American aid to Colombia has made it possible for Colombia to upgrade its social infrastructure and improve its schools, health care, and labor laws. There is no more important task before us right now that will help the Colombian people achieve further advancement, than to quickly pass the Colombia Free Trade Agreement.

So, Madam Speaker, what does passage of these free trade agreements show to the world?

It shows that we will stand by our allies.

It shows what the United States values. It shows that we value human rights. It shows that we value democracy. It shows that we value liberty.

Colombia has achieved, and continues to achieve, all of those things. Colombia's democracy has withstood terrorism. It has withstood civil war. And Colombia is a pillar of freedom in the region. The more trade and economic benefits the Colombian people receive, the less difficult it becomes for the Colombian government to destroy terrorism and put an end to the illicit drug trade in their country.

Madam Speaker, the bottom line is that trade, and this agreement, will create opportunity in Colombia as well as in the United States. This agreement will mean better, high quality jobs for Colombian citizens. It will mean better, high quality jobs for our own citizens; a much-needed boost in this struggling economy.

Madam Speaker, let's send a message to our enemies. Let's send a message to our best friends and allies in Latin America. Let's send a message to the world.

Let's send the message that America rewards its allies. Let's send the message that America wants to do business with another country that values freedom and democracy. And let's send a message that America will not let political gamesmanship continue to get in the way of improving our nation's economy.

In the 112th Congress, both Democrats and Republicans are united and ready to approve the Colombia Free Trade Agreement.

Madam Speaker, it's time to pass the Colombia Free Trade Agreement.

□ 2100

Mr. LEVIN. I yield myself 2 minutes.

We have three FTAs before us. Each one of those should be taken on their own. And let me express my strong views about the Colombia FTA based on my three trips there. Trade is about more than tariffs or the flow of goods. As important as they are, it's about people. And where workers have no rights, increased trade with another country can work against us and can work against the other country. Colombia, in that regard, has presented a special case. A violation of basic rights has gone on for decades, and not only those violations of laws but violation of persons, violence, and death.

The Santos administration came to power and said it wanted to do it differently. Our two governments sat down and worked on an agreement on worker rights. It was a step forward, but there is a serious set of problems. First of all, the implementation of that in important instances has been spotty, especially as to the vehement misuse of cooperatives in Colombia and so-called collective PACs. And, secondly, there was an absolute resistance, refusal on the part of the Republican majority to have any reference in the action plan to the implementation bill. That is a serious, serious flaw. For that reason, I am very much opposed to this agreement.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 3078 is postponed.

UNITED STATES-PANAMA TRADE PROMOTION AGREEMENT IMPLEMENTATION ACT

Mr. CAMP. Madam Speaker, pursuant to House Resolution 425, I call up the bill (H.R. 3079) to implement the United States-Panama Trade Promotion Agreement, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 425, the bill is considered read.

The text of the bill is as follows:

H.R. 3079

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''United States–Panama Trade Promotion Agreement Implementation Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the free trade agreement between the United States and Panama entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States and Panama for their mutual benefit;

(3) to establish free trade between the United States and Panama through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of the Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGREEMENT.—The term ''Agreement'' means the United States–Panama Trade Promotion Agreement approved by Congress under section 101(a)(1).

(2) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

(3) HTS.—The term ''HTS'' means the Harmonized Tariff Schedule of the United States.

(4) TEXTILE OR APPAREL GOOD.—The term ''textile or apparel good'' means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)), other than a good listed in Annex 3.30 of the Agreement.

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), Congress approves—

(1) the United States–Panama Trade Promotion Agreement entered into on June 28, 2007, with the Government of Panama and submitted to Congress on October 3, 2011; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on October 3, 2011.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Panama has taken

measures necessary to comply with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Panama providing for the entry into force, on or after January 1, 2012, of the Agreement with respect to the United States.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term ''State law'' includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State, on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) IMPLEMENTING ACTIONS.—

(1) PROCLAMATION AUTHORITY.—After the date of the enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date on which the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date on which the Agreement enters into force.

(2) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under section 104 may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

(3) WAIVER OF 15-DAY RESTRICTION.—The 15-day restriction contained in paragraph (2) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

(b) INITIAL REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the Commission;

(2) the President has submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met, has expired; and

(4) the President has consulted with the committees referred to in paragraph (2) regarding the proposed action during the period referred to in paragraph (3).

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 20 of the Agreement. The office shall not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year after fiscal year 2011 to the Department of Commerce up to $150,000 for the establishment and operations of the office established or designated under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.16.1(a)(i)(C) or article 10.16.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), this Act and the amendments made by this Act take effect on the date on which the Agreement enters into force.

(b) EXCEPTIONS.—

(1) IN GENERAL.—Sections 1 through 3, this title, and title V take effect on the date of the enactment of this Act.

(2) CERTAIN AMENDATORY PROVISIONS.—The amendments made by sections 204, 205, 207, and 401 of this Act take effect on the date of the enactment of this Act and apply with respect to Panama on the date on which the Agreement enters into force.

(c) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement terminates, this Act (other than this subsection and title V) and the amendments made by this Act (other than the amendments made by title V) shall cease to have effect.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—

(1) PROCLAMATION AUTHORITY.—The President may proclaim—

(A) such modifications or continuation of any duty,

(B) such continuation of duty-free or excise treatment, or

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 3.3, 3.5, 3.6, 3.26, 3.27, 3.28, and 3.29, and Annex 3.3, of the Agreement.

(2) EFFECT ON GSP STATUS.—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall, on the date on which the Agreement enters into force, terminate the designation of Panama as a beneficiary developing country for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.).

(3) EFFECT ON CBERA STATUS.—

(A) IN GENERAL.—Notwithstanding section 212(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)), the President shall, on the date on which the Agreement enters into force, terminate the designation of Panama as a beneficiary country for purposes of that Act.

(B) EXCEPTION.—Notwithstanding subparagraph (A), Panama shall be considered a beneficiary country under section 212(a) of the Caribbean Basin Economic Recovery Act, for purposes of—

(i) sections 771(7)(G)(ii)(III) and 771(7)(H) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(G)(ii)(III) and 1677(7)(H));

(ii) the duty-free treatment provided under paragraph 4 of the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement; and

(iii) section 274(h)(6)(B) of the Internal Revenue Code of 1986.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover provisions of section 104, the President may proclaim—

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with Panama regarding the staging of any duty treatment set forth in Annex 3.3 of the Agreement,

(3) such continuation of duty-free or excise treatment, or

(4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Panama provided for by the Agreement.

(c) CONVERSION TO AD VALOREM RATES.—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States to Annex 3.3 of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

(d) TARIFF RATE QUOTAS.—In implementing the tariff rate quotas set forth in Appendix I to the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement,

the President shall take such action as may be necessary to ensure that imports of agricultural goods do not disrupt the orderly marketing of commodities in the United States.

SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICULTURAL GOODS.

(a) DEFINITIONS.—In this section:

(1) APPLICABLE NTR (MFN) RATE OF DUTY.—The term ''applicable NTR (MFN) rate of duty'' means, with respect to a safeguard good, a rate of duty equal to the lowest of—

(A) the base rate in the Schedule of the United States to Annex 3.3 of the Agreement;

(B) the column 1 general rate of duty that would, on the day before the date on which the Agreement enters into force, apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good; or

(C) the column 1 general rate of duty that would, at the time the additional duty is imposed under subsection (b), apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good.

(2) SAFEGUARD GOOD.—The term ''safeguard good'' means a good—

(A) that is included in the Schedule of the United States to Annex 3.17 of the Agreement;

(B) that qualifies as an originating good under section 203; and

(C) for which a claim for preferential tariff treatment under the Agreement has been made.

(3) SCHEDULE RATE OF DUTY.—The term ''schedule rate of duty'' means, with respect to a safeguard good, the rate of duty for that good that is set forth in the Schedule of the United States to Annex 3.3 of the Agreement.

(4) TRIGGER LEVEL.—

(A) IN GENERAL.—The term ''trigger level'' means—

(i) in the case of a safeguard good classified under subheading 0201.10.50, 0201.20.80, 0201.30.80, 0202.10.50, 0202.20.80, or 0202.30.80 of the HTS—

(I) in year 1 of the Agreement, 330 metric tons; and

(II) in year 2 of the Agreement through year 14 of the Agreement, a quantity equal to 110 percent of the trigger level for that safeguard good for the preceding calendar year; and

(ii) in the case of any other safeguard good, 115 percent of the quantity that is provided for that safeguard good in the corresponding calendar year in the applicable table contained in Appendix I to the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement.

(B) RELATIONSHIP TO TABLE.—For purposes of subparagraph (A)(ii), year 1 in the applicable table contained in Appendix I to the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement corresponds to year 1 of the Agreement.

(5) YEAR 1 OF THE AGREEMENT.—The term ''year 1 of the Agreement'' means the period beginning on the date, in a calendar year, on which the Agreement enters into force and ending on December 31 of that calendar year.

(6) YEARS OTHER THAN YEAR 1 OF THE AGREEMENT.—Any reference to a year of the Agreement subsequent to year 1 of the Agreement shall be deemed to be a reference to the corresponding calendar year in which the Agreement is in force.

