

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.

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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:

Sec. 1. Short title.

Sec. 2. Purposes.

Sec. 3. Definitions.

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

Sec. 101. Approval and entry into force of the Agreement.

Sec. 102. Relationship of the Agreement to United States and State law.

Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.

Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.

Sec. 105. Administration of dispute settlement proceedings.

Sec. 106. Arbitration of claims.

Sec. 107. Effective dates; effect of termination.

#### TITLE II—CUSTOMS PROVISIONS

Sec. 201. Tariff modifications.

Sec. 202. Rules of origin.

Sec. 203. Customs user fees.

Sec. 204. Disclosure of incorrect information; false certifications of origin; denial of preferential tariff treatment.

Sec. 205. Reliquidation of entries.

Sec. 206. Recordkeeping requirements.

Sec. 207. Enforcement relating to trade in textile or apparel goods.

Sec. 208. Regulations.

#### TITLE III—RELIEF FROM IMPORTS

Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefitting From the Agreement

Sec. 311. Commencing of action for relief.

Sec. 312. Commission action on petition.

Sec. 313. Provision of relief.

Sec. 314. Termination of relief authority.

Sec. 315. Compensation authority.

Sec. 316. Confidential business information.

Subtitle B—Motor Vehicle Safeguard Measures

Sec. 321. Motor vehicle safeguard measures.

Subtitle C—Textile and Apparel Safeguard Measures

Sec. 331. Commencement of action for relief.

Sec. 332. Determination and provision of relief.

Sec. 333. Period of relief.

Sec. 334. Articles exempt from relief.

Sec. 335. Rate after termination of import relief.

Sec. 336. Termination of relief authority.

Sec. 337. Compensation authority.

Sec. 338. Confidential business information.

Subtitle D—Cases Under Title II of the Trade Act of 1974

Sec. 341. Findings and action on Korean articles.

## TITLE IV—PROCUREMENT

Sec. 401. Eligible products.

## TITLE V—OFFSETS

Sec. 501. Increase in penalty on paid preparers who fail to comply with earned income tax credit due diligence requirements.

Sec. 502. Requirement for prisons located in the United States to provide information for tax administration.

Sec. 503. Rate for merchandise processing fees.

Sec. 504. Extension of customs user fees.

Sec. 505. Time for payment of corporate estimated taxes.

## SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the free trade agreement between the United States and Korea 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 secure the benefits of the agreement entered into pursuant to an exchange of letters between the United States and the Government of Korea on February 10, 2011;

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

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

(5) 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-Korea Free Trade 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) KOREA.—The term “Korea” means the Republic of Korea.

(5) 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)).

## 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-Korea Free Trade Agreement entered into on June 30, 2007, with the Government of Korea, 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 Korea 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 Korea 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 on which 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 22 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 \$750,000 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 22 of the Agreement.

## SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 11.16.1(a)(i)(C) or article 11.16.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 11 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, section 207(g), 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 203, 204, 206, and 401 of this Act take effect on the date of the enactment of this Act and apply with respect to Korea 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.—The President may proclaim—

(1) such modifications or continuation of any duty,

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

(3) such additional duties, as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, and 2.6, and Annex 2-B, Annex 4-B, and Annex 22-A, of the Agreement.

(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 Korea regarding the staging of any duty treatment set forth in Annex 2-B 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 Korea 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 2-B 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 TREATMENT OF MOTOR VEHICLES.—The President may proclaim the following tariff treatment with respect to the following motor vehicles of Korea:

(1) CERTAIN PASSENGER CARS.—In the case of originating goods of Korea classifiable under subheading 8703.10.10, 8703.10.50, 8703.21.00, 8703.22.00, 8703.23.00, 8703.24.00, 8703.31.00, 8703.32.00, or 8703.33.00 of the HTS that are entered, or withdrawn from warehouse for consumption—

(A) the rate of duty for such goods shall be 2.5 percent for year 1 of the Agreement through year 4 of the Agreement; and

(B) such goods shall be free of duty for each year thereafter.

(2) ELECTRIC MOTOR VEHICLES.—In the case of originating goods of Korea classifiable under subheading 8703.90.00 of the HTS that are entered, or withdrawn from warehouse for consumption—

(A) the rate of duty for such goods shall be—

(i) 2.0 percent for year 1 of the Agreement;

(ii) 1.5 percent for year 2 of the Agreement;

(iii) 1.0 percent for year 3 of the Agreement; and

(iv) 0.5 percent for year 4 of the Agreement; and

(B) such goods shall be free of duty for each year thereafter.

(3) CERTAIN TRUCKS.—In the case of originating goods of Korea classifiable under subheading 8704.21.00, 8704.22.50, 8704.23.00, 8704.31.00, 8704.32.00, or 8704.90.00 of the HTS that are entered, or withdrawn from warehouse for consumption—

(A) the rate of duty for such goods shall be—

(i) 25 percent for year 1 of the Agreement through year 7 of the Agreement;

(ii) 16.6 percent for year 8 of the Agreement; and

(iii) 8.3 percent for year 9 of the Agreement; and

(B) such goods shall be free of duty for each year thereafter.

(4) DEFINITIONS.—In this subsection—

(A) 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; and

(B) the terms “year 2 of the Agreement”, “year 3 of the Agreement”, “year 4 of the Agreement”, “year 5 of the Agreement”, “year 6 of the Agreement”, “year 7 of the Agreement”, “year 8 of the Agreement”, and “year 9 of the Agreement” mean the second, third, fourth, fifth, sixth, seventh, eighth, and ninth calendar years, respectively, in which the Agreement is in force.

### SEC. 202. 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 Korea 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 Korea, the United States, or both;

(2) the good—

(A) is produced entirely in the territory of Korea, 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-A or Annex 6-A of the Agreement; or

(ii) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 4-A or Annex 6-A of the Agreement; and

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

(3) the good is produced entirely in the territory of Korea, 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 6-A 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, other

than indirect 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, other than indirect 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 6-A 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, other than indirect 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 Korea 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 Korea 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 Korea 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 Korea 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 Korea 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 pro-

mulgated 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 Korea, 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 Korea, 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 Korea, 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 Korea, 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 Korea, 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 Korea 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 Korea, 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 6-A of the Agreement is an originating good if—

(A) the value of all nonoriginating materials used in the production of the good that do not undergo the applicable change in tariff classification (set forth in Annex 6-A 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 3 that is used in the production of a good provided for in chapter 3.

