrections to the House bill.

*Conference agreement*

The House recedes to the Senate.

**SECTION 2004 – TECHNICAL AMENDMENTS**

*Present law*

No provision.

*House bill*

The House bill makes technical corrections to the Trade Act of 2002 (P.L. 107-210). The House bill also amends Section 112(b) of the African Growth and

Opportunity Act (AGOA) (19 U.S.C. 3721(b)) and Section 213(b) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2703(b)) to permit the use of U.S. formed fabrics or U.S. formed components, whether cut to shape or knit to shape, using U.S. formed yarns, in garments that are otherwise produced from fabrics formed in the region. The House bill also amends Section 112(b) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)) to ensure that a garment entered under short supply is not disqualified because the fabric is made in sub-Saharan Africa.

*Senate amendment*

The Senate amendment is the same as the House bill with certain additional provisions, including a limitation on customs user fees, labeling requirements for certain sock products, and a provision to extend industry trade advisory committees.

*Conference agreement*

The conference agreement follows the Senate amendment except that conferees agreed to remove provisions related to the African Growth and Opportunity Act, which were included in the AGOA Acceleration Act of 2004 and became P.L. 108-274.

**SECTION 2004(j) -- RETROACTIVITY FOR CERTAIN AGOA PROVISIONS**

*Present Law*

Pursuant to subsection 8(d) of the African Growth and Opportunity Acceleration (AGOA) Act of 2004 (Pub. L. 108-274), the entries referred to in subsection 8(a) of the AGOA Act of 2004 are limited to entries of apparel articles that meet the requirements of subsection 112(b) of the Trade and Development Act of 2000 (Pub. L. 106-200) as amended by section 3108 of the Trade Act of 2002 (Pub. L. 107-210) and the AGOA Act of 2004.

*House bill*

No provision.

*Senate Amendment*

The Senate amendment clarifies subsection 8(d) of the AGOA Act of 2004 (Public Law 108-274) by adding the articles provided for in subsection 112(d)(3)(A) of the Trade and Development Act of 2000 (Pub. L. 106-200) as amended (collars and

cuffs), to the entries referred to in subsection 8(a) of the AGOA Act of 2004. As a result, entries of collars and cuffs made on or after October 1, 2000 shall be liquidated or reliquidated as free of duty and free of any quantitative restriction or limitation, pursuant to subsection 8(a) of the AGOA Act of 2004.

*Conference agreement*

The House recesses to the Senate.

**SECTION 2005 – EXTENSION OF NORMAL TRADE RELATIONS TO  
LAOS**

*Present law*

“Laos” is listed in General note 3(b) of the HTS among the countries whose products are denied Normal Trade Relations (NTR) tariff treatment.

*House bill*

No provision.

*Senate Amendment*

No provision.

*Conference Agreement*

The conference agreement amends General note 3(b) of the HTS by striking “Laos.”

**SECTION 2006 – REPEAL OF ANTIDUMPING PROVISION OF REVENUE  
ACT OF 1916**

*Present law*

See House Report 108-415 for an explanation of present law and need for repeal.

*House bill*

No provision.

*Senate amendment*

No provision.

*Conference agreement*

Conferees agreed to include a provision to repeal the antidumping provision of the Revenue Act of 1916. The basis for the legislative language is H.R. 1073 from the 108<sup>th</sup> Congress. This legislation is necessary in order to bring the United States into compliance with its World Trade Organization obligations.

**Subtitle B – Technical Amendments Relating to Entry and Protest**

**SECTIONS 2101 THROUGH 2108**

*Present Law*

In the past, importers paid duties on each entry as the entry was processed. Under the recently implemented periodic payment system, CBP allows participating importers to pay of duties on a monthly basis.

*House bill*

No provision.

*Senate amendment*

The Senate amendment includes technical amendments dealing with reconfigured entries. The reconfigured entry process would allow importers to separate individual shipments from a larger entry if there are disputes about the individual shipments.