(b) ADDITIONAL DUTIES ON SAFEGUARD GOODS.—

(1) IN GENERAL.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (2), on a safeguard good imported into the United States in a calendar year if the Secretary determines that, prior to such importation, the total volume of that safeguard good that is imported into the United States in that calendar year exceeds the trigger level for that good for that calendar year.

(2) CALCULATION OF ADDITIONAL DUTY.—The additional duty on a safeguard good under this subsection shall be—

(A) in the case of a good classified under subheading 0201.10.50, 0201.20.80, 0201.30.80, 0202.10.50, 0202.20.80, or 0202.30.80 of the HTS—

(i) in year 1 of the Agreement through year 6 of the Agreement, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(ii) in year 7 of the Agreement through year 14 of the Agreement, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty;

(B) in the case of a good classified under subheading 0406.10.08, 0406.10.88, 0406.20.91, 0406.30.91, 0406.90.97, or 2105.00.20 of the HTS—

(i) in year 1 of the Agreement through year 11 of the Agreement, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(ii) in year 12 of the Agreement through year 14 of the Agreement, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(C) in the case of any other safeguard good—

(i) in year 1 of the Agreement through year 13 of the Agreement, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(ii) in year 14 of the Agreement through year 16 of the Agreement, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.

(3) NOTICE.—Not later than 60 days after the date on which the Secretary of the Treasury first assesses an additional duty in a calendar year on a good under this subsection, the Secretary shall notify the Government of Panama in writing of such action and shall provide to that Government data supporting the assessment of the additional duty.

(c) EXCEPTIONS.—No additional duty shall be assessed on a good under subsection (b) if, at the time of entry, the good is subject to import relief under—

(1) subtitle A of title III of this Act; or

(2) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

(d) TERMINATION.—The assessment of an additional duty on a good under subsection (b) shall cease to apply to that good on the date on which duty-free treatment must be provided to that good under the Schedule of the United States to Annex 3.3 of the Agreement.

SEC. 203. RULES OF ORIGIN.

(a) APPLICATION AND INTERPRETATION.—In this section:

(1) TARIFF CLASSIFICATION.—The basis for any tariff classification is the HTS.

(2) REFERENCE TO HTS.—Whenever in this section there is a reference to a chapter, heading, or subheading, such reference shall be a reference to a chapter, heading, or subheading of the HTS.

(3) COST OR VALUE.—Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether Panama or the United States).

(b) ORIGINATING GOODS.—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, except as otherwise provided in this section, a good is an originating good if—

(1) the good is a good wholly obtained or produced entirely in the territory of Panama, the United States, or both;

(2) the good—

(A) is produced entirely in the territory of Panama, the United States, or both, and—

(i) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4.1 of the Agreement; or

(ii) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 4.1 of the Agreement; and

(B) satisfies all other applicable requirements of this section; or

(3) the good is produced entirely in the territory of Panama, the United States, or both, exclusively from materials described in paragraph (1) or (2).

(c) REGIONAL VALUE-CONTENT.—

(1) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of a good referred to in Annex 4.1 of the Agreement, except for goods to which paragraph (4) applies, shall be calculated by the importer, exporter, or producer of the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3).

(2) BUILD-DOWN METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$RVC = \frac{AV - VNM}{AV} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term ''RVC'' means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term ''AV'' means the adjusted value of the good.

(iii) VNM.—The term ''VNM'' means the value of nonoriginating materials that are acquired and used by the producer in the production of the good, but does not include the value of a material that is self-produced.

(3) BUILD-UP METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$RVC = \frac{VOM}{AV} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term ''RVC'' means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term ''AV'' means the adjusted value of the good.

(iii) VOM.—The term ''VOM'' means the value of originating materials that are acquired or self-produced, and used by the producer in the production of the good.

(4) SPECIAL RULE FOR CERTAIN AUTOMOTIVE GOODS.—

(A) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of an automotive good referred to in Annex 4.1 of the Agreement may be calculated by the importer, exporter, or producer of the good on the basis of the build-down method described in paragraph (2), the build-up method described in paragraph (3), or the following net cost method:

$$RVC = \frac{NC - VNM}{NC} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) AUTOMOTIVE GOOD.—The term ''automotive good'' means a good provided for in

any of subheadings 8407.31 through 8407.34, subheading 8408.20, heading 8409, or any of headings 8701 through 8708.

(ii) RVC.—The term ''RVC'' means the regional value-content of the automotive good, expressed as a percentage.

(iii) NC.—The term ''NC'' means the net cost of the automotive good.

(iv) VNM.—The term ''VNM'' means the value of nonoriginating materials that are acquired and used by the producer in the production of the automotive good, but does not include the value of a material that is self-produced.

(C) MOTOR VEHICLES.—

(i) BASIS OF CALCULATION.—For purposes of determining the regional value-content under subparagraph (A) for an automotive good that is a motor vehicle provided for in any of headings 8701 through 8705, an importer, exporter, or producer may average the amounts calculated under the net cost formula contained in subparagraph (A), over the producer's fiscal year—

(I) with respect to all motor vehicles in any one of the categories described in clause (ii); or

(II) with respect to all motor vehicles in any such category that are exported to the territory of Panama or the United States.

(ii) CATEGORIES.—A category is described in this clause if it—

(I) is the same model line of motor vehicles, is in the same class of motor vehicles, and is produced in the same plant in the territory of Panama or the United States, as the good described in clause (i) for which regional value-content is being calculated;

(II) is the same class of motor vehicles, and is produced in the same plant in the territory of Panama or the United States, as the good described in clause (i) for which regional value-content is being calculated; or

(III) is the same model line of motor vehicles produced in the territory of Panama or the United States as the good described in clause (i) for which regional value-content is being calculated.

(D) OTHER AUTOMOTIVE GOODS.—For purposes of determining the regional value-content under subparagraph (A) for automotive materials provided for in any of subheadings 8407.31 through 8407.34, in subheading 8408.20, or in heading 8409, 8706, 8707, or 8708, that are produced in the same plant, an importer, exporter, or producer may—

(i) average the amounts calculated under the net cost formula contained in subparagraph (A) over—

(I) the fiscal year of the motor vehicle producer to whom the automotive goods are sold,

(II) any quarter or month, or

(III) the fiscal year of the producer of such goods,

if the goods were produced during the fiscal year, quarter, or month that is the basis for the calculation;

(ii) determine the average referred to in clause (i) separately for such goods sold to 1 or more motor vehicle producers; or

(iii) make a separate determination under clause (i) or (ii) for such goods that are exported to the territory of Panama or the United States.

(E) CALCULATING NET COST.—The importer, exporter, or producer of an automotive good shall, consistent with the provisions regarding allocation of costs provided for in generally accepted accounting principles, determine the net cost of the automotive good under subparagraph (B) by—

(i) calculating the total cost incurred with respect to all goods produced by the producer of the automotive good, subtracting any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost of all such goods, and then reasonably allocating the resulting net cost of those goods to the automotive good;

(ii) calculating the total cost incurred with respect to all goods produced by that producer, reasonably allocating the total cost to the automotive good, and then subtracting any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the portion of the total cost allocated to the automotive good; or

(iii) reasonably allocating each cost that forms part of the total cost incurred with respect to the automotive good so that the aggregate of these costs does not include any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, or nonallowable interest costs.

(d) VALUE OF MATERIALS.—

(1) IN GENERAL.—For the purpose of calculating the regional value-content of a good under subsection (c), and for purposes of applying the de minimis rules under subsection (f), the value of a material is—

(A) in the case of a material that is imported by the producer of the good, the adjusted value of the material;

(B) in the case of a material acquired in the territory in which the good is produced, the value, determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8)), as set forth in regulations promulgated by the Secretary of the Treasury providing for the application of such Articles in the absence of an importation by the producer; or

(C) in the case of a material that is self-produced, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit equivalent to the profit added in the normal course of trade.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIAL.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Panama, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Panama, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(B) NONORIGINATING MATERIAL.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Panama, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Panama, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(iv) The cost of originating materials used in the production of the nonoriginating material in the territory of Panama, the United States, or both.

(e) ACCUMULATION.—

(1) ORIGINATING MATERIALS USED IN PRODUCTION OF GOODS OF THE OTHER COUNTRY.—Originating materials from the territory of Panama or the United States that are used in the production of a good in the territory of the other country shall be considered to originate in the territory of such other country.

(2) MULTIPLE PRODUCERS.—A good that is produced in the territory of Panama, the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(f) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a good that does not undergo a change in tariff classification pursuant to Annex 4.1 of the Agreement is an originating good if—

(A) the value of all nonoriginating materials that—

(i) are used in the production of the good, and

(ii) do not undergo the applicable change in tariff classification (set forth in Annex 4.1 of the Agreement),

does not exceed 10 percent of the adjusted value of the good;

(B) the good meets all other applicable requirements of this section; and

(C) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement for the good.

(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

(A) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90, that is used in the production of a good provided for in chapter 4.

(B) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90, that is used in the production of the following goods:

(i) Infant preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.10.

(ii) Mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, provided for in subheading 1901.20.

(iii) Dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90.

(iv) Goods provided for in heading 2105.