(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 or 2106.90, that is used in the production of a good provided for in chapter 4.

(C) 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 any 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.

(D) A nonoriginating material provided for in chapter 7 that is used in the production of a good provided for in subheading 0703.10, 0703.20, 0709.59, 0709.60, 0711.90, 0712.20, 0714.20, or any of subheadings 0710.21 through 0710.80 or 0712.39 through 0713.10.

(E) A nonoriginating material provided for in heading 1006, or a nonoriginating rice product provided for in chapter 11 that is used in the production of a good provided for in heading 1006, 1102, 1103, 1104, or subheading 1901.20 or 1901.90.

(F) 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.

(G) Nonoriginating peaches, pears, or apricots provided for in chapter 8 or 20 that are used in the production of a good provided for in heading 2008.

(H) A nonoriginating material provided for in chapter 15 that is used in the production of a good provided for in any of headings 1501 through 1508, or heading 1512, 1514, or 1515.

(I) 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.

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

(K) Except as provided in subparagraphs (A) through (J) and Annex 6-A 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-A of the Agreement, shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(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 Korea, the United States, or both.

(C) YARN, FABRIC, OR FIBER.—For purposes of this paragraph, in the case of a good that is a yarn, fabric, 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”;
- (iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Korea 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 6-A 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; 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-A or Annex 6-A 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 disregarded in determining whether a good is an originating good.

(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 Korea 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 Korea or the United States; or

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

(m) GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 4-A and Annex 6-A 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 Korea 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 KOREA, THE UNITED STATES, OR BOTH.—The term “good wholly obtained or produced entirely in the territory of Korea, the United States, or both” means any of the following:

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

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

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

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

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

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

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

(H)(i) Goods taken by Korea or a person of Korea from the seabed or subsoil outside the territory of Korea, the United States, or both, if Korea has rights to exploit such seabed or subsoil; or

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

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

(J) Waste and scrap derived from—

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

(ii) used goods collected in the territory of Korea, 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 Korea, the United States, or both, from used goods, and used in the territory of Korea, the United States, or both, in the production of remanufactured goods.

(L) Goods, at any stage of production, produced in the territory of Korea, 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 non-allowable 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 2.10.4 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 Korea or the United States.

(17) **PRODUCTION.**—The term “production” means growing, mining, harvesting, fishing, breeding, 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, 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.**—

(A) **IN GENERAL.**—The term “total cost”—

(i) means all product costs, period costs, and other costs for a good incurred in the territory of Korea, the United States, or both; and

(ii) does not include profits that are earned by the producer, regardless of whether they are retained by the producer or paid out to other persons as dividends, or taxes paid on those profits, including capital gains taxes.

(B) **OTHER DEFINITIONS.**—In this paragraph:

(i) **PRODUCT COSTS.**—The term “product costs” means costs that are associated with the production of a good and include the value of materials, direct labor costs, and direct overhead.

(ii) **PERIOD COSTS.**—The term “period costs” means costs, other than product costs, that are expensed in the period in which they are incurred, such as selling expenses and general and administrative expenses.

(iii) **OTHER COSTS.**—The term “other costs” means all costs recorded on the books of the producer that are not product costs or period costs, such as interest.

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

(C) **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-A and Annex 6-A of the Agreement; and

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

(2) **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-A of the Agreement).

(B) **ADDITIONAL PROCLAMATIONS.**—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim—

(i) such modifications to the provisions proclaimed under the authority of paragraph (1)(A) as are necessary to implement an agreement with Korea pursuant to article 4.2.5 of the Agreement; and

(ii) 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-A of the Agreement).

(3) **FIBERS, YARNS, OR FABRICS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE UNITED STATES.**—

(A) **IN GENERAL.**—Notwithstanding paragraph (2)(A), the list of fibers, yarns, and fabrics set forth in the list of the United States in Appendix 4-B-1 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 Korea, 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 FIBERS, YARNS, OR FABRICS.**—

(i) **IN GENERAL.**—An interested entity may request the President to determine that a fiber, yarn, or fabric is not available in commercial quantities in a timely manner in the United States and to add that fiber, yarn, or fabric to the list of the United States in Appendix 4-B-1 of the Agreement.

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

(I) the fiber, yarn, or fabric is available in commercial quantities in a timely manner in 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 fiber, yarn, or fabric that is the subject of the request is added to the list of the United States in Appendix 4-B-1 of the Agreement, if the President has determined under clause (ii) that—

(I) the fiber, yarn, or fabric is not available in commercial quantities in a timely manner in 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 60 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.

(D) **DEEMED DENIAL OF REQUEST.**—If, after an interested entity submits a request under subparagraph (C)(i), the President does not, within 30 days of the expiration of the applicable time period specified in subparagraph (C)(iv), make a determination under subparagraph (C)(ii) regarding the request, the request shall be considered to be denied.

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

(i) **IN GENERAL.**—An interested entity may request the President to remove from the list of the United States in Appendix 4-B-1 of the Agreement, any fiber, yarn, or fabric that has been added to that list pursuant to subparagraph (C)(iii).

(ii) **PROCLAMATION AUTHORITY.**—Not later than 30 days after the date on which a request under clause (i) is submitted, the President may proclaim that the fiber, yarn, or fabric that is the subject of the request is removed from the list of the United States in Appendix 4-B-1 of the Agreement if the President determines that the fiber, yarn, or fabric is available in commercial quantities in a timely manner in the United States.

(iii) **EFFECTIVE DATE.**—A proclamation issued under clause (ii) 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 (E)(ii).

**SEC. 203. 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 (18) the following:

“(19) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 202 of the United States–Korea Free Trade 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. 204. 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 (11) as paragraph (12); and

(B) by inserting after paragraph (10) the following new paragraph:

“(11) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES–KOREA FREE TRADE 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 202 of the United States–Korea Free Trade 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:

“(j) FALSE CERTIFICATIONS OF ORIGIN UNDER THE UNITED STATES–KOREA FREE TRADE 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 KFTA 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 202 of the United States–Korea Free Trade 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 KFTA 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 KFTA 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:

“(j) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER THE UNITED STATES–KOREA FREE TRADE 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 202 of the United States–Korea Free Trade 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–Korea Free Trade Agreement Implementation Act 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 202.”.