*Conference agreement*

The House recedes to the Senate with minor technical modifications.

**Subtitle C – Protection of Intellectual Property Rights**

**SECTION 2201 -- USTR DETERMINATIONS IN TRIPS AGREEMENT INVESTIGATIONS**

*Present law*

Under current law, Section 301 of the Trade Act of 1974 (19 U.S.C. 2414), as amended, requires, when a country is designated a ‘Priority Foreign Country’ under the Special 301 provisions of Section 182 of the Trade Act of 1974 (19 U.S.C. 2414) for its failure to provide adequate and effective protection to U.S. intellectual property rights, and if the failure in question also violated a provision of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement in the World Trade Organization (WTO), the United States Trade Representative (USTR) to initiate a Section 301 investigation within 30 days of such designation. Under Section 304, the USTR is required to conclude the Section 301 investigation no later than 18 months after the investigation is initiated. Section 303(a)(2) requires the USTR to request consultations with the Priority Foreign Country and, if the issue is not resolved, to initiate WTO dispute settlement proceedings against the Priority Foreign Country within 150 days after consultations are commenced. Under this timetable, the USTR is required to make a Section 301 determination prior to the conclusion of the WTO dispute settlement process.

*House bill*

No provision.

*Senate amendment*

The Senate amendment conforms the timetable in Section 304 to the WTO dispute settlement timetable. It requires the USTR to make its Section 301 determination not later than 30 days after the WTO dispute settlement proceeding is concluded.

*Conference agreement*

The House recedes to the Senate.

### **TITLE III - IRAQI CULTURAL ANTIQUITIES**

*Present Law*

No provision.

*House bill*

No provision.

*Senate amendment*

The Senate amendment provides that the President may exercise the authority of the President under section 304 of the Convention on Cultural Property Implementation Act (CCPIA) (19 U.S.C. 2603) until September 30, 2009, with respect to any archeological or ethnological material of Iraq and without regard to whether Iraq is a State Party under the CCPIA. In exercising such authority, subsection 304(c) of the CCPIA shall not apply.

*Conference agreement*

The House recedes to the Senate with certain technical changes.

**TITLE IV – WOOL TRUST FUND**

*Present Law*

Section 5101 of the Trade Act of 2002 (Pub. L. No. 107-210) sets out three special refund pools for importers of wool fabric, wool yarn, and wool fiber and top, and identifies all persons eligible for the refunds. This law simplifies the process for refunding to these eligible parties first established by section 505 of the Trade and Development Act of 2000. Section 5102 of the Trade Act of 2002 extends temporary duty reductions, first established by the Trade and Development Act of 2000, on fabrics of worsted wool from 2003 to 2005. Section 5101 also increases the limitation on the quantity of imports of eligible worsted wool fabrics. Section 5102 also extends the payments made to manufacturers, first established by the Trade and Development Act of 2000, and extends the Wool Research Trust Fund through 2006.

*House amendment*

No provision.

*Senate amendment*

The Senate proposal would extend current programs, including the payments to manufacturers and the Wool Research Trust Fund by five years, while making further temporary reductions to duties on eligible products. The Senate proposal would also make grants to eligible manufacturers of worsted wool fabric. The programs are based on the funding structure established by the Trade and Development Act of 2000.

*Conference agreement*

The House recedes to the Senate proposal with changes so that all programs are extended by two years beyond the current date of expiration of the current programs.

## **TITLE V – REFERENCE TO CUSTOMS SERVICE**

### *Present law*

On November 25, 2002, the President signed into law legislation (P.L. 107-296) creating a new Department of Homeland Security (DHS). This law transferred the U.S. Customs Service to the Department of Homeland Security under the authority of the Under Secretary for Border and Transportation Security.

### *House bill*

No provision.

### *Senate amendment*

No provision.

### *Conference agreement*

The conference agreement provides that any reference in this Act to the “United States Customs Service” or the “Customs Service” shall be considered to be a reference to the “Bureau of Customs and Border Protection” of the Department of Homeland Security.