(v) Beverages containing milk provided for in subheading 2202.90.

(vi) Animal feeds containing over 10 percent by weight of milk solids provided for in subheading 2309.90.

(C) A nonoriginating material provided for in heading 0805, or any of subheadings 2009.11 through 2009.39, that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins,

concentrated or unconcentrated, provided for in subheading 2106.90 or 2202.90.

(D) A nonoriginating material provided for in heading 0901 or 2101 that is used in the production of a good provided for in heading 0901 or 2101.

(E) A nonoriginating material provided for in heading 1006 that is used in the production of a good provided for in heading 1102 or 1103 or subheading 1904.90.

(F) A nonoriginating material provided for in chapter 15 that is used in the production of a good provided for in chapter 15.

(G) A nonoriginating material provided for in heading 1701 that is used in the production of a good provided for in any of headings 1701 through 1703.

(H) A nonoriginating material provided for in chapter 17 that is used in the production of a good provided for in subheading 1806.10.

(I) Except as provided in subparagraphs (A) through (H) and Annex 4.1 of the Agreement, a nonoriginating material used in the production of a good provided for in any of chapters 1 through 24, unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

(3) TEXTILE OR APPAREL GOODS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification, set forth in Annex 4.1 of the Agreement, shall be considered to be an originating good if—

(i) the total weight of all such fibers or yarns in that component is not more than 10 percent of the total weight of that component; or

(ii) the yarns are those described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act (19 U.S.C. 3203(b)(3)(B)(vi)(IV)) (as in effect on February 12, 2011).

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed and finished in the territory of Panama, the United States, or both.

(C) FABRIC, YARN, OR FIBER.—For purposes of this paragraph, in the case of a good that is a fabric, yarn, or fiber, the term ''component of the good that determines the tariff classification of the good'' means all of the fibers in the good.

(g) FUNGIBLE GOODS AND MATERIALS.—

(1) IN GENERAL.—

(A) CLAIM FOR PREFERENTIAL TARIFF TREATMENT.—A person claiming that a fungible good or fungible material is an originating good may base the claim either on the physical segregation of the fungible good or fungible material or by using an inventory management method with respect to the fungible good or fungible material.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term ''inventory management method'' means—

(i) averaging;

(ii) ''last-in, first-out'';

(iii) ''first-in, first-out''; or

(iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Panama or the United States); or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for a particular fungible good or fungible material shall continue to use that method for that fungible good or fungible material throughout the fiscal year of such person.

(h) ACCESSORIES, SPARE PARTS, OR TOOLS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), accessories, spare parts, or tools delivered with a good that form part of the good's standard accessories, spare parts, or tools shall—

(A) be treated as originating goods if the good is an originating good; and

(B) be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set forth in Annex 4.1 of the Agreement.

(2) CONDITIONS.—Paragraph (1) shall apply only if—

(A) the accessories, spare parts, or tools are classified with and not invoiced separately from the good, regardless of whether such accessories, spare parts, or tools are specified or are separately identified in the invoice for the good; and

(B) the quantities and value of the accessories, spare parts, or tools are customary for the good.

(3) REGIONAL VALUE-CONTENT.—If the good is subject to a regional value-content requirement, the value of the accessories, spare parts, or tools shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(i) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set forth in Annex 4.1 of the Agreement, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(j) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers for shipment shall be disregarded in determining whether a good is an originating good.

(k) INDIRECT MATERIALS.—An indirect material shall be treated as an originating material without regard to where it is produced.

(l) TRANSIT AND TRANSHIPMENT.—A good that has undergone production necessary to qualify as an originating good under subsection (b) shall not be considered to be an originating good if, subsequent to that production, the good—

(1) undergoes further production or any other operation outside the territory of Panama or the United States, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of Panama or the United States; or

(2) does not remain under the control of customs authorities in the territory of a country other than Panama or the United States.

(m) GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 4.1 of the Agreement, goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless—

(1) each of the goods in the set is an originating good; or

(2) the total value of the nonoriginating goods in the set does not exceed—

(A) in the case of textile or apparel goods, 10 percent of the adjusted value of the set; or

(B) in the case of goods, other than textile or apparel goods, 15 percent of the adjusted value of the set.

(n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term ''adjusted value'' means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8)), adjusted, if necessary, to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation.

(2) CLASS OF MOTOR VEHICLES.—The term ''class of motor vehicles'' means any one of the following categories of motor vehicles:

(A) Motor vehicles provided for in subheading 8701.20, 8704.10, 8704.22, 8704.23, 8704.32, or 8704.90, or heading 8705 or 8706, or motor vehicles for the transport of 16 or more persons provided for in subheading 8702.10 or 8702.90.

(B) Motor vehicles provided for in subheading 8701.10 or any of subheadings 8701.30 through 8701.90.

(C) Motor vehicles for the transport of 15 or fewer persons provided for in subheading 8702.10 or 8702.90, or motor vehicles provided for in subheading 8704.21 or 8704.31.

(D) Motor vehicles provided for in any of subheadings 8703.21 through 8703.90.

(3) FUNGIBLE GOOD OR FUNGIBLE MATERIAL.—The term ''fungible good'' or ''fungible material'' means a good or material, as the case may be, that is interchangeable with another good or material for commercial purposes and the properties of which are essentially identical to such other good or material.

(4) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term ''generally accepted accounting principles''—

(A) means the recognized consensus or substantial authoritative support given in the territory of Panama or the United States, as the case may be, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements; and

(B) may encompass broad guidelines for general application as well as detailed standards, practices, and procedures.

(5) GOOD WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF PANAMA, THE UNITED STATES, OR BOTH.—The term ''good wholly obtained or produced entirely in the territory of Panama, the United States, or both'' means any of the following:

(A) Plants and plant products harvested or gathered in the territory of Panama, the United States, or both.

(B) Live animals born and raised in the territory of Panama, the United States, or both.

(C) Goods obtained in the territory of Panama, the United States, or both from live animals.

(D) Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of Panama, the United States, or both.

(E) Minerals and other natural resources not included in subparagraphs (A) through (D) that are extracted or taken from the territory of Panama, the United States, or both.

(F) Fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of Panama or the United States by—

(i) a vessel that is registered or recorded with Panama and flying the flag of Panama; or

(ii) a vessel that is documented under the laws of the United States.

(G) Goods produced on board a factory ship from goods referred to in subparagraph (F), if such factory ship—

(i) is registered or recorded with Panama and flies the flag of Panama; or

(ii) is a vessel that is documented under the laws of the United States.

(H)(i) Goods taken by Panama or a person of Panama from the seabed or subsoil outside the territorial waters of Panama, if Panama has rights to exploit such seabed or subsoil.

(ii) Goods taken by the United States or a person of the United States from the seabed or subsoil outside the territorial waters of the United States, if the United States has rights to exploit such seabed or subsoil.

(I) Goods taken from outer space, if the goods are obtained by Panama or the United States or a person of Panama or the United States and not processed in the territory of a country other than Panama or the United States.

(J) Waste and scrap derived from—

(i) manufacturing or processing operations in the territory of Panama, the United States, or both; or

(ii) used goods collected in the territory of Panama, the United States, or both, if such goods are fit only for the recovery of raw materials.

(K) Recovered goods derived in the territory of Panama, the United States, or both from used goods, and used in the territory of Panama, the United States, or both, in the production of remanufactured goods.

(L) Goods, at any stage of production, produced in the territory of Panama, the United States, or both, exclusively from—

(i) goods referred to in any of subparagraphs (A) through (J), or

(ii) the derivatives of goods referred to in clause (i).

(6) IDENTICAL GOODS.—The term ''identical goods'' means goods that are the same in all respects relevant to the rule of origin that qualifies the goods as originating goods.

(7) INDIRECT MATERIAL.—The term ''indirect material'' means a good used in the production, testing, or inspection of another good but not physically incorporated into that other good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of another good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment or buildings;

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other good that is not incorporated into the other good but the use of which in the production of the other good can reasonably be demonstrated to be a part of that production.

(8) MATERIAL.—The term ''material'' means a good that is used in the production of another good, including a part or an ingredient.

(9) MATERIAL THAT IS SELF-PRODUCED.—The term ''material that is self-produced'' means an originating material that is produced by a producer of a good and used in the production of that good.

(10) MODEL LINE OF MOTOR VEHICLES.—The term ''model line of motor vehicles'' means a group of motor vehicles having the same platform or model name.

(11) NET COST.—The term ''net cost'' means total cost minus sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost.

(12) NONALLOWABLE INTEREST COSTS.—The term ''nonallowable interest costs'' means interest costs incurred by a producer that exceed 700 basis points above the applicable official interest rate for comparable maturities of the country in which the producer is located.

(13) NONORIGINATING GOOD OR NONORIGINATING MATERIAL.—The term ''nonoriginating good'' or ''nonoriginating material'' means a good or material, as the case may be, that does not qualify as originating under this section.

(14) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—The term ''packing materials and containers for shipment'' means goods used to protect another good during its transportation and does not include the packaging materials and containers in which the other good is packaged for retail sale.

(15) PREFERENTIAL TARIFF TREATMENT.—The term ''preferential tariff treatment'' means the customs duty rate, and the treatment under article 3.10.4 of the Agreement, that are applicable to an originating good pursuant to the Agreement.