**SEC. 205. 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 202 of the United States–Korea Free Trade Agreement Implementation Act for which”.

**SEC. 206. RECORDKEEPING REQUIREMENTS.**

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

(1) by redesignating subsection (i) as subsection (j);

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

“(i) CERTIFICATIONS OF ORIGIN FOR GOODS EXPORTED UNDER THE UNITED STATES–KOREA FREE TRADE 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) KFTA CERTIFICATION OF ORIGIN.—The term ‘KFTA certification of origin’ means the certification established under article 6.15 of the United States–Korea Free Trade Agreement that a good qualifies as an originating good under such Agreement.

“(2) EXPORTS TO KOREA.—Any person who completes and issues a KFTA 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 KFTA 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 (j), as so redesignated, by striking “(g), or (h)” and inserting “(g), (h), or (i)”.

**SEC. 207. 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 Korea to conduct a verification pursuant to article 4.3 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 exporter or producer in Korea is complying with applicable customs laws, regulations, procedures, requirements, and practices affecting trade in textile or apparel goods; or

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

(i) qualifies as an originating good under section 202, or

(ii) is a good of Korea,

is accurate.

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

(1) suspension of liquidation of the entry 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), in a case in which the request for verification was based on a reasonable suspicion of unlawful activity related to such goods; and

(2) suspension of liquidation of the entry of a textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

(c) ACTION WHEN INFORMATION IS INSUFFICIENT.—If the Secretary of the Treasury determines that the information obtained within 12 months after making a request for a verification under subsection (a)(1) is insufficient to make a determination under subsection (a)(2), the President may direct the Secretary 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); or

(B) the textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B); and

(2) denial of entry into the United States of—

(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); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

(e) PUBLICATION OF NAME OF PERSON.—In accordance with article 4.3.11 of the Agreement, the Secretary of the Treasury may publish the name of any person that the Secretary has determined—

(1) is engaged in 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, textile or apparel goods.

(f) **CERTIFICATE OF ELIGIBILITY.**—The Commissioner responsible for U.S. Customs and Border Protection of the Department of Homeland Security may require an importer to submit at the time the importer files a claim for preferential tariff treatment under Annex 4-B of the Agreement a certificate of eligibility, properly completed and signed by an authorized official of the Government of Korea.

(g) **VERIFICATIONS IN THE UNITED STATES.**—If the government of a country that is a party to a free trade agreement with the United States makes a request for a verification pursuant to that agreement, the Secretary of the Treasury may request a verification of the production of any textile or apparel good in order to assist that government in determining whether—

(1) a claim of origin under the agreement for a textile or apparel good is accurate; or

(2) an exporter, producer, or other enterprise located in the United States involved in the movement of textile or apparel goods from the United States to the territory of the requesting government is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods.

#### SEC. 208. REGULATIONS.

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

- (1) subsections (a) through (n) of section 202;
- (2) the amendment made by section 203; and
- (3) any proclamation issued under section 202(o).

### TITLE III—RELIEF FROM IMPORTS

#### SEC. 301. DEFINITIONS.

In this title:

(1) **KOREAN ARTICLE.**—The term “Korean article” means an article that qualifies as an originating good under section 202(b).

(2) **KOREAN MOTOR VEHICLE ARTICLE.**—The term “Korean motor vehicle article” means a good provided for in heading 8703 or 8704 of the HTS that qualifies as an originating good under section 202(b).

(3) **KOREAN TEXTILE OR APPAREL ARTICLE.**—The term “Korean textile or apparel article” means a textile or apparel good (as defined in section 3(5)) that is a Korean article.

#### Subtitle A—Relief From Imports Benefiting From the Agreement

#### SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) **FILING OF PETITION.**—

(1) **IN GENERAL.**—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.

(2) **PROVISIONAL RELIEF.**—An entity filing a petition under this subsection may request that provisional relief be provided as if the petition had been filed under section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)).

(3) **CRITICAL CIRCUMSTANCES.**—Any allegation that critical circumstances exist shall be included in the petition.

(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 Korean 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 Korean 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 (d).

(4) Subsection (i).

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

#### SEC. 312. COMMISSION ACTION ON PETITION.

(a) **DETERMINATION.**—Not later than 120 days (180 days if critical circumstances have been alleged) 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 rec-

ommendations 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.**—Except as provided in paragraph (2), 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 2-B 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) **DUTIES APPLIED ON A SEASONAL BASIS.**—In the case of imports of an article to which a duty is applied on a seasonal basis, the import relief that the President is authorized to provide under this section is as follows:

(A) The suspension of any further reduction provided for under Annex 2-B 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 for the corresponding season immediately preceding the date the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS for the corresponding season immediately preceding the date on which the Agreement enters into force.

(3) **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 10.2.7 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 be in effect for more than 2 years.

## (2) EXTENSION.—

(A) IN GENERAL.—Subject to subparagraph (C), 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 by up to 1 year, 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.

(C) PERIOD OF IMPORT RELIEF.—Any import relief provided under this section, including any extensions thereof, may not, in the aggregate, be in effect for more than 3 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—Beginning on the date on which import relief under this section 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.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that is subject to import relief under—

(1) subtitle B or C; or

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

**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 2-B 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.

(c) PRESIDENTIAL DETERMINATION.—Import relief may be provided under this subtitle in the case of a Korean article after the date on which such relief would, but for this subsection, terminate under subsection (a) and (b), if the President determines that Korea has consented to such relief.

**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-Korea Free Trade Agreement Implementation Act”.

**Subtitle B—Motor Vehicle Safeguard Measures****SEC. 321. MOTOR VEHICLE SAFEGUARD MEASURES.**

The provisions of subtitle A shall apply with respect to a Korean motor vehicle article to the same extent that such provisions apply to Korean articles, except as follows:

(1) Section 311(d) and paragraphs (2) and (3) of 313(c) shall not apply.

(2) Section 313(d)(2)(A) shall be applied and administered by substituting “2 years” for “1 year”.

(3) Section 313(d)(2)(C) shall be applied and administered by substituting “4 years” for “3 years”.

(4) Section 313(f)(1) shall be applied and administered by substituting “subtitle A” for “subtitle B or C”.

(5) Section 314(b) shall be applied and administered as if such section read as follows:

“(b) EXCEPTION.—Import relief may be provided under this subtitle with respect to a Korean motor vehicle article during any period before the date that is 10 years after the date on which duties on the article are eliminated, as set forth in section 201(d), or, if the article is not referred to in section 201(d), the Schedule of the United States to Annex 2-B of the Agreement.”.

**Subtitle C—Textile and Apparel Safeguard Measures****SEC. 331. 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. 332. DETERMINATION AND PROVISION OF RELIEF.**

## (a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 331(b), the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, a Korean 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 technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

## (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—

(A) the suspension of any further reduction provided for under Annex 2-B of the Agreement in the duty imposed on the article; or

(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.

**SEC. 333. PERIOD OF RELIEF.**

(a) IN GENERAL.—Subject to subsection (b), the import relief that the President provides under section 332(b) may not be in effect for more than 2 years.

## (b) EXTENSION.—

(1) IN GENERAL.—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle for a period of not more than 2 years, if the President determines that—

(A) 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

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

(2) LIMITATION.—Any relief provided under this subtitle, including any extensions thereof, may not, in the aggregate, be in effect for more than 4 years.

**SEC. 334. 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. 335. 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. 336. TERMINATION OF RELIEF AUTHORITY.**

No import relief may be provided under this subtitle with respect to any article after the date that is 10 years after the date on which duties on the article are eliminated pursuant to the Agreement.

**SEC. 337. 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. 338. 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 D—Cases Under Title II of the Trade Act of 1974**

**SEC. 341. FINDINGS AND ACTION ON KOREAN 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 Korean article are a substantial cause of serious injury or threat thereof.

(b) **PRESIDENTIAL DETERMINATION REGARDING KOREAN 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 Korean articles with respect to which the Commission has made a negative finding under subsection (a).

**TITLE IV—PROCUREMENT**

**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 (vi);
- (2) by striking the period at the end of clause (vii) and inserting “; or”; and
- (3) by adding at the end the following new clause:

“(viii) a party to the United States–Korea Free Trade Agreement, a product or service of that country or instrumentality which is covered under that agreement for procurement by the United States.”

**TITLE V—OFFSETS**

**SEC. 501. INCREASE IN PENALTY ON PAID PREPARERS WHO FAIL TO COMPLY WITH EARNED INCOME TAX CREDIT DUE DILIGENCE REQUIREMENTS.**

(a) **IN GENERAL.**—Section 6695(g) of the Internal Revenue Code of 1986 is amended by striking “\$100” and inserting “\$500”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to returns required to be filed after December 31, 2011.

**SEC. 502. REQUIREMENT FOR PRISONS LOCATED IN THE UNITED STATES TO PROVIDE INFORMATION FOR TAX ADMINISTRATION.**

(a) **IN GENERAL.**—Subchapter B of chapter 61 of the Internal Revenue Code of 1986 is amended by redesignating section 6116 as section 6117 and by inserting after section 6115 the following new section:

**“SEC. 6116. REQUIREMENT FOR PRISONS LOCATED IN UNITED STATES TO PROVIDE INFORMATION FOR TAX ADMINISTRATION.**

“(a) **IN GENERAL.**—Not later than September 15, 2012, and annually thereafter, the head of the Federal Bureau of Prisons and the head of any State agency charged with the responsibility for administration of prisons shall provide to the Secretary in electronic format a list with the information described in subsection (b) of all the inmates incarcerated within the prison system for any part of the prior 2 calendar years or the current calendar year through August 31.

“(b) **INFORMATION.**—The information with respect to each inmate is—

- “(1) first, middle, and last name,
- “(2) date of birth,
- “(3) institution of current incarceration or, for released inmates, most recent incarceration,
- “(4) prison assigned inmate number,
- “(5) the date of incarceration,
- “(6) the date of release or anticipated date of release,
- “(7) the date of work release,
- “(8) taxpayer identification number and whether the prison has verified such number,
- “(9) last known address, and
- “(10) any additional information as the Secretary may request.

“(c) **FORMAT.**—The Secretary shall determine the electronic format of the information described in subsection (b).”

(b) **CLERICAL AMENDMENT.**—The table of sections for such subchapter is amended by striking the item relating to section 6116 and by adding at the end the following new items:

“Sec. 6116. Requirement for prisons located in United States to provide information for tax administration.

“Sec. 6117. Cross reference.”

**SEC. 503. RATE FOR MERCHANDISE PROCESSING FEES.**

For the period beginning on December 1, 2015, and ending on June 30, 2021, section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be applied and administered—

- (1) in subparagraph (A), by substituting “0.3464” for “0.21”; and
- (2) in subparagraph (B)(i), by substituting “0.3464” for “0.21”.

**SEC. 504. EXTENSION OF CUSTOMS USER FEES.**

(a) **IN GENERAL.**—Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(A)) is amended by striking “January 7, 2020” and inserting “August 2, 2021”.

(b) **OTHER FEES.**—Section 13031(j)(3)(B)(i) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(B)(i)) is amended by striking “January 14, 2020” and inserting “December 8, 2020”.

**SEC. 505. 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 2.75 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 Maine (Mr. MICHAUD).

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

**GENERAL LEAVE**

Mr. CAMP. Madam Speaker, I ask unanimous consent that 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. Madam Speaker, I yield myself such time as I may consume.

The U.S.–Korea agreement is the most commercially significant trade agreement considered by the Congress in 17 years, and it couldn’t come at a better time. With the unemployment rate stuck stubbornly above 9 percent, we must seek out and take advantage of all opportunities to create American jobs. This agreement, known as KORUS, will do just that by supporting hundreds of thousands of good-paying jobs in all sectors.

Last year, I worked closely with the administration, the major auto makers, auto workers and Mr. LEVIN to address persistent barriers to U.S. automobile trade with South Korea. The supplemental agreement which is incorporated in the legislation before us today addresses key tariff and nontariff barriers, and includes numerous provisions to ensure that South Korea can no longer use its regulatory system to block U.S. exports.

The International Trade Commission estimates that removal of nontariff barriers will add an additional \$48 million to \$66 million in new exports. This, in addition to the \$194 million in expected new exports from lower Korean tariffs on U.S. autos.

Inaction on KORUS has allowed the EU and other competitors to step in and steal U.S. market share and has diminished U.S. leadership in Asia. KORUS is key to our engagement in Asia and a critical bulwark to Chinese influence in the region. I call on the President to promptly enter this agreement into force so that our workers, companies, farmers, and ranchers can get off the sidelines and recapture market share. KORUS and the other two

agreements we will pass this week will create sustainable and well-paying jobs.