(16) PRODUCER.—The term ''producer'' means a person who engages in the production of a good in the territory of Panama or the United States.

(17) PRODUCTION.—The term ''production'' means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(18) REASONABLY ALLOCATE.—The term ''reasonably allocate'' means to apportion in a manner that would be appropriate under generally accepted accounting principles.

(19) RECOVERED GOODS.—The term ''recovered goods'' means materials in the form of individual parts that are the result of—

(A) the disassembly of used goods into individual parts; and

(B) the cleaning, inspecting, testing, or other processing that is necessary for improvement to sound working condition of such individual parts.

(20) REMANUFACTURED GOOD.—The term ''remanufactured good'' means a good that is classified under chapter 84, 85, 87, or 90, or heading 9402, other than a good classified under heading 8418 or 8516, and that—

(A) is entirely or partially comprised of recovered goods; and

(B) has a similar life expectancy and enjoys a factory warranty similar to such a good that is new.

(21) TOTAL COST.—The term ''total cost'' means all product costs, period costs, and other costs for a good incurred in the territory of Panama, the United States, or both.

(22) USED.—The term ''used'' means utilized or consumed in the production of goods.

(o) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set forth in Annex 4.1 of the Agreement; and

(B) any additional subordinate category that is necessary to carry out this title consistent with the Agreement.

(2) FABRICS, YARNS, OR FIBERS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE UNITED STATES.—The President is authorized to proclaim that a fabric, yarn, or fiber is added to the list in Annex 3.25 of the Agreement in an unrestricted quantity, as provided in article 3.25.4(e) of the Agreement.

(3) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 (as included in Annex 4.1 of the Agreement).

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim before the end of the 1-year period beginning on the date on which the Agreement enters into force, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 (as included in Annex 4.1 of the Agreement).

(4) FABRICS, YARNS, OR FIBERS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN PANAMA AND THE UNITED STATES.—

(A) IN GENERAL.—Notwithstanding paragraph (3)(A), the list of fabrics, yarns, and fibers set forth in Annex 3.25 of the Agreement may be modified as provided for in this paragraph.

(B) DEFINITIONS.—In this paragraph:

(i) INTERESTED ENTITY.—The term ''interested entity'' means the Government of Panama, a potential or actual purchaser of a textile or apparel good, or a potential or actual supplier of a textile or apparel good.

(ii) DAY; DAYS.—All references to ''day'' and ''days'' exclude Saturdays, Sundays, and legal holidays observed by the Government of the United States.

(C) REQUESTS TO ADD FABRICS, YARNS, OR FIBERS.—

(i) IN GENERAL.—An interested entity may request the President to determine that a fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Panama and the United States and to add that fabric, yarn, or fiber to the list in Annex 3.25 of the Agreement in a restricted or unrestricted quantity.

(ii) DETERMINATIONS.—After receiving a request under clause (i), the President may determine whether—

(I) the fabric, yarn, or fiber is available in commercial quantities in a timely manner in Panama or the United States; or

(II) any interested entity objects to the request.

(iii) PROCLAMATION AUTHORITY.—The President may, within the time periods specified in clause (iv), proclaim that the fabric, yarn, or fiber that is the subject of the request is added to the list in Annex 3.25 of the Agreement in an unrestricted quantity, or in any restricted quantity that the President may establish, if the President has determined under clause (ii) that—

(I) the fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Panama and the United States; or

(II) no interested entity has objected to the request.

(iv) TIME PERIODS.—The time periods within which the President may issue a proclamation under clause (iii) are—

(I) not later than 30 days after the date on which a request is submitted under clause (i); or

(II) not later than 44 days after the request is submitted, if the President determines, within 30 days after the date on which the request is submitted, that the President does not have sufficient information to make a determination under clause (ii).

(v) EFFECTIVE DATE.—Notwithstanding section 103(a)(2), a proclamation made under clause (iii) shall take effect on the date on which the text of the proclamation is published in the Federal Register.

(vi) ELIMINATION OF RESTRICTION.—Not later than 6 months after proclaiming under clause (iii) that a fabric, yarn, or fiber is added to the list in Annex 3.25 of the Agreement in a restricted quantity, the President may eliminate the restriction if the President determines that the fabric, yarn, or

fiber is not available in commercial quantities in a timely manner in Panama and the United States.

(D) DEEMED APPROVAL OF REQUEST.—If, after an interested entity submits a request under subparagraph (C)(i), the President does not, within the applicable time period specified in subparagraph (C)(iv), make a determination under subparagraph (C)(ii) regarding the request, the fabric, yarn, or fiber that is the subject of the request shall be considered to be added, in an unrestricted quantity, to the list in Annex 3.25 of the Agreement beginning—

(i) 45 days after the date on which the request is submitted; or

(ii) 60 days after the date on which the request is submitted, if the President made a determination under subparagraph (C)(iv)(II).

(E) REQUESTS TO RESTRICT OR REMOVE FABRICS, YARNS, OR FIBERS.—

(i) IN GENERAL.—Subject to clause (ii), an interested entity may request the President to restrict the quantity of, or remove from the list in Annex 3.25 of the Agreement, any fabric, yarn, or fiber—

(I) that has been added to that list in an unrestricted quantity pursuant to paragraph (2) or subparagraph (C)(iii) or (D) of this paragraph; or

(II) with respect to which the President has eliminated a restriction under subparagraph (C)(vi).

(ii) TIME PERIOD FOR SUBMISSION.—An interested entity may submit a request under clause (i) at any time beginning on the date that is 6 months after the date of the action described in subclause (I) or (II) of that clause.

(iii) PROCLAMATION AUTHORITY.—Not later than 30 days after the date on which a request under clause (i) is submitted, the President may proclaim an action provided for under clause (i) if the President determines that the fabric, yarn, or fiber that is the subject of the request is available in commercial quantities in a timely manner in Panama or the United States.

(iv) EFFECTIVE DATE.—A proclamation issued under clause (iii) may not take effect earlier than the date that is 6 months after the date on which the text of the proclamation is published in the Federal Register.

(F) PROCEDURES.—The President shall establish procedures—

(i) governing the submission of a request under subparagraphs (C) and (E); and

(ii) providing an opportunity for interested entities to submit comments and supporting evidence before the President makes a determination under subparagraph (C) (ii) or (vi) or (E)(iii).

SEC. 204. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding after paragraph (20) the following:

''(21) No fee may be charged under subsection (a)(9) or (10) with respect to goods that qualify as originating goods under section 203 of the United States–Panama Trade Promotion Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.''.

SEC. 205. DISCLOSURE OF INCORRECT INFORMATION; FALSE CERTIFICATIONS OF ORIGIN; DENIAL OF PREFERENTIAL TARIFF TREATMENT.

(a) DISCLOSURE OF INCORRECT INFORMATION.—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended—

(1) in subsection (c)—

(A) by redesignating paragraph (13) as paragraph (14); and

(B) by inserting after paragraph (12) the following new paragraph:

''(13) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES–PANAMA TRADE PROMOTION AGREEMENT.—An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 203 of the United States–Panama Trade Promotion Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, promptly and voluntarily makes a corrected declaration and pays any duties owing with respect to that good.''; and

(2) by adding at the end the following new subsection:

''(l) FALSE CERTIFICATIONS OF ORIGIN UNDER THE UNITED STATES–PANAMA TRADE PROMOTION AGREEMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), it is unlawful for any person to certify falsely, by fraud, gross negligence, or negligence, in a Panama TPA certification of origin (as defined in section 508 of this Act) that a good exported from the United States qualifies as an originating good under the rules of origin provided for in section 203 of the United States–Panama Trade Promotion Agreement Implementation Act. The procedures and penalties of this section that apply to a violation of subsection (a) also apply to a violation of this subsection.

''(2) PROMPT AND VOLUNTARY DISCLOSURE OF INCORRECT INFORMATION.—No penalty shall be imposed under this subsection if, promptly after an exporter or producer that issued a Panama TPA certification of origin has reason to believe that such certification contains or is based on incorrect information, the exporter or producer voluntarily provides written notice of such incorrect information to every person to whom the certification was issued.

''(3) EXCEPTION.—A person shall not be considered to have violated paragraph (1) if—

''(A) the information was correct at the time it was provided in a Panama TPA certification of origin but was later rendered incorrect due to a change in circumstances; and

''(B) the person promptly and voluntarily provides written notice of the change in circumstances to all persons to whom the person provided the certification.''.

(b) DENIAL OF PREFERENTIAL TARIFF TREATMENT.—Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended by adding at the end the following new subsection:

''(l) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER THE UNITED STATES–PANAMA TRADE PROMOTION AGREEMENT.—If 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 provided for in section 203 of the United States–Panama Trade Promotion Agreement Implementation Act, U.S. Customs and Border Protection, in accordance with regulations issued by the Secretary of the Treasury, may suspend preferential tariff treatment under the United States–Panama Trade Promotion Agreement to entries of identical goods covered by subsequent representations by that importer, exporter, or producer until U.S. Customs and Border Protection determines that representations of that person are in conformity with such section 203.''.