Passage of KORUS will also deepen ties with a strong and important ally. The United States and South Korea have stood shoulder-to-shoulder for more than 60 years. KORUS is the next step forward in our bilateral relationship, and today's action could not come soon enough.

I look forward to welcoming President Lee during his state visit tomorrow, and to congratulating him personally on passage of this important agreement.

I reserve the balance of my time.

Mr. LEVIN. It is now my distinct pleasure to yield 4 minutes to our whip, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the gentleman for yielding.

I rise in support of the three trade agreements that are pending before us and in support of the Trade Adjustment Assistance for our working men and women in this country.

There is no doubt, as so many of my colleagues have observed, that globalization of the marketplace and the growth of competitors from around the world has put a real stress on America and on American workers. As one of those who has fought very hard to have this floor consider legislation to facilitate making it in America, making sure that American workers are making American goods and selling them here and around the world, it seems to me that, in that process, what we need to do is bring down barriers to exports around the world. I perceive these three agreements accomplishing that objective.

I want to congratulate my dear friend, SANDY LEVIN, as well as the chairman of the Ways and Means Committee, Mr. CAMP, for working hard on all of these agreements. I particularly want to congratulate Mr. LEVIN, who has given such careful consideration and care to the development of agreements that he feels he can support. He is supporting Korea and Panama, as am I. He has concluded that the protections in Colombia are not yet sufficient to protect workers that we all want to protect. I share his concern there. I have transmitted that to the administration, as has Mr. LEVIN.

I would like to read a portion of the submittal correspondence from the President of the United States referencing Colombia. The agreement contains state-of-the-art provisions to help protect and enforce intellectual property rights, reduce regulatory red tape, and eliminate regulatory barriers to U.S. exports.

The agreement also contains the highest standard for protecting labor rights, carrying out covered environmental agreements, and ensuring that key domestic labor and environmental laws are enforced, combined with strong remedies for noncompliance.

Colombia has already made significant reforms related to the obligations

it will have under the labor chapter. A number of these steps have been taken in fulfillment of the commitments Colombia made in the agreed action plan.

I want to again say that Mr. LEVIN has visited Colombia, spent time there and overseen the action plan and its implementation.

But then the important sentence for me and I hope for others is, Colombia must successfully implement key elements of the action plan before I will bring the agreement into force.

There is a bipartisan consensus, Madam Speaker, in favor of reducing trade barriers. Those who support expanded trade do so because we believe American companies can compete globally and export more of what our workers make right here in America.

At the same time, though, trade agreements bring changes which may cause and do cause some workers to lose their jobs. That is why President Kennedy, in 1962, introduced a Trade Adjustment Assistance program to mitigate the negative effects of changes in trade policy. Under this program, the government provides job retraining, relocation allowances, and income assistance for those whose jobs are affected by international trade.

For companies that lose business, the Federal Government lends a hand with guidance and financial assistance to help develop recovery plans. President Kennedy called it: "A program to afford time for American initiative, American adaptability, and American resilience to assert themselves." I believe these agreements give us that continuing opportunity, but we must protect our workers in the process.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HOYER. Mr. CAMP, may I have a minute?

Mr. CAMP. How much time do I have?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CAMP) has 28 minutes remaining.

Mr. CAMP. I yield the gentleman 1 minute.

□ 2150

Mr. HOYER. I thank my friend for yielding.

As we engage in measures designed to strengthen exports, at the same time Congress must continue to provide assistance to those whose jobs may be lost in the process. We need to do whatever we can to help get our people back to work and safeguard American jobs.

I urge a vote in favor of the trade adjustment assistance. That will be the last item we will consider. And I indicate my support of all three of the agreements.

In May of '07, we made definite progress with Mr. LEVIN's leadership and the leadership in a bipartisan way of saying workers' rights were going to be recognized in these agreements. In my view, that is the case in these three agreements. Are they perfect? I think no agreement is ever perfect. But do

they move us in a position where the United States will be better able to make it in America and sell it abroad? I think they do; and, therefore, I will support these agreements.

I thank the gentleman for yielding me the additional minute.

Mr. MICHAUD. I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Madam Speaker, this agreement is based on the NAFTA-style trade model that has displaced and cut hundreds of thousands of jobs in the U.S. over the last decade. According to the Economic Policy Institute, this agreement is expected to increase our trade deficit with Korea by \$16.7 billion and, in turn, cost the U.S. 159,000 jobs within the first 7 years of its implementation alone. Global Trade Watch states that it is expected to increase our trade deficit in autos and auto parts by \$700 million, further devastating a domestic industry that's been in decline.

I'm tired of visiting places where there's grass growing in parking lots in this country where they used to make steel and they used to make automotive products. It's time that we drew the line on behalf of American jobs and American workers and defeat this trade agreement.

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 want to thank Chairman CAMP and Ranking Member SANDY LEVIN for working together with this President, with the Senate, and with the auto companies and autoworkers to improve this agreement to ensure we sell more American cars into Korea. This is why, among many other reasons, this agreement has so much strong bipartisan support.

As I've already said tonight, I'm excited to be here. This trade agreement improves as well as strengthens our security relationship with one of our strongest allies. This is the most commercially significant trade agreement the United States has signed since I've been in Congress.

The delay in implementing the sales agreement has been felt across America. If our exporters can't compete because of high tariffs or nontariff barriers, they can't grow their businesses and put Americans back to work. That's why expanding opportunities for U.S. exporters and finding new customers is so critical to our workers, so critical to putting our economy back on the right track and creating good-paying American jobs right here in the United States.

For example, this agreement turns one-way trade into the United States into two-way trade. The average South Korean tariff on our exporters is more than four times what it is when South Korea exports to us. This agreement addresses that imbalance.

The job-creating benefits of this agreement will be enjoyed broadly

among manufacturers, agriculture, service, and technology companies. The American Farm Bureau estimates that U.S. farm exports will increase by more than \$1.8 billion to this market. Moreover, 90 percent of American companies selling to South Korea are small and medium-sized enterprises in our neighborhoods and in our communities, and it will lead to an additional \$3 billion in exports for these small businesses.

It's no longer enough to buy American; we have to sell American. And this "Sell American" agreement is essential if we are to get our economy back on track. I strongly support it.