SEC. 206. RELIQUIDATION OF ENTRIES.

Section 520(d) of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended in the matter preceding paragraph (1)—

(1) by striking ''or''; and

(2) by striking ''for which'' and inserting '', or section 203 of the United States–Panama Trade Promotion Agreement Implementation Act for which''.

SEC. 207. RECORDKEEPING REQUIREMENTS.

Section 508 of the Tariff Act of 1930 (19 U.S.C. 1508) is amended—

(1) by redesignating subsection (k) as subsection (l);

(2) by inserting after subsection (j) the following new subsection:

''(k) CERTIFICATIONS OF ORIGIN FOR GOODS EXPORTED UNDER THE UNITED STATES–PANAMA TRADE PROMOTION AGREEMENT.—

''(1) DEFINITIONS.—In this subsection:

''(A) RECORDS AND SUPPORTING DOCUMENTS.—The term 'records and supporting documents' means, with respect to an exported good under paragraph (2), records and documents related to the origin of the good, including—

''(i) the purchase, cost, and value of, and payment for, the good;

''(ii) the purchase, cost, and value of, and payment for, all materials, including indirect materials, used in the production of the good; and

''(iii) the production of the good in the form in which it was exported.

''(B) PANAMA TPA CERTIFICATION OF ORIGIN.—The term 'Panama TPA certification of origin' means the certification established under article 4.15 of the United States–Panama Trade Promotion Agreement that a good qualifies as an originating good under such Agreement.

''(2) EXPORTS TO PANAMA.—Any person who completes and issues a Panama TPA certification of origin for a good exported from the United States shall make, keep, and, pursuant to rules and regulations promulgated by the Secretary of the Treasury, render for examination and inspection all records and supporting documents related to the origin of the good (including the certification or copies thereof).

''(3) RETENTION PERIOD.—The person who issues a Panama TPA certification of origin shall keep the records and supporting documents relating to that certification of origin for a period of at least 5 years after the date on which the certification is issued.''; and

(3) in subsection (l), as so redesignated, by striking ''(i), or (j)'' and inserting ''(i), (j), or (k)''.

SEC. 208. ENFORCEMENT RELATING TO TRADE IN TEXTILE OR APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the Government of Panama to conduct a verification pursuant to article 3.21 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination of the Secretary that—

(A) an enterprise in Panama is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods, or

(B) a claim that a textile or apparel good exported or produced by such enterprise—

(i) qualifies as an originating good under section 203, or

(ii) is a good of Panama,

is accurate.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a)(1) includes—

(1) suspension of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of

a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary of the Treasury determines that there is insufficient information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to support that claim;

(2) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines that the person has provided incorrect information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that a person has provided incorrect information to support that claim;

(3) detention of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to determine the country of origin of any such good; and

(4) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that the person has provided incorrect information as to the country of origin of any such good.

(c) ACTION ON COMPLETION OF A VERIFICATION.—On completion of a verification under subsection (a), the President may direct the Secretary of the Treasury to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make the determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (c) includes—

(1) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary of the Treasury determines that there is insufficient information to support, or that the person has provided incorrect information to support, any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to support, or that a person has provided incorrect information to support, that claim; and

(2) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that there is insufficient information to determine, or that the person has provided incorrect information as to, the country of origin of any such good.

(e) PUBLICATION OF NAME OF PERSON.—In accordance with article 3.21.9 of the Agreement, the Secretary of the Treasury may publish the name of any person that the Secretary has determined—

(1) is engaged in intentional circumvention of applicable laws, regulations, or procedures affecting trade in textile or apparel goods; or

(2) has failed to demonstrate that it produces, or is capable of producing, the textile or apparel goods that are the subject of a verification under subsection (a)(1).

SEC. 209. REGULATIONS.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (n) of section 203;

(2) the amendment made by section 204; and

(3) any proclamation issued under section 203(o).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

In this title:

(1) PANAMANIAN ARTICLE.—The term ''Panamanian article'' means an article that qualifies as an originating good under section 203(b).

(2) PANAMANIAN TEXTILE OR APPAREL ARTICLE.—The term ''Panamanian textile or apparel article'' means a textile or apparel good (as defined in section 3(4)) that is a Panamanian article.

Subtitle A—Relief From Imports Benefitting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Panamanian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Panamanian article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Panamanian article if, after the date on which the Agreement enters into force, import relief has been provided with respect to that Panamanian article under this subtitle.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—

(1) IN GENERAL.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(2) LIMITATION ON RELIEF.—The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c).

(3) VOTING; SEPARATE VIEWS.—Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) REPORT TO PRESIDENT.—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination referred to in paragraph (1) and any finding or recommendation referred to in paragraph (2).

(e) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public the report (with the exception of information which the Commission determines to be confidential) and shall publish a summary of the report in the Federal Register.

SEC. 313. PROVISION OF RELIEF.

(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the President receives a report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C.

1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(b) EXCEPTION.—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) NATURE OF RELIEF.—

(1) IN GENERAL.—The import relief that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 3.3 of the Agreement in the duty imposed on the article.

(B) An increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) PROGRESSIVE LIBERALIZATION.—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization (described in article 8.2.3 of the Agreement) of such relief at regular intervals during the period of its application.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), any import relief that the President provides under this section may not, in the aggregate, be in effect for more than 4 years.

(2) EXTENSION.—

(A) IN GENERAL.—If the initial period for any import relief provided under this section is less than 4 years, the President, after receiving a determination from the Commission under subparagraph (B) that is affirmative, or which the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), may extend the effective period of any import relief provided under this section, subject to the limitation under paragraph (1), if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—

(i) INVESTIGATION.—Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date that is 9 months, and not later than the date that is 6 months, before the date on which any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) NOTICE AND HEARING.—The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) REPORT.—The Commission shall submit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which such termination occurs shall be the rate that, according to the Schedule of the United States to Annex 3.3 of the Agreement, would have been in effect 1 year after the provision of relief under subsection (a); and

(2) the rate of duty for that article after December 31 of the year in which such termination occurs shall be, at the discretion of the President, either—

(A) the applicable rate of duty for that article set forth in the Schedule of the United States to Annex 3.3 of the Agreement; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set forth in the Schedule of the United States to Annex 3.3 of the Agreement for the elimination of the tariff.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on—

(1) any article that is subject to import relief under—

(A) subtitle B; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.); or

(2) any article on which an additional duty assessed under section 202(b) is in effect.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Subject to subsection (b), no import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) EXCEPTION.—If an article for which relief is provided under this subtitle is an article for which the period for tariff elimination, set forth in the Schedule of the United States to Annex 3.3 of the Agreement, is greater than 10 years, no relief under this subtitle may be provided for that article after the date on which that period ends.

SEC. 315. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking ''and''; and

(2) by inserting before the period at the end '', and title III of the United States–Panama Trade Promotion Agreement Implementation Act''.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

(a) IN GENERAL.—A request for action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall publish in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of the request and the dates by which comments and rebuttals must be received.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the elimination of a duty under the Agreement, a Panamanian textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, no one of which is necessarily decisive; and

(B) shall not consider changes in consumer preference or changes in technology as factors supporting a determination of serious damage or actual threat thereof.

(3) DEADLINE FOR DETERMINATION.—The President shall make the determination under paragraph (1) not later than 30 days after the completion of any consultations held pursuant to article 3.24.4 of the Agreement.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as provided in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), any import relief that the President provides under section 322(b) may not, in the aggregate, be in effect for more than 3 years.

(b) EXTENSION.—If the initial period for any import relief provided under section 322 is less than 3 years, the President may extend the effective period of any import relief provided under that section, subject to the limitation set forth in subsection (a), if the President determines that—

(1) the import relief continues to be necessary to remedy or prevent serious damage

and to facilitate adjustment by the domestic industry to import competition; and

(2) there is evidence that the industry is making a positive adjustment to import competition.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

The President may not provide import relief under this subtitle with respect to an article if—

(1) import relief previously has been provided under this subtitle with respect to that article; or

(2) the article is subject to import relief under—

(A) subtitle A; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.

On the date on which import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect but for the provision of such relief.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.

No import relief may be provided under this subtitle with respect to any article after the date that is 5 years after the date on which the Agreement enters into force.

SEC. 327. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SEC. 328. CONFIDENTIAL BUSINESS INFORMATION.

The President may not release information received in connection with an investigation or determination under this subtitle which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the President, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information, the party shall also 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. FINDINGS AND ACTION ON PANAMANIAN ARTICLES.

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the Commission makes an affirmative determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d))), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the Panamanian article are a substantial cause of serious injury or threat thereof.

(b) PRESIDENTIAL DETERMINATION REGARDING IMPORTS OF PANAMANIAN ARTICLES.—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the President may exclude from the action Panamanian articles with respect to which the Commission has made a negative finding under subsection (a).

TITLE IV—MISCELLANEOUS

SEC. 401. ELIGIBLE PRODUCTS.

Section 308(4)(A) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)(A)) is amended—

(1) by striking ''or'' at the end of clause (viii);

(2) by striking the period at the end of clause (ix) and inserting ''; or''; and

(3) by adding at the end the following new clause:

''(x) a party to the United States–Panama Trade Promotion Agreement, a product or service of that country or instrumentality which is covered under that agreement for procurement by the United States.''.