Mr. LEVIN. I reserve the balance of my time.

Mr. MICHAUD. Madam Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. I thank the gentleman from Maine for yielding and rise in opposition to the proposed South Korea trade accord.

Look, my friends, South Korea's market is basically closed. You can't see any other cars on the road there other than Korean cars. And American policy has allowed jobs to be whittled away here at home through a trade agenda that outsources U.S. production and American jobs. Every single year we have a trade deficit with South Korea now. Why do we want to make it worse? Do you know what? The American people know it. They're living it. They want us to fix it. They're pouring out into the streets of America to tell us.

Last year, our trade deficit with South Korea already was over \$10 billion. That translates into more lost jobs here at home. But rather than stopping this outsourcing of America, the executive branch and some of their allies up here keep concocting more of the same NAFTA-type trade agreements that increase our trade deficit, and obviously even more with South Korea now.

The Economic Policy Institute analysis predicts this proposed agreement with South Korea will cost us 159,000 more lost jobs, net, and the International Trade Commission verifies that.

Isn't it time that we put Americans back to work here inside our country rather than giving them more of the same red ink?

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

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

Mr. MICHAUD. I would now yield 1 minute to the gentleman from Iowa (Mr. BRALEY).

Mr. BRALEY of Iowa. I thank the gentleman for yielding.

Madam Speaker, I call on all my colleagues to oppose George Bush's job-killing trade deal with Korea. Listen to the American people: Only 18 percent of Americans believe that free trade has created jobs in the United States. That's from the conservative Wall Street Journal poll. The same poll says

that 53 percent of Americans say trade deals have hurt our country. Sixty-one percent of the Tea Party supporters say that free trade has hurt the United States.

Facts don't lie. The simple truth is, during the last decade of so-called free trade, the United States has lost 54,000 manufacturers and over 5 million manufacturing jobs—43,000 manufacturing jobs in my State of Iowa. That's 1,370 factory jobs lost every day at an average salary of \$55,000.

Wake up, America. We need to get serious about creating jobs, and passing more Bush-era, job-killing trade deals is not the answer. We have a trade deficit that has created a job deficit. That's what we need to solve.

Mr. CAMP. Madam Speaker, I yield 1 minute to a distinguished member of the Ways and Means Committee, the gentleman from New York (Mr. REED).

Mr. REED. Thank you, Mr. Chairman.

I rise today in strong support of the three pending agreements before this great body. This is a great day. This is a great day for America in the sense that we have before us an opportunity to create 250,000 jobs. That's the administration's own number. That is the number that has been verified, and I am a supporter of that number in creating jobs for Americans across this entire Nation.

Now, when I came here as a freshman Member of Congress, there was a big question about the freshman class's thoughts about free trade. And I was proud to be part of an effort that got 67 out of 87 freshman Republican Members to sign a letter to the administration to say that we support free and fair trade. Because when it's free and when it's fair, the American workers will outcompete anyone in the world. And that is exactly what these agreements will do.

In particular, with the U.S.-Korea relationship, not only will we be strengthening a strategic relationship, we will be creating hundreds of thousands of jobs.

With that, I support this bill.

□ 2200

Mr. MICHAUD. I yield 3 minutes to the gentlewoman from Ohio (Ms. SUTTON).

Ms. SUTTON. I thank the gentleman for the time.

Madam Speaker, I rise today in opposition to all of the raw trade deals coming to the floor tomorrow, because our families cannot afford the loss of any more jobs.

Based on the myth that there is some sort of world free market, they call these deals "free trade agreements," but there is nothing free about them. These NAFTA-type deals are not free to our workers, who will lose their jobs because of them. They're not free for our communities when more of our factories are boarded up and when more careers are packed up and shipped overseas as some of our multinational cor-

porations, with no allegiance to America, search the world over for the lowest wages to be found. Common sense tells us that pittance wages paid to workers in other countries, like low wages here, will not empower people to buy our products.

Enough is enough, Madam Speaker.

Some of the same people here on the floor who are claiming these deals level the playing field for American manufacturers and jobs supported NAFTA, too. How has that worked for us? Since NAFTA was signed, according to the Bureau of Labor Statistics, we've seen approximately 5 million manufacturing jobs lost—over 350,000 of those jobs from my State of Ohio. These are not free deals. They are raw deals for the American people.

Make no mistake. The fact that we're seeing more trade adjustment assistance being offered for passage alongside these deals is an admission that more Americans are about to lose their jobs with these deals. At a time when so many are struggling to find jobs, why would we pass a deal that we know will result in job loss?

It's unconscionable that we would pass a deal with Colombia where they have allowed trade unionists and those standing for civil rights to be killed with impunity. If we pass a deal with Korea, according to the Economic Policy Institute, we could see our trade deficit increase by another \$14 billion, and we could see another 159,000 jobs lost.

This raw deal would be particularly bad for my district and districts around the country that support our domestic auto industry—auto suppliers and parts makers. Right now, Korea has the largest trade imbalance when it comes to cars, only importing 5 percent of cars sold. This won't change that. In fact, it will only make it worse by allowing Korea to keep out American cars if they don't meet certain standards.

Madam Speaker, enough is enough.

This bad trade deal pours salt into the wound already festering within the American manufacturing sector, and it will destroy opportunities for people right here in the United States. The American people don't want more bad free trade deals that aren't free.

I encourage all of my colleagues to vote against this horrible, horrible package of trade deals. Enough is enough.

Mr. CAMP. Madam Speaker, I yield 1 minute to the distinguished chair of the Foreign Affairs Committee, the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. I thank my good friend from Michigan for yielding.

Madam Speaker, at a time when millions of American families are struggling and when so many people are looking for work, passage of this U.S.-South Korea Free Trade Agreement should be a top priority for all of us; but there is more at stake than just increased exports. South Korea is a key

U.S. ally in an unstable region of the world where tens of thousands of our U.S. troops stand on guard against aggression and where U.S. interests are increasingly under threat from China and other countries.

At a time when much of the world is waiting to see if the U.S. will retreat from our responsibilities, passage of this free trade agreement will serve as a clear demonstration of our enduring commitment to our ally South Korea and to our determination to defend our interests throughout East Asia.

I strongly urge my colleagues to vote for this U.S.-South Korea Free Trade Agreement and for the creation of tens of thousands of American jobs for the many families who are desperately in need of them.

Mr. MICHAUD. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. It looks like the only thing Congress is going to do this year about jobs is to ship them overseas. Trade adjustment assistance is being authorized tomorrow, but not a penny is being appropriated tomorrow; and any penny that is appropriated will, no doubt, be taken from health and education spending necessary without the trade agreements.

This South Korean Free Trade Agreement will increase our trade deficit by tens of billions of dollars, and every billion dollars of increase in our trade deficit costs us tens of thousands of jobs. The agreement is being sold as if goods made in South Korea are the only goods that are going to come into our country. That's wrong in three ways.

First, if goods are 65 percent made in China, 35 percent finished in South Korea, they come into our country duty free; and that 35 percent of the work done in South Korea can be done by Chinese workers living in barracks in South Korea, so the goods may not ever be touched by a South Korean.

We are going to be talking in this Congress, I hope, about Chinese currency manipulation. There are proposals that would impose tariffs on Chinese goods. This South Korean agreement is a prebuilt loophole in anything we try to do with China over currency manipulation. They manipulate their currency. They make 65 percent of the goods in China. They ship them to South Korea. They come in free to the United States without having to worry about our tariffs or our sanctions against their currency manipulation.

Second, goods that are 65 percent made in North Korea, 35 percent made in South Korea have a right to come in under this agreement; but we have an executive order that will bar them at our ports, so we will be in violation of this agreement on the first day. That means South Korea can impose sanctions and take away whatever benefits you think we're going to get under this agreement.

The SPEAKER pro tempore (Mr. YODER). The time of the gentleman has expired.

Mr. CAMP. Mr. Speaker, I have just one further request for time, so I reserve the balance of my time.

Mr. LEVIN. I yield 2 minutes to the gentleman from California (Mr. BERMAN), the ranking member of the Foreign Affairs Committee.

Mr. BERMAN. I thank my friend for yielding.

I rise in support of the Korea trade agreement.

The agreement will lead to increased California exports of manufactured goods, agricultural products and raw materials, thereby creating a large number of new jobs. It will also provide rigorous intellectual property protections for the creative industries in Los Angeles and throughout the Nation.

I would like to use the remainder of my time to address the allegations that the agreement would undermine our sanctions against North Korea. There is no truth to those allegations. Under KORUS, we will continue to enforce our sanctions against North Korea just as we do now.

The first allegation is that the agreement would allow North Korean goods produced at the Kaesong Industrial Complex in North Korea or elsewhere in that country to be imported into the United States. I raised this issue with Ambassador Kirk.

His response in writing:

"Neither the rules of origin nor any other provision of KORUS changes U.S. sanctions on North Korea, including the prohibition on direct or indirect importation of goods, services and technology from North Korea."

He went on to say:

"South Korean firms cannot avoid U.S. sanctions by including parts from North Korea in their exports to the U.S. and claiming preferential tariff treatment."

□ 2210

The second allegation is that South Korean firms might have recourse against U.S. sanctions targeted at North Korea, either under KORUS or under the WTO. Kirk's response, "U.S. sanctions are fully consistent with KORUS, and therefore, South Korea would not be able to obtain remedies against U.S. sanctions using KORUS dispute settlement procedures. Nor does KORUS provide South Korea with any recourse to the WTO."

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 30 seconds.

Mr. BERMAN. According to the Congressional Research Service, article 2.8.4(a), explicitly permits the U.S. to prohibit imports from a third country, such as North Korea. The fact is, we pass KORUS, our North Korean embargo stands; we defeat KORUS, our embargo stands. There are legitimate issues to debate regarding KORUS, but one should not let a bogus argument determine our vote.

Mr. MICHAUD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. LIPINSKI).

Mr. LIPINSKI. I thank the gentleman for yielding and for his leadership on this issue.

Mr. Speaker, I cannot imagine a worse time for this job-killing trade agreement with South Korea. Expanding a NAFTA-style trade agenda that has already destroyed 5 million manufacturing jobs would make no sense in the best of times, but to do it when 25 million Americans are unemployed or underemployed, it is totally absurd now.

Economists estimate that 159,000 American workers will lose their jobs over 7 years if we pass this agreement, most of these good-paying manufacturing jobs. In exchange, we likely get not only more Chinese imports, but we open up our country to imports from the nuclear dictatorship in North Korea. Manufacturers in my district know this. Workers in my district know this. It only seems that Washington is blind to this.

It is well past time that Washington puts American workers and American manufacturers first. We can start by rejecting this trade agreement. We cannot hang our middle class out to dry any longer. We need to support American workers now.

Mr. CAMP. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. PAULSEN), a distinguished member of the Ways and Means Committee.

Mr. PAULSEN. I thank the chairman for his leadership because this is an exciting day, an important time for our economy. I strongly urge passage of all three of these long-stalled free trade agreements which will promote exports, with new sales to new customers, giving our economy more jobs. And while some in Washington have put these trade agreements on the back burner, other countries have been moving full-speed ahead on trade. The European Union signed their own agreement with South Korea, which put American companies at a disadvantage in one of the great emerging Asian markets. Standing still on trade is moving our economy backwards.

Mr. Speaker, passing the South Korea trade agreement is the quickest and most effective way to level the playing field for American companies, small, medium, and large. One of Minnesota's major employers with lots of jobs connected to trade is 3M, which manufactures everyday products from Post-It notes to Scotch tape to road signs to medical devices. South Korea is this company's fourth-largest export market, and the passage of this trade agreement will lower the duty rate levied on these American products by \$20 million. This is about selling American. This will free up additional capital to create new jobs and reinvest in innovation and research and development to create new products.

Mr. Speaker, we must remain focused on creating jobs and helping our economy. I strongly encourage the passage of the South Korea free trade agreement as well as the agreements with Panama and Colombia, marking the largest expansion of trade in 15 years.

Mr. LEVIN. Could I inquire how much time remains for the three of us? The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 23½ minutes remaining, the gentleman from Michigan (Mr. CAMP) has 21½ minutes remaining, and the gentleman from Maine (Mr. MICHAUD) has 21 minutes.

Mr. CAMP. I have no further requests for time, so I will reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself 3½ minutes, but I may use only 2½.

First I want to emphasize each of these agreements should be on their own merit. Trade is so polarized, it's easy to lump things all together. We won't carve out a new trade policy if that's the way we proceed.

Secondly, there's been reference to NAFTA. This is really kind of an anti-NAFTA agreement. The labor standards are the new standards that we put into Peru and are incorporated here. The reference to job loss and EPI, it bases its assumption that what happened after NAFTA in terms of trade will happen as well with Korea. They are very different situations. And that's why many suggestions are that there will be major increases in jobs.

Thirdly, there's been reference to this as the George Bush FTA. No, this is the FTA renegotiated by the Obama administration. And why was it renegotiated? To open up the markets of Korea, to change one-way trade to two-way trade. That's jobs. And that's exactly what this agreement does. Tomorrow we will outline how it does it. In all respects, it will make sure that the Korean market at long last is open to American automotive products, which is the major source of our trade deficit. That's why the automotive companies issued this statement: "As representatives of the largest exporting sector, this FTA will help open an important auto market for Chrysler, Ford, and GM exports. Our companies make the best cars and trucks on the road, and we are excited for the export opportunity this agreement represents." That's why it's supported by the UAW. It will open up markets. That's why Ford sat down today to describe how they're going to penetrate the market of Korea. They're determined to do that, as the other companies are. So this is a market-opening provision at long last, in that sense a major change from the Bush-negotiated agreement. I strongly urge support for the Korea FTA.

I reserve the balance of my time.

Mr. MICHAUD. Mr. Speaker, I yield 1 minute to a leader of the China currency manipulation legislation, the gentleman from Pennsylvania (Mr. CRITZ).

Mr. CRITZ. I thank the gentleman from Maine for yielding.

Mr. Speaker, I rise in opposition to the Korea free trade agreement. I represent a manufacturing district, and we need trade policies that put American workers first. I've seen firsthand the negative effects that trade agreements have had on our manufacturing sector. And this one is estimated to displace 159,000 jobs and increase our trade deficit with Korea by \$16.7 billion.

Every trade dollar we lose as a result of an international marketplace rigged against us is one more blow to our effort to climb out of debt and get our economy moving again. We can prevent the outsourcing and offshoring of American jobs and the ballooning of our trade deficit simply by basing trade agreements on a level playing field and rebuilding our manufacturing strength. In order to accomplish this, we must oppose agreements like this one that are founded on policies that have a record of failure.

With an unemployment rate currently hovering around 9 percent and an 11 million job shortfall, we simply cannot afford another trade agreement that increases the deficit and drives more Americans out of work. Please join me in opposing the Korea free trade agreement, as all our workers and businesses deserve to know that we are standing up for them in the global marketplace.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of H.R. 3080 is postponed.

□ 2220

**EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES**

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 425, I call up the bill (H.R. 2832) to extend the Generalized System of Preferences, and for other purposes, with a Senate amendment thereto, and I have a motion at the desk.

The Clerk read the title of the bill. The SPEAKER pro tempore. The Clerk will designate the Senate amendment.

The text of the Senate amendment is as follows:

Senate amendment:

At the end, add the following:

**TITLE II—TRADE ADJUSTMENT ASSISTANCE**

**SEC. 200. SHORT TITLE; TABLE OF CONTENTS.**

(a) *SHORT TITLE.*—This title may be cited as the "Trade Adjustment Assistance Extension Act of 2011".

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

**TITLE II—TRADE ADJUSTMENT ASSISTANCE**

Sec. 200. Short title; table of contents.

**Subtitle A—Extension of Trade Adjustment Assistance**

**PART I—APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE**

Sec. 201. Application of provisions relating to trade adjustment assistance.

**PART II—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS**

- Sec. 211. Group eligibility requirements.
- Sec. 212. Reductions in waivers from training.
- Sec. 213. Limitations on trade readjustment allowances.
- Sec. 214. Funding of training, employment and case management services, and job search and relocation allowances.
- Sec. 215. Reemployment trade adjustment assistance.
- Sec. 216. Program accountability.
- Sec. 217. Extension.

**PART III—OTHER ADJUSTMENT ASSISTANCE**

- Sec. 221. Trade adjustment assistance for firms.
- Sec. 222. Trade adjustment assistance for communities.
- Sec. 223. Trade adjustment assistance for farmers.

**PART IV—GENERAL PROVISIONS**

- Sec. 231. Applicability of trade adjustment assistance provisions.
- Sec. 232. Termination provisions.
- Sec. 233. Sunset provisions.

**Subtitle B—Health Coverage Improvement**

- Sec. 241. Health care tax credit.
- Sec. 242. TAA pre-certification period rule for purposes of determining whether there is a 63-day lapse in creditable coverage.
- Sec. 243. Extension of COBRA benefits for certain TAA-eligible individuals and PBGC recipients.

**Subtitle C—Offsets**

**PART I—UNEMPLOYMENT COMPENSATION PROGRAM INTEGRITY**

- Sec. 251. Mandatory penalty assessment on fraud claims.
- Sec. 252. Prohibition on noncharging due to employer fault.
- Sec. 253. Reporting of rehired employees to the directory of new hires.

**PART II—ADDITIONAL OFFSETS**

- Sec. 261. Improvements to contracts with Medicare quality improvement organizations (QIOs) in order to improve the quality of care furnished to Medicare beneficiaries.
- Sec. 262. Rates for merchandise processing fees.
- Sec. 263. Time for remitting certain merchandise processing fees.

**Subtitle A—Extension of Trade Adjustment Assistance**

**PART I—APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE**

**SEC. 201. APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE.**

(a) *REPEAL OF SNAPBACK.*—Section 1893 of the Trade and Globalization Adjustment Assistance Act of 2009 (Public Law 111-5; 123 Stat. 422) is repealed.

(b) *APPLICABILITY OF CERTAIN PROVISIONS.*—Except as otherwise provided in this subtitle, the provisions of chapters 2 through 6 of title II of the Trade Act of 1974, as in effect on February 12, 2011, and as amended by this subtitle, shall—

- (1) take effect on the date of the enactment of this Act; and
- (2) apply to petitions for certification filed under chapters 2, 3, or 6 of title II of the Trade Act of 1974 on or after such date of enactment.

(c) *REFERENCES.*—Except as otherwise provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision of chapters 2 through 6 of title II of the Trade Act of 1974, the reference shall be considered to be made to a provision of any such chapter, as in effect on February 12, 2011.

**PART II—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS**

**SEC. 211. GROUP ELIGIBILITY REQUIREMENTS.**

(a) *IN GENERAL.*—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—