SEC. 402. MODIFICATION TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.

(a) IN GENERAL.—Section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b)) is amended by striking ''Panama'' from the list of countries eligible for designation as beneficiary countries.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date on which the President terminates the designation of Panama as a beneficiary country pursuant to section 201(a)(3) of this Act.

TITLE V—OFFSETS

SEC. 501. EXTENSION OF CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by adding at the end the following:

''(D) Notwithstanding subparagraph (B)(i), fees may be charged under paragraphs (1) through (8) of subsection (a) during the period beginning on September 1, 2021, and ending on September 30, 2021.''.

SEC. 502. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Notwithstanding section 6655 of the Internal Revenue Code of 1986, in the case of a corporation with assets of not less than $1,000,000,000 (determined as of the end of the preceding taxable year)—

(1) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2012 shall be increased by 0.25 percent of such amount (determined without regard to any increase in such amount not contained in such Code);

(2) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2016 shall be increased by 0.25 percent of such amount (determined without regard to any increase in such amount not contained in such Code); and

(3) the amount of the next required installment after an installment referred to in paragraph (1) or (2) shall be appropriately reduced to reflect the amount of the increase by reason of such paragraph.

The SPEAKER pro tempore. The bill shall be debatable for 90 minutes, with 30 minutes controlled by the gentleman from Michigan (Mr. CAMP), 30 minutes controlled by the gentleman from Michigan (Mr. LEVIN), and 30 minutes controlled by the gentleman from Ohio (Mr. KUCINICH).

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

GENERAL LEAVE

Mr. CAMP. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CAMP. I yield myself such time as I may consume.

Madam Speaker, I urge rapid passage of this legislation to implement the U.S.-Panama Trade Promotion Agreement. This agreement enjoys broad bipartisan support, and it's clear why. It levels the trade playing field between the U.S. and Panama. It is good for U.S. companies, workers, and farmers; and it advances our national security and leadership in the Western Hemisphere.

Right now, Panama enjoys almost total duty-free access to the United States market because it is a beneficiary of various trade preference programs. Given the importance of a stable and prosperous Panama, giving Panama this market access is warranted. However, U.S. industrial and consumer products going to Panama face an average duty of 7 percent, and U.S. agricultural exports face an average tariff of 15 percent. Implementing this agreement will level the playing field for U.S. exporters by drastically reducing or ending Panama's tariff on U.S. goods. Most U.S. consumer and industrial products will immediately become duty-free, as will half of U.S. farm exports. Any remaining tariffs will decrease quickly thereafter.

Opening Panama's market will be a boon for U.S. companies, workers, and farmers. The Panamanian economy is rapidly growing and is expected to more than double by 2020. Panama is already one of the largest markets for some U.S. exporters and service firms. The importance of Panama will only grow for these firms and others as we gain greater access to this expanding economy. This is also true for our farmers, whose exports to Panama are expected to significantly increase under the agreement. Not only will American farmers benefit from lower tariffs into Panama, but they will also benefit from the removal of nontariff and regulatory barriers that discriminate against U.S. agricultural products. Best of all, the agreement will create new jobs and greater prosperity in the United States without adding to the deficit.

Finally, the benefits of the U.S.-Panama Trade Promotion Agreement are not only economic. The agreement is critical to fostering our commitment to Latin America, enhancing our leadership in the Western Hemisphere, and reaffirming our relationship with a close friend. Panama is obviously a vital ally in terms of port and maritime security. It is also an important partner in combating drug trafficking and terrorism. Of course there is also Panama's crown jewel, the canal. The United States is the largest user of the canal, and canal security is paramount to our national security and broadly to open sea routes. Panama's cooperation in maintaining the security of the canal has been vital to our security and the region.

Madam Speaker, for all of these reasons, the time to wait has passed. We urgently need to pass this important job-creating legislation and move forward on an aggressive trade agenda once again.

I urge all of my colleagues to support this bipartisan legislation, and I reserve the balance of my time.

Mr. LEVIN. Madam Speaker, I yield myself 1 minute.

As I said with regard to Colombia, each of these agreements should be taken on their own. The Panama FTA, as originally negotiated by the Bush administration, failed to address serious concerns about Panama's labor laws and status as a tax haven. It has been changed through the efforts of congressional Democrats and the Obama administration, and it now deserves our support.

Fully enforceable labor and environmental standards are included in the core of this agreement. Panama has brought its laws into full compliance with ILO standards. And late last year, Panama signed a tax exchange information agreement, and they have changed their laws to implement this agreement. Republicans negotiated a flawed agreement. It has been fixed. It now deserves our support.

I reserve the balance of my time.

Mr. KUCINICH. Madam Speaker, I yield myself such time as I may consume.

I rise in strong opposition to H.R. 3079, the United States-Panama Trade Promotion Agreement Implementation Act. With our Nation's unemployment continuing to hover around 9 percent, it is unconscionable that we are considering a NAFTA clone free trade agreement. This agreement would further facilitate the outsourcing of American jobs and undermine the rights of American workers. Proponents of free trade agreements like to purport that they're good for the American economy and will create jobs. But history is on the side of those of us who opposed NAFTA, CAFTA, and other damaging trade agreements over the last decade.

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Free trade agreements play a significant role in exacerbating the negative effects of globalization, including the rapid privatization of vital public resources that has resulted in the loss of domestic jobs and manufacturing industries and in significant decreases in labor and environmental standards.

In addition, free trade agreements result in significant job loss and privatization of labor-intensive industries for countries we enter into the trade agreements with. Unionizing in countries like Mexico and Colombia has resulted in death or imprisonment of union leaders. Every State in this country has been affected negatively by our destructive trade policies. The Economic Policy Institute estimates that nearly 700,000 U.S. jobs have been displaced since the passage of NAFTA in the 1990s. The majority of the jobs displaced, 60 percent were in the manufacturing sector. My home State of Ohio is one of the top 10 States with the most jobs displaced by NAFTA, having lost 34,900 jobs.

Our rapidly increasing trade deficits with countries like China have resulted in the loss of over 5 million jobs in the last decade. Of that 5 million, the State of Ohio has lost 103,000 jobs as a result of the increase of our trade deficit with China.

This is not a debate about being for trade or against trade, as some of my colleagues have framed it. This is a debate about learning from the free trade policies we pursued over the last decade that have proven to be significantly damaging to the American economy and American workers. The numbers speak for themselves. I urge my colleagues to oppose this agreement.

I reserve the balance of my time.

Mr. CAMP. I yield 2 minutes to the distinguished chairman of the Trade Subcommittee, the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Madam Speaker, I rise in strong support of this bipartisan legislation to create jobs in America and to strengthen our relationship with a strong, long-standing ally in our hemisphere, Panama.

Why wouldn't we sign this sales agreement? Panama is a growing market; almost a 9 percent growth in their economy and in a major way in our backyard. They are an economy that matches up beautifully with America. Most of its economy is the services sector, like the United States, and it provides brand new markets, new customers, not just for manufacturing, not just for agriculture, as important as they are, but for our services sector, which is critical to so many communities across this country.

It's time to act now because we're falling behind. While America has been off the trade agenda, other countries have moved forward very aggressively. And Panama, recognizing its strategic importance and its economic growth, has signed similar sales agreements with Taiwan and Singapore, and with Europe and Canada, and many more are in line. Every day we wait, American manufacturers, American farmers, American technology companies lose out.

Finally, Panama has done so much to tackle issues, like labor rights. They have strong commitment to labor rights, having recently passed under President Martinelli almost a dozen laws strengthening labor rights in Panama.

And to address the issue of tax avoidance and tax havens, Panama has signed many agreements, including with the United States, to be transparent to the point where they are now recognized internationally as being as committed to open tax treaties and tax treatments as the United States is today.

Madam Speaker, there is no reason to wait. Implementing the Panama agreement will benefit our economy, it will benefit the Panamanian economy, and strengthen this crucial ally and keep America from falling further behind.

Mr. KUCINICH. Madam Speaker, since I came to Congress, I've worked together with Congresswoman KAPTUR in challenging these unfair trade agreements, and I am proud to yield 4 minutes to the gentlelady from Ohio for her presentation.

Ms. KAPTUR. I want to thank my good friend from Ohio for yielding me the time and for his steadfast opposition to these free trade agreements, and I rise in strong opposition to this proposed Panama Free Trade Agreement. Who in their right mind could believe any free trade agreements modeled on NAFTA would create jobs in our country?

I remember during the 1990s fighting the first NAFTA accord here, and Newt Gingrich saying at that time NAFTA would help the United States ''by increasing American jobs through world sales.'' Sure.

Here's what NAFTA yielded: a trillion dollars in accumulated trade deficit, and hundreds and hundreds of thousands of lost American jobs that moved from Cleveland and moved from Avon Lake and moved from Sandusky and moved from Toledo and moved from Madeira to other places in this world south of the border. Why don't we go back and fix this?

Now, let's be honest. Panama's entire GDP equals about 6 percent of the economy of the Washington, D.C., metropolitan area. So what could this Panama agreement actually be about? Well, letters we've received give us some insight into what it might be about. With Panama, we know the country has a long-standing money laundering problem and that it is a tax haven for corporations. How convenient.

In 2008, the Government Accountability Office included Panama on its 50-country tax haven list. Get the picture? Starting to clear some of the fog? We all know about some of these Cayman Island accounts. Well, why don't we add Panama right to the stack. Panama was long on the OECD's gray list of countries that failed to implement internationally agreed upon tax standards. These guys have got something really good going. But you know what? In this country it would be illegal.

According to Public Citizen, approximately 400,000 firms and numerous wealthy individuals use Panama's offshore financial services industry to dodge paying their taxes. I thought we were supposed to be for returning those tax dollars to the United States, not giving them another escape hatch. AFSCME has said that Panama has a history of failing to protect workers and enforce labor rights. And the Sierra Club points out that the Panama free trade agreement has the same investment chapters proposed in other trade agreements that allow foreign investors and corporations to directly challenge public interest laws for compensation before international tribunals, bypassing domestic courts. In other words, the rule of law gets shredded piece by piece by piece.

Why does America keep shooting itself in the foot? As the building and construction trades at the AFL–CIO have noted, the Panama proposed agreement, like all others, ''undermine the Buy America policies that reinvested our taxes in our communities.''

You know, it's really sad when an institution and an administration keeps doing the same thing over and over and over again that is hollowing out the jobs in the United States of America. We want to make it in America. We don't want to outsource more jobs, provide more tax havens, provide more escape hatches.

When you campaign and you try to represent the people in places like Ohio, as Congressman KUCINICH knows, we've tried so very hard, every time you create 100 jobs, they snatch away 300. And then they say to the workers: You know what, you're earning too much money; $14 an hour, you're going down to $9. You don't like that? Well, there's the door because there are 7,000 workers lined up for part-time jobs in places like northern Ohio.

This Congress had better wake up and renegotiate these trade deals that have cost the middle class across this country their ability to earn a living in America.

I thank the gentleman for yielding me the time and look forward to the continuing debate.

Mr. CAMP. Madam Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KINZINGER).

Mr. KINZINGER of Illinois. I thank the chairman for yielding.

America is talking so much now, and there's such a need right now for jobs. There is such a need. Over 9 percent of this country is begging every day for the opportunity to go out and work and earn a living. We have a middle class that is feeling the squeeze because we see disappearing manufacturing. And that's something I'm very concerned about.

In my district in Illinois, we have a very heavy manufacturing base, and when you look at that heavy manufacturing base and the fact that they produce a lot of goods that need to be exported, you have to find a consumer base in order to sell it, and 95 percent of the world's consumers live outside of our country. It would only make sense to create an environment where we can take our goods and in a fair way export them to other countries. Panama, an ally of the United States, currently has a situation where they can charge tariffs on our imports and we don't charge tariffs on imports from them.

□ 2120

This agreement would bring that to a level playing field and allow the people in my district, who literally sweat every day wondering if they're going to have a paycheck tomorrow, the opportunity to enhance their exports, to enhance those American goods that are made in America, but it's great for somebody in the other country to read the product that they buy that also says ''Made in America,'' too.

We have a heavy agricultural district in my area, too. When I look at the farmers and their opportunity to sell overseas their goods and products that we create every day, that's very important. As you know, in business, the ability to be successful means you have to be on the cutting edge and constantly finding markets and places to sell your goods. This does that for us.

I think it's sad that it's taken us this many years to get to this point, and I think we've lost a lot of opportunity costs in the process, but I'm pleased that today we are finally taking up these three agreements. I'm pleased that we're taking up this trade agreement with Panama and that we have an opportunity to really strengthen a bond with a strong ally of the United States, strengthen our exports, and I'm excited that the tens of thousands of people that rely on trade in my district will have an opportunity to sell more goods.

Mr. LEVIN. I yield 4 minutes to the distinguished gentleman from Washington (Mr. MCDERMOTT), the ranking member on our Trade Subcommittee.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Madam Speaker, I agree with the last gentleman. We ought to be talking about the jobs bill. The President put a bill out here. We can't get the Republican leadership to even bring it up. But we will bring up the Panama free trade agreement. Now, this is a break from trade policies in the past. It reflects the hard work of many of us to change U.S. trade policy.

There are five reasons to support this agreement:

First, it has strong enforceable labor and environmental obligations. Many of us fought for years to get these commitments into our trade agreements. We lost those battles in 1995. I was here when NAFTA passed and the debate over CAFTA 6 years ago, which is why in that agreement 15 Democrats voted for it—because it wouldn't take care of workers. Now, that all changed in 2007 when the Democrats took over the House. The last administration finally accepted our demands on labor, the environment, and other issues, such as access to medicine. This agreement includes all of those.

We, secondly, have used the leverage of this agreement to eliminate a tax haven. No one denies that Panama was a great tax haven. But they have ratified the Tax Information Agreement with us, which The Wall Street Journal says is ''the most significant step to date on the road to ending four decades of virtually watertight banking secrecy laws in Panama.''

Third, we worked with Panama to bring its labor rights up to standard.

Fourth, the investment provisions of this agreement do more to protect the governments' rights to regulate those found in past agreements, such as chapter 11 of NAFTA. For example, this agreement clarifies that the environmental regulations generally are not ''expropriations'' and that foreign investors do not have greater rights than U.S. investors under U.S. law.

Finally, the United States has consistently maintained a trade surplus with Panama for 20 years, and this agreement expects to increase that.

I support the agreement. Panama has done what they have asked, and they should enjoy the benefits of a free trade agreement. But make no mistake, we need to do more to improve our U.S. trade policy. We have to get the Republican leadership in the House and the Senate to admit that we're going to have to have a jobs bill.

We've been in session for 300 days after an election in which all we heard was the Democrats didn't get jobs, jobs, jobs. And now, 300 days—silence. Silence on the Republican side. Not one single bill. When is it coming, folks? That ought to be the next bill that comes up to the floor.

I urge my colleagues to vote for this.

Mr. CAMP. I yield 2 minutes to the distinguished chairman of the Foreign Affairs Committee, the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. I thank the esteemed chairman for the time.

Madam Speaker, I rise in strong support of the U.S.-Panama free trade agreement. In my home district of Miami-Dade, Panama is among its top 25 trading partners. In Florida as a whole, it ranks number one among all of the States in exports to that country—incredible numbers. And these figures, Madam Speaker, will only increase once the FTA has been approved and American businesses no longer face heavy tariffs and other artificial barriers to trade.

But in addition to the potential economic growth stemming from this agreement, Panama is a key strategic ally in the region. Ever since the Panama Canal was completed a century ago, Panama's importance to the U.S. has only increased as a major transportation route, with two-thirds of its traffic consisting of shipments between our west and east coast. For these reasons—expanded exports, increased jobs, closer ties with a strategic ally—I hope that my colleagues on both sides of the aisle will pass this free trade agreement.

Madam Speaker, we have been waiting for this agreement for far too long, years of lost opportunities. But now we have a chance to repair that damage. In the past year alone, Panama's economy grew 6.2 percent, making it one of the fastest growing in Latin America and an expanding opportunity for American businesses. Currently, U.S. industrial exports face an average tariff of 7 percent, but some tariffs go as high as over 80 percent. But once this agreement goes into effect, 87 percent of all U.S. goods exported to Panama will become duty-free immediately.

In the past 4 years since the trade agreement was signed, American companies have paid millions upon millions of dollars in tariffs to the Panamanian Government. These dollars are needlessly spent by U.S. businesses to foreign governments when they could have been paid here in the United States to beef up our businesses.

Madam Speaker, I rise in strong support of the U.S.-Panama Free Trade Agreement.

We have been waiting to vote on this agreement since it was first signed, which means years of lost opportunities.

But now we have a chance to repair that damage.

In the past year alone, Panama's economy grew 6.2 percent, making it one of the fast growing in Latin America and an expanding opportunity for American exporters.

Panama is already among Miami-Dade county's top 25 trading partners and Florida as a whole ranks number one among the 50 states in exports to that country.

These figures will only increase once the FTA has been approved and American businesses no longer face heavy tariffs and other artificial barriers to trade.

Currently, U.S. industrial exports face an average tariff of 7 percent, with some tariffs as high as 81 percent.

Once this agreement goes into effect, 87 percent of all U.S. goods exported to Panama will become duty-free immediately.

In the past 4 years since the U.S.-Panama Free Trade Agreement was signed, American companies have paid millions upon millions of dollars in tariffs to the Panamanian government.

Those are dollars needlessly spent by U.S. businesses, which they could have used for investments and expansion here in the U.S. instead of paying fees to a foreign government.

Approval of the U.S.-Panama FTA will eliminate this transfer of wealth, increase U.S. exports, and create new jobs here at home that so many Americans are desperately searching for.

The agreement also has many other provisions of importance to U.S. businesses, especially strengthening intellectual property rights, which are under assault around the world.

In addition to the potential economic growth stemming from this agreement, Panama is a key strategic ally in the region.

Ever since the Panama Canal was completed a century ago, Panama's importance to the U.S. has only increased as a major transportation route with two-thirds of its traffic consisting of shipments between our west and east coasts.

For these many reasons—expanded exports, increased jobs, and closer ties with a strategic ally—I strongly urge my colleagues on both sides of the aisle to vote in favor of the U.S.-Panama Free Trade Agreement.

Mr. LEVIN. Could I ask how much time is remaining?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 26 minutes remaining, the gentleman from Ohio has 23 minutes remaining, and the gentleman from Michigan (Mr. CAMP) has 21 minutes remaining.

Mr. LEVIN. I now yield 2½ minutes to the distinguished gentleman from Texas (Mr. CUELLAR).

Mr. CUELLAR. By leveling the playing field with 21st century trade deals with Panama, Colombia, and South Korea, we will increase American exports abroad and spur domestic job creation. Now, more than ever, the U.S. needs trade to fuel growth, create jobs, and preserve America's position as a leader of the greater economy.

I represent a border region of Texas where trade is part of daily life. I understand the importance of trade to my hometown's value in supporting the local economy. As the chairman of the Pro-Trade Caucus and representing a trade-centric district, I support all three pending trade agreements.

Today, trade supports over 50 million American jobs, according to the U.S. Department of the Treasury. These pending FTAs would create an additional quarter of a million new jobs in industries like manufacturing, agriculture, and service sectors, according to the U.S. Chamber of Commerce. Last week, The Wall Street Journal reported the FTAs could boost U.S. exports by $13 billion annually. To grow, we must be an export powerhouse.

The U.S.-Panama FTA would remove barriers to American goods entering into Panama. According to the U.S. Trade Representative, over 87 percent of U.S. exports of consumer and industrial products to Panama will become duty-free immediately, with the remaining tariffs phased out over the following 10 years.

The U.S. International Trade Commission estimates passage of the U.S.-Korea Free Trade Agreement would increase U.S. exports by over $10 billion and create 70,000 jobs. According to the National Association of Manufacturers, the U.S. exports to Korea would grow by more than one-third. The U.S.-Colombia FTA would expand exports by more than $1.1 billion with the tariff reductions, according to the International Trade Commission. Without the U.S.-Colombia FTA, the U.S. cotton exporters to Colombia will have unnecessarily paid over $14 million in tariffs.

Lawmakers have a choice. Pass the deals or allow America to lose the opportunity to emerge in the constantly growing global market. Pass the deals or miss the chance to create 250,000 jobs. Pass the deals or allow American businesses to sit on the sidelines while foreign countries forge ahead.

America must pass the Colombia, Korea, and Panama trade deals, or we will fall behind.

□ 2130

Mr. KUCINICH. Madam Speaker, I yield 1 minute to the gentlelady from New York, who has made a real impact in this Congress in her first year, Representative HOCHUL.

Ms. HOCHUL. I thank my colleague from Ohio.

I'm here to stand up on behalf of the working men and women of the 26th District of New York, people like the woman at the Buffalo Airport this morning who served me my energy drink as I boarded the flight. She told me she works at the airport because she lost her job of 23 years at a textile factory in downtown Buffalo. First the jobs went south, then they went overseas, jobs gone forever. As I left for my flight she said to me, Keep fighting for our jobs. Don't forget us. Well, I won't forget her. If I thought any of these fair trade agreements would help that woman and help others in my district, I'd be all in favor. But in western New York, we know better. We were promised prosperity with earlier trade agreements, but while the companies became more prosperous, the jobs were sucked away from our community to foreign shores, lost forever.

As they say in the immortal song made famous by The Who, ''we won't get fooled again.'' I encourage my colleagues to oppose these agreements.

Mr. CAMP. At this time, I reserve the balance of my time.

Mr. LEVIN. I yield 1 minute to the gentlelady from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Madam Speaker, I rise today in opposition to this free trade agreement with Panama and to the two others that we are considering this week with South Korea and Colombia.

Trade agreements should be in the best interests of our Nation and its people, but sadly this has not been the case with the past free trade agreements. Have some of our wealthiest corporations profited from them? Indeed. But the rest of America, especially the middle class, has struggled with job loss, closed factories, and economic and emotional anguish across the country.

I hear from Wisconsin families every day that are struggling mightily, struggling to pay the mortgage, put food on the table, and send their kids to college, especially during these uncertain economic times. The solution is to put our people back to work and preserve American jobs.

When done right, trade agreements can help bolster our manufacturing and high-skilled technology industries and create jobs as they increase exports and help our economy recover. Done wrong, trade agreements send these same jobs offshore, leaving Americans out of work. Unfortunately, I believe these trade agreements with South Korea, Panama, and Colombia will exacerbate the U.S. trade deficit and further erode our manufacturing base.

Mr. CAMP. I continue to reserve the balance of my time.

Mr. KUCINICH. Madam Speaker, I yield myself 1 minute.

The U.S.-Panama Free Trade Agreement requires the U.S. to waive Buy America requirements for all Panamanian incorporated firms and even many Chinese and other foreign firms incorporated in Panama that are there to exploit the tax system. This means that work that should go to U.S. workers can be offshored because of the

rules which forbid Buy America preferences requiring U.S. employees to perform contract work by a Federal agency in the Federal procurement process. According to Global Trade Watch, the U.S. would be waiving Buy America requirements for trillions in U.S. Government contracts for any corporations established in Panama, and in exchange would get almost no new procurement contract opportunities in Panama for U.S. companies.

This trade deal is in the NAFTA tradition of weakening offshore protections, limiting financial service regulations, banning Buy America procurement preferences, limiting environmental, food, and product safety safeguards, and undermining U.S. workers and our economy.

We have to defeat this. We have to be able to Buy America or it's ''bye bye America.''

Mr. CAMP. Madam Speaker, I understand that I have 21 minutes remaining.

I yield 1 minute to the distinguished gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. Madam Speaker, first of all, this is not offshore, this proposal is next door. These are our neighbors.

Second of all, this is not just about great opportunities economically for America, but we hear people talk about the environment. When you recycle, so-called ''replace'' your cell phones, where do you think they go? They get rebuilt and they get shipped down to our neighbors to the south so they can have the economic opportunities, they can have the learning opportunities. This is the kind of cooperation we want to see in our hemisphere.

But to attack Panama, which is the leader of showing how they can stimulate an economy, with almost 10 percent growth, to attack Panama, allowing the working class access to recycled material, environmentally friendly but economically upper lifting, to attack that kind of agreement on this floor and then say that you're for the environment and you're for helping the poor, don't come to this floor and say you care about the environment, you care about the needy, and you care about our neighbors and oppose this proposal.

Mr. LEVIN. Madam Speaker, could I inquire as to how much time I have remaining?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 22½ minutes remaining.

Mr. LEVIN. I yield myself 2½ minutes.

I voted against NAFTA. I led the battle against CAFTA on this floor. I did so because in those agreements there were not enforceable international worker rights. We face this in Panama.

As originally negotiated, there was not the implementation of those rights in Panama. They had certain provisions relating to newer businesses. They also had restrictions in terms of trade zones. And what we said to the Panamanians was, bring your laws up to international standards. That's exactly what they did. This is the opposite, in that respect, of NAFTA and CAFTA. So it is not accurate to say this is a NAFTA-type agreement. It simply is not.

In terms of government procurement, we want access for our companies and workers to the construction that's going on in the Panama Canal zone. It's vital for our companies. And so essentially in this agreement there is a provision that we can have access there, with limits, as they can, with limits, to us. It's mutually beneficial.

Lastly, there has been reference to the tax haven. Panama was a tax haven, one of the most striking in the world. And we insisted that they enact a TIEA. They've done exactly that. So if we take these one at a time, this is an agreement that meets our standards and changes the agreement from the way it was negotiated by the Bush administration. We should support this agreement.

□ 2140

Mr. KUCINICH. I yield myself 1 minute.

Panama is one the world's worst tax havens, allowing rich U.S. individuals and corporations to skirt their responsibility to pay taxes that are vital to the local communities that depend on these revenues. This agreement does nothing to address this issue. At a time when austerity measures are being proposed to balance the budget, we should not be considering a free trade agreement that fails to deal with an issue critical to addressing our deficit.

This free trade agreement includes provisions that undermine our own laws to combat tax haven activity. Public Citizen's Global Trade Watch reports that the ''FTA's Services, Financial Services and Investment Chapters include provisions that forbid limits on transfers of money between the U.S. and Panama. Yet, such limits are the strongest tools that the U.S. has to enforce policies aimed at stopping international tax avoidance.''

The agreement fails to hold Panama and corporations accountable for tax evasion. The agreement only requires Panama to stop refusing to provide information to U.S. officials in specific cases if U.S. officials know to inquire who's telling. There's a significant exception that allows Panama to reject requests for information if it's contrary to the national interest.

Do not reward corporations who offshore jobs and practice international tax avoidance. Do not hurt American workers and the economy. Defeat this trade agreement.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 3079 is postponed.

UNITED STATES-KOREA FREE TRADE AGREEMENT IMPLEMENTATION ACT

Mr. CAMP. Madam Speaker, pursuant to House Resolution 425, I call up the bill (H.R. 3080) to implement the United States-Korea Free Trade Agreement, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 425, the bill is considered read.

The text of the bill is as follows:

H.R. 3080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''United States–Korea Free Trade Agreement Implementation Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows: