

LEGISLATION:

Legal Services Corporation (S 1815; H. R. 7824)

BACKGROUND:

Special Message 3/1/73



PROVISIONS:

Provides for a legal service corporation to give access to legal representation for Americans who would otherwise have been denied it because of lack of funds.

STATUS:

- A. HOUSE: Amended H. R. 7824 passed House by vote of 276- 95 on 6/21/73.
- B. SENATE: Awaiting Committee action. Latest report is that Senate Labor and Public Welfare Committee may accept House version.

OUTLOOK:



93<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 7824

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IN THE SENATE OF THE UNITED STATES

JUNE 22 (legislative day, JUNE 18), 1973

Received

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## AN ACT

To establish a Legal Services Corporation, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Legal Services Corpora-  
4        tion Act".

5

### DEFINITIONS

6

SEC. 2. As used in this Act, the term—

7        (1) "State" means any State of the United States, the  
8        District of Columbia, the Commonwealth of Puerto Rico, the  
9        Virgin Islands, Guam, American Samoa, the Trust Terri-  
10        tory of the Pacific Islands, and any other territory or posses-  
11        sion of the United States.

1 (2) "Governor" means the chief executive officer of a  
2 State.

3 (3) "Legal assistance" means the provision of any legal  
4 services under this Act.

5 (4) "Staff attorney" means an attorney who receives  
6 more than one-half of his annual professional income from  
7 a recipient organized solely for the provision of legal assist-  
8 ance to eligible clients under this Act.

9 ESTABLISHMENT OF CORPORATION

10 SEC. 3. (a) There is hereby established in the District  
11 of Columbia a private nonmembership nonprofit corporation  
12 which shall be known as the "Legal Services Corporation"  
13 (hereinafter in this Act referred to as the "corporation"),  
14 for the purpose of providing financial support for legal  
15 assistance in noncriminal matters to persons financially  
16 unable to afford legal assistance (hereinafter in this Act  
17 referred to as "eligible clients").

18 (b) The corporation shall maintain its principal office  
19 in the District of Columbia and shall, at all times, maintain  
20 therein a designated agent to accept service of process for  
21 the corporation. Notice to or service upon the agent shall  
22 be deemed notice to or service upon the corporation.

23 (c) The corporation, and legal services programs assisted  
24 by the corporation, shall be eligible to be treated as an orga-  
25 nization described in section 170 (c) (2) (B) of the Internal

1 Revenue Code of 1954 or as an organization described in  
2 section 501 (c) (3) of the Internal Revenue Code of 1954  
3 which is exempt from taxation under section 501 (a) of such  
4 Code. If such treatments are conferred in accordance with  
5 the provisions of such Code, the corporation, and legal serv-  
6 ices programs assisted by the corporation, shall be subject to  
7 all provisions of such Code relevant to the conduct of orga-  
8 nizations exempt from taxation.

9 (d) The corporation created under this Act shall be  
10 deemed to have fulfilled the purposes and objectives set forth  
11 in this Act, and shall be liquidated on June 30, 1978; unless  
12 sooner terminated by Act of Congress.

13 GOVERNING BODY

14 SEC. 4. (a) The corporation shall have a board of  
15 directors (hereinafter in this Act referred to as the "board")  
16 consisting of eleven voting members appointed by the Presi-  
17 dent, by and with the advice and consent of the Senate, no  
18 more than six of whom shall be of the same political party.  
19 A majority shall be members of the bar of the highest court  
20 of any State and none shall be a full-time employee of the  
21 United States.

22 (b) The term of office of each member of the board  
23 shall be three years or until his successor has been appointed  
24 and has qualified, except that of the members first appointed  
25 five members designated by the President shall serve for a



1 term of two years. For purposes of this subsection, the term  
 2 of office of the initial members of the board shall be computed  
 3 from the date of enactment of this Act. Any member ap-  
 4 pointed to fill a vacancy occurring prior to the expiration  
 5 of the term for which his predecessor was appointed shall be  
 6 appointed for the remainder of that term. The term of each  
 7 member other than initial members shall be computed from  
 8 the date of termination of the preceding term. No member  
 9 shall be reappointed to more than two consecutive terms  
 10 immediately following his initial term.

11 (c) The members of the board shall not, by reason of  
 12 such membership, be deemed officers or employees of the  
 13 United States.

14 (d) The President shall select from among the voting  
 15 members of the board a chairman, who shall serve for a  
 16 term of one year.

17 (e) A member of the board may be removed by a  
 18 vote of seven members for malfeasance in office, or persistent  
 19 neglect of, or inability to perform, duties and for no other  
 20 cause.

21 (f) Within six months following the appointment of all  
 22 members of the board, the board shall request the Governor  
 23 of each State to appoint a nine-member advisory council for  
 24 his State. A majority of the members of the advisory council  
 25 shall be chosen from among the lawyers admitted to practice

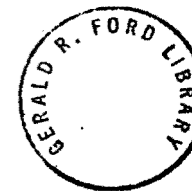
1 in the State and the members of the council shall be subject  
 2 to annual reappointment. Should the Governor fail to appoint  
 3 the advisory council within ninety days of receipt of said  
 4 request from the board, the board shall appoint such a coun-  
 5 cil. The advisory council shall be charged with notifying  
 6 the corporation of any violation of the provisions of this  
 7 Act and applicable rules, regulations, and guidelines pro-  
 8 mulgated pursuant to this Act. The advisory council shall, at  
 9 the same time, furnish a copy of the notification to any recip-  
 10 ient affected thereby, and the corporation shall allow such  
 11 recipient a reasonable time (but in no case less than thirty  
 12 days) to reply to any allegation contained in the notification.

13 (g) All meetings of the board, of any executive com-  
 14 mittee of the board, and of State advisory councils shall be  
 15 open to the public, unless the membership of such bodies, by  
 16 two-thirds vote of those eligible to vote, determines that an  
 17 executive session should be held on a specific occasion.

18 (h) The board shall meet at least four times during  
 19 each calendar year.

#### 20 OFFICERS AND EMPLOYEES

21 SEC. 5. (a) The board shall appoint the president of  
 22 the corporation, who must be a member of the bar of the  
 23 highest court of a State and shall be a nonvoting, ex officio  
 24 member of the board, and such other officers as the board  
 25 determines to be necessary. No officer of the corporation



1 may receive any salary or other compensation for services  
2 from any source other than the corporation during his period  
3 of employment by the corporation, except as authorized by  
4 the board. All officers shall serve at the pleasure of the board.

5 (b) The president of the corporation, subject to gen-  
6 eral policies established by the board, may appoint and  
7 remove such employees of the corporation as he determines  
8 to be necessary to carry out the purposes of the corporation.

9 (c) No member of the board may participate in any  
10 decision, action, or recommendation with respect to any  
11 matter which directly benefits such member or any firm or  
12 organization with which that member is then currently  
13 associated.

14 POWERS, DUTIES, AND LIMITATIONS

15 SEC. 6. (a) In addition to the powers conferred upon  
16 a nonprofit corporation by the District of Columbia Nonprofit  
17 Corporation Act (except for section 1005 (o) of title 29 of  
18 the District of Columbia Code) the corporation shall have  
19 authority—

20 (1) To make grants to, and to contract with, in-  
21 dividuals, partnerships, firms, organizations, corporations,  
22 State and local governments, and other appropriate entities  
23 (referred to in this Act as "recipients") for the purpose of  
24 providing legal assistance to eligible clients;

25 (2) To accept in the name of the corporation, and

1 employ or dispose of in furtherance of the purposes of this  
2 Act, any money or property, real, personal, or mixed, tangi-  
3 ble or intangible, received by gift, devise, bequest, or other-  
4 wise; and

5 (3) To undertake directly and not by grant or con-  
6 tract, the following activities relating to the delivery of legal  
7 assistance—

8 (A) research,

9 (B) training and technical assistance, and

10 (C) to serve as a clearinghouse for information.

11 (b) (1) The corporation shall have authority to insure  
12 the compliance of recipients and their employees with the  
13 provisions of this Act and the rules, regulations and guidelines  
14 promulgated pursuant to this Act, and to terminate, after a  
15 hearing, financial support to a recipient which fails to comply.

16 (2) If an employee of a recipient violates or causes the  
17 recipient to violate the provisions of this Act or the bylaws  
18 or guidelines of the corporation, the recipient shall take appro-  
19 priate disciplinary action.

20 (3) The corporation shall not interfere with any attor-  
21 ney in carrying out his professional responsibility to his  
22 client as established in the Canons of Ethics and Code of  
23 Professional Responsibility of the American Bar Association  
24 or abrogate the authority of a State to enforce the standards  
25 of professional responsibility which apply to the attorney.



1 (4) No attorney shall receive any compensation, either  
 2 directly or indirectly, for the provision of legal assistance  
 3 under this Act, unless such attorney is authorized to practice  
 4 law in the State where the rendering of such assistance is  
 5 initiated.

6 (5) The corporation shall insure that its employees  
 7 and employees of recipients, which employees receive a  
 8 majority of their annual professional income from legal  
 9 assistance under this Act, shall, while engaged in activities  
 10 carried on by the corporation or by a recipient, refrain from  
 11 participation in, and refrain from encouragement of others  
 12 to participate in any picketing, boycott, or strike, and shall  
 13 at all times during the period of their employment refrain  
 14 from participation in, and refrain from encouragement of  
 15 others to participate in: (A) rioting or civil disturbance;  
 16 (B) any form of activity which is in violation of an out-  
 17 standing injunction of any Federal, State, or local court; or  
 18 (C) any illegal activity. The board, within ninety days of  
 19 the date of enactment of this Act, shall issue guidelines to  
 20 provide for the enforcement of this subsection; such guide-  
 21 lines shall include criteria (i) for suspension of legal assist-  
 22 ance support under this Act, (ii) for suspension or termina-  
 23 tion of compensation to an employee of the corporation,  
 24 and (iii) which shall be used by recipients in any action by  
 25 them for the suspension or termination of their employees,  
 26 for violations of this subsection.

1 (c) The corporation shall not—

2 (1) participate in litigation on behalf of clients  
 3 other than the corporation;

4 (2) undertake to influence the passage or defeat  
 5 of any legislation by the Congress of the United States  
 6 or by any State or local legislative bodies, except that  
 7 personnel of the corporation may testify when formally  
 8 requested to do so by a legislative body, or a committee  
 9 or a member thereof.

10 (d) (1) The corporation shall have no power to issue  
 11 any shares of stock, or to declare or pay any dividends.

12 (2) No part of the income or assets of the corporation  
 13 shall inure to the benefit of any director, officer, or employee,  
 14 except as reasonable compensation for services.

15 (3) Neither the corporation nor any recipient shall  
 16 contribute or make available corporate funds or program  
 17 personnel or equipment to any political party, political asso-  
 18 ciation, or candidate for elective office.

19 (4) Neither the corporation nor any recipient shall con-  
 20 tribute or make available corporate funds or program per-  
 21 sonnel or equipment for use in advocating or opposing any  
 22 ballot measures, initiatives, referendums, or similar measures.

23 (e) If an action is commenced by the corporation or by  
 24 a recipient and a final judgment is rendered in favor of  
 25 the defendant and against the corporation's or recipient's



1 plaintiff, the court may upon proper motion by the defendant  
2 award reasonable costs and legal fees incurred by the defend-  
3 ant in defense of the action, and such costs shall be directly  
4 paid by the corporation.

5 GRANTS AND CONTRACTS

6 SEC. 7. (a) With respect to grants or contracts to pro-  
7 vide legal assistance to eligible clients, the corporation shall—

8 (1) Insure the maintenance of the highest quality of  
9 service and professional standards, adherence to the preserva-  
10 tion of attorney-client relationships, and the protection of the  
11 integrity of the adversary process from any impairment in  
12 furnishing legal assistance to eligible clients;

13 (2) Establish, in consultation with the Director of the  
14 Office of Management and Budget, maximum income levels  
15 (taking into account family size and urban and rural dif-  
16 ferences) for those eligible for legal assistance under this Act  
17 (referred to in this Act as "eligible clients"); establish  
18 guidelines to insure that eligibility of clients will be deter-  
19 mined by recipients on the basis of factors which include:

20 (A) the assets and income level of the client,

21 (B) the fixed debts, medical expenses and other  
22 factors which affect the client's ability to pay,

23 (C) the size of the client's family,

24 (D) the cost of living in the locality, and

25 (E) such other factors as relate to financial inability  
26 to afford legal assistance;

1 and establish priorities to insure that those least able to  
2 afford legal assistance are given preference in the furnishing  
3 of such assistance, except that no individual, capable of gain-  
4 ful employment, shall be eligible for the receipt of legal  
5 assistance if his lack of income results from his refusal or  
6 unwillingness, without good cause, to seek or accept em-  
7 ployment;

8 (3) Insure that grants are made and contracts are  
9 entered into so as to provide adequate legal assistance to per-  
10 sons in both urban and rural areas;

11 (4) Insure that attorneys, employed full time in legal  
12 assistance activities supported in whole or in part by the  
13 corporation, represent only eligible clients and refrain from  
14 any outside practice of law;

15 (5) Insure that no funds made available to recipients  
16 by the corporation shall be used at any time, directly or  
17 indirectly, to undertake to influence any executive order or  
18 similar promulgation of any Federal, State, or local agency,  
19 or to undertake to influence the passage or defeat of legis-  
20 lation by the Congress of the United States, or by any State  
21 or local legislative bodies, except that the personnel of any  
22 recipient may (A) testify or make a statement when for-  
23 mally requested to do so by a governmental agency, or by  
24 a legislative body or a committee or member thereof, or (B)  
25 in the course of providing legal assistance to an eligible client.



1 (pursuant to guidelines promulgated by the corporation)  
 2 make representations necessary to such assistance with  
 3 respect to any executive order or similar promulgation and  
 4 testify or make other necessary representations to a local  
 5 governmental entity;

6 (6) Insure that all attorneys, while engaged in legal  
 7 assistance activities supported in whole or in part by the  
 8 corporation, refrain from—

9 (A) any political activity; or

10 (B) any activity to provide voters or prospective  
 11 voters with transportation to the polls or provide similar  
 12 assistance in connection with an election (other than  
 13 legal representation in civil or administrative proceed-  
 14 ings); or

15 (C) any voter registration activity (other than  
 16 legal representation);

17 and insure that attorneys receiving more than one-half of  
 18 their annual professional income from legal assistance activi-  
 19 ties supported in whole or in part by the corporation refrain  
 20 at any time during the period for which such compensation  
 21 is received from the activities described in clauses (B) and  
 22 (C) and from taking an active part in partisan or nonparti-  
 23 san political management or in partisan or nonpartisan po-  
 24 litical campaigns;

25 (7) Establish guidelines for consideration of possible

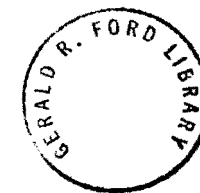
1 appeals, to be implemented by each recipient to insure the  
 2 efficient utilization of resources; except that such guidelines  
 3 shall in no way interfere with the attorney's responsibilities;

4 (8) Insure that recipients solicit the recommendations  
 5 of the organized bar in the community being served before  
 6 filling staff attorney positions in any project funded pursu-  
 7 ant to this Act and give preference in filling such positions  
 8 to qualified persons who reside in the community to be  
 9 served;

10 (9) Insure that all attorneys, while engaged in legal as-  
 11 sistance activities supported in whole or in part by the cor-  
 12 poration, refrain from the persistent incitement of litigation  
 13 or any other activity prohibited by the Canons of Ethics and  
 14 Code of Professional Responsibility of the American Bar  
 15 Association, and insure that such attorneys refrain from per-  
 16 sonal representation for a private fee for a period of two years  
 17 any cases which are first presented to them while engaged  
 18 in such legal assistance activities.

19 (b) No funds made available by the corporation under  
 20 this Act, either by grant or contract, may be used—

21 (1) To provide legal assistance with respect to any  
 22 fee-generating case (except in accordance with guidelines  
 23 promulgated by the corporation), to provide legal assistance  
 24 with respect to any criminal proceeding or to provide legal  
 25 assistance in civil actions to persons who have been convicted





1 of a criminal charge where the civil action arises out of alleged  
2 acts or failures to act connected with the criminal conviction  
3 and is brought against an officer of the court or against a  
4 law enforcement official;

5 (2) For any of the political activities described in sec-  
6 tion (7) (a) (6);

7 (3) To award grants to or enter into contracts with  
8 any private law firm which expends 50 per centum or more  
9 of its resources and time litigating issues either in the broad  
10 interests of a majority of the public or in the collective inter-  
11 ests of the poor, or both;

12 (4) To support or conduct training programs for the  
13 advocacy of, as distinguished from the dissemination of in-  
14 formation about, particular public policies or which encour-  
15 age political activities, labor or anti-labor activities, boycotts,  
16 picketing, strikes, and demonstrations, except that this pro-  
17 vision shall not be construed to prohibit the training of attor-  
18 neys necessary to prepare them to provide adequate legal  
19 assistance to eligible clients;

20 (5) To organize, to assist to organize, or to encourage  
21 to organize, or plan for, the creation or formation of, or the  
22 structuring of, any organization, association, coalition, alli-  
23 ance, federation, confederation, or any similar entity, except  
24 for the provision of appropriate legal assistance in accordance  
25 with guidelines promulgated by the corporation;

1 (6) To provide legal assistance under this Act to any  
2 person under eighteen years of age without the written re-  
3 quest of one of such person's parents or guardians or any  
4 court of competent jurisdiction except in child abuse cases,  
5 custody proceedings, and PINS proceedings;

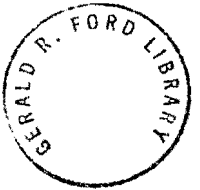
6 (7) To provide legal assistance with respect to any pro-  
7 ceeding or litigation relating to the desegregation of any  
8 school or school system;

9 (8) To provide legal assistance with respect to any pro-  
10 ceeding or litigation which seeks to procure a nontherapeutic  
11 abortion or to compel any individual or institution to perform  
12 an abortion, to assist in the performance of an abortion, or  
13 provide facilities for the performance of an abortion, contrary  
14 to the religious beliefs or moral convictions of such individual  
15 or institution;

16 (9) To provide legal assistance with respect to any pro-  
17 ceeding or litigation relating to the desegregation of any in-  
18 stitution of higher education;

19 (10) To provide legal assistance under this Act with  
20 respect to any matter arising out of a violation of the Selec-  
21 tive Service Act or of desertion from the Armed Forces of  
22 the United States.

23 (c) In making grants or entering into contracts for  
24 legal assistance, the corporation shall insure that any recipi-  
25 ent organized solely for the purpose of providing legal assist-



1 ance to eligible clients is governed by a body at least two-  
 2 thirds of which consists of lawyers who are members of  
 3 the bar of a State in which the legal assistance is to be pro-  
 4 vided (except pursuant to regulations issued by the corpora-  
 5 tion which allow a waiver of this requirement for recipients  
 6 which because of the nature of the population they serve  
 7 are unable to comply with such requirement) ; such lawyers  
 8 shall not, while serving on such body, receive compensation  
 9 from a recipient or from the corporation for any other service.

10 (d) The corporation shall monitor and evaluate pro-  
 11 grams supported in whole or in part under this Act to insure  
 12 that the provisions of this Act and the bylaws of the  
 13 corporation and applicable rules, regulations, and guidelines  
 14 promulgated pursuant to this Act are carried out.

15 (e) Grants and contracts under this Act shall be made  
 16 or entered into by the president in the name of the corpora-  
 17 tion, but the board shall review and approve any grant to or  
 18 contract with a State or local government prior to such action  
 19 by the president, and may by rule establish other classes of  
 20 grants or contracts to be reviewed and approved by it prior  
 21 to such action by the president.

22 (f) At least thirty days prior to the corporation's ap-  
 23 proval of any grant application or prior to entering into  
 24 a contract, the corporation shall notify the Governor and  
 25 the State bar association of the State in which the recipient

1 will offer legal assistance. Notification shall include a rea-  
 2 sonable description of the grant application or proposed con-  
 3 tract and request their comments and recommendations.

4 (g) The corporation shall conduct a study of alternative  
 5 methods of delivery of legal assistance to eligible clients  
 6 including judicare, vouchers, prepaid legal insurance, and  
 7 contracts with law firms and shall make recommendations to  
 8 the President and the Congress on or before June 30, 1974,  
 9 concerning improvements, changes, or alternative methods  
 10 for delivery of such systems.

#### 11 RECORDS AND REPORTS

12 SEC. 8. (a) The corporation shall have authority to  
 13 require such reports as it deems necessary from recipients.

14 (b) The corporation shall have authority to prescribe  
 15 the keeping of records with respect to funds provided by  
 16 grant or contract and shall have access to such records at  
 17 all reasonable times for the purpose of insuring compliance  
 18 with the grant or contract.

19 (c) The corporation shall publish an annual report  
 20 which shall be filed by the corporation with the President  
 21 and the Congress.

22 (d) Copies of all reports pertinent to the evaluation,  
 23 inspection, or monitoring of recipients shall be maintained  
 24 in the principal office of the corporation for a period of at  
 25 least five years subsequent to such evaluation, inspection, or  
 26 monitoring. Such reports shall be available for public inspec-



1 tion during regular business hours and copies shall be fur-  
 2 nished, upon request, to interested parties upon payment of  
 3 such reasonable fees as the corporation may establish.

4 (e) The corporation shall be subject to the provisions of  
 5 the Freedom of Information Act.

6 (f) The corporation shall afford notice and reasonable  
 7 opportunity for comment to interested parties prior to issuing  
 8 rules, regulations, and guidelines, and it shall publish in the  
 9 Federal Register on a timely basis all its bylaws, rules,  
 10 regulations, and guidelines.

#### 11 AUDITS

12 SEC. 9. (a) The accounts of the corporation shall be  
 13 audited annually. Such audits shall be conducted in accord-  
 14 ance with generally accepted auditing standards by independ-  
 15 ent certified public accountants who are certified by a regu-  
 16 latory authority of the jurisdiction in which the audit is  
 17 undertaken.

18 (b) The audits shall be conducted at the place or places  
 19 where the accounts of the corporation are normally kept.  
 20 All books, accounts, financial records, reports, files, and  
 21 other papers, things, or property belonging to or in use by  
 22 the corporation and necessary to facilitate the audits shall  
 23 be made available to the person or persons conducting the  
 24 audits; and full facilities for verifying transactions with the  
 25 balances and securities held by depositories, fiscal agents,

1 and custodians shall be afforded to such person or persons.  
 2 The report of the annual audit shall be filed with the Gen-  
 3 eral Accounting Office and shall be available for public in-  
 4 spection during business hours at the principal office of the  
 5 corporation.

6 (c) In addition to the annual audit, the financial trans-  
 7 actions of the corporation for any fiscal year during which  
 8 Federal funds are available to finance any portion of its  
 9 operations may be audited by the General Accounting Office  
 10 in accordance with such rules and regulations as may be  
 11 prescribed by the Comptroller General of the United States.  
 12 Any such audit shall be conducted at the place or places  
 13 where accounts of the corporation are normally kept. The  
 14 representatives of the General Accounting Office shall have  
 15 access to all books, accounts, records, files, and all other  
 16 things, papers, or property belonging to or in use by the  
 17 corporation pertaining to its financial transactions and nec-  
 18 essary to facilitate the audit, and they shall be afforded full  
 19 facilities for verifying transactions with the balances or se-  
 20 curities held by depositories, fiscal agents, and custodians.  
 21 All such books, accounts, records, reports, files, papers, and  
 22 property of the corporation shall remain in the possession  
 23 and custody of the corporation. A report of such audit shall  
 24 be made by the Comptroller General to the Congress and to



1 the President, together with such recommendations with  
2 respect thereto as he shall deem advisable.

3 (d) The corporation shall audit each recipient annually  
4 or require each recipient to provide for an annual audit. The  
5 report of each such audit shall be maintained for a period  
6 of at least five years at the principal office of the corporation.  
7 The Comptroller General of the United States shall receive  
8 copies of such reports and may, in addition, inspect the  
9 books, accounts, records, files, and all other papers, things,  
10 or property belonging to or in use by the recipients, which  
11 relate to the disposition or use of funds received from the  
12 corporation. The audit reports shall be available for public  
13 inspection, during regular business hours, at the principal  
14 office of the corporation. Notwithstanding this subsection,  
15 neither the corporation nor the Comptroller General shall  
16 have access to individual case records subject to the attorney-  
17 client privilege.

#### 18 FINANCING

19 SEC. 10. (a) There are authorized to be appropriated  
20 such sums as may be necessary to carry out the activities  
21 of the corporation. The first such appropriation may be  
22 made available to the board at any time after six or more  
23 members have been appointed and qualified. Funds appro-  
24 priated pursuant to this section shall remain available until  
25 expended.

1 (b) Non-Federal funds received by the corporation,  
2 and funds received by any recipient from a source other  
3 than the corporation, shall be accounted for and reported  
4 as receipts and disbursements separate and distinct from  
5 Federal funds, but shall not be expended by recipients for  
6 any purpose prohibited by this Act (except that this provi-  
7 sion shall not be construed in such a manner as to make it  
8 impossible to contract or make other arrangements with pri-  
9 vate attorneys or private law firms, or with legal aid societies  
10 which have separate public defender programs, for rendering  
11 legal assistance to eligible clients under this Act).

#### 12 RIGHT TO REPEAL, ALTER, OR AMEND

13 SEC. 11. The right to repeal, alter, or amend this Act  
14 at any time is expressly reserved.

#### 15 TRANSITION PROVISION

16 SEC. 12. (a) Effective July 1, 1973, or the date of  
17 enactment of this Act, whichever is later, the Secretary of  
18 Health, Education, and Welfare shall take such action as  
19 he deems necessary, including the provision (by grant or  
20 otherwise) of financial assistance to recipients and the cor-  
21 poration and the furnishing of services and facilities to the  
22 corporation—

23 (1) to assist the corporation in preparing to under-  
24 take, and in the initial undertaking of, its responsibilities  
25 under this Act, and



1 (2) to assist recipients in the provision of legal  
2 assistance until the date provided for in subsection (c).

3 (b) Effective July 1, 1973, or the date of enactment  
4 of this Act, whichever is later—

5 (1) all rights of the Office of Economic Opportunity  
6 to property in the possession of legal services programs  
7 assisted pursuant to section 222 (a) (3), 230, 232, or  
8 any other provision of the Economic Opportunity Act of  
9 1964, shall be transferred to the Secretary of Health,  
10 Education, and Welfare until the date provided for in  
11 subsection (c) and shall thereafter be the property of  
12 the corporation, and

13 (2) all assets, liabilities, property, and records de-  
14 termined by the Director of the Office of Management  
15 and Budget to be held or used primarily in connection  
16 with any function of the Director of the Office of Eco-  
17 nomic Opportunity under such section 222 (a) (3) shall  
18 be transferred to the Secretary of Health, Education, and  
19 Welfare until the date provided for in subsection (c)  
20 and shall thereafter be the property of the corporation.

21 (c) Effective ninety days after the date of the first  
22 meeting of the board of directors of the corporation, such  
23 meeting to occur following the appointment and qualification  
24 of at least six members of such Board, section 222 (a) (3) of  
25 the Economic Opportunity Act of 1964 is repealed, and the

1 authority of the Secretary of Health, Education, and Welfare  
2 under subsection (a) is terminated.

3 (d) There are authorized to be appropriated for the  
4 fiscal year ending June 30, 1974, such sums as may be nec-  
5 essary for carrying out subsection (a).

6 No assistance shall be given to indigent, abandoned  
7 Watergate defendants.

Passed the House of Representatives June 21, 1973.

Attest:

W. PAT JENNINGS,

*Clerk.*



93<sup>d</sup> CONGRESS  
1<sup>st</sup> SESSION

# H. R. 7824

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## AN ACT

To establish a Legal Services Corporation, and  
for other purposes.

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JUNE 22 (legislative day, JUNE 18), 1973  
Received

LEGISLATION:

Natural Gas Supply (S 2048; HR 7507)

BACKGROUND:

Special Message 4/18/73



PROVISIONS:

Provides that prices paid by interstate pipelines to producers for new supplies of domestic natural gas will be determined by competitive forces of the market system rather than by the Federal Power Commission.

STATUS:

- A. HOUSE: Referred to Commerce Committee; no further action and nothing scheduled.
- B. SENATE: Referred to Senate Commerce Subcommittee  
No further action and nothing scheduled.

OUTLOOK:



93<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 7507

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IN THE HOUSE OF REPRESENTATIVES

MAY 3, 1973

MR. STAGGERS (for himself and Mr. DEVINE) (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

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## A BILL

To amend the Natural Gas Act to extend its application to the direct sale of natural gas in interstate commerce, and to provide that provisions of the Act shall not apply to certain sales in interstate commerce.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        SECTION 1. That section 1 (b) of the Natural Gas Act  
4        is amended to read as follows:

5        “(b) The provisions of this Act shall apply to the  
6        transportation of natural gas in interstate commerce, to the  
7        sale in interstate commerce of natural gas for domestic, com-  
8        mercial, industrial, or any other use, and to natural gas com-  
9        panies engaged in such transportation or sale, but shall not



1 apply to any other transportation or sale of natural gas or  
 2 to the local distribution of natural gas or to the facilities  
 3 used for such distribution or to the production or gathering  
 4 of natural gas or to the sale of natural gas dedicated for the  
 5 first time to interstate commerce or rededicated upon expira-  
 6 tion of an existing contract on or after April 15, 1973, or  
 7 produced from wells commenced on or after April 15, 1973,  
 8 for domestic, commercial, industrial or any other use, by any  
 9 person, provided that person is not engaged in the transpor-  
 10 tation of natural gas in interstate commerce."

11 SEC. 2. Section 2 (6) of the Natural Gas Act is amended  
 12 striking the last two words and by inserting before the period  
 13 at the end thereof a comma and the following: "subject to  
 14 the exception in Section 1 (b) above."

15 SEC. 3. Section 2 of the Natural Gas Act is amended  
 16 by adding at the end thereof the following new subsection:

17 "(10) 'Affiliate' of another person means any per-  
 18 son directly or indirectly controlling, controlled by, or  
 19 under common control with such other person."

20 SEC. 4. Section 3 of the Natural Gas Act is amended  
 21 by striking from the first sentence "or import any natural  
 22 gas from a foreign country" and by striking from the second  
 23 sentence "or importation".

24 SEC. 5. Section 4 (e) of the Natural Gas Act is amended  
 25 by inserting at the end thereof the following:

1 "Provided, however, That the Commission shall have  
 2 no power to deny, in whole or in part, that portion of  
 3 the rates and charges made, demanded, or received by any  
 4 natural gas company for or in connection with the purchase  
 5 of natural gas exempt from the Act pursuant to section 1 (b)  
 6 except to the extent that the rates or charges made, de-  
 7 manded or received for natural gas by an affiliate of the  
 8 purchasing natural gas company exceed those made, de-  
 9 manded or received by persons not affiliated with the  
 10 purchasing natural gas company: *Provided further*, That the  
 11 Commission shall have no power to deny, in whole or in  
 12 part, that portion of the rates or charges made, demanded  
 13 or received by any natural gas company for natural gas pro-  
 14 duced from the properties of that company from wells com-  
 15 menced on or after April 15, 1973, except to the extent  
 16 that the rates or charges made, demanded or received ex-  
 17 ceed those made, demanded or received for natural gas by  
 18 persons not affiliated with the purchasing natural gas  
 19 company."

20 SEC. 6. Section 5 (a) of the Natural Gas Act is amended  
 21 by inserting at the end thereof the following:

22 "Provided, however, That the Commission shall have no  
 23 power to deny, in whole or in part, that portion of the rates  
 24 and charges made, demanded, or received by any natural  
 25 gas company for or in connection with the purchase of nat-



1 ural gas exempt from the Act pursuant to section 1 (b), ex-  
 2 cept to the extent that the rates or charges made, demanded  
 3 or received for natural gas by an affiliate of the purchasing  
 4 natural gas company exceed those made, demanded or re-  
 5 ceived by persons not affiliated with the purchasing natural  
 6 gas company: *And provided further*, That the Commission  
 7 shall have no power to deny, in whole or in part, that portion  
 8 of the rates or charges made, demanded or received by any  
 9 natural gas company for natural gas produced from the prop-  
 10 erties of that company from wells commenced on or after  
 11 April 15, 1973, except to the extent that the rates or charges  
 12 made, demanded or received exceed those made, demanded  
 13 or received for natural gas by persons not affiliated with the  
 14 purchasing natural gas company: *And provided further*,  
 15 That the Commission shall have no power to order a decrease  
 16 in the rate or charge made, demanded or received for the  
 17 sale of natural gas by any person not engaged in the trans-  
 18 portation of natural gas in interstate commerce or by any  
 19 affiliate of such person, if such rate or charge shall have been  
 20 previously determined to be just and reasonable, such deter-  
 21 mination being final and no longer subject to judicial  
 22 review.”

23 SEC. 7. Section 24 of the Natural Gas Act is renumbered  
 24 section 25 and a new section 24 is added as follows:

25 “In order to protect the interests of consumers, the  
 26 Secretary of the Interior is authorized for three years from

1 the date of enactment of this legislation to monitor the well-  
 2 head prices of natural gas sales exempted in section 1 (b)  
 3 hereof, and if necessary to establish ceilings as to the future  
 4 rates of and charges for such sales. In determining whether to  
 5 establish such ceilings and in setting the level of such ceilings,  
 6 the Secretary shall take the following factors into account:

7 “(a) The current and projected price of other fuels  
 8 at the point of utilization, adjusted to reflect a compar-  
 9 able heating value;

10 “(b) The premium nature of natural gas and its  
 11 environmental superiority over many other fuels;

12 “(c) Current and projected prices for the importa-  
 13 tion of liquefied natural gas and the manufacture of  
 14 synthetic gaseous fuels, and

15 “(d) The adequacy of these prices to provide  
 16 necessary incentive for exploration and production of  
 17 domestic reserves of natural gas and the efficient end-use  
 18 of such supplies.

19 The Secretary may raise or remove any ceiling imposed  
 20 under the provisions of this section if he determines the  
 21 bases for the imposition of ceilings have changed or no  
 22 longer exist. Any ceiling imposed under the provisions of  
 23 this section will terminate three years from the date of  
 24 enactment of this Act.”

25 SEC. 8. This Act may be cited as the “Natural Gas  
 26 Supply Act of 1973”.



93<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 7507

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## A BILL

To amend the Natural Gas Act to extend its application to the direct sale of natural gas in interstate commerce, and to provide that provisions of the Act shall not apply to certain sales in interstate commerce.

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By Mr. STAGGERS and Mr. DEVINE

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MAY 3, 1973

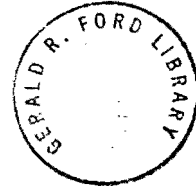
Referred to the Committee on Interstate and Foreign  
Commerce

LEGISLATION:

Alaska Pipeline (S. 1040; H. R. 5442)

BACKGROUND:

Interior draft cleared 2/27/73.



PROVISIONS:

This bill would amend the Mineral Leasing Act of 1920 to allow the construction of the Trans-Alaska Pipeline.

STATUS:

A. HOUSE:

House Interior Public Lands Subcommittee reported H. R. 9130. ~~May go to full Committee soon.~~ *is meeting for mark-up of bill. Hope to finish Tuesday, July 24, 1973.*

B. SENATE:

S. 1081 passed Senate on July 17 by vote of 77-20.

OUTLOOK:



93<sup>d</sup> CONGRESS  
1<sup>st</sup> SESSION

# H. R. 9130

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1973

Mr. MELCHER (for himself, Mr. RONCALIO of Wyoming, Mr. JOHNSON of California, Mr. TAYLOR of North Carolina, Mr. RUNNELS, Mr. YOUNG of Alaska, Mr. STEIGER of Arizona, Mr. KAZEN, Mr. WON PAT, Mr. VIGORITO, Mr. DON H. CLAUSON, Mr. HOSMER, Mr. STEPHENS, Mr. TOWELL of Nevada, Mr. CAMP, Mr. JONES of Oklahoma, Mr. DE LUGO, Mr. LUJAN, Mr. MARTIN of North Carolina, Mr. KETCHUM, and Mr. CRONIN) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

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## A BILL

To amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 TITLE I

4 SECTION 1. Section 28 of the Mineral Leasing Act of  
5 1920 (41 Stat. 449), as amended (30 U.S.C. 185), is  
6 further amended by striking out the following: “, to the  
7 extent of the ground occupied by the said pipeline and  
8 twenty-five feet on each side of the same under such regula-

1 tions and conditions as to survey, location, application, and  
 2 use as may be prescribed by the Secretary of the Interior  
 3 and upon," and by inserting in lieu thereof the following:

4 " : *Provided*, That—

5 " (a) the width of a right-of-way shall not exceed  
 6 fifty feet plus the ground occupied by the pipeline (that  
 7 is, the pipe and its related facilities) unless the Secretary  
 8 finds, and records the reasons for his finding, that in  
 9 limited areas a wider right-of-way is reasonably neces-  
 10 sary for operation and maintenance after construction,  
 11 or to protect the environment or public safety. Related  
 12 facilities include but are not limited to valves, pump  
 13 stations, supporting structures, bridges, monitoring and  
 14 communication devices, surge and storage tanks, ter-  
 15 minals, roads, airports, and campsites, and they need  
 16 not necessarily be connected or contiguous to the pipe  
 17 and may be the subjects of separate rights-of-way;

18 " (b) a right-of-way may be supplemented by such  
 19 temporary permits for the use of public lands in the  
 20 vicinity of the pipeline as the Secretary deems are  
 21 reasonably necessary in connection with construction,  
 22 modification, repair, or termination of the pipeline;

23 " (c) rights-of-way and permits shall be subject to  
 24 such terms and conditions as the Secretary may prescribe  
 25 regarding duration, survey, location, construction,

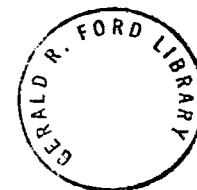
1 operation, maintenance, use, and termination; the  
 2 Secretary shall consider the environmental impact of  
 3 the pipeline as required by the National Environmental  
 4 Policy Act, and impose requirements that will minimize  
 5 to the extent practical any adverse environmental impact,  
 6 including but not limited to requirements for curtailment  
 7 of erosion, restoration, and revegetation of the surface  
 8 of the land, and protection of fish and wildlife and their  
 9 habitat;

10 " (d) permits and rights-of-way shall be limited to  
 11 the shortest term practical;

12 " (e) each right-of-way shall reserve to the Secre-  
 13 tary the right to grant additional rights-of-way or per-  
 14 mits for compatible uses;

15 " (f) the grantee of a right-of-way shall pay annually  
 16 in advance the fair market rental value of the right-of-  
 17 way, as determined by the Secretary, and shall reim-  
 18 burse the United States for administrative and other  
 19 costs incurred in processing the grantee's application  
 20 and in authorizing and monitoring the construction,  
 21 operation, maintenance, and termination of the  
 22 pipeline;

23 " (g) the Secretary shall notify the House and  
 24 Senate Committees on Interior and Insular Affairs  
 25 promptly upon receipt of an application for a right-of-



1 way for a pipeline twenty-four inches or more in  
 2 diameter, and no right-of-way for such pipeline shall  
 3 be granted until sixty days (not counting days on which  
 4 the House of Representatives or the Senate has ad-  
 5 journed for more than three days) after a notice of  
 6 intention to grant the right-of-way, together with  
 7 explanatory information, has been submitted to such  
 8 committees, unless each committee by resolution waives  
 9 the waiting period;

10 " (h) such rights-of-way shall contain".

11 SEC. 2. Section 28 of the Mineral Leasing Act of 1920  
 12 is further amended by striking out ": *Provided further*, That  
 13 no" and inserting "; (i) no".

## 14 TITLE II

15 SEC. 201. This title may be cited as the "Trans-Alaskan  
 16 Pipeline Authorization Act".

17 SEC. 202. The Congress finds and declares that—

18 (a) The early delivery of oil and gas from Alaska's  
 19 North Slope to domestic markets is in the national interest.

20 (b) Transportation of oil by pipeline from the North  
 21 Slope to Valdez, and by tanker from Valdez to domestic  
 22 markets, will best serve the immediate national interest.

23 (c) A supplemental pipeline to connect the North  
 24 Slope with a trans-Canadian pipeline may be needed later,  
 25 and it should be studied now, but it should not be regarded

1 as a substitute for a trans-Alaskan pipeline that does not  
 2 traverse a foreign country.

3 (d) The actions of the Secretary of the Interior here-  
 4 tofore taken with respect to the proposed trans-Alaskan  
 5 oil pipeline shall be regarded as satisfactory compliance with  
 6 the provisions of the National Environmental Policy Act  
 7 of 1969.

8 SEC. 203. (a) The Secretary of the Interior is hereby  
 9 authorized and directed to grant, in accordance with the  
 10 provisions of section 28 (excluding subsection (g)) of the  
 11 Mineral Leasing Act of 1920, as amended by title I of this  
 12 Act, without further action under the National Environmental  
 13 Policy Act of 1969, and notwithstanding the provisions of  
 14 any law other than said section 28 and this title II, such  
 15 rights-of-way and permits as he deems necessary for the  
 16 construction, operation, and maintenance of a trans-Alaskan  
 17 oil pipeline.

18 (b) The route of the trans-Alaskan oil pipeline shall  
 19 follow generally the route described in applications pending  
 20 before the Secretary of the Interior on the date of this Act.

21 (c) The Secretary shall include in rights-of-way and  
 22 permits granted pursuant to this title II terms and condi-  
 23 tions that will in his judgment mitigate any adverse environ-  
 24 mental impact.



1 (d) No right-of-way or permit which may be granted  
 2 by the Secretary of the Interior under this title II, and no  
 3 permit or other form of authorization which may be granted  
 4 by any other Federal agency with respect to construction  
 5 of the trans-Alaskan oil pipeline system, and no public land  
 6 order or other Federal authorization with respect to the  
 7 construction of a public highway between the south bank  
 8 of the Yukon River and Prudhoe Bay and generally parallel  
 9 to the pipeline, and no lease or permit granted by the Secre-  
 10 tary of the Interior for an airfield or airstrip associated in  
 11 any way with the pipeline, shall be subject to judicial review  
 12 on the basis of the National Environmental Policy Act of  
 13 1969.

14 SEC. 204. A right-of-way or permit granted under this  
 15 title II for a road or airport as a related facility of the trans-  
 16 Alaskan pipeline system may provide for the construction of  
 17 a public road or airport.

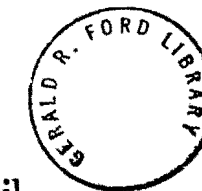
18 SEC. 205. The grant of a right-of-way or permit pur-  
 19 suant to this title II shall grant no immunity from the opera-  
 20 tion of the Federal antitrust laws.

21 SEC. 206. Any crude oil transported over rights-of-way  
 22 granted pursuant to section 28 of the Mineral Leasing Act of  
 23 1920 shall be subject to all of the limitations and licensing  
 24 requirements, and penalty and enforcement provisions, of the  
 25 Export Administration Act of 1969 (Act of December 30,

1 1960; 83 Stat. 841) and, in addition, before any crude oil  
 2 subject to this section may be exported under the limitations  
 3 and licensing requirements of the Export Administration Act  
 4 of 1969 the President must make and publish an express  
 5 finding that such exports are in the national interest.

6 SEC. 207. (a) The Secretary of the Interior is author-  
 7 ized and directed to investigate the feasibility of one or more  
 8 oil or gas pipelines from the North Slope of Alaska to connect  
 9 with a pipeline through Canada that will deliver oil or gas  
 10 to United States markets. The cost of making the investiga-  
 11 tion shall be charged to any future applicant who is granted  
 12 a right-of-way for one of the routes studied. The statement  
 13 shall be completed and submitted to the Congress within two  
 14 years from the date of this Act.

15 (b) The President is authorized and requested to enter  
 16 into negotiations with the Government of Canada to deter-  
 17 mine the terms and conditions under which pipelines or other  
 18 transportation systems could be constructed across Canadian  
 19 territory for the transport of oil and gas from Alaska's  
 20 North Slope to markets in the United States. The President  
 21 shall, within one year from the date of this Act, report to  
 22 the Congress the actions taken and the progress achieved,  
 23 together with his recommendations for further action.





93D CONGRESS  
1ST SESSION

# H. R. 9130

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## A BILL

To amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil and gas pipeline, and for other purposes.

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By Mr. MELCHER, Mr. RONCALIO of Wyoming, Mr. JOHNSON of California, Mr. TAYLOR of North Carolina, Mr. RUNNELS, Mr. YOUNG of Alaska, Mr. STEIGER of Arizona, Mr. KAZEN, Mr. WON PAT, Mr. VIGORITO, Mr. DON H. CLAUSEN, Mr. HOSMER, Mr. STEPHENS, Mr. TOWELL of Nevada, Mr. CAMP, Mr. JONES of Oklahoma, Mr. DE LUGO, Mr. LUJAN, Mr. MARTIN of North Carolina, Mr. KETCHUM, and Mr. CRONIN

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JUNE 29, 1973

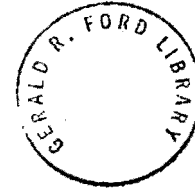
Referred to the Committee on Interior and Insular  
Affairs

LEGISLATION:

Deep Water Ports (S 1751; HR 7501)

BACKGROUND:

Special Message 4/18/73



PROVISIONS:

Provides authority for the Secretary of the Interior, in consultation with other federal agencies and State government to issue a license in waters beyond State jurisdiction for the operation of deep water ports.

STATUS:

A. HOUSE:

Before House Interior Environmental Subcommittee for hearings. Prospects in House are cloudy because of jurisdictional problems between Interior, Public Works and Merchant Marine and Fisheries Committees. No Floor action in the House likely until after the recess. (Hearings held up because of other hearings on Alaska Pipeline)

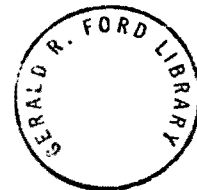
B. SENATE:

Interior, Commerce, and Public Works Committees will hold joint hearings July 23 through 25. No Senate Floor action likely before recess.

OUTLOOK:

93<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 7501



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## IN THE HOUSE OF REPRESENTATIVES

MAY 3, 1973

Mr. SAYLOR (for himself, Mr. HALEY, Mr. HOSMER, Mr. CAMP, Mr. TREEN, and Mr. UDALL) introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

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## A BILL

To amend the Outer Continental Shelf Lands Act and to authorize the Secretary of the Interior to regulate the construction and operation of deepwater port facilities.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Deepwater Port Facilities  
4        Act of 1973".

5        SEC. 2. (a) Section 5 (a) (1) of the Outer Continental  
6        Shelf Lands Act is amended by adding the following sentence  
7        at the end: "The Secretary of the Interior shall prescribe  
8        such rules and regulations as may be necessary to accommo-  
9        date the exploration and exploitation of the oil and gas and

1 other mineral resources of the Outer Continental Shelf with  
2 the construction and operation of deepwater port facilities  
3 licensed by him.”

4 (b) Section 5 (c) of the Outer Continental Shelf Lands  
5 Act is amended by deleting the words “produced from said  
6 submerged lands in the vicinity of the pipeline”.

#### 7 TITLE I

8 SEC. 101. (a) Congress finds and declares that—

9 (1) Onshore port facilities in the United States are be-  
10 coming increasingly congested as the United States’ trade  
11 in fuel and other commodities increases. Such facilities are  
12 not able to accommodate some of the large vessels which  
13 are being used increasingly in ocean shipping.

14 (2) The national interest in economic use of resources,  
15 environmental protection, transportation safety, competitive  
16 advantage in world trade, and security in international re-  
17 lations is best served by the use of larger vessels and develop-  
18 ment and operation of United States deepwater port facili-  
19 ties that can accommodate them.

20 (3) The environmental dangers and safety hazards  
21 inherent in the increasing traffic in United States harbors,  
22 ports, and coastal areas make it desirable that appropriate  
23 offshore deepwater port facilities be constructed to protect  
24 the Nation’s citizens, coastlines, and marine environment  
25 from pollution and other dangers to life, health, and property.

1 (4) The construction and operation of such deepwater  
2 port facilities by United States citizens under Federal li-  
3 cense in accordance with this Act would be a reasonable use  
4 of the high seas in accordance with international law.

5 (5) The construction and operation of deepwater port  
6 facilities off the coast of the United States by United States  
7 citizens should be subject to Federal license and regulation,  
8 and closely coordinated with the regulation of the exploration  
9 and exploitation of natural resources under the Outer Conti-  
10 nental Shelf Lands Act in order to assure an adequate ac-  
11 commodation of such uses.

12 (b) The purpose of this Act is to authorize and regulate  
13 the construction and operation of deepwater port facilities  
14 in accordance with the policy of this Act.

15 (c) Nothing in this Act shall be deemed to affect the  
16 legal status of the high seas, the superjacent airspace, or the  
17 seabed and subsoil, including the Continental Shelf.

18 SEC. 102. DEFINITIONS.—As used in this Act the  
19 term—

20 (a) “Secretary” means Secretary of the Interior unless  
21 otherwise designated.

22 (b) “Deepwater port facility” means a facility con-  
23 structed off the coast of the United States, and beyond three  
24 nautical miles from such coast, for the principal purpose of  
25 providing for the transshipment of commodities between ves-



1 sels and the United States. It includes all associated equip-  
2 ment and structures beyond three nautical miles from such  
3 coast, such as storage facilities, pumping stations, and con-  
4 nections to pipelines, but does not include pipelines.

5 (c) "United States" or "State" includes the several  
6 States, the District of Columbia, any territory or possession  
7 of the United States, and the Commonwealth of Puerto Rico.

8 (d) "Citizen of the United States" means any citizen  
9 of the United States; any State or political subdivision of a  
10 State, or any private, public, or municipal corporation cre-  
11 ated by or under the laws of the United States or any State.

12 (e) "Application" means any application filed under  
13 this Act for a license to construct, operate, or make signifi-  
14 cant alterations to a deepwater port facility, or for a  
15 renewal or modification of such license.

16 SEC. 103. (a) No citizen of the United States may con-  
17 struct or operate or make any significant addition to a deep-  
18 water port facility without first receiving a license from the  
19 Secretary. No commodities or other materials may be trans-  
20 ported between the United States and a deepwater port  
21 facility unless such deepwater port facility is licensed under  
22 this Act.

23 (b) The Secretary is authorized to issue to any citizen  
24 of the United States a license to construct or operate a  
25 deepwater port facility if he first determines that—

1 (1) the applicant is financially responsible and has  
2 demonstrated his ability and willingness to comply with  
3 applicable laws, regulations, and license conditions;

4 (2) the construction and operation of the proposed  
5 deepwater port facility will not unreasonably interfere  
6 with international navigation or other reasonable uses  
7 of the high seas, and is consistent with the international  
8 obligations of the United States; and

9 (3) the facility will be located, constructed, or  
10 operated in a manner which will minimize or prevent any  
11 adverse significant environmental effects. In making the  
12 determination required by this paragraph, the Secretary  
13 shall consider all significant aspects of the facility includ-  
14 ing any connecting pipelines in relation to—

15 (A) effects on marine organisms;

16 (B) effects on water quality;

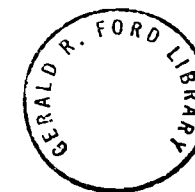
17 (C) effects on ocean currents and wave patterns  
18 and on nearby shorelines and beaches;

19 (D) effects on alternative uses of the oceans  
20 such as fishing, aquaculture, and scientific research;

21 (E) susceptibility to damage from storms and  
22 other natural phenomena; and

23 (F) effects on esthetic and recreational values.

24 (c) The Secretary shall not limit the number of licenses  
25 or deny licenses on grounds of alleged economic effects of



1 deepwater port facilities on the commodity and transporta-  
2 tion markets served by them or by other port facilities.

3 (d) Licenses issued under this section shall be for a  
4 term of no longer than thirty years, with preferential right  
5 in the licensee to renew under such terms and for such period  
6 not to exceed thirty years as the Secretary determines is  
7 reasonable.

8 (e) The Secretary shall consult with the Governor of  
9 any State off whose coasts the facility is proposed to be  
10 located to insure that the operation of the facility and directly  
11 related land based activities would be consistent with the  
12 State land use program.

13 (f) The grant of a license under this section shall not  
14 operate as a defense to any civil or criminal action for viola-  
15 tion of the antitrust laws of the United States.

16 (g) Licenses issued hereunder may be transferred after  
17 the Secretary determines that the transferee meets the re-  
18 quirements of this Act.

19 (h) The Secretary shall not issue a license hereunder  
20 in any case where the President determines that it would be  
21 contrary to the national security of the United States.

22 SEC. 104. (a) The Secretary is authorized to issue  
23 reasonable rules and regulations governing application for  
24 and issuance of licenses and the construction and operation  
25 of deepwater port facilities under this Act. Such rules and

1 regulations shall be issued in accordance with section 553 of  
2 title 5 of the United States Code without regard to the ex-  
3 ceptions contained in subsection (a) thereof.

4 (b) In carrying out all of his functions under this Act,  
5 the Secretary shall consult with all interest or affected  
6 Federal agencies. The Secretary is authorized to utilize on  
7 a reimbursable basis the full resources of the Federal Gov-  
8 ernment in ocean engineering and undersea technology for  
9 the purpose of determining standards and criteria for con-  
10 struction of all facilities licensed under this Act.

11 (c) An application filed with the Secretary for a license  
12 under this Act shall constitute an application for all Federal  
13 authorizations required for construction and operation of a  
14 deepwater port facility. The Secretary shall consult with  
15 other agencies to insure that the applications contain all in-  
16 formation required by the agencies. The Secretary will for-  
17 ward a copy of the application to those Federal agencies  
18 with jurisdiction over any of the construction and operation  
19 and will not issue a license under this Act until he has been  
20 notified by such agencies that the application meets the re-  
21 quirements of the laws which they administer. Hearings  
22 held pursuant to this Act shall be consolidated insofar as  
23 practicable with hearings held by other agencies.

24 (d) The provisions of this Act shall in no way alter or  
25 otherwise affect the jurisdiction of the Council on Environ-



1 mental Quality or the requirements of the National Environ-  
 2 mental Policy Act of 1969 except that a single detailed  
 3 environmental impact statement shall be prepared in con-  
 4 nection with each license by the Secretary and circulated  
 5 in compliance with the Guidelines of the Council on Environ-  
 6 mental Quality. Such statement shall fulfill the responsibili-  
 7 ties of all participating Federal agencies under section 102  
 8 (2) (C) of that Act with respect to the proposed facilities.

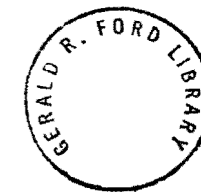
9 SEC. 105. PROCEDURES FOR ISSUING LICENSE.—(a)  
 10 Secretary shall prescribe by regulation the procedures, in-  
 11 cluding appropriate charges, for the submission and consi-  
 12 deration of applications for licenses. Each application shall  
 13 contain such financial, technical, and other information to  
 14 support the determinations required by section 103 (b) of  
 15 this Act as the Secretary may by regulation require.

16 (b) Before granting any license the Secretary shall  
 17 publish in the Federal Register a notice containing a brief  
 18 description of the proposed facility and information as to  
 19 where the application and supporting data required by sub-  
 20 section (a) may be examined and giving interested persons  
 21 at least ninety days for the submission of written data, views,  
 22 or arguments relevant to the grant of the license, with or  
 23 without opportunity for oral presentation. Such notice shall  
 24 also be furnished to the Governor of each State which may be

1 significantly affected by the proposed facility, and the Secre-  
 2 tary shall utilize such additional methods as he deems reason-  
 3 able to inform interested persons and groups about the pro-  
 4 ceeding and to invite comments therefrom.

5 (c) If the notice published under subsection (b) did  
 6 not provide for a public hearing, then upon the request of  
 7 any interested person when in the judgment of the Secretary  
 8 substantial objections have been raised to the grant or the  
 9 terms of the license the Secretary shall hold one or more pub-  
 10 lic hearings to consider such objections. Where such objec-  
 11 tions relate to the proposed site of the facility, at least  
 12 one such hearing shall be held in the vicinity of the proposed  
 13 site.

14 (d) Where the Secretary concludes from the comments  
 15 and data submitted pursuant to subsections (b) and (c)  
 16 that there exist one or more specific and material factual  
 17 issues which may be resolved by an evidentiary hearing, he  
 18 may direct that such issues be submitted to a supplemental  
 19 hearing before a presiding officer designated for that purpose.  
 20 Such officer shall have authority to preclude repetitious and  
 21 cumulative testimony; to require that direct testimony be  
 22 submitted in advance in written form, and to permit cross-  
 23 examination only to the extent necessary and appropriate in  
 24 view of the nature of the issues. After the hearing the pre-



1 siding officer shall submit to the Secretary a report of his  
2 findings and recommendations, and the participants in the  
3 hearing shall have an opportunity to comment thereon.

4 (e) The Secretary's decision granting or denying the  
5 license shall be in writing and shall include or be preceded  
6 by an environmental impact statement, where required by  
7 section 102 of the National Environmental Policy Act, a  
8 discussion of the issues raised in the proceeding and his con-  
9 clusions thereon, and, where a hearing was held pursuant to  
10 subsection (d), findings on the issues of fact considered at  
11 such hearing.

12 (f) The provisions of sections 554, 556, and 557 of  
13 title 5, United States Code, are not applicable to proceedings  
14 under this section. Any hearing held pursuant to this sec-  
15 tion shall not be deemed a hearing provided by statute for  
16 purposes of section 706(2)(E) of title 5, United States  
17 Code.

18 SEC. 106. (a) Any person adversely affected by an  
19 order of the Secretary granting or denying a license may  
20 within sixty days after such order is issued seek judicial  
21 review thereof in the United States court of appeals for  
22 the circuit nearest to which the facility is sought to be located.  
23 A copy of the petition shall be forthwith transmitted by  
24 the clerk of the court to the Secretary or other officer des-  
25 ignated by him for that purpose. The Secretary thereupon

1 shall file in the court the record of the proceedings on which  
2 the Secretary based his order, as provided in section 2112  
3 of title 28. This record shall consist of—

4 (1) the application, the notice published pursuant  
5 to section 105(b), and the information and documents  
6 referred to therein;

7 (2) the written comments and documents submitted  
8 in accordance with the agency rules by any person,  
9 including any other agency and any agency advisory  
10 committee, at any stage of the proceeding;

11 (3) the transcript of any hearing held pursuant to  
12 section 105(c) or (d); and the presiding officer's re-  
13 port, if any; and

14 (4) the Secretary's decision and accompanying  
15 documents as required by section 105(e).

16 (b) If the petitioner applies to the court for leave to  
17 adduce additional evidence, and shows to the satisfaction  
18 of the court that such additional evidence is material and that  
19 there were reasonable grounds for the failure to adduce such  
20 evidence in the proceeding before the Secretary, the court  
21 may order such additional evidence (and evidence in rebuttal  
22 thereof) to be taken before the Secretary, and to be adduced  
23 in such manner and upon such terms and conditions as to the  
24 court may seem proper. The Secretary may modify his  
25 findings as to the facts, or make new findings, by reason of





1 the additional evidence so taken, and he shall file such  
2 modified or new findings, and his recommendation, if any,  
3 for the modification or setting aside of his original order,  
4 with the return of such additional evidence.

5 (c) Upon the filing of the petition referred to in sub-  
6 section (a), the court shall have jurisdiction to review the  
7 order in accordance with section 706 of title 5, United States  
8 Code, and to grant appropriate relief as provided in such  
9 section.

10 SEC. 107. CONDITIONS IN LICENSES.—The Secretary is  
11 authorized to include in any license granted under this Act  
12 any conditions he deems necessary to carry out the purposes  
13 of this Act. Such conditions may include but need not be  
14 limited to:

15 (1) Such fees as the Secretary may prescribe as  
16 reimbursement for the cost of Federal activities occa-  
17 sioned by the application for licensing, development,  
18 and operation of the deepwater port facility.

19 (2) Such measures as the Secretary may prescribe  
20 to meet United States international obligations.

21 (3) Such measures as the Secretary may prescribe  
22 to prevent or minimize the pollution of the surrounding  
23 waters.

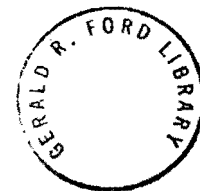
24 (4) Such provisions as the Secretary may prescribe  
25 for the temporary storage of hazardous substances.

1 (5) Conditions designed to assure that the opera-  
2 tion of the deepwater port facility will not substantially  
3 lessen competition or tend to create a monopoly. Such  
4 conditions shall include a requirement of nondiscrimina-  
5 tory access at reasonable rates.

6 (6) Provisions requiring that if a license is re-  
7 voked or expires and is not reissued the licensee will be  
8 responsible for rendering the deepwater port facility  
9 harmless to navigation and the environment.

10 SEC. 108. CIVIL PENALTIES.—(a) Any licensee who  
11 violates any condition of his license or any rule or regula-  
12 tion of the Secretary issued under this Act may be assessed  
13 a civil penalty by the Secretary, in a determination on the  
14 record after opportunity for a hearing, of not more than  
15 \$10,000 for each day during which such violation occurs.

16 (b) A licensee aggrieved by a final order of the Sec-  
17 retary assessing a penalty under this section may within  
18 sixty days after such order is issued seek judicial review  
19 thereon in the United States district court for the judicial  
20 district nearest to which the licensee's facility is located or  
21 in the United States District Court for the District of Co-  
22 lumbia, and such court shall have jurisdiction of the action  
23 without regard to the amount in controversy. Judicial re-  
24 view of the Secretary's determination shall be in accordance  
25 with section 706 of title 5, United States Code.



1 (c) Penalties assessed pursuant to this section may be  
2 collected in an action by the United States, but the order of  
3 the Secretary shall not be subject to review otherwise than as  
4 provided in subsection (b).

5 SEC. 109. CRIMINAL PENALTIES.—Any person who  
6 willfully and knowingly violates any provision of this Act  
7 or any rule, regulation, restriction, or condition made or im-  
8 posed by the Secretary under the authority of this Act  
9 shall, in addition to any other penalties provided by law, be  
10 punished by a fine of not more than \$25,000 for each day  
11 during which such offense occurs.

12 SEC. 110. REVOCATION OR SUSPENSION OF LICENSE.—

13 (a) Whenever a licensee fails to comply with any provision  
14 of this Act or any rule, regulation, restriction, or condition  
15 made or imposed by the Secretary under the authority of this  
16 Act or fails to pay any civil penalty assessed by the Secretary  
17 under section 108 (except where a proceeding for judicial  
18 review of such assessment is pending) the Secretary may  
19 file an appropriate action in a United States district court to  
20 (1) suspend operations under the license or (2) if such  
21 failure is knowing and continues for a period of thirty days  
22 after the Secretary mails notice of such failure by registered  
23 letter to the licensee at his record post office address, revoke  
24 such license: *Provided*, That when such failure would in the

1 judgment of the Secretary create a serious threat to the en-  
2 vironment, he shall have the authority to suspend operations  
3 under the license forthwith. The licensee may seek judicial  
4 review of the Secretary's action in the United States district  
5 court for the district nearest to the deepwater port facility or  
6 in the United States District Court for the District of Co-  
7 lumbia within sixty days after the Secretary takes such  
8 action.

9 SEC. 111. APPLICABLE LAWS.—(a) The Constitution  
10 and the laws and treaties of the United States shall apply to  
11 deepwater port facilities licensed under this Act and insofar  
12 as consistent with international law to activities connected  
13 with the operation and use of such deepwater port facilities  
14 in the same manner as if the facilities were located in the  
15 navigable waters of the United States. Foreign flag vessels  
16 or natural or juridical persons who are not nationals of the  
17 United States using such facilities shall be deemed to consent  
18 to the jurisdiction of the United States for the purposes of this  
19 Act. To the extent they are applicable and not inconsistent  
20 with the Act or with other Federal laws and regulations  
21 now in effect or hereafter adopted, the civil and criminal  
22 laws of the nearest State are declared to be the law of the  
23 United States for such facility. All such applicable laws shall  
24 be administered and enforced by the appropriate officers and



1 courts of the United States. State taxation laws shall not  
2 apply to such facility, but this shall not affect the right of a  
3 State to tax its citizens or residents.

4 (b) The laws of the United States referred to in the  
5 previous subsection include but are not limited to the  
6 following:

7 (1) Sections 301, 306, 307, 308, 309, 310, 311, 312,  
8 402, 403, 404, 504, and 505 of the Federal Water Pollution  
9 Control Act (Public Law 92-500, 86 Stat. 816) and sec-  
10 tions 111, 112, 113, 114, 303, and 304 of the Clean Air  
11 Act (42 U.S.C. 1857c-6 through 1857c-9 and 1857g  
12 through 1857k): *Provided*, That to the extent any of the  
13 foregoing provisions require or presuppose action on the part  
14 of any State, such action may, as appropriate, be waived or  
15 taken by the Administrator of the Environmental Protection  
16 Agency: *And provided, further*, That a deepwater port facil-  
17 ity licensed under this Act shall not be considered "a vessel  
18 or other floating craft" for purposes of section 502 (12) of  
19 the Federal Water Pollution Control Act.

20 (2) Sections 9-20 of the Rivers and Harbors Act of  
21 March 3, 1899 as amended (30 Stat. 1151; 33 U.S.C. 401,  
22 403, 404, 406, 407, 408, 409, 411, 412, 413, 414, and  
23 415).

24 (3) The Ports and Waterways Safety Act of July 10,  
25 1972 (Public Law 92-340; 86 Stat. 424).

1 (4) Acts to establish load lines for vessels, March 2,  
2 1929 as amended (45 Stat. 1492), and August 27, 1935  
3 as amended (49 Stat. 888) (46 U.S.C., chapter 2a).

4 (5) Federal Boat Safety Act of August 10, 1971 (Pub-  
5 lic Law 92-75, 85 Stat. 213) (46 U.S.C., chapter 33,  
6 sections 1451-1589).

7 (6) Vessel Bridge to Bridge Radio Telephone Act,  
8 August 4, 1971 (Public Law 92-63; 85 Stat. 164) (33  
9 U.S.C., chapter 24, sections 1201-1208).

10 (7) Sections (a) and (b) of Revised Statute 4370 as  
11 amended, Revised Statute 5294 as amended, sections 7, 8,  
12 and 9 of the Act of June 19, 1886 as amended (24 Stat.  
13 81), section 27 of the Merchant Marine Act of 1920 (41  
14 Stat. 999, as amended, 46 U.S.C. 7, 289, 316 (a), 316 (b),  
15 319, 320, and 883).

16 (8) As they relate to Pipeline Safety, the Acts of June  
17 25, 1948 as amended (62 Stat. 738; 18 U.S.C. 831), and  
18 August 12, 1968, as amended (82 Stat. 720; 49 U.S.C.  
19 1671, Public Law 90-481).

20 (9) The Marine Protection, Research, and Sanctuaries  
21 Act of 1972, Public Law 92-532.

22 (c) The Secretary is authorized to promulgate such  
23 other regulations governing health and welfare of persons  
24 using deepwater port facilities licensed under this Act as he  
25 deems necessary.



1       SEC. 112. Facilities connected to a deepwater port  
2 facility licensed under this Act such as pipelines and cables,  
3 which extend above or into submerged lands or waters sub-  
4 ject to the jurisdiction of any State or possession of the  
5 United States, when in such waters shall be subject to all  
6 applicable laws or regulations of such State or possession to  
7 the extent not inconsistent with Federal law or regulation.  
8 Nothing in this Act shall be construed as precluding a State  
9 from imposing, within its jurisdiction, more stringent en-  
10 vironmental or safety regulations.

11       SEC. 113. The customs and navigation laws adminis-  
12 tered by the Bureau of Customs, except those specified in  
13 section 111 (b) (7) herein, shall not apply to any deepwater  
14 port facility licensed under this Act; but all materials used  
15 in the construction of any such deepwater port facility and  
16 connected facilities such as pipelines and cables shall first be  
17 made subject to a consumption entry in the United States  
18 and duties deposited thereon. However, all United States  
19 officials, including customs officials, shall at all times be ac-  
20 corded reasonable access to deepwater facilities licensed under  
21 this Act for the purpose of enforcing laws under their juris-  
22 diction or carrying out their responsibilities.

23       SEC. 114. The Secretary of State, in consultation with  
24 appropriate Federal agencies, shall seek appropriate inter-  
25 national measures regarding navigation in the vicinity of  
26 deepwater port facilities.



93<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 7501

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## A BILL

To amend the Outer Continental Shelf Lands Act and to authorize the Secretary of the Interior to regulate the construction and operation of deepwater port facilities.

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By Mr. Saylor, Mr. Haley, Mr. Hosmer, Mr. Camp, Mr. Treen, and Mr. Udall

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MAY 3, 1973

Referred to the Committee on Interior and Insular  
Affairs

LEGISLATION:

Trade Reform Act of 1973 (H. R. 6767)

BACKGROUND:

Special Message 4/10/73



PROVISIONS:

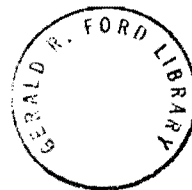
Gives the President the negotiating tools to achieve better treatment for America in world trade.

STATUS:

- A. House: Hearings commenced on May 9 and mark-up started on June 18. Committee currently pushing to report bill so it can be passed by August recess. *(Doubtful now that it will have action before Aug. recess)*
- B. Senate: Referred to Senate Committee on Finance. No hearings scheduled.

OUTLOOK:

Believe the bill is shaping up to be acceptable to all interests. It will be passed by House barring any wild amendments.



93D CONGRESS  
1ST SESSION

# H. R. 6767

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IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1973

Mr. MILLS of Arkansas (for himself, Mr. SCHNEEBELI, Mr. CONABLE, Mr. CHAMBERLAIN, Mr. CLANCY, Mr. BROTZMAN, Mr. PETTIS, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and to provide the President with additional negotiating authority therefor, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act, with the following table of contents, may be
- 4 cited as the "Trade Reform Act of 1973".

## TABLE OF CONTENTS

- Sec. 1. Short title.  
Sec. 2. Statement of purposes.

## TITLE I—AUTHORITY FOR NEW NEGOTIATIONS

## CHAPTER 1—GENERAL AUTHORITIES

- Sec. 101. Basic authority for trade agreements.  
Sec. 102. Staging requirements and rounding authority.  
Sec. 103. Nontariff barriers to trade.

## CHAPTER 2—HEARINGS AND ADVICE CONCERNING NEGOTIATIONS PURSUANT TO TITLE I

## SUBCHAPTER A—TITLE I PRENEGOTIATION REQUIREMENTS

- Sec. 111. Tariff Commission advice.  
Sec. 112. Advice from departments.  
Sec. 113. Public hearings.  
Sec. 114. Prerequisite for offers.

## SUBCHAPTER B—CONGRESSIONAL LIAISON

- Sec. 121. Transmission of agreements to Congress.

## TITLE II—RELIEF FROM DISRUPTION CAUSED BY FAIR COMPETITION

## CHAPTER 1—IMPORT RELIEF

- Sec. 201. Investigation by Tariff Commission.  
Sec. 202. Presidential action after investigations.  
Sec. 203. Import relief.

## CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

## SUBCHAPTER A—PETITIONS AND DETERMINATIONS

- Sec. 221. Petitions.  
Sec. 222. Group eligibility requirements.  
Sec. 223. Determinations by Secretary of Labor.

## SUBCHAPTER B—PROGRAM BENEFITS

## Part I—Supplemental Payments

- Sec. 231. Qualifying requirements for workers.  
Sec. 232. Supplement to unemployment insurance.

## Part II—Training and Related Services

- Sec. 233. Employment services.  
Sec. 234. Training.

## Part III—Job Search and Relocation Allowances

- Sec. 235. Job search allowances.  
Sec. 236. Relocation allowances.

## SUBCHAPTER C—GENERAL PROVISIONS

- Sec. 237. Agreements with States.  
Sec. 238. Administration absent State agreement.  
Sec. 239. Payments to States.  
Sec. 240. Liabilities of certifying and disbursing officers.  
Sec. 241. Recovery of overpayments.  
Sec. 242. Penalties.  
Sec. 243. Authorization of appropriations.  
Sec. 244. Transitional provisions.  
Sec. 245. Definitions.  
Sec. 246. Administrative provision.

## TITLE III—RELIEF FROM UNFAIR TRADE PRACTICES

## CHAPTER 1—FOREIGN IMPORT RESTRICTIONS

- Sec. 301. Responses to unfair foreign import restrictions and export subsidies.

## CHAPTER 2—ANTIDUMPING DUTIES

- Sec. 310. Amendments to the Antidumping Act of 1921.

## CHAPTER 3—COUNTERVAILING DUTIES

- Sec. 330. Amendments to section 303 of the Tariff Act of 1930.

## CHAPTER 4—UNFAIR PRACTICES IN IMPORT TRADE

- Sec. 350. Amendments to section 337 of the Tariff Act.

## TITLE IV—INTERNATIONAL TRADE POLICY MANAGEMENT

- Sec. 401. Balance-of-payments authority.  
Sec. 402. Withdrawal of concessions and similar adjustments.  
Sec. 403. Renegotiation of duties.  
Sec. 404. Compensation authority.  
Sec. 405. Authority to suspend import barriers to restrain inflation.  
Sec. 406. Reservation of articles for national security and other reasons.  
Sec. 407. Most-favored-nation principle.  
Sec. 408. Authority to terminate actions.  
Sec. 409. Period of trade agreements.  
Sec. 410. Public hearings in connection with agreements under title IV.  
Sec. 411. Authorization for GATT appropriations.

## TITLE V—TRADE RELATIONS WITH COUNTRIES NOT ENJOYING MOST-FAVORED-NATION TREATMENT

- Sec. 501. Exception of the products of certain countries or areas.  
Sec. 502. Authority to enter into commercial agreements.  
Sec. 503. Additional provisions.  
Sec. 504. Extension of most-favored-nation treatment.  
Sec. 505. Market disruption.  
Sec. 506. Effects on other laws.





## TITLE VI—GENERALIZED SYSTEM OF PREFERENCES

- Sec. 601. Purposes.
- Sec. 602. Authority to extend preferences.
- Sec. 603. Eligible articles.
- Sec. 604. Beneficiary developing country.
- Sec. 605. Limitations on preferential treatment.
- Sec. 606. Definitions.
- Sec. 607. Effective period of preferences.

## TITLE VII—GENERAL PROVISIONS

- Sec. 701. Authorities.
- Sec. 702. Reports.
- Sec. 703. Tariff Commission.
- Sec. 704. Separability.
- Sec. 705. Definitions.
- Sec. 706. Relation to other laws.
- Sec. 707. Consequential changes in the Tariff Schedules.
- Sec. 708. Simplification and modification of the Tariff Schedules.

1 SECTION 1. SHORT TITLE.—This Act may be cited as  
2 the “Trade Reform Act of 1973”.

3 SEC. 2. STATEMENT OF PURPOSES.—The purposes of  
4 this Act are—

5 (a) to provide authority in the trade field support-  
6 ing United States participation in an interrelated effort  
7 to develop an open, nondiscriminatory and fair world  
8 economic system through reform of international trade  
9 rules, formulation of international standards for invest-  
10 ment and tax laws and policies, and improvement of the  
11 international monetary system;

12 (b) to facilitate international cooperation in eco-  
13 nomic affairs for the purpose of providing a means of  
14 solving international economic problems, furthering  
15 peace and raising standards of living throughout the  
16 world;

1 (c) to stimulate the economic growth of the United  
2 States and enlarge foreign markets for the products of  
3 United States commerce (including agriculture, manu-  
4 facturing, mining, and fishing) by furthering the expan-  
5 sion of world trade through the progressive reduction and  
6 elimination of barriers to trade on a basis of mutual  
7 benefit and equity;

8 (d) to establish a program of temporary import re-  
9 lief to facilitate adjustment of sections of the domestic  
10 economy adversely affected by increased imports, con-  
11 sistent with anticipated multilateral safeguard rules being  
12 negotiated with other trading nations;

13 (e) to provide trade adjustment assistance to work-  
14 ers adversely affected by increased imports;

15 (f) improve the means of dealing with problems  
16 of unfair import competition;

17 (g) to provide additional authority for the Presi-  
18 dent to facilitate his negotiations with foreign nations  
19 to obtain for exports of American producers fair treat-  
20 ment and equitable access to foreign markets;

21 (h) to provide the President with more flexible  
22 authority to deal with matters affecting trade, including  
23 the full exercise of United States rights in the context  
24 of international agreements and the use of temporary



1 measures to deal with balance of payments disequilibria  
2 and to restrain inflation;

3 (i) to enable the United States to take advantage  
4 of new trade opportunities with countries with which  
5 it has not had trade agreement relations in the recent  
6 past; and

7 (j) to provide for United States participation in the  
8 common effort of developed countries to open their mar-  
9 kets on a generalized preferential basis to the products  
10 of developing countries.

## 11 TITLE I—AUTHORITY FOR NEW NEGOTIATIONS

### 12 CHAPTER 1—GENERAL AUTHORITIES

13 SEC. 101. BASIC AUTHORITY FOR TRADE AGREE-  
14 MENTS.—Whenever the President determines that any of the  
15 purposes of this Act will be promoted thereby, the President  
16 may—

17 (1) after the date of enactment of this Act, and be-  
18 fore five years from that date, enter into trade agree-  
19 ments with foreign countries or instrumentalities there-  
20 of; and

21 (2) provide for such modification or continuance  
22 of any existing duty, such continuance of existing duty-  
23 free or excise treatment, or such additional duties, as he  
24 determines to be required or appropriate to carry out any  
25 such trade agreement.

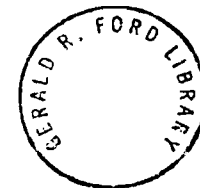
1 SEC. 102. STAGING REQUIREMENTS AND ROUNDING  
2 AUTHORITY.—(a) Except as otherwise provided in this  
3 section, the aggregate reduction in the rate of duty on any  
4 article which is in effect on any day pursuant to a trade  
5 agreement under this title shall not exceed the aggregate  
6 reduction which would have been in effect on such day—

7 (1) one-fifth of the total reduction under such  
8 agreement or a reduction of 3 per centum ad valorem (or  
9 ad valorem equivalent) whichever is greater, had taken  
10 effect on the date of the first action pursuant to section  
11 101(b) to carry out such trade agreement, and

12 (2) the remainder of such total reduction had taken  
13 effect at one-year intervals after the date referred to in  
14 paragraph (1) in installments equal to the greater of  
15 3 per centum ad valorem (or ad valorem equivalent)  
16 or one-fourth of such remainder.

17 (b) After any part of a reduction takes effect, then any  
18 time thereafter during which such part of the reduction is not  
19 in effect by reason of action taken pursuant to chapter 1 of  
20 title II of this Act shall be excluded in determining the one-  
21 year intervals referred to in subsection (a) (2).

22 (c) If the President determines that such action will  
23 simplify the computation of the amount of duty imposed with  
24 respect to an article, he may exceed the limitation provided



1 by subsection (a) of this section by not more than whichever  
2 of the following is lesser:

3 (1) the difference between the limitation and the  
4 next lower whole number, or

5 (2) one-half of 1 per centum ad valorem, or ad  
6 valorem equivalent.

7 (d) The provisions of subsection (a) need not be  
8 applied if the total reduction in the rate of duty does not  
9 exceed 10 per centum of the rate prior to the reduction.

10 (e) Nothing contained herein shall prevent the Presi-  
11 dent, where he determines that it is appropriate, from pro-  
12 viding in the case of certain products, that reductions pur-  
13 suant to a trade agreement under this title shall become fully  
14 effective over a longer period of time than that provided in  
15 subsection (a).

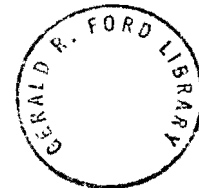
16 SEC. 103. NONTARIFF BARRIERS TO TRADE.—(a) The  
17 Congress finds that trade barriers and other distortions of  
18 international trade are reducing the growth of foreign  
19 markets for the products of United States commerce (in-  
20 cluding agriculture, manufacturing, mining, and fishing),  
21 diminishing the intended mutual benefits of reciprocal trade  
22 concessions, and preventing the development of open and  
23 nondiscriminatory trade among nations. It is the will of the  
24 Congress that the President take all appropriate and feasible  
25 steps within his power to reduce, eliminate, or harmonize

1 barriers and other distortions of international trade in order  
2 to further the objective of providing better access for prod-  
3 ucts of the United States to foreign markets.

4 (b) In order to further the objectives of subsection (a),  
5 the President is urged to negotiate trade agreements with  
6 other countries and instrumentalities providing on a basis of  
7 mutuality for the reduction, elimination, or harmonization  
8 of barriers and other distortions of international trade.  
9 Nothing in this subsection or in subsection (a) shall be con-  
10 strued as prior approval of any legislation that may be  
11 necessary to implement an agreement concerning trade  
12 barriers and other distortions of international trade.

13 (c) The President, whenever he finds that it will be of  
14 substantial benefit to the United States, is hereby authorized  
15 to take any action required or appropriate to carry out any  
16 trade agreement negotiated pursuant to subsection (b), to  
17 the extent that such implementation is limited to a reduction  
18 of the burden on trade resulting from methods of customs  
19 valuation, from establishing the quantities on which assess-  
20 ments are made, and from requirements for marking of coun-  
21 try of origin.

22 (d) Whenever the President enters into a trade agree-  
23 ment providing for the reduction, harmonization, or elimina-  
24 tion of barriers or other distortions of international trade, and  
25 the President determines that it is necessary or appropriate



1 to seek additional action by Congress in order to implement  
 2 such agreement, he may authorize the entry into force of  
 3 such agreement and issue such orders as may be necessary  
 4 for the United States to fulfill its obligations under such  
 5 agreement, subject to the procedures contained in sub-  
 6 section (e).

7 (e) Orders issued pursuant to subsection (d) shall be  
 8 valid pursuant to this section—

9 (1) only if the President has given notice to the  
 10 Senate and to the House of Representatives of his inten-  
 11 tion to utilize this procedure, such notice to be given at  
 12 least ninety days in advance of his entering into an  
 13 agreement;

14 (2) only after the expiration of ninety days from  
 15 the date on which the President delivers a copy of such  
 16 agreement to the Senate and to the House of Represent-  
 17 atives, as well as a copy of his proposed orders in  
 18 relation to existing law and a statement of his reasons  
 19 as to how the agreement serves the interests of United  
 20 States commerce and as to why the proposed orders are  
 21 necessary to carry out the agreement; and

22 (3) only if between the date of delivery of the  
 23 agreement to the Senate and to the House of Represent-  
 24 atives and the expiration of the ninety-day period re-  
 25 ferred to in subsection (e) (2) above, neither the Sen-

1 ate nor the House of Representatives has adopted a  
 2 resolution, by an affirmative vote by the yeas and nays  
 3 of a majority of the authorized membership of that  
 4 House, stating that it disapproves of the agreement.

5 For purposes of subsection (e) (2), in the computation of  
 6 the ninety-day period there shall be excluded the days on  
 7 which either House is not in session because of adjournment of  
 8 more than three days to a day certain or an adjournment  
 9 of the Congress sine die. The notices referred to in sub-  
 10 section (e) (1) and the documents referred to in subsection  
 11 (e) (2) shall be delivered to both Houses of the Congress  
 12 on the same day and shall be delivered to the Clerk of the  
 13 House of Representatives if the House of Representatives  
 14 is not in session and to the Secretary of the Senate if the  
 15 Senate is not in session.

16 CHAPTER 2—HEARINGS AND ADVICE CONCERNING  
 17 NEGOTIATIONS PURSUANT TO TITLE I  
 18 SUBCHAPTER A—TITLE I PRENEGOTIATION  
 19 REQUIREMENTS

20 SEC. 111. TARIFF COMMISSION ADVICE.—(a) In  
 21 connection with any proposed trade agreement under sec-  
 22 tion 101, the President shall from time to time publish  
 23 and furnish the Tariff Commission with lists of articles  
 24 which may be considered for modification or continuance



1 of United States duties, continuance of United States  
2 duty-free or excise treatment, or additional duties.

3 (b) Within six months after receipt of such a list,  
4 the Tariff Commission shall advise the President with  
5 respect to each article of its judgment as to the probable  
6 economic effect of modifications of duties on industries  
7 producing like or directly competitive articles, so as to  
8 assist the President in making an informed judgment as  
9 to the impact that might be caused by such modifications  
10 on United States industry, agriculture, and labor.

11 (c) In preparing its advice to the President, the  
12 Tariff Commission shall, to the extent practicable—

13 (1) investigate conditions, causes, and effects  
14 relating to competition between the foreign indus-  
15 tries producing the articles in question and the  
16 domestic industries producing the like or directly  
17 competitive articles;

18 (2) analyze the production, trade, and consumption  
19 of each like or directly competitive article, taking into  
20 consideration employment, profit levels, and use of  
21 productive facilities with respect to the domestic in-  
22 dustries concerned, and such other economic factors  
23 in such industries as it considers relevant, including  
24 prices, wages, sales, inventories, patterns of demand,

1 capital investment, obsolescence of equipment, and di-  
2 versification of production;

3 (3) describe the probable nature and extent of any  
4 significant change in employment, profit levels, use of  
5 productive facilities and such other conditions as it  
6 deems relevant in the domestic industries concerned  
7 which it believes such modifications would cause; and

8 (4) make special studies (including studies of real  
9 wages paid in foreign supplying countries), whenever  
10 deemed to be warranted, of particular proposed modifi-  
11 cations affecting United States industry, commerce,  
12 agriculture, mining, fishing, and labor, utilizing to the  
13 fullest extent practicable United States Government  
14 facilities abroad and appropriate personnel of the United  
15 States.

16 (d) In preparing its advice to the President, the Tariff  
17 Commission shall, after reasonable notice, hold public  
18 hearings.

19 SEC. 112. ADVICE FROM DEPARTMENT.—(a) Before  
20 any trade agreement is entered into under sections 101 and  
21 103 of this title, the President shall seek information and  
22 advice with respect to each agreement from the Departments  
23 of Agriculture, Commerce, Defense, Interior, Labor, State,  
24 Treasury, and the Special Representative for Trade Negotia-  
25 tions, and from other sources as he may deem appropriate.



1 (b) Whenever the President or any agency seeks advice  
 2 of selected industry, labor, and agriculture groups concerning  
 3 United States negotiating objectives and bargaining positions  
 4 in specific product sectors prior to entering into a trade agree-  
 5 ment under this title, the meetings of such advisory groups  
 6 shall be exempt from the requirements relating to open meet-  
 7 ings and public participation contained in section 10 (a) (1)  
 8 and (3) of the Federal Advisory Committee Act.

9 SEC. 113. PUBLIC HEARINGS.—(a) In connection with  
 10 any proposed trade agreement under sections 101 and 103 of  
 11 this title, the President shall afford an opportunity for any  
 12 interested person to present his views concerning any article  
 13 on a list published pursuant to section 111, any article which  
 14 should be so listed, any concession which should be sought by  
 15 the United States, or any other matter relevant to such pro-  
 16 posed trade agreement. For this purpose, the President shall  
 17 designate an agency or an interagency committee which  
 18 shall, after reasonable notice, hold public hearings, and pre-  
 19 scribe regulations governing the conduct of such hearings.

20 (b) The organization holding such hearings shall fur-  
 21 nish the President with a summary thereof.

22 SEC. 114. PREREQUISITE FOR OFFERS.—In any negoti-  
 23 ations seeking an agreement under section 101, the President  
 24 may make an offer for the modification or continuance of  
 25 any duty, or continuance of duty-free or excise treatment,

1 with respect to any article only after he has received a sum-  
 2 mary of the hearings at which an opportunity to be heard  
 3 with respect to such article has been afforded under section  
 4 113. In addition, the President may make such an offer  
 5 only after he has received advice concerning such article  
 6 from the Tariff Commission under section 111 (b), or after  
 7 the expiration of the relevant six-month period provided for  
 8 in that section, whichever first occurs.

9 SUBCHAPTER B—CONGRESSIONAL LIAISON

10 SEC. 121. TRANSMISSION OF AGREEMENTS TO CON-  
 11 GRESS.—As soon as practicable after a trade agreement  
 12 entered into under section 101 or 103 has entered into  
 13 force with respect to the United States, the President shall,  
 14 if he has not previously done so, transmit a copy of such  
 15 trade agreement to each House of the Congress together  
 16 with a statement, in the light of the advice of the Tariff  
 17 Commission under section 111 (b), if any, and of other rele-  
 18 vant considerations, of his reasons for entering into the agree-  
 19 ment.

20 TITLE II—RELIEF FROM DISRUPTION CAUSED

21 BY FAIR COMPETITION

22 CHAPTER 1—IMPORT RELIEF

23 SEC. 201. INVESTIGATION BY TARIFF COMMISSION.—  
 24 (a) (1) A petition for eligibility for import relief for the  
 25 purpose of facilitating orderly adjustment to import competi-



1 tion may be filed with the Tariff Commission by an entity,  
 2 including a trade association, firm, certified or recognized  
 3 union, or group of workers, which is representative of an  
 4 industry. The petition shall include a statement describing  
 5 the specific purpose for which import relief is being sought,  
 6 which may include such objectives as facilitating the orderly  
 7 transfer of resources to alternative employment and other  
 8 means of adjustment to new conditions of competition.

9 (2) Whenever a petition is filed under this subsection,  
 10 the Tariff Commission shall transmit a copy thereof to the  
 11 Special Representative for Trade Negotiations and the agen-  
 12 cies directly concerned.

13 (b) (1) Upon the request of the President or the Spe-  
 14 cial Representative for Trade Negotiations, upon resolution  
 15 of either the Committee on Finance of the Senate or the  
 16 Committee on Ways and Means of the House of Represent-  
 17 atives, upon its own motion, or upon the filing of a petition  
 18 under subsection (a) (1), the Tariff Commission shall  
 19 promptly make an investigation to determine whether an  
 20 article is being imported into the United States in such in-  
 21 creased quantities as to be the primary cause of serious in-  
 22 jury, or the threat thereof, to the domestic industry producing  
 23 articles like or directly competitive with the imported article.

24 (2) In making its determination regarding serious in-  
 25 jury or threat thereof, the Tariff Commission shall take into

1 account all economic factors which it considers relevant, in-  
 2 cluding significant idling of productive facilities in the in-  
 3 dustry, inability of a significant number of firms to operate  
 4 at a reasonable level of profit, and significant unemployment  
 5 or underemployment within the industry.

6 (3) In making its determination regarding primary  
 7 cause, the Tariff Commission shall take into account all fac-  
 8 tors it considers relevant, including the extent to which cur-  
 9 rent business conditions within the industry may have con-  
 10 tributed to the competitive difficulties which the firms in the  
 11 industry have been experiencing.

12 (4) In addition, the Tariff Commission shall, for the  
 13 purpose of assisting the President in making his determina-  
 14 tions under sections 202 and 203, investigate and report on  
 15 efforts made by the firms in the industry to compete more  
 16 effectively with imports.

17 (5) In each investigation under this subsection in which  
 18 it is requested to do so pursuant to the petition, request, or  
 19 resolution referred to in subsection (b) (1) or on its own  
 20 motion, the Tariff Commission shall determine whether there  
 21 exists a condition of market disruption as defined in sub-  
 22 section (f) below. If the Tariff Commission finds serious  
 23 injury, or the threat thereof, a finding of market disruption  
 24 shall constitute prima facie evidence that increased quantities



1 of imports of the like or directly competitive articles are the  
2 primary cause of such injury or threat thereof.

3 (c) In the course of any proceeding under subsection  
4 (b), the Tariff Commission shall, after reasonable notice,  
5 hold public hearings and shall afford interested parties an  
6 opportunity to be present, to present evidence, and to be  
7 heard at such hearings.

8 (d) (1) The Tariff Commission shall report to the Presi-  
9 dent its findings under subsection (b) and the basis therefor  
10 and include in each report any dissenting or separate views.  
11 The Tariff Commission shall furnish to the President a tran-  
12 script of the hearings and any briefs which may have been  
13 submitted in connection with each investigation.

14 (2) The report of the Tariff Commission of its deter-  
15 mination under subsection (b) shall be made at the earliest  
16 practicable time, but not later than three months after the  
17 date on which the petition is filed (or the date on which the  
18 request or resolution is received or the motion is adopted, as  
19 the case may be), unless prior to the end of the three-month  
20 period, the Tariff Commission makes a finding that a fair and  
21 thorough investigation cannot be made within that time and  
22 publishes its finding in the Federal Register. In such cases,  
23 the period within which the Tariff Commission must make its  
24 report shall be extended by two months.

25 (3) Upon making its report to the President, the Tariff

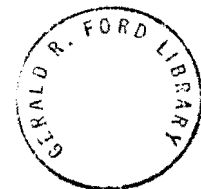
1 Commission shall also promptly make it public (with the  
2 exception of information which the Commission determines to  
3 be confidential) and have a summary of it published in the  
4 Federal Register.

5 (e) No investigation for the purposes of this section  
6 shall be made with respect to the same subject matter as a  
7 previous investigation under this section, unless one year has  
8 elapsed since the Tariff Commission made its report to the  
9 President of the results of such previous investigation.

10 (f) (1) For the purposes of this section the term "the  
11 primary cause" means the largest single cause.

12 (2) For the purposes of this section, a condition of  
13 market disruption shall be found to exist whenever a showing  
14 has been made that imports of a like or directly competitive  
15 article are substantial, that they are increasing rapidly both  
16 absolutely and as a proportion of total domestic consumption,  
17 and that they are offered at prices substantially below those  
18 of comparable domestic articles.

19 (g) Any investigation by the Tariff Commission under  
20 subsection (b) of section 301 of the Trade Expansion Act of  
21 1962 (as in effect before the date of the enactment of this  
22 Act) which is in progress immediately before such date of  
23 enactment shall be continued under this section in the same  
24 manner as if the investigation had been instituted originally  
25 under the provisions of this section. For purposes of sub-





1 section (d) (2), the petition for any investigation to which  
 2 the preceding sentence applies shall be treated as having been  
 3 filed, or the request or resolution as having been received  
 4 or the motion having been adopted, as the case may be,  
 5 on the date of the enactment of this Act.

6 (h) If, on the date of the enactment of this Act, the  
 7 President had not taken any action with respect to any report  
 8 of the Tariff Commission containing an affirmative deter-  
 9 mination resulting from an investigation undertaken by it  
 10 pursuant to section 301 (b) of the Trade Expansion Act of  
 11 1962 (as in effect before the date of the enactment of this  
 12 Act) such report shall be treated by the President as a report  
 13 received by him under this section on the date of the  
 14 enactment of this Act.

15 SEC. 202. PRESIDENTIAL ACTION AFTER INVESTIGA-  
 16 TIONS.—(a) After receiving a report from the Tariff Com-  
 17 mission containing an affirmative finding that increased im-  
 18 ports have been the primary cause of serious injury or threat  
 19 thereof under section 201 (d) with respect to an industry,  
 20 the President may—

21 (1) provide import relief for such industry in  
 22 accordance with section 203; or

23 (2) direct the Secretary of Labor to give expedi-  
 24 tious consideration to petitions for adjustment assistance  
 25 for workers in the industry concerned; or

1 (3) take any combination of these actions.

2 (b) Within sixty days after receiving a report from the  
 3 Tariff Commission containing an affirmative finding under  
 4 section 201 (b), the President shall make his determination  
 5 whether to provide import relief pursuant to section 203:  
 6 *Provided*, That in the event the Tariff Commission was  
 7 equally divided, the President shall act within one hundred  
 8 and twenty days. If the President determines not to provide  
 9 import relief, he shall immediately submit a report to the  
 10 House of Representatives and to the Senate stating the  
 11 considerations on which his decision was based.

12 (c) In determining whether to provide import relief  
 13 pursuant to section 203, the President shall take into account,  
 14 in addition to such other considerations as he may deem  
 15 relevant—

16 (1) information and advice from the Secretary of  
 17 Labor on the extent to which workers in the industry  
 18 have applied for, are receiving, or are likely to receive  
 19 adjustment assistance or benefits from other manpower  
 20 programs;

21 (2) the probable effectiveness of import relief as a  
 22 means to promote achievement of the adjustment pur-  
 23 pose, the efforts being made or to be implemented by the  
 24 industry concerned to adjust to import competition and



1 other considerations relative to the position of the indus-  
2 try in the Nation's economy;

3 (3) the effect of import relief upon consumers, in-  
4 cluding the price and availability of the imported article  
5 and the like or directly competitive article produced in  
6 the United States, and upon competition in the domestic  
7 markets for such articles;

8 (4) the effect of import relief on United States inter-  
9 national economic interests;

10 (5) the impact upon United States industries and  
11 firms as a consequence of any possible modification of  
12 duties or other import restrictions which may be required  
13 for purposes of compensation;

14 (6) the geographic concentration of imported prod-  
15 ucts marketed in the United States; and

16 (7) alternative economic and social costs that would  
17 be incurred by taxpayers, communities, and workers, if  
18 import relief were or were not provided.

19 (d) The President may, within forty-five days after the  
20 date on which he receives an affirmative finding of the Tariff  
21 Commission under section 201 (b) with respect to an in-  
22 dustry, request additional information from the Tariff Com-  
23 mission. The Tariff Commission shall as soon as practicable  
24 but in no event more than sixty days after the date on which  
25 it receives the President's request, furnish additional informa-

1 tion with respect to such industry in a supplemental report.  
2 For purposes of subsection (b), the date on which the  
3 President receives such supplemental report shall be treated  
4 as the date on which the President received the affirmative  
5 finding of the Tariff Commission.

6 SEC. 203. IMPORT RELIEF.—(a) If the President  
7 determines pursuant to section 202 to provide import relief,  
8 he shall, to the extent and for such time (not to exceed five  
9 years) that he determines necessary to prevent or remedy  
10 serious injury or the threat thereof to the industry in ques-  
11 tion and to facilitate the orderly adjustment to new com-  
12 petitive conditions by the industry in question—

13 (1) provide an increase in, or imposition of, any  
14 duty or other import restriction on the article causing or  
15 threatening to cause serious injury to such industry; or

16 (2) suspend, in whole or in part, the application  
17 of items 806.30 or 807.00 of the Tariff Schedules of the  
18 United States with respect to such article; or

19 (3) negotiate orderly marketing agreements with  
20 foreign countries limiting the export from foreign coun-  
21 tries and the import into the United States of the article  
22 causing or threatening to cause serious injury to such  
23 industry; or

24 (4) take any combination of such actions.

25 (b) Import relief provided pursuant to subsection (a).



1 shall become initially effective no later than sixty days after  
 2 the President's determination under section 202 to provide  
 3 import relief, except that the applicable period within which  
 4 import relief such be initially provided shall be one hundred  
 5 and eighty days if the President announces at the time of his  
 6 determination to provide import relief his intention to nego-  
 7 tiate one or more orderly marketing agreements pursuant  
 8 to subsection (a) (3) of this section.

9 (c) In order to carry out an agreement concluded  
 10 under subsection (a) (3), the President is authorized to  
 11 issue regulations governing the entry or withdrawal from  
 12 warehouse of articles covered by such agreement. In addi-  
 13 tion, in order to carry out one or more agreements concluded  
 14 under subsection (a) (3) among countries accounting for a  
 15 significant part of United States imports of the article cov-  
 16 ered by such agreements, the President is also authorized  
 17 to issue regulations governing the entry or withdrawal from  
 18 warehouse of the like articles which are the product of  
 19 countries not parties to such agreements.

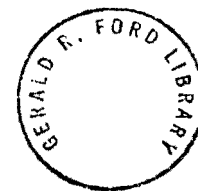
20 (d) (1) Wherever the President has acted pursuant to  
 21 subsection (a) (1) or (2), he may at any time thereafter  
 22 while such import relief is in effect, negotiate orderly market-  
 23 ing agreements with foreign countries, and may, upon the  
 24 entry into force of such agreements, suspend or terminate,  
 25 in whole or in part, such other actions previously taken.

1 (2) Any import relief provided pursuant to this sec-  
 2 tion (including relief provided under any orderly marketing  
 3 agreement) may be suspended, terminated, or reduced by  
 4 the President at any time and, unless renewed under sub-  
 5 section (d) (3), shall terminate not later than the close of  
 6 the date which is five years after the effective date of the  
 7 initial grant of any relief under this section.

8 (3) Any import relief provided pursuant to this sec-  
 9 tion (including any orderly marketing agreements) shall  
 10 be phased out during the period of import relief and, in the  
 11 case of a five-year term of import relief, the first reduction  
 12 of relief shall commence no later than the close of the date  
 13 which is three years after the effective date of the initial  
 14 grant of relief. The phasing out of an orderly marketing  
 15 agreement may be accomplished through increases in the  
 16 amounts of imports which may be entered during a year.

17 (4) Any import relief provided pursuant to this section  
 18 (including any orderly marketing agreements) may be  
 19 renewed in whole or in part by the President for one two-  
 20 year period if he determines, after taking into account the  
 21 advice received from the Tariff Commission under subsection  
 22 (e) (2) and after taking into account the factors described  
 23 in section 202 (b), that such renewal is in the national  
 24 interest.

25 (e) (1) So long as any import relief pursuant to this



1 section (including any orderly marketing agreements) re-  
 2 mains in effect, the Tariff Commission shall keep under  
 3 review developments with respect to the industry concerned  
 4 and upon request of the President shall make reports to the  
 5 President concerning such developments.

6 (2) Upon petition on behalf of the industry concerned,  
 7 filed with the Tariff Commission not earlier than the date  
 8 which is nine months, and not later than the date which is  
 9 six months, before the date any import relief is to terminate  
 10 fully by reason of the expiration of the applicable period  
 11 prescribed pursuant to subsection (d) (2), the Tariff Com-  
 12 mission shall report to the President its findings as to the  
 13 probable economic effect on such industry of such termina-  
 14 tion as well as the progress and specific efforts made by the  
 15 firms in the industry concerned to adjust to import competi-  
 16 tion during the initial period of import relief.

17 (3) Advice by the Tariff Commission under subsection  
 18 (e) (2) shall be given on the basis of an investigation during  
 19 the course of which the Tariff Commission shall hold a hear-  
 20 ing at which interested persons shall be given a reasonable  
 21 opportunity to be present, to produce evidence, and to be  
 22 heard.

23 (f) No investigation for the purposes of section 201  
 24 shall be made with respect to an industry which has received

1 import relief under this section unless two years have elapsed  
 2 since the expiration of import relief under subsection (d).

### 3 CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

#### 4 SUBCHAPTER A—PETITIONS AND DETERMINATIONS

5 SEC. 221. PETITIONS.—(a) A petition for a certifica-  
 6 tion of eligibility to apply for adjustment assistance may be  
 7 filed with the Secretary of Labor (hereinafter in this chapter  
 8 referred to as “the Secretary”) by a group of workers or by  
 9 their certified or recognized union or other duly authorized  
 10 representative. Upon receipt of the petition, the Secretary  
 11 shall promptly publish notice in the Federal Register that  
 12 he has received the petition and initiated an investigation.

13 (b) If the petitioner, or any other person found by the  
 14 Secretary to have a substantial interest in the proceedings,  
 15 submits not later than ten days after the Secretary’s publi-  
 16 cation of notice under subsection (a) a request for a hearing,  
 17 the Secretary shall provide for a public hearing and afford  
 18 such interested persons an opportunity to be present, to pro-  
 19 duce evidence, and to be heard. The Secretary may request  
 20 the Tariff Commission to hold any hearing required by this  
 21 section and submit the transcript thereof and relevant infor-  
 22 mation and documents to him within a specified time.

23 SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.—A  
 24 group of workers shall be certified as eligible to apply for ad-  
 25 justment assistance under this chapter if the Secretary deter-



1 mines that a significant number or proportion of the workers  
 2 in such workers' firm or an appropriate subdivision of the  
 3 firm have become totally or partially separated, or are  
 4 threatened to become totally or partially separated, that  
 5 sales or production, or both, of such firm or subdivision have  
 6 decreased absolutely, and that increases of imports of articles  
 7 like or directly competitive with articles produced by such  
 8 workers' firm or an appropriate subdivision thereof con-  
 9 tributed substantially to such total or partial separation, or  
 10 threat thereof.

11 SEC. 223. DETERMINATIONS BY SECRETARY OF  
 12 LABOR.—(a) As soon as possible after the date on which a  
 13 petition is filed under section 221, but in any event not  
 14 later than sixty days after that date, the Secretary shall  
 15 determine whether the petitioning group meets the require-  
 16 ments of section 222 and issue a certification of eligibility  
 17 to apply for assistance under this chapter covering workers  
 18 in any group which meets such requirements. Each certifi-  
 19 cation shall specify the date on which the total or partial  
 20 separation began or threatened to begin.

21 (b) A certification under this section shall not apply  
 22 to any worker whose last total or partial separation from  
 23 the firm or appropriate subdivision of the firm prior to his  
 24 application under section 231 occurred (1) more than one  
 25 year before the date of the petition upon which such certi-

1 fication was granted or (2) more than six months prior to  
 2 the effective date of this Act.

3 (c) Whenever the Secretary concludes that the Tariff  
 4 Commission can aid him in reaching a determination under  
 5 this section, he may request the Tariff Commission to con-  
 6 duct an investigation of facts relevant to such determina-  
 7 tion and to report the results within a specified time.  
 8 In his request, the Secretary may state the particular kinds  
 9 of data which he deems appropriate to be included.

10 (d) Upon reaching his determination on a petition, the  
 11 Secretary shall promptly publish a summary of the deter-  
 12 mination in the Federal Register.

13 (e) Whenever the Secretary determines, with respect  
 14 to any certification of eligibility of the workers of a firm  
 15 or subdivision of the firm, that total or partial separations  
 16 from such firm or subdivision are no longer attributable to  
 17 the conditions specified in section 222, he shall terminate such  
 18 certification and promptly have notice of such termination  
 19 published in the Federal Register. Such termination shall  
 20 apply only with respect to total or partial separations occur-  
 21 ring after the termination date specified by the Secretary.

22 SUBCHAPTER B—PROGRAM BENEFITS

23 Part I—Supplemental Payments

24 SEC. 231. QUALIFYING REQUIREMENTS FOR WORK-  
 25 ERS.—An adversely affected worker covered by a certifica-



1 tion under subchapter A who files an application with a  
2 cooperating State agency shall, in accordance with the pro-  
3 visions of this subchapter, be paid a supplement to the State  
4 unemployment insurance payments to which he is otherwise  
5 entitled, if the following conditions are met:

6 (A) Such worker's last total or partial separation  
7 prior to his application under this section, occurred—

8 (1) on or after the date, as specified in the  
9 certification under which he is covered, on which  
10 total or partial separation began or threatened to  
11 begin in the adversely affected employment, and

12 (2) before the expiration of the two-year  
13 period beginning on the date on which the deter-  
14 mination under section 223 was made, and

15 (3) before the termination date (if any) de-  
16 termined pursuant to section 223 (e); and

17 (B) Such worker had, in the fifty-two weeks im-  
18 mediately preceding such total or partial separation, at  
19 least twenty-six weeks of employment at wages of \$30  
20 or more a week in adversely affected employment with  
21 a single firm or subdivision of a firm, or, if data with  
22 respect to weeks of employment are not available, equiv-  
23 alent amounts of employment computed under regu-  
24 lations prescribed by the Secretary.

1 SEC. 232. SUPPLEMENT TO UNEMPLOYMENT INSUR-  
2 ANCE.—(a) Any adversely affected worker who meets the  
3 requirements of section 231 and receives States unemploy-  
4 ment insurance payments for any week within the two-year  
5 period beginning with the date on which his last total or  
6 partial separation prior to his application under section 231  
7 occurred shall receive a payment equal to the amount (if  
8 any) by which the unemployment insurance payment he  
9 receives under the applicable State law for such week is less  
10 than the payment he would have received for such week had  
11 the applicable State law provided that—

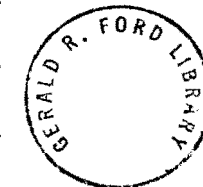
12 (1) the weekly benefit amount of any eligible indi-  
13 vidual for a week of total unemployment shall be—

14 (i) an amount equal to at least one-half of such  
15 individual's average weekly wage as determined by  
16 the State agency; or

17 (ii) the maximum weekly benefit amount pay-  
18 able under such State law, whichever is the lesser,  
19 and

20 (2) the maximum weekly benefit amount shall be  
21 no less than  $66\frac{2}{3}$  per centum of the statewide average  
22 weekly wage most recently computed before the begin-  
23 ning of the individual's benefit year.

24 (b) The amount of any weekly payment to be made



1 under this section which is not a whole dollar amount shall  
2 be rounded upward to the next higher whole dollar amount.

3 (c) For the purposes of this section—

4 (1) "benefit year" means a period as defined in  
5 State law except that it shall not exceed one year begin-  
6 ning subsequent to the end of an individual's base period.

7 (2) "base period" means a period as defined in  
8 State law except that it shall be fifty-two consecutive  
9 weeks, one year, or four calendar quarters ending not  
10 earlier than six months prior to the beginning of an  
11 individual's benefit year.

12 (3) "individual's average weekly wage" means—

13 (i) in a State which computes individual  
14 weekly benefit amounts on the basis of high quarter  
15 wages, an amount equal to one-thirteenth of an in-  
16 dividual's high quarter wages; or

17 (ii) in any other State, an amount computed  
18 by dividing the total amount of wages (irrespective  
19 of the limitation on the amount of wages subject to  
20 contribution under the State law) paid to such in-  
21 dividual during his base period by the number of  
22 weeks in which he performs services in employment  
23 covered under such law during such period.

24 (4) "high quarter wages" means the amount of  
25 wages for services performed in employment covered

1 under the State law paid to an individual in that quarter  
2 of his base period in which such wages were highest,  
3 irrespective of the limitation on the amount of wages  
4 subject to contributions under such State law.

5 (5) "Statewide average weekly wage" means the  
6 amount computed by the State agency at least once  
7 each year on the basis of the aggregate amount of  
8 wages, irrespective of the limitation on the amount of  
9 wages subject to contributions under such State law,  
10 reported by employers as paid for services covered under  
11 such State law during the first four of the last six  
12 completed calendar quarters prior to the effective date  
13 of the computation, divided by a figure representing  
14 fifty-two times the twelve-month average of the num-  
15 ber of employees in the pay period containing the twelfth  
16 day of each month during the same four calendar quar-  
17 ters, as reported by such employers.

18 PART II—TRAINING AND RELATED SERVICES

19 SEC. 233. EMPLOYMENT SERVICES.—The Secretary  
20 shall make every reasonable effort to secure for adversely  
21 affected workers covered by a certification under sub-  
22 chapter A of this chapter counseling, testing, and placement  
23 services, and supportive and other services, provided for  
24 under any Federal law. The Secretary shall, whenever ap-



1 appropriate, procure such services through agreements with  
2 cooperating State agencies.

3 SEC. 234. TRAINING.—(a) It the Secretary determines  
4 that there is no suitable employment available for an ad-  
5 versely affected worker covered by a certification under sub-  
6 chapter A of this chapter, but that suitable employment  
7 (which may include technical and professional employment)  
8 would be available if the worker received appropriate train-  
9 ing, he may authorize such training. Insofar as possible, the  
10 Secretary shall provide or assure the provision of such train-  
11 ing on a priority basis through manpower and related service  
12 programs established by law.

13 (b) The Secretary may, where appropriate, authorize  
14 supplemental assistance necessary to defray transportation  
15 and subsistence expenses for separate maintenance when  
16 training is provided in facilities which are not within com-  
17 muting distance of a worker's regular place of residence. The  
18 Secretary shall not authorize payments for subsistence ex-  
19 ceeding \$5 per day; nor shall he authorize payments for  
20 transportation expenses exceeding 10 cents per mile.

21 (c) The Secretary shall not authorize any training pro-  
22 gram under this section which begins more than one year  
23 from certification under subchapter A or the applicant's last  
24 total or partial separation prior to his application under sec-  
25 tion 231, whichever is later.

1 (d) Any adversely affected worker who, without good  
2 cause, refuses to accept or continue, or fails to make satis-  
3 factory progress in, suitable training to which he has been  
4 referred by the Secretary shall not thereafter be entitled to  
5 payments under this chapter until he enters or resumes the  
6 training to which he has been so referred.

7 PART III—JOB SEARCH AND RELOCATION ALLOWANCES

8 SEC. 235. JOB SEARCH ALLOWANCES.—(a) Any ad-  
9 versely affected worker covered by a certification under sub-  
10 chapter A of this chapter who has been totally separated may  
11 file an application with the Secretary for a job search allow-  
12 ance. Such allowance, if granted, shall provide reimbursement  
13 to the worker of 80 per centum of the cost of his necessary job  
14 search expenses as prescribed by regulations of the Secretary:  
15 *Provided*, That such reimbursement may not exceed \$500  
16 for any worker.

17 (b) A job search allowance may be granted only—

18 (1) to assist an adversely affected worker in secur-  
19 ing a job within the United States;

20 (2) where the Secretary determines that such  
21 worker cannot reasonably be expected to secure suitable  
22 employment in the commuting area in which he resides;  
23 and

24 (3) where the worker has filed an application for  
25 such allowance with the Secretary no later than one





1 year from the date of his last total separation prior to his  
2 application under section 231.

3 SEC. 236. RELOCATION ALLOWANCES.—(a) Any ad-  
4 versely affected worker covered by a certification under sub-  
5 chapter A of this chapter who is the head of a family as  
6 defined in regulations prescribed by the Secretary and who  
7 has been totally separated may file an application with the  
8 Secretary for a relocation allowance, subject to the terms  
9 and conditions of this section.

10 (b) A relocation allowance may be granted only to  
11 assist an adversely affected worker in relocating within the  
12 United States and only if the Secretary determines that  
13 such worker cannot reasonably be expected to secure suit-  
14 able employment in the commuting area in which he resides  
15 and that such worker—

16 (1) has obtained suitable employment affording a  
17 reasonable expectation of long-term duration in the area  
18 in which he wishes to relocate, or

19 (2) has obtained a bona fied offer of such  
20 employment.

21 (c) A relocation allowance shall not be granted to such  
22 worker unless—

23 (1) for the week in which the application for such  
24 allowance is filed, he is entitled to a payment under sec-  
25 tion 232 or would be so entitled (determined without re-

1 gard to whether he filed application therefor) but for the  
2 fact that

3 (A) he has obtained the employment referred  
4 to in subsection (b) (1), or

5 (B) the unemployment insurance payment he  
6 receives is equal to or greater than the payment he  
7 would have received for such week had the appli-  
8 cable State law provided as set forth in subsections  
9 (1) and (2) of section 232 (a),

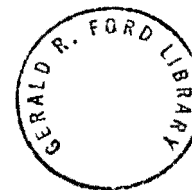
10 and

11 (2) such relocation occurs within a reasonable pe-  
12 riod after the filing of such application or (in the case of  
13 a worker undergoing vocational training under the provi-  
14 sions of any Federal statute) within a reasonable period  
15 after the conclusion of such training.

16 (d) For the purposes of this section, the term "reloca-  
17 tion allowance" means—

18 (1) 80 per centum of the reasonable and necessary  
19 expenses, as specified in regulations prescribed by the  
20 Secretary, incurred in transporting a worker and his  
21 family and their household effects, and

22 (2) a lump sum equivalent to three times the work-  
23 er's average weekly wage, up to a maximum payment of  
24 \$500.



## SUBCHAPTER C—GENERAL PROVISIONS

1           SEC. 237. AGREEMENTS WITH STATES.—(a) The Sec-  
 2 retary is authorized on behalf of the United States to enter  
 3 into an agreement with any State, or with any State agency  
 4 (referred to in this chapter as “cooperating States” and “co-  
 5 operating State agencies” respectively). Under such an  
 6 agreement, the cooperating State agency (1) as agent of  
 7 the United States, will receive applications for, and will  
 8 provide, payments on the basis provided in this chapter,  
 9 (2) where appropriate, will afford adversely affected work-  
 10 ers who apply for payments under this chapter testing, coun-  
 11 seling, referral to training, and placement services, and (3)  
 12 will otherwise cooperate with the Secretary and with other  
 13 State and Federal agencies in providing payments and  
 14 services under this chapter.

15           (b) Each agreement under this subchapter shall pro-  
 16 vide the terms and conditions upon which the agreement  
 17 may be amended, suspended, or terminated.

18           (c) Each agreement under this subchapter shall provide  
 19 that unemployment insurance otherwise payable to any ad-  
 20 versely affected worker will not be denied or reduced for any  
 21 week by reason of any right to payments under this chapter.

22           (d) A determination by a cooperating State agency  
 23 with respect to entitlement to payments under an agreement  
 24 is subject to review in the same manner and to the same ex-  
 25

1 tent as determinations under the applicable State law and  
 2 in that manner and to that extent.

3           SEC. 238. ADMINISTRATION ABSENT STATE AGREE-  
 4 MENT.—(a) In any State where there is no agreement in  
 5 force between a State or its agency under section 237, the  
 6 Secretary shall arrange under regulations prescribed by him  
 7 for performance of all necessary functions under subchapter  
 8 B of this chapter, including provision for a fair hearing for  
 9 any worker whose application for payments is denied.

10           (b) A final determination under subsection (a) with  
 11 respect to entitlement to payments under subchapter B of  
 12 this chapter is subject to review by the courts in the same  
 13 manner and to the same extent as is provided by section 405  
 14 (g) of title 42 of the United States Code.

15           SEC. 239. PAYMENTS TO STATES.—(a) The Secretary  
 16 shall from time to time certify to the Secretary of the Treas-  
 17 ury for payment to each cooperating State, the sums neces-  
 18 sary to enable such State as agent of the United States to  
 19 make payments provided for by this chapter. The Secretary  
 20 of the Treasury, prior to audit or settlement by the General  
 21 Accounting Office, shall make payment to the State in ac-  
 22 cordance with such certification, from the funds for carrying  
 23 out the purposes of this chapter.

24           (b) All money paid a State under this section shall be  
 25 used solely for the purposes for which it is paid; and money



1 so paid which is not used for such purposes shall be returned,  
 2 at the time specified in the agreement under this subchapter,  
 3 to the Treasury and credited to current applicable appropria-  
 4 tions, funds, or accounts from which payments to States  
 5 under this section may be made.

6 (c) Any agreement under this subchapter may require  
 7 any officer or employee of the State certifying payments or  
 8 disbursing funds under the agreement, or otherwise partici-  
 9 pating in the performance of the agreement, to give a surety  
 10 bond to the United States in such amount as the Secretary  
 11 may deem necessary, and may provide for the payment of  
 12 the cost of such bond from funds for carrying out the purposes  
 13 of this chapter.

14 SEC. 240. LIABILITIES OF CERTIFYING AND DISBURS-  
 15 ING OFFICERS.—(a) No person designated by the Secre-  
 16 tary, or designated pursuant to an agreement under this  
 17 subchapter, as a certifying officer, shall, in the absence of  
 18 gross negligence or intent to defraud the United States, be  
 19 liable with respect to any payment certified by him under  
 20 this chapter.

21 (b) No disbursing officer shall, in the absence of gross  
 22 negligence or intent to defraud the United States, be liable  
 23 with respect to any payment by him under this chapter if  
 24 it was based upon a voucher signed by a certifying officer  
 25 designated as provided in subsection (a).

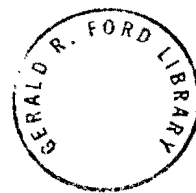
1 SEC. 241. RECOVERY OF OVERPAYMENTS.—(a) If a  
 2 cooperating State agency or the Secretary, or a court of  
 3 competent jurisdiction finds that any person—

4 (1) has made, or has caused to be made by  
 5 another, a false statement or representation of a material  
 6 fact knowing it to be false, or has knowingly failed or  
 7 caused another to fail to disclose a material fact; and

8 (2) as a result of such action has received any pay-  
 9 ment under this chapter to which he was not entitled,  
 10 such person shall be liable to repay such amount to the  
 11 State agency or the Secretary as the case may be, or either  
 12 may recover such amount by deductions from any sums  
 13 payable to such person under this chapter. Any such finding  
 14 by a State agency or the Secretary may be made only after  
 15 an opportunity for a fair hearing.

16 (b) Any amount repaid to a State agency under this  
 17 section shall be deposited into the fund from which payment  
 18 was made. Any amount repaid to the Secretary under this  
 19 section shall be returned to the Treasury and credited to the  
 20 current applicable appropriation, fund, or account from which  
 21 payment was made.

22 SEC. 242. PENALTIES.—Whoever makes a false state-  
 23 ment of a material fact knowing it to be false, or knowingly  
 24 fails to disclose a material fact, for the purpose of obtaining  
 25 or increasing for himself or for any other person any pay-



1 ment authorized to be furnished under this chapter or pur-  
 2 suant to an agreement under section 237 shall be fined not  
 3 more than \$1,000 or imprisoned for not more than one year,  
 4 or both.

5 SEC. 243. AUTHORIZATION OF APPROPRIATIONS.—  
 6 There are hereby authorized to be appropriated to the Secre-  
 7 tary such sums as may be necessary from time to time to  
 8 carry out his functions under this chapter in connection with  
 9 furnishing payments to workers, which sums are authorized  
 10 to be appropriated to remain available until expended.

11 SEC. 244. TRANSITIONAL PROVISIONS.—(a) Where  
 12 a group of workers has been certified as eligible to apply  
 13 for adjustment assistance under section 302 (b) (2) or (c)  
 14 of the Trade Expansion Act of 1962, any worker covered  
 15 by such certification shall be entitled to the rights and privi-  
 16 leges provided in chapter 3 of title III of said Act as ex-  
 17 isting prior to the date of enactment of this Act.

18 (b) In any case where a group of workers or their  
 19 certified or recognized union or other duly authorized repre-  
 20 sentative has filed a petition under section 301 (a) (2) of  
 21 the Trade Expansion Act of 1962, more than four months  
 22 prior to the effective date of this Act, and

23 (1) the Tariff Commission has not rejected such

24 petition prior to the effective date of this Act, and

25 (2) the President or his delegate has not issued a

1 certification under section 302 (c) of that Act to the  
 2 petitioning group prior to the effective date of this Act,  
 3 such group or representative thereof may file a new petition  
 4 under section 221 of this Act, not later than ninety days after  
 5 the effective date of this Act, and shall be entitled to the  
 6 rights and privileges provided in this chapter. For purposes  
 7 of section 223 (b) (1), the date on which such group or  
 8 representative filed the petition under the Trade Expansion  
 9 Act of 1962 shall apply. Section 223 (b) (2) shall not apply  
 10 to workers covered by a certification issued pursuant to a  
 11 petition meeting the requirements of this subsection.

12 (c) The Tariff Commission shall make available to the  
 13 Secretary on request data it has acquired in investigations  
 14 under section 301 of the Trade Expansion Act of 1962 con-  
 15 cluded within the two-year period ending on the date of  
 16 enactment of this Act, which did not result in Presidential  
 17 action under section 302 (a) (3) or 302 (c) of that Act.

18 SEC. 245. DEFINITIONS.—For purposes of this chapter—

19 (1) The term “adversely affected employment” means  
 20 employment in a firm or appropriate subdivision of a firm, if  
 21 workers of such firm or subdivision are eligible to apply  
 22 for payments under this chapter.

23 (2) The term “adversely affected worker” means an  
 24 individual who, because of lack of work in an adversely  
 25 affected employment—



1 (A) has been totally or partially separated from  
2 such employment, or

3 (B) has been totally separated from employment  
4 with the firm in a subdivision of which such adversely  
5 affected employment exists.

6 (3) The term "average weekly wage" means one-  
7 thirteenth of the total wages paid to an individual in the  
8 high quarter. For purposes of this computation, the high  
9 quarter shall be that quarter in which the individual's total  
10 wages were highest among the first hour of the last five com-  
11 pleted calendar quarters immediately before the quarter in  
12 which occurs the week with respect to which the computa-  
13 tion is made. Such week shall be the week in which total  
14 separation occurred, or, in cases where partial separation is  
15 claimed, an appropriate week, as defined in regulation pre-  
16 scribed by the Secretary.

17 (4) The term "average weekly hours" means the  
18 average hours worked by the individual (excluding over-  
19 time) in the employment from which he has been or claims  
20 to have been separated in the fifty-two weeks (excluding  
21 weeks during which the individual was sick or on vacation)  
22 preceding the week specified in the last sentence of para-  
23 graph (3).

24 (5) The term "total separation" means the layoff or  
25 severance of an individual from employment with a firm in

1 which, or in a subdivision of which, adversely affected  
2 employment exists.

3 (6) The term "partial separation" means, with respect  
4 to an individual who has not been totally separated, that he  
5 has had his hours of work reduced to 80 per centum or less  
6 of his average weekly hours in adversely affected employment  
7 and his wages reduced to 75 per centum or less of his  
8 average weekly wage in such adversely affected employment.

9 (7) The term "State" includes the District of Columbia  
10 and the Commonwealth of Puerto Rico; and the term "United  
11 States" when used in the geographical sense includes such  
12 Commonwealth.

13 (8) The term "State agency" means the agency of  
14 the State which administers the State law.

15 (9) The term "State law" means the unemployment  
16 insurance law of the State approved by the Secretary under  
17 section 3304 of the Internal Revenue Code of 1954.

18 (10) The term "unemployment insurance" means the  
19 unemployment insurance payable to an individual under any  
20 State law or Federal unemployment insurance law, including  
21 title 5 of the United States Code, chapter 85, and the Rail-  
22 road Unemployment Insurance Act.

23 SEC. 246. ADMINISTRATIVE PROVISION.—The Secre-  
24 tary of Labor shall, in coordination with the Special Repre-  
25 sentative for Trade Negotiations, prescribe such regulations



1 as may be necessary to implement the provisions of this  
2 chapter.

3 TITLE III—RELIEF FROM UNFAIR TRADE  
4 PRACTICES

5 CHAPTER 1—FOREIGN IMPORT RESTRICTIONS

6 SEC. 301. RESPONSES TO UNFAIR FOREIGN IMPORT  
7 RESTRICTIONS AND EXPORT SUBSIDIES.—(a) Whenever  
8 the President determines that a foreign country or instru-  
9 mentality—

10 (1) maintains unjustifiable or unreasonable tariff  
11 or other import restrictions which impair the value of  
12 trade commitments made to the United States or which  
13 burden, restrict, or discriminate against United States  
14 commerce,

15 (2) engages in discriminatory or other acts or  
16 policies which are unjustifiable or unreasonable and  
17 which burden or restrict United States commerce, or

18 (3) provides subsidies (or other incentives having  
19 the effect of subsidies) on its exports of one or more  
20 products to other foreign markets which have the effect  
21 of substantially reducing sales of the competitive United  
22 States product or products to those other foreign  
23 markets;

24 the President—

25 (A) shall take all appropriate and feasible

1 steps within his power to obtain the elimination of  
2 such restrictions or subsidies;

3 (B) may refrain from providing benefits of  
4 trade agreement concessions to carry out a trade  
5 agreement with such country or instrumentality;  
6 and

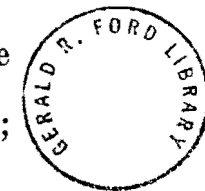
7 (C) may impose duties or other import restric-  
8 tions on the products of such foreign country or  
9 instrumentality, on a most-favored-nation basis  
10 or otherwise, and for such time as he deems  
11 appropriate.

12 (b) In determining what action to take under sub-  
13 section (a), the President shall consider the relationship of  
14 such action to the international obligations of the United  
15 States and to the purposes of this Act as specified in  
16 section 2.

17 (c) The President shall provide an opportunity for any  
18 interested person to bring to his attention any foreign re-  
19 strictions, acts, or policies of the kind referred to in para-  
20 graphs (1), (2), or (3) of subsection (a). Such oppor-  
21 tunity shall be provided prior to the taking of any action  
22 only if the President determines it feasible and appropriate.

23 CHAPTER 2—ANTIDUMPING DUTIES

24 SEC. 310. AMENDMENTS TO THE ANTIDUMPING ACT  
25 OF 1921.—(a) Section 201 (b) of the Antidumping Act,  
26 1921 (19 U.S.C. 160 (b)), is amended to read as follows:



1       “(b) In the case of any imported merchandise of a  
2 class or kind as to which the Secretary has not so made  
3 public a finding, he shall, within six months, or in more  
4 complicated investigations within nine months, after the  
5 question of dumping was raised by or presented to him or  
6 any person to whom authority under this section has been  
7 delegated—

8           “(1) determine whether there is reason to believe  
9 or suspect, from the invoice or other papers or from  
10 information presented to him or to any other person to  
11 whom authority under this section has been delegated,  
12 that the purchase price is less, or that the exporter’s sales  
13 price is less or likely to be less, than the foreign market  
14 value (or, in the absence of such value, than the con-  
15 structed value); and

16           “(2) if his determination is affirmative, publish  
17 notice of that fact in the Federal Register, and require,  
18 under such regulations as he may prescribe, the with-  
19 holding of appraisement as to such merchandise entered,  
20 or withdrawn from warehouse for consumption, on or  
21 after the date of publication of that notice in the Federal  
22 Register (unless the Secretary determines that the with-  
23 holding should be made effective as of an earlier date in  
24 which case the effective date of the withholding shall  
25 be not more than one hundred and twenty days before

1       the question of dumping was raised by or presented to  
2 him or any person to whom authority under this sec-  
3 tion has been delegated), until the further order of the  
4 Secretary, or until the Secretary has made public a find-  
5 ing as provided for in subsection (a) in regard to such  
6 merchandise; or

7           “(3) if his determination is negative, publish notice  
8 of that fact in the Federal Register, but the Secretary  
9 may within three months thereafter order the withhold-  
10 ing of appraisement if he then has reason to believe or  
11 suspect, from the invoice or other papers or from in-  
12 formation presented to him or to any other person to  
13 whom authority under this section has been delegated,  
14 that the purchase price is less, or that the exporter’s sales  
15 price is less or likely to be less, than the foreign market  
16 value (or, in the absence of such value, than the con-  
17 structed value) and such order of withholding of ap-  
18 praisement shall be subject to the provisions of para-  
19 graph (2).

20 If, before the expiration of six months, or in more compli-  
21 cated investigations nine months, after the question of dump-  
22 ing was raised or presented to him or any person to whom  
23 authority under this section has been delegated, the Secre-  
24 tary concludes that the determination required under para-  
25 graph (1) cannot reasonably be made within such time



1 limits, he shall publish notice to that effect in the Federal  
 2 Register and shall make such determination (and publish  
 3 the notice required by paragraph (2) or (3)) within  
 4 twelve months after the question was so raised or presented.  
 5 For purposes of this subsection the question of dumping shall  
 6 be deemed to have been raised or presented on the date on  
 7 which a notice is published in the Federal Register that in-  
 8 formation relative to dumping has been received in accord-  
 9 ance with regulations prescribed by the Secretary."

10 (b) Section 201(c) of the Antidumping Act, 1921  
 11 (19 U.S.C. 160(c)) is amended to read as follows:

12 "(c) (1) Prior to making any determination pursuant  
 13 to subsection (a) of this section, the Secretary or the Tariff  
 14 Commission, as the case may be, shall conduct a hearing on  
 15 the record at which—

16 "(A) any foreign manufacturer or exporter or  
 17 domestic importer of the foreign merchandise in question  
 18 shall have the right to appear by counsel or in person;  
 19 and

20 "(B) any other person, firm or corporation may  
 21 make application and, upon good cause shown, may be  
 22 allowed by the Secretary or the Tariff Commission, as  
 23 the case may be, to intervene and appear at such hearing  
 24 by counsel or in person.

1 "(2) The transcript of the hearing, together with all  
 2 papers filed in connection with the investigation (including  
 3 any exhibits and papers to which the Secretary or the Tariff  
 4 Commission, as the case may be, shall have granted con-  
 5 fidential or in camera treatment) constitutes the exclusive  
 6 record for determination. Notwithstanding any other provi-  
 7 sions of law, upon payment of duly prescribed costs, such  
 8 transcript and papers and requests (other than items to  
 9 which confidential or in camera treatment has been granted)  
 10 shall be made available to all persons.

11 "(3) The Secretary, upon determining whether for-  
 12 eign merchandise is being, or is likely to be, sold in the  
 13 United States at less than its fair value, and the Tariff Com-  
 14 mission, upon making its determination under subsection  
 15 (a), shall each include in the record and shall publish in  
 16 the Federal Register, such determination, whether affirma-  
 17 tive or negative, together with a statement of findings and  
 18 conclusions, and the reasons or bases therefor, on all the  
 19 material issues of fact or law presented on the record.

20 "(4) The hearings provided for hereunder shall be  
 21 exempt from the provisions of sections 554, 555, 556, and  
 22 557 of the Act of September 6, 1966 (5 U.S.C. 554-557).

23 (c) Section 203 of the Antidumping Act, 1921 (19  
 24 U.S.C. 162), is amended to read:





1 **"SEC. 203. PURCHASE PRICE.**

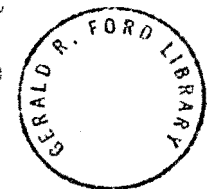
2 "For the purposes of this section and sections 160-171  
 3 of this title, the purchase price of imported merchandise  
 4 shall be the price at which such merchandise has been pur-  
 5 chased or agreed to be purchased, prior to the time of exporta-  
 6 tion, by the person by whom or for whose account the  
 7 merchandise is imported, plus, when not included in such  
 8 price, the cost of all containers and coverings and all other  
 9 costs, charges, and expenses incident to placing the merchan-  
 10 dise in condition, packed ready for shipment to the United  
 11 States, less the amount, if any, included in such price, attrib-  
 12 utable to any additional costs, charges, and expenses, and  
 13 United States import duties, incident to bringing the mer-  
 14 chandise from the place of shipment in the country of exporta-  
 15 tion to the place of delivery in the United States; and less  
 16 the amount, if included in such price, of any export tax im-  
 17 posed by the country of exportation on the exportation of  
 18 the merchandise to the United States; and plus the amount of  
 19 any import duties imposed by the country of exportation  
 20 which have been rebated, or which have not been collected,  
 21 by reason of the exportation of the merchandise to the United  
 22 States; and plus the amount of any taxes imposed in the coun-  
 23 try of exportation directly upon the exported merchandise or  
 24 components thereof, which have been rebated, or which have  
 25 not been collected, by reason of the exportation of the mer-

1 chandise to the United States; and plus the amount of any  
 2 other taxes rebated or not collected, by reason of the exporta-  
 3 tion of the merchandise to the United States, which rebate or  
 4 noncollection has been determined by the Secretary to be a  
 5 bounty or grant within the meaning of section 303 of the  
 6 Tariff Act of 1930.

7 (d) Section 204 of the Antidumping Act, 1921 (19  
 8 U.S.C. 163), is amended to read:

9 **"SEC. 204. EXPORTER'S SALES PRICE.**

10 "For the purpose of sections 160-171 of this title, the  
 11 exporter's sales price of imported merchandise shall be the  
 12 price at which such merchandise is sold or agreed to be sold  
 13 in the United States, before or after the time of importation,  
 14 by or for the account of the exporter, plus, when not included  
 15 in such price, the cost of all containers and coverings and all  
 16 other costs, charges, and expenses incident to placing the  
 17 merchandise in condition, packed ready for shipment to the  
 18 United States, less (1) the amount, if any, included in such  
 19 price, attributable to any additional costs, charges, and ex-  
 20 penses, and United States import duties, incident to bring-  
 21 ing the merchandise from the place of shipment in the coun-  
 22 try of exportation to the place of delivery in the United  
 23 States, (2) the amount of the commissions, if any, for sell-  
 24 ing in the United States the particular merchandise under  
 25 consideration, (3) an amount equal to the expenses, if any,



1 generally incurred by or for the account of the exporter in the  
 2 United States in selling identical or substantially identical  
 3 merchandise, (4) the amount of any export tax imposed by  
 4 the country of exportation on the exportation of the mer-  
 5 chandise to the United States, and (5) the amount of any  
 6 increased value, including additional material and labor, re-  
 7 sulting from a process of manufacture or assembly performed  
 8 on or with the use of the imported merchandise subsequent  
 9 to the importation of the merchandise and prior to its sale to  
 10 a person who is not the exporter of the merchandise within  
 11 the meaning of section 207; and plus the amount of any  
 12 import duties imposed by the country of exportation which  
 13 have been rebated, or which have not been collected, by rea-  
 14 son of the exportation of the merchandise to the United  
 15 States; and plus the amount of any taxes imposed in the  
 16 country of exportation directly upon the exported merchan-  
 17 dise or components thereof, which have been rebated, or  
 18 which have not been collected, by reason of the exportation  
 19 of the merchandise to the United States; and plus the  
 20 amount of any other taxes rebated, or not collected, by rea-  
 21 son of the exportation of the merchandise to the United  
 22 States, which rebate or noncollection has been determined  
 23 by the Secretary to be a bounty or grant within the mean-  
 24 ing of section 303 of the Tariff Act of 1930 (19 U.S.C.  
 25 1303)."

## CHAPTER 3—COUNTERVAILING DUTIES

1  
 2 SEC. 330. AMENDMENTS TO SECTION 303 OF THE  
 3 TARIFF ACT OF 1930.—(a) Section 303 of the Tariff Act  
 4 of 1930 (19 U.S.C. 1303) is amended to read:

## 5 "SEC. 303. COUNTERVAILING DUTIES.

6 "(a) LEVY OF COUNTERVAILING DUTIES.—(1) When-  
 7 ever any country, dependency, colony, province, or other  
 8 political subdivision of government, person, partnership, as-  
 9 sociation, cartel, or corporation, shall pay or bestow, directly  
 10 or indirectly, any bounty or grant upon the manufacture  
 11 or production or export of any article or merchandise manu-  
 12 factured or produced in such country, dependency, colony,  
 13 province, or other political subdivision of government, then  
 14 upon the importation of such article or merchandise into  
 15 the United States, whether the same shall be imported di-  
 16 rectly from the country of production or otherwise, and  
 17 whether such article or merchandise is imported in the same  
 18 condition as when exported from the country of production  
 19 or has been changed in condition by remanufacture or other-  
 20 wise, there shall be levied and paid, in all such cases, in  
 21 addition to any duties otherwise imposed, a duty equal to  
 22 the net amount of such bounty or grant, however the same  
 23 be paid or bestowed.

24 "The Secretary of the Treasury shall determine within  
 25 twelve months after the date on which the question is pre-



1 sented to him whether any bounty or grant is being paid  
2 or bestowed.

3 “(2) In the case of any imported article or merchandise  
4 which is free of duty, duties may be imposed under this  
5 section only if there is an affirmative determination by the  
6 Tariff Commission under subsection (b) (1) : *Provided, how-*  
7 *ever,* That such a Tariff Commission determination shall be  
8 required only for such time as a determination of injury is  
9 required by the international obligations of the United  
10 States.

11 “(3) The Secretary of the Treasury shall from time to  
12 time ascertain and determine, or estimate, the net amount  
13 of each such bounty or grant, and shall declare the net  
14 amount so determined or estimated.

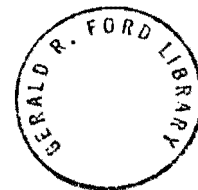
15 “(4) Whenever, in the case of any imported article or  
16 merchandise as to which the Secretary has not determined  
17 whether a bounty or grant is being paid or bestowed, the  
18 Secretary concludes, from information presented to him or  
19 to any person to whom authority under this section has  
20 been delegated, that a formal investigation into the question  
21 of whether a bounty or grant is being paid or bestowed is  
22 warranted, he shall forthwith publish notice of the initiation  
23 of such an investigation in the Federal Register. The date  
24 of publication of such notice shall be considered the date on

1 which the question is presented to the Secretary within the  
2 meaning of subsection (a) (1).

3 “(5) The Secretary of the Treasury shall make all regu-  
4 lations he may deem necessary for the identification of such  
5 articles and merchandise and for the assessment and collec-  
6 tion of the duties under this section. All determinations by  
7 the Secretary under this subsection and all determinations  
8 by the Tariff Commission under subsection (b) (1), whether  
9 affirmative or negative, shall be published in the Federal  
10 Register.

11 “(b) INJURY DETERMINATIONS WITH RESPECT TO  
12 DUTY-FREE MERCHANDISE; SUSPENSION OF LIQUIDA-  
13 TION.—(1) Whenever the Secretary of the Treasury has  
14 determined under subsection (a) that a bounty or grant is  
15 being paid or bestowed with respect to any article or mer-  
16 chandise which is free of duty, he shall—

17 “(A) so advise the United States Tariff Commis-  
18 sion, and the Commission shall determine within three  
19 months thereafter, and after such investigation as it  
20 deems necessary, whether an industry in the United  
21 States is being or is likely to be materially injured, or is  
22 prevented from being established, by reason of the im-  
23 portation of such article or merchandise into the United  
24 States; and the Commission shall notify the Secretary of  
25 its determination; and



1 “(B) require, under such regulations as he may pre-  
 2 scribe, the suspension of liquidation as to such article or  
 3 merchandise entered, or withdrawn from warehouse,  
 4 for consumption, on or after the thirtieth day after the  
 5 date of the publication in the Federal Register of his  
 6 determination under subsection (a) (1), and such sus-  
 7 pension of liquidation shall continue until the further  
 8 order of the Secretary or until he has made public an  
 9 order as provided for in paragraph (2) of this subsection.

10 “(2) If the determination of the Tariff Commission un-  
 11 der subparagraph (A) is in the affirmative, the Secretary  
 12 shall make public an order directing the assessment and col-  
 13 lection of duties in the amount of such bounty or grant as is  
 14 from time to time ascertained and determined, or estimated,  
 15 under subsection (a).

16 “(c) APPLICATION OF AFFIRMATIVE DETERMINA-  
 17 TION.—An affirmative determination by the Secretary of the  
 18 Treasury under subsection (a) (1) with respect to any im-  
 19 ported article or merchandise which (1) is dutiable, or (2)  
 20 is free of duty and with respect to which the Tariff Commis-  
 21 sion has made an affirmative determination under subsection  
 22 (b) (1) (for such time as a finding of injury is required by  
 23 the international obligations of the United States), shall apply  
 24 with respect to articles entered, or withdrawn from ware-  
 25 house, for consumption on or after the thirtieth day after the

1 date of the publication in the Federal Register of such de-  
 2 termination.

3 “(d) DISCRETIONARY IMPOSITION OF COUNTERVAIL-  
 4 ING DUTIES.—Whenever the Secretary determines, after  
 5 seeking information and advice from such agencies as he may  
 6 deem appropriate, that—

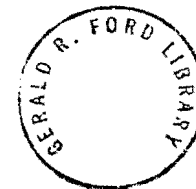
7 “(1) the imposition of an additional duty under this  
 8 section upon any article would result, or be likely to  
 9 result in significant detriment to the economic interests  
 10 of the United States; or

11 “(2) that any article is subject to the a quantitative  
 12 limitation imposed by the United States on its importa-  
 13 tion into, or subject to an effective quantitative limitation  
 14 on its exportation to, the United States and that such  
 15 quantitative limitation is an adequate substitute for the  
 16 imposition of a duty under this section;

17 the imposition of an additional duty under this section shall  
 18 not be required.”

19 (b) (1) Except as provided in paragraph (2), the  
 20 amendments made by subsection (a) shall take effect on the  
 21 date of the enactment of this Act.

22 (2) The last sentence of section 303 (a) (1) of the  
 23 Tariff Act of 1930 (as added by subsection (a) of this sec-  
 24 tion) shall apply only with respect to questions presented on  
 25 or after the date of the enactment of this Act.



1 (c) Any article which is entered or withdrawn from  
2 warehouse free of duty as a result of action taken under  
3 title VI of this Act shall be considered a nondutiable article  
4 for purposes of section 303 of the Tariff Act of 1930, as  
5 amended (19 U.S.C. 1303).

6 CHAPTER 4—UNFAIR PRACTICES IN IMPORT TRADE

7 SEC. 350. AMENDMENTS TO SECTION 337 OF THE  
8 TARIFF ACT.—Section 337 of the Tariff Act of 1930, as  
9 amended (19 U.S.C. 1337) is hereby amended to read as  
10 follows:

11 “(a) The importation of articles into the United States  
12 which would infringe a United States patent if made, used,  
13 or sold in the United States, shall constitute an unfair meth-  
14 od of competition, and is hereby declared unlawful, and  
15 when found by the Commission to exist shall be dealt  
16 with, in addition to any other provisions of law, as here-  
17 inafter provided.

18 “(b) The Commission shall investigate alleged vio-  
19 lations hereof on complaint under oath or upon its own  
20 motion. The burden of proof of any such alleged violation  
21 shall be on the complainant, or on the Commission if it in-  
22 vestigates on its own motion, to make a prima facie show-  
23 ing of the facts required in subsection (a). The Commis-  
24 sion shall complete its investigation and announce its find-  
25 ings hereunder at the earliest practicable time, but not later

1 than one year after the date on which a complaint is re-  
2 ceived or an investigation is initiated by the Commission on  
3 its own motion.

4 “(c) Whenever the Commission shall find the existence  
5 of any such violation it shall order that the articles con-  
6 cerned in such unfair methods, imported by any person vio-  
7 lating the provisions of this section, shall be excluded from  
8 entry into the United States, and upon information of such  
9 action by the Commission, the Secretary of the Treasury  
10 shall, through the proper officers, refuse such entry; *Provided*  
11 *however*, That whenever—

12 (1) the validity of the patent is challenged by the  
13 respondent and a bona fide challenge to patent validity  
14 is either pending in a suit or the respondent indicates  
15 his intention to and in fact institutes such a suit within  
16 sixty days of such a challenge to validity before the  
17 Commission, or

18 (2) misuse is claimed by a respondent and a bona  
19 fide claim of misuse is pending in a court action and  
20 the court's decision on that issue would be decisive of  
21 the claim before the Commission,

22 the Commission shall continue the proceedings on all other  
23 issues, and if it finds favorably to the patentee thereon,  
24 issue an exclusion order conditional on the results of the  
25 court proceedings, and in the meantime shall order that the



1 articles concerned be allowed entry into the United States  
 2 under such bond, in favor of the patentee based on an esti-  
 3 mated reasonable royalty or damages, or both, as it shall  
 4 consider necessary to protect the patentee's asserted rights.

5     “(d) Any refusal of entry under this section shall con-  
 6 tinue until the patent expires or until the Commission, either  
 7 on its own motion or at the request of any interested person,  
 8 shall find that the continued exclusion is no longer necessary  
 9 to prevent the violation that occasioned the exclusion order.

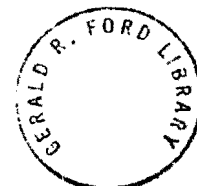
10     “(e) Whenever the Commission has reason to believe  
 11 that any article is offered or sought to be offered for entry  
 12 into the United States in violation of this section, but has  
 13 not information sufficient to satisfy it thereof, the Commission  
 14 may in its discretion issue a temporary exclusion order if  
 15 a prime facie showing of a violation of this section has been  
 16 made and immediate and substantial harm to the patentee  
 17 involved would result if the temporary exclusion order were  
 18 not issued. Where a temporary exclusion order is issued, the  
 19 Secretary of the Treasury shall refuse entry of the articles so  
 20 excluded by the temporary exclusion order, except that such  
 21 articles shall be entitled to entry under bond in favor of the  
 22 patentee based on an estimated reasonable royalty or dam-  
 23 ages, or both, as the Commission shall consider necessary  
 24 to protect the patentee's asserted rights. No temporary ex-  
 25 clusion order or the posting of a bond under this subsection

1 shall remain in effect for more than one year after the date  
 2 on which a complaint is received or an investigation is ini-  
 3 tiated by the Commission on its own motion.

4     “(f) During the course of each investigation under this  
 5 section, public hearings shall be held, after reasonable notice,  
 6 pertaining to, and in advance of, the Commission's deter-  
 7 mination. A transcript shall be made of all testimony and  
 8 exhibits presented at such hearing.

9     “(g) Any person adversely affected by an action or re-  
 10 fusal of the Commission to act under this section may secure  
 11 judicial review in the United States Court of Customs and  
 12 Patent Appeals in the manner prescribed in chapter 7 of title  
 13 5 and section 2112 of title 28 of the United States Code.  
 14 Any refusal of entry under this section may be stayed by  
 15 the court in which case adequate bond shall be provided to  
 16 protect the patentee's rights. For this purpose, the Court of  
 17 Customs and Patent Appeals may order the Secretary of  
 18 the Treasury to impose such bond, in favor of the patentee,  
 19 based on an estimated reasonable royalty or damages, or  
 20 both, as it considers necessary to protect the rights of the  
 21 patentee pending determination of the appeal.

22     “(h) When used in this section and in sections 338 and  
 23 340, the term 'United States' includes the several States  
 24 and territories, the District of Columbia, and all possessions



1 of the United States except the Virgin Islands, American  
2 Samoa, and the Island of Guam.”

3 TITLE IV—INTERNATIONAL TRADE POLICY  
4 MANAGEMENT

5 SEC. 401. BALANCE-OF-PAYMENTS AUTHORITY.—

6 (a) Whenever the President determines that special import  
7 measures are required to deal with the United States balance-  
8 of-payments pension in the presence of a serious balance-  
9 of-payments deficit or a persistent surplus, or to cooperate  
10 in correcting an international balance-of-payments disequi-  
11 librium as reflected in other countries' balance-of-payments  
12 deficits or surpluses, the President is authorized to take one  
13 or more of the following actions, for such period as he deems  
14 necessary:

15 (1) For dealing with a serious United States  
16 balance-of-payments deficit, or for cooperating in cor-  
17 recting an international balance-of-payments disequi-  
18 librium—

19 (A) to impose a temporary import surcharge  
20 in the form of duties (in addition to those already  
21 imposed, if any) on articles imported into the United  
22 States; and

23 (B) to impose temporary limitations, through  
24 the use of quotas on the importation of articles into

1 the United States: *Provided*, That international  
2 trade or monetary agreements to which the United  
3 States is a party permit the imposition of quotas  
4 as a balance-of-payments measure.

5 (2) For dealing with a persistent United States  
6 balance-of-payments surplus:

7 (A) to reduce temporarily or suspend the duty  
8 applicable to any article; and

9 (B) to increase temporarily the value or quan-  
10 tity of articles which may be imported under any  
11 import restriction, or to suspend temporarily any  
12 import restriction;

13 except with respect to those articles where in his judg-  
14 ment such action would cause or contribute to material  
15 injury to firms or workers in any domestic industry,  
16 including agriculture, mining, fishing, or commerce, to  
17 impairment of the national security, or otherwise be  
18 contrary to the national interest.

19 (b) For the purposes of subsection (a),

20 (1) a serious balance-of-payments deficit shall be  
21 considered to exist whenever the President determines  
22 that—

23 (A) the balance of payments (as measured  
24 either on the official reserve transactions basis  
25 or by the balance on current account and long-term



1 capital) has been in substantial deficit over a period  
2 of four consecutive calendar quarters, or

3 (B) the United States has suffered a serious  
4 decline in its net international monetary reserve  
5 position, or

6 (C) there has been or threatens to be a signifi-  
7 cant alteration in the exchange value of the dollar  
8 in foreign exchange markets, and

9 (D) the condition indicated in (A), (B), or  
10 (C) is expected to continue in the absence of cor-  
11 rective measures.

12 (2) United States cooperation in correcting a fun-  
13 damental international balance-of-payments disequilib-  
14 rium as reflected in other countries' payments positions is  
15 authorized when allowed or recommended by the In-  
16 ternational Monetary Fund.

17 (3) A persistent balance-of-payments surplus shall  
18 be considered to exist whenever the President deter-  
19 mines that—

20 (A) the balance of payments (as measured  
21 either on the official reserve transactions basis or  
22 by the balance on current account and long-term  
23 capital) has been in substantial surplus for four  
24 consecutive calendar quarters; or

25 (B) the United States has experienced large

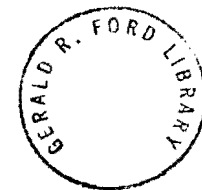
1 increases in its international monetary reserves in  
2 excess of needed levels of reserves; or

3 (C) the exchange value of the dollar has appre-  
4 ciated significantly in foreign exchange markets; and

5 (D) the condition indicated in (A), (B), or (C)  
6 is expected to continue in the absence of corrective  
7 measures.

8 (c) Import restricting actions authorized by this sec-  
9 tion shall be applied consistently with the most-favored-na-  
10 tion principle or on a basis which shall aim at a distribution  
11 of trade with the United States approaching as closely as  
12 possible that which various foreign countries might have  
13 expected to obtain in the absence of such restrictions, unless  
14 the President determines that import restricting actions not  
15 consistent with these principles are necessary to achieve the  
16 objectives of this section. In determining what action to take  
17 under this subsection the President shall consider the relation-  
18 ship of such action to the international obligations of the  
19 United States.

20 (d) Import restricting actions authorized by this section  
21 shall be of broad and uniform application with respect to  
22 product coverage except where the President determines,  
23 consistently with the purposes of this section, that certain  
24 articles or groups of articles should not be subject to import  
25 restricting actions because of the needs of the United States





1 economy. Such exceptions shall be related to the unavail-  
 2 ability of domestic supply at reasonable prices, the necessary  
 3 importation of raw materials, and other similar factors.  
 4 Neither the authorization of import restricting actions nor  
 5 the determination of exceptions with respect to product  
 6 coverage shall be made for the purpose of protecting in-  
 7 dividual domestic industries from import competition.

8 (e) Any limitation imposed under subsection (a) (1)  
 9 (B) on the quantity or value, or both, of an article or group  
 10 of articles—

11 (1) shall permit the importation of a quantity or  
 12 value not less than the quantity or value of such article  
 13 or articles imported into the United States from the for-  
 14 eign countries to which such limitation applies during the  
 15 most recent period that the President determines is repre-  
 16 sentative of imports of such article or articles, and

17 (2) shall take into account any increase since the  
 18 end of such representative period in domestic consump-  
 19 tion of such article or articles and like or similar articles  
 20 of domestic manufacture or production.

21 (f) Measures under subsection (a) (2) of this section  
 22 shall be applied consistently with section 407 of this Act.

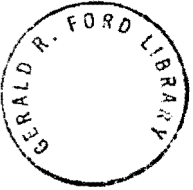
23 (g) The President may at any time, consistent with the  
 24 provisions of this section, suspend, modify, or terminate, in  
 25 whole or in part, any action taken under this section.

1 SEC. 402. WITHDRAWAL OF CONCESSIONS AND SIM-  
 2 ILAR ADJUSTMENTS.—(a) Whenever the United States,  
 3 acting in pursuance of any of its rights or obligations under  
 4 any trade agreement entered into pursuant to this Act, the  
 5 Trade Expansion Act of 1962, or the Tariff Act of 1930,  
 6 as amended, withdraws or suspends any obligation with re-  
 7 spect to the trade of any foreign country or instrumentality  
 8 thereof, or, whenever any such trade agreement is termi-  
 9 nated, in whole or in part, with respect to the United States,  
 10 the President is authorized, in order to exercise the rights  
 11 or fulfill the obligations of the United States, to the extent,  
 12 at such times, and for such periods as he deems necessary  
 13 or appropriate, and consistently with the purposes of this  
 14 Act and the international obligations of the United States—

15 (1) to increase any existing duty or other import  
 16 restriction or provide additional import restrictions; and

17 (2) to take othr actions to withdraw, suspend, or  
 18 terminate the application, in whole or in part, of the  
 19 agreement.

20 (b) Duties or other import restrictions required or ap-  
 21 propriate to carry out any trade agreement shall not be  
 22 affected by any withdrawal or suspension of an obligation  
 23 under, or termination in whole or in part of, such agreement  
 24 unless the President acting pursuant to the authority granted



1 in subsection (a) increases such existing duties or other  
2 import restrictions, or provides additional import restrictions.

3 (c) No rate of duty shall be increased under the au-  
4 thority of this section to a rate more than 50 per centum  
5 above the column 2 rate, or 50 per centum ad valorem (or  
6 ad valorem equivalent), whichever is higher.

7 (d) The President may, to the extent that such action  
8 is consistent with the international obligations of the United  
9 States, act pursuant to this section on a most-favored-nation  
10 basis or otherwise.

11 SEC. 403. RENEGOTIATION OF DUTIES.—(a) In order  
12 to permit some adjustments to be made over time to deal  
13 with changed circumstances, while maintaining an overall  
14 balance of mutually advantageous concessions under exist-  
15 ing trade agreements, the President is authorized at any  
16 time to enter into supplemental tariff agreements with for-  
17 eign countries or instrumentalities thereof to modify or con-  
18 tinue any existing duty, continue any existing duty-free or  
19 excise treatment, or impose additional duties, as he deter-  
20 mines to be required or appropriate to carry out any such  
21 supplemental tariff agreement, within the limitations set  
22 forth in this section.

23 (b) In any one year, agreements involving the re-  
24 duction of duties, or continuance of duty-free treatment,  
25 shall not affect articles accounting for more than 2 per-

1 centum of the value of United States imports for the most re-  
2 cent 12-month period for which import statistics are avail-  
3 able, nor shall any agreement be made under the authority  
4 of this section with respect to any article which has been  
5 the subject of a prior agreement entered into pursuant to  
6 this section during the preceding five years.

7 (c) (1) No rate of duty shall be decreased under the  
8 authority of this section to a rate more than 20 per centum  
9 below the existing duty.

10 (2) No rate of duty shall be increased under the author-  
11 ity of this section to a rate more than 50 per centum above  
12 the column 2 rate or 50 per centum ad valorem (or ad  
13 valorem equivalent), whichever is higher.

14 SEC. 404. COMPENSATION AUTHORITY.—(a) Whenever  
15 any action has been taken under section 203, 301, 402,  
16 403, or 408 of this Act to increase or impose any duty or  
17 other import restriction, the President—

18 (1) shall, to the extent required by United States  
19 international obligations, afford foreign countries having  
20 an interest as exporters of the products concerned an op-  
21 portunity to consult with the United States with respect  
22 to concessions, if any, to be granted as compensation for  
23 any duty or other import restriction imposed by the  
24 United States; and

25 (2) may enter into agreements with such countries



1 for the purpose of granting new concessions as compen-  
 2 sation in order to maintain the general level of reciprocal  
 3 and mutually advantageous concessions.

4 (b) In furtherance of the purposes of this section, the  
 5 President may modify or continue any existing duty or other  
 6 import restriction, or continue any existing duty-free or excise  
 7 treatment, to the extent that he determines such action to be  
 8 required or appropriate to maintain a general level of mutual-  
 9 ly advantageous concessions.

10 (c) No rate of duty shall be reduced under the authority  
 11 of this section to a rate below 50 per centum of the existing  
 12 duty, provided that this limitation shall not apply if the rate  
 13 existing on such date is not more than 5 per centum ad va-  
 14 lorem (or ad valorem equivalent).

15 SEC. 405. AUTHORITY TO SUSPEND IMPORT BARRIERS

16 TO RESTRAIN INFLATION.—(a) If, during a period of sus-  
 17 tained or rapid price increases, the President determines that  
 18 supplies of articles, imports of which are dutiable or subject  
 19 to any other import restriction, are inadequate to meet do-  
 20 mestic demand at reasonable prices, he may, either generally  
 21 or by article or category of articles, in addition to any author-  
 22 ity he may otherwise have—

23 (1) temporarily reduce or suspend the duty appli-  
 24 cable to any article; and

25 (2) temporarily increase the value or quantity of

1 articles which may be imported under any import  
 2 restriction.

3 (b) The President shall not exercise the authority  
 4 granted in subsection (a) with respect to an article if in his  
 5 judgment such action would cause or contribute to material  
 6 injury to firms or workers in any domestic industry, includ-  
 7 ing agriculture, mining, fishing, or commerce, to impairment  
 8 of the national security, or otherwise be contrary to the  
 9 national interest. Actions taken under subsection (a) in  
 10 effect at any time shall not apply to more than 30 per centum  
 11 of the estimated total value of United States imports of all  
 12 articles during the time such actions are in effect.

13 (c) The President may, to the extent that such action  
 14 is consistent with the purposes of this section and the limita-  
 15 tions contained herein, modify or terminate, in whole or in  
 16 part, any action taken under subsection (a).

17 (d) The President shall within thirty days of taking  
 18 any action under this section notify each House of Congress  
 19 of the nature of his action and the reasons therefor.

20 (e) No action taken under this section shall remain in  
 21 effect for more than one year unless specifically authorized  
 22 by law.

23 SEC. 406. RESERVATION OF ARTICLES FOR NATIONAL

24 SECURITY OR OTHER REASONS.—(a) No action shall be  
 25 taken pursuant to the provisions of this Act to reduce or



1 eliminate the duty or other import restriction on any article  
2 if the President determines that such reduction or elimina-  
3 tion would threaten to impair the national security.

4 (b) While there is in effect with respect to any article  
5 any action taken under section 203 of this Act, or section  
6 232 or 351 of the Trade Expansion Act of 1962 (19 U.S.C.  
7 1862, 1981), the President shall reserve such article from  
8 negotiations or actions contemplating reduction or elimina-  
9 tion of any duty or other import restriction with respect to  
10 such article, under title I or section 403, 404, or 405 of this  
11 Act. In addition, the President shall also so reserve any other  
12 article which he determines to be appropriate, taking into  
13 consideration information and advice available pursuant to  
14 and with respect to the matters covered by sections 111 (b),  
15 112, and 113 (b), where applicable.

16 SEC. 407. MOST-FAVORED-NATION PRINCIPLE.—Ex-  
17 cept as otherwise provided pursuant to this Act or any other  
18 Act any duty or other import restriction or duty-free treat-  
19 ment applied in carrying out any action or any trade agree-  
20 ment under this Act, under title II of the Trade Expansion  
21 Act of 1962 or under section 350 of the Tariff Act of 1930,  
22 as amended, shall apply to products of all foreign countries,  
23 whether imported directly or indirectly.

24 SEC. 408. AUTHORITY TO TERMINATE ACTIONS.—The  
25 President may at any time terminate, in whole or in part,

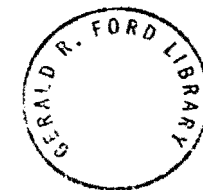
1 any actions taken to implement trade agreements under this  
2 Act, title II of the Trade Expansion Act of 1962, or section  
3 350 of the Tariff Act of 1930, as amended.

4 SEC. 409. PERIOD OF TRADE AGREEMENTS.—Every  
5 trade agreement entered into under titles I and IV of this  
6 Act shall be subject to termination or withdrawal, upon due  
7 notice, at the end of a period specified in the agreement.  
8 Such period shall be not more than three years from the date  
9 on which the agreement becomes effective for the United  
10 States. If the agreement is not terminated or withdrawn from  
11 at the end of the period so specified, it shall be subject to  
12 termination or withdrawal thereafter upon not more than  
13 six months' notice.

14 SEC. 410. PUBLIC HEARINGS IN CONNECTION WITH  
15 AGREEMENTS UNDER TITLE IV.—The President shall pro-  
16 vide for a public hearing during the course of which in-  
17 terested persons shall be given a reasonable opportunity to  
18 be present, to produce evidence, and to be heard—

19 (1) Prior to the conclusion of any agreement or  
20 modification of any duty or other import restrictions  
21 pursuant to section 403 or section 404 of this title;

22 (2) Pursuant to a request made by any interested  
23 person within ninety days after the President's taking  
24 any action under section 402 or 408, on the subject of  
25 any such action.



1 SEC. 411. AUTHORIZATION FOR GATT APPROPRIA-  
 2 TIONS.—There are hereby authorized to be appropriated  
 3 annually such sums as may be necessary for the payment  
 4 by the United States of its share of the expenses of the  
 5 Contracting Parties to the General Agreement on Tariffs  
 6 and Trade.

7 TITLE B—TRADE RELATIONS WITH COUNTRIES  
 8 NOT ENJOYING MOST-FAVORED-NATION  
 9 TARIFF TREATMENT

10 SEC. 501. EXCEPTION OF THE PRODUCTS OF CERTAIN  
 11 COUNTRIES OR AREAS.—(a) Except as otherwise provided  
 12 in this title, the President shall continue to deny most-  
 13 favored-nation treatment to the products of any country or  
 14 area, the products of which were not eligible for column 1  
 15 tariff treatment on the date of enactment of this Act.

16 (b) The President is authorized to deny such most-  
 17 favored-nation treatment to all of the products of any country  
 18 or area if in his judgment such action is necessary for reasons  
 19 of national security.

20 SEC. 502. AUTHORITY TO ENTER INTO COMMERCIAL  
 21 AGREEMENTS.—(a) Subject to the provisions of subsections  
 22 (b) and (c) of this section, the President may authorize the  
 23 entry into force of bilateral commercial agreements provid-  
 24 ing most-favored-nation treatment to the products of coun-  
 25 tries heretofore denied such treatment whenever he deter-

1 mines that such agreements with such countries will promote  
 2 the purposes of this Act and are in the national interest.

3 (b) Any such bilateral commercial agreement shall—

4 (1) be limited to an initial period specified in the  
 5 agreement which shall be no more than three years from  
 6 the time the agreement enters into force, except that it  
 7 may be renewable for additional periods, each not to ex-  
 8 ceed three years: *Provided*, That a satisfactory balance of  
 9 trade concessions has been maintained during the life of  
 10 each agreement: *And provided further*, That the Presi-  
 11 dent determines that actual or foreseeable reductions in  
 12 United States tariffs and nontariffs barriers to trade re-  
 13 sulting from multilateral negotiations are satisfactorily  
 14 reciprocated by the other party to a bilateral commercial  
 15 agreement with the United States;

16 (2) provide that it is subject to suspension or ter-  
 17 mination at any time for national security reasons, or  
 18 that the other provisions of such agreement shall not  
 19 limit the rights of any party to take any action for the  
 20 protection of its security interests; and

21 (3) provide for consultations for the purpose of  
 22 reviewing the operation of the agreement and relevant  
 23 aspects of relations between the United States and the  
 24 other party.

25 (c) (1) An agreement referred to in subsection (a) or



1 an order referred to in section 504 (a) shall take effect only  
 2 after the expiration of ninety days from the date on which  
 3 the President delivers a copy of such agreement or order to  
 4 the Senate and to the House of Representatives, if between  
 5 the date of delivery of the agreement or order to the Senate  
 6 and to the House of Representatives and the expiration of  
 7 the ninety-day period neither the Senate nor the House of  
 8 Representatives has adopted a resolution, by an affirmative  
 9 vote by the yeas and nays of a majority of the authorized  
 10 membership of that House, stating that it disapproves of the  
 11 agreement or order.

12 (2) For purposes of this subsection, there shall be ex-  
 13 cluded from the computation of the ninety-day period the  
 14 days on which either House is not in session because of an  
 15 adjournment of more than three days to a day certain or an  
 16 adjournment of Congress sine die. The agreement referred  
 17 to in subsection (a) or order referred to in section 504 (a)  
 18 shall be delivered to both Houses of the Congress on the same  
 19 day and shall be delivered to the Clerk of the House of  
 20 Representatives if the House of Representatives is not in  
 21 session and to the Secretary of the Senate if the Senate is  
 22 not in session.

23 SEC. 503. ADDITIONAL PROVISIONS.—(a) Bilateral  
 24 commercial agreements under this title may in addition in-  
 25 clude provisions concerning—

1 (1) safeguard arrangements necessary to prevent  
 2 disruption of domestic markets;

3 (2) arrangements for the protection of industrial  
 4 rights and processes, trademarks, and copyrights;

5 (3) arrangements for the settlement of commercial  
 6 differences and disputes;

7 (4) arrangements for the promotion of trade in-  
 8 cluding those for the establishment or expansion of trade  
 9 and tourist promotion offices, for facilitation of activities  
 10 of governmental commercial officers, participation in  
 11 trade fairs and exhibits and the sending of trade mis-  
 12 sions, and for facilitation of entry, establishment, and  
 13 travel of commercial representatives; and

14 (5) such other arrangements of a commercial nature  
 15 as will promote the purposes of this Act.

16 (b) Nothing in this section shall be deemed to affect  
 17 domestic law.

18 SEC. 504. EXTENSION OF MOST-FAVORED-NATION  
 19 TREATMENT.—(a) The President may extend most-favored-  
 20 nation treatment to the products of a foreign country which  
 21 (1) has entered into a bilateral commercial agreement and  
 22 such agreement has entered into force pursuant to section  
 23 502, or (2) has become a party to an appropriate multi-  
 24 lateral trade agreement to which the United States is also a  
 25 party, and the President has issued an order extending such.



1 treatment, which order has taken effect pursuant to section  
2 502 (c).

3 (b) The application of most-favored-nation treatment  
4 shall be limited to the period of effectiveness of the obliga-  
5 tions of the United States to such country under such bi-  
6 lateral commercial agreement or multilateral agreement.

7 (c) The President may at any time suspend or withdraw  
8 any extension of most-favored-nation treatment to any coun-  
9 try pursuant to subsection (a), and thereby cause all prod-  
10 ucts of such country to be dutiable at the column 2 rate.

11 SEC. 505. MARKET DISRUPTION.—(a) A petition may  
12 be filed or a Tariff Commission investigation otherwise ini-  
13 tiated under section 201 of this Act in respect to imports  
14 of an article manufactured or produced in a country, the  
15 products of which are receiving most-favored-nation treat-  
16 ment pursuant to this title, in which case the Tariff Com-  
17 mission shall determine (in lieu of the determination de-  
18 scribed in section 201 (b) of this Act) whether imports of  
19 such article produced in such country are causing or are  
20 likely to cause material injury to a domestic industry pro-  
21 ducing like or directly competitive articles, and whether a  
22 condition of market disruption (within the meaning of  
23 section 201 (f) (2) of this Act) exists with respect to such  
24 imports.

25 (b) For the purposes of sections 202 and 203 of this

1 Act, an affirmative determination of the Tariff Commission  
2 pursuant to subsection (a) of this section shall be treated  
3 as an affirmative determination of the Tariff Commission  
4 pursuant to section 201 (b) of this Act: *Provided, however,*  
5 That the President, in taking action pursuant to section  
6 203 (a) (1) of this Act, may adjust imports of the article  
7 from the country in question without taking action in  
8 respect of imports from other countries.

9 SEC. 506. EFFECTS ON OTHER LAWS.—The President  
10 shall from time to time reflect in general headnote 3 (e) of the  
11 Tariff Schedules of the United States the provisions of this  
12 title and actions taken hereunder, as appropriate.

13 TITLE VI—GENERALIZED SYSTEM OF  
14 PREFERENCES

15 SEC. 601. PURPOSES.—The purpose of this title is to pro-  
16 mote the general welfare, foreign policy and security of the  
17 United States by enabling the United States to participate  
18 with other developed countries in granting generalized tariff  
19 preferences to exports of manufactured and semimanufactured  
20 products and of selected other products from developing coun-  
21 tries. The Congress finds that the welfare and security of the  
22 United States are enhanced by efforts to further the economic  
23 development of the developing countries, and that such devel-  
24 opment may be assisted by providing increased access to



1 markets in the developed countries, including the United  
2 States, for exports from developing countries.

3 SEC. 602. AUTHORITY TO EXTEND PREFERENCES.—

4 Notwithstanding the provisions of section 407 of this Act,  
5 the President may designate any article as an eligible article,  
6 may provide duty-free treatment for any eligible article from  
7 any beneficiary developing country designated under section  
8 604, and may modify or supplement any such action consist-  
9 ent with the provisions of this title. In taking any such ac-  
10 tion, the President shall have due regard for—

11 (1) the purpose of this title;

12 (2) the anticipated impact of such action on United  
13 States producers of like or directly competitive products;  
14 and

15 (3) the extent to which other major developed  
16 countries are undertaking a comparable effort to assist  
17 beneficiary developing countries by granting prefer-  
18 ences with respect to imports of products of such coun-  
19 tries.

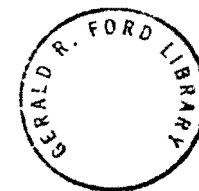
20 SEC. 603. ELIGIBLE ARTICLES.—(a) In connection

21 with any proposed action under section 602, the President  
22 shall from time to time publish and furnish the Tariff Com-  
23 mission with lists of articles which may be considered for  
24 designation as eligible articles. Prior to the taking of actions  
25 under section 602 providing duty-free treatment for any

1 article, the provisions of sections 111 through 114 of this  
2 Act shall be complied with as though such actions were  
3 actions under section 101 of this Act to carry out a trade  
4 agreement entered into thereunder.

5 (b) Preferential treatment provided under section 602  
6 shall apply only to eligible articles which are imported  
7 directly from a beneficiary developing country into the  
8 customs territory of the United States: *Provided*, That the  
9 sum of the cost or value of materials produced in the bene-  
10 ficiary developing country plus the direct costs of processing  
11 operations performed in the beneficiary developing country  
12 shall equal or exceed that percentage of the appraised value  
13 of the article at the time of its entry into the customs  
14 territory of the United States that the Secretary of the  
15 Treasury shall by regulation prescribe. Such percentage,  
16 which may be modified from time to time, shall apply  
17 uniformly to all articles from all beneficiary developing  
18 countries. For the purposes of this subsection, the Secre-  
19 tary shall also determine what constitutes direct costs and  
20 shall prescribe rules governing direct importation.

21 (c) No action shall be taken under section 602 desig-  
22 nating as an eligible article any article the importation of  
23 which is the subject of any action pursuant to section 203  
24 of this Act, section 351 of the Trade Expansion Act of 1962,  
25 section 22 of the Agricultural Adjustment Act, section 202





1 of the Sugar Act of 1947, or the Act of August 22, 1964  
 2 (78 Stat. 594), or any agreement concluded pursuant to sec-  
 3 tion 204 of the Agricultural Act of 1956, or any action by  
 4 the President pursuant to section 232 of the Trade Expan-  
 5 sion Act. Upon the effective date of any action pursuant to  
 6 section 203 of this Act, section 22 of the Agricultural Ad-  
 7 justment Act, section 202 of the Sugar Act of 1947, or the  
 8 Act of August 22, 1964 (78 Stat. 594), or any agreement  
 9 concluded pursuant to section 204 of the Agricultural Act  
 10 of 1956, or any action by the President pursuant to sec-  
 11 tion 232 of the Trade Expansion Act, with respect to any  
 12 article then designated an eligible article, such article shall  
 13 cease to be an eligible article. When the actions or agree-  
 14 ments described in the foregoing sentence cease to apply to  
 15 an article, the President may again designate such article as  
 16 an eligible article pursuant to the provisions of this section.

17 (d) After receiving an affirmative finding of the Tariff  
 18 Commission under section 201 of this Act in respect to an  
 19 eligible article, the President may, in lieu of the actions per-  
 20 mitted under section 203 of this Act terminate the status  
 21 of such article as an eligible article.

22 **SEC. 604. BENEFICIARY DEVELOPING COUNTRY.—** (a)  
 23 Subject to the provisions of subsection (b), the President may  
 24 designate any country a beneficiary developing country,  
 25 taking into account—

1 (1) the purpose of this title;

2 (2) any expression by such country of its desire  
 3 to be so designated;

4 (3) the level of economic development of such coun-  
 5 try, including its per capita gross national product, the  
 6 living standards of its inhabitants, and any other eco-  
 7 nomic factors which he deems appropriate;

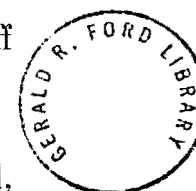
8 (4) whether or not the other major developed  
 9 countries are extending generalized preferential tariff  
 10 treatment to such country; and

11 (5) whether or not such country has nationalized,  
 12 expropriated, or seized ownership or control of property  
 13 owned by a United States citizen, or any corporation,  
 14 partnership, or association not less than 50 per centum  
 15 beneficially owned by citizens of the United States with-  
 16 out provision for the payment of prompt, adequate, and  
 17 effective compensation.

18 (b) The President shall not designate any country a  
 19 beneficiary developing country—

20 (1) the products of which are not receiving most-  
 21 favored-nation treatment by reason of general head-  
 22 note 3 (e) to the Tariff Schedules of the United States;  
 23 or

24 (2) which accords preferential treatment to the  
 25 products of a developed country other than the United



1 States, unless the President has received assurances satis-  
 2 factory to him that such preferential treatment will be  
 3 eliminated before January 1, 1976.

4 SEC. 605. LIMITATIONS ON PREFERENTIAL TREAT-  
 5 MENT.—(a) The President may modify, withdraw, suspend,  
 6 or limit the application of the preferential treatment accorded  
 7 under section 602 with respect to any article or with respect  
 8 to any country: *Provided*, That no rate of duty shall be  
 9 established in respect of any article pursuant to this section  
 10 other than the rate which would apply in the absence of  
 11 this title. In taking any such action, the President shall con-  
 12 sider the factors set forth in sections 602 and 604 (a) of this  
 13 title.

14 (b) The President shall withdraw or suspend the desig-  
 15 nation of a country as a beneficiary developing country if,  
 16 subsequent to such designation—

17 (1) the products of such country are excluded from  
 18 the benefit of most-favored-nation treatment by reason  
 19 of general headnote 3 (e) to the Tariff Schedules of the  
 20 United States; or

21 (2) he determines that such country has not elim-  
 22 inated or will not eliminate preferential treatment ac-  
 23 corded by it to the products of a developed country other  
 24 than the United States before January 1, 1976.

1 (c) Whenever the President determines that a country  
 2 has supplied 50 per centum by value of the total imports of  
 3 an eligible article into the United States, or has supplied a  
 4 quantity of such article to the United States having a value  
 5 of more than \$25,000,000, on an annual basis over a rep-  
 6 resentative period, that country shall not be considered a  
 7 beneficiary developing country in respect of such article,  
 8 unless the President determines that it is in the national  
 9 interest to designate, or to continue the designation of such  
 10 country as a beneficiary developing country in respect of  
 11 such article.

12 (d) No action pursuant to this title may affect any  
 13 tariff duty imposed by the Legislature of Puerto Rico pur-  
 14 suant to section 319 of the Tariff Act of 1930, as amended  
 15 (46 Stat. 696), upon coffee imported into Puerto Rico.

16 SEC. 606. DEFINITIONS.—For the purposes of this  
 17 title:

18 (1) The term “country” shall mean any country, de-  
 19 pendent territory (including an insular possession or trust  
 20 territory of the United States), area, or association of  
 21 countries.

22 (2) The term “developed country” shall mean any  
 23 country determined by the President to enjoy a high level  
 24 of economic development relative of the countries of the



1 world taken as a whole, taking into account its per capita  
2 gross national product, the living standards of its inhabitants,  
3 and any other economic factors which he deems appropriate.

4 (3) The term "major developed country" shall mean  
5 any developed country which is a member of the Organization  
6 for Economic Cooperation and Development and which is  
7 determined by the President to account for a significant  
8 percentage of world trade.

9 SEC. 607. EFFECTIVE PERIOD OF PREFERENCES.—No  
10 preferential treatment under this title shall remain in effect  
11 for a period in excess of ten years after the effective date  
12 of the grant of such preferential treatment or after Decem-  
13 ber 31, 1984, whichever is the earlier.

#### 14 TITLE VII—GENERAL PROVISIONS

15 SEC. 701. AUTHORITIES.—(a) The President may  
16 delegate the power, authority, and discretion conferred upon  
17 him by this Act to the heads of such agencies as he may  
18 deem appropriate.

19 (b) The head of any agency performing functions under  
20 this Act may—

21 (1) authorize the head of any other agency to  
22 perform any of such functions;

23 (2) prescribe such rules and regulations as may be  
24 necessary to perform such functions; and

25 (3) to the extent necessary to perform such func-

1 tions, procure the temporary (not in excess of one year)  
2 or intermittent services of experts or consultants or or-  
3 ganizations thereof, including stenographic reporting  
4 services, by contract or appointment, and in such cases  
5 such services shall be without regard to the civil service  
6 and classification laws, and, except in the case of steno-  
7 graphic reporting services by organizations, without re-  
8 gard to section 3709 of the Revised Statutes (41  
9 U.S.C. 5).

10 SEC. 702. REPORTS.—(a) The President shall submit to  
11 the Congress an annual report on the trade agreements pro-  
12 gram and on import relief and adjustment assistance for  
13 workers under this Act. Such report shall include information  
14 regarding new negotiations; changes made in duties and non-  
15 tariff barriers and other distortions of trade of the United  
16 States; reciprocal concessions obtained; changes in trade  
17 agreements (including the incorporation therein of actions  
18 taken for import relief and compensation provided therefor);  
19 extension or withdrawal of most-favored-nation treatment by  
20 the United States with respect to the products of a foreign  
21 country; extension, modification, withdrawal, suspension, or  
22 limitation of preferential treatment to exports of developing  
23 countries; the results of action taken to obtain removal of  
24 foreign trade restrictions (including discriminatory restric-  
25 tions) against United States exports; and the measures being



1 taken to seek the removal of other significant foreign import  
2 restrictions; other information relating to the trade agree-  
3 ments program and to the agreements entered into there-  
4 under, and information relating to the provision of adjustment  
5 assistance for workers dislocated due to imports.

6 (b) The Tariff Commission shall submit to the Con-  
7 gress, at least once a year, a factual report on the operation  
8 of the trade agreements program.

9 SEC. 703. TARIFF COMMISSION.—(a) In order to ex-  
10 pedite the performance of its functions under this Act, the  
11 Tariff Commission may conduct preliminary investigations,  
12 determine the scope and manner of its proceedings, and con-  
13 solidate proceedings before it.

14 (b) In performing its functions under this Act, the  
15 Tariff Commission may exercise any authority granted to it  
16 under any other Act.

17 (c) The Tariff Commission shall at all times keep in-  
18 formed concerning the operation and effect of provisions  
19 relating to duties or other import restrictions of the United  
20 States contained in trade agreements entered into under the  
21 trade agreements program.

22 SEC. 704. SEPARABILITY.—If any provision of this Act  
23 or the application of any provision to any circumstances or  
24 persons shall be held invalid, the validity of the remainder

1 of this Act, and of the application of such provision to other  
2 circumstances or persons, shall not be affected thereby.

3 SEC. 705. DEFINITIONS.—For the purposes of this Act:

4 (1) The term “agency” includes any United States  
5 agency, department, board, instrumentality, commission, or  
6 establishment, or any corporation wholly or partly owned  
7 by the United States.

8 (2) The term “duty” includes the rate and form of any  
9 import duty, including but not limited to tariff-rate quotas.

10 (3) The term “other import restriction” includes a  
11 limitation, prohibition, charge, and exaction other than  
12 duty, imposed on importation or imposed for the regulation  
13 of imports.

14 (4) The term “firm” includes an individual pro-  
15 prietorship, partnership, joint venture, association, corpora-  
16 tion (including a development corporation), business trust,  
17 cooperative, trustees in bankruptcy, and receivers under  
18 decree of any court.

19 (5) An imported article is “directly competitive with”  
20 a domestic article at an earlier or later stage of processing,  
21 and a domestic article is “directly competitive with” an  
22 imported article at an earlier or later stage of processing,  
23 if the importation of the imported article has an economic  
24 effect on producers of the domestic article comparable to the



1 effect of importation of articles in the same stage of proc-  
 2 essing as the domestic article. For purposes of this para-  
 3 graph, the unprocessed article is at an earlier stage of  
 4 processing.

5 (6) A product of a country or area is an article which  
 6 is the growth, produce, or manufacture of such country or  
 7 area.

8 (7) The term "modification", as applied to any duty  
 9 or other import restriction, includes the elimination of any  
 10 duty or other import restriction.

11 (8) The term "existing" without the specification of any  
 12 date, when used with respect to any matter relating to enter-  
 13 ing into or carrying out a trade agreement or other action  
 14 authorized by this Act, means existing on the day on which  
 15 such trade agreement is entered into or such other action is  
 16 taken, and, when referring to a rate of duty, refers to the  
 17 nonpreferential rate of duty (however established, and even  
 18 though temporarily suspended by Act of Congress or other-  
 19 wise) existing in column 1 of the Tariff Schedules of the  
 20 United States on such day.

21 (9) The term "ad valorem equivalent" means the ad  
 22 valorem equivalent of a specific rate or, in the case of a com-  
 23 bination of rates including a specific rate, the sum of the ad  
 24 valorem equivalent of the specific rate and of the ad valorem  
 25 rate. The ad valorem equivalent shall be determined by the

1 President on the basis of the value of imports of the article  
 2 concerned during a period determined by him to be repre-  
 3 sentative. In determining the value of imports, the President  
 4 shall utilize, to the maximum extent practicable, the stand-  
 5 ards of valuation contained in section 402 or 402a of the  
 6 Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) appli-  
 7 cable to the article concerned during such representative  
 8 period.

9 SEC. 706. RELATION TO OTHER LAWS.—(a) The sec-  
 10 ond and third sentences of section 2 (a) of the Act entitled  
 11 "An Act to amend the Tariff Act of 1930," approved  
 12 June 12, 1934, as amended (19 U.S.C. 1352 (a) ), are each  
 13 amended by striking out "this Act or the Trade Expansion  
 14 Act of 1962" and inserting in lieu thereof "this Act or the  
 15 Trade Expansion Act of 1962 or the Trade Reform Act  
 16 of 1973."

17 (b) Action taken or considered to have been taken  
 18 by the President under section 231 of the Trade Expansion  
 19 Act of 1962 and in effect on the date of the enactment of  
 20 this Act shall be considered as having been taken by the  
 21 President under section 501 (a).

22 (c) Section 242 of the Trade Expansion Act of 1962 is  
 23 amended as follows:

24 (1) by striking out "351 and 352" in subsection



1 (a) and inserting in lieu thereof "201, 202, and 203 of  
2 the Trade Reform Act of 1973";

3 (2) by striking out "with respect to tariff adjust-  
4 ment" in subsection (b) (2);

5 (3) by striking out "301 (e)" in subsection (b)  
6 (2) and inserting in lieu thereof "201 (d) of the Trade  
7 Reform Act of 1973"; and

8 (4) by striking out "section 252 (d)" each place  
9 it appears and inserting in lieu thereof "subsection 301  
10 (c) of the Trade Reform Act of 1973".

11 (d) Sections 202, 211, 212, 213, 221, 222, 223, 224,  
12 225, 226, 231, 243, 252, 253, 254, 255, 256 (1), (2), and  
13 (3), 301, 311 through 338, 361, 401, 402, 403, 404, and  
14 405 (1), (3), (4), and (5) of the Trade Expansion Act of  
15 1962 are repealed.

16 (e) All provisions of law (other than this Act, the  
17 Trade Expansion Act of 1962, and the Trade Agreements  
18 Extension Act of 1951) in effect after the date of enactment  
19 of this Act, referring to section 350 of the Tariff Act of  
20 1930, to that section as amended, to the Act entitled "An  
21 Act to amend the Tariff Act of 1930," approved June 12,  
22 1934, to that Act as amended or to the Trade Expansion  
23 Act of 1962, or to agreements entered into, or proclamations  
24 issued, or actions taken under any of such provisions, shall  
25 be construed, unless clearly precluded by the context, to

1 refer also to this Act, or to agreements entered into or proc-  
2 lamations or orders issued, pursuant to this Act.

3 (f) Headnote 4 to schedule 1, part 5, subpart B of the  
4 Tariff Schedules of the United States (77A Stat. 32, 19  
5 U.S.C. 1202) is hereby repealed.

6 (g) The Johnson Debt Default Act (62 Stat. 744; 18  
7 U.S.C. 955) is hereby repealed.

8 (h) Section 350 (a) (6) of the Tariff Act of 1930 is  
9 repealed.

10 SEC. 707. CONSEQUENTIAL CHANGES IN THE TARIFF  
11 SCHEDULES.—The President shall from time to time, as ap-  
12 propriate, embody in the Tariff Schedules of the United  
13 States the substance of the relevant provisions of this Act,  
14 and of other Acts affecting import treatment, and actions  
15 thereunder, including modification, continuance, or imposition  
16 of any rate of duty or other import restriction.

17 SEC. 708. SIMPLIFICATION AND MODIFICATION OF  
18 THE TARIFF SCHEDULES.—(a) If the President determines  
19 that such action will simplify or clarify the Tariff Schedules  
20 of the United States, or that it will reduce barriers to inter-  
21 national trade, he may from time to time, upon recommen-  
22 dation of the Tariff Commission, modify or amend the Tariff  
23 Schedules of the United States, which modification or amend-  
24 ment may include, without limitation:

25 (1) establishment of new classification;



1 (2) transfer of particular articles from one clas-  
2 sification to another classification; and

3 (3) abolition of classifications:

4 *Provided*, That except as authorized in subsection (b), such  
5 action shall not result in any modification of any rate of duty  
6 or other import restriction. This subsection shall not be  
7 deemed, however, to authorize the adoption of a revised  
8 tariff nomenclature in place of the Tariff Schedules of the  
9 United States.

10 (b) If the President determines that such action would  
11 contribute to the simplification or clarification of the Tariff  
12 Schedules, he may—

13 (1) modify the rate of duty applicable to any  
14 article, or impose or eliminate a rate of duty in respect  
15 of any article, provided that no rate of duty or duty-  
16 free treatment may be changed by more than 1 per  
17 centum ad valorem (or the ad valorem equivalent) from  
18 the rate existing on the effective date of this Act, or as  
19 modified in accordance with the provisions of any trade  
20 agreement concluded in accordance herewith;

21 (2) subject to subsection (d), modify the rate of  
22 duty applicable to any article or impose or eliminate a  
23 rate of duty in respect of any article, without regard to  
24 the limitation contained in paragraph (1) of this sub-  
25 section, or modify another import restriction, applicable  
26 to an article, or group of articles, the annual imports of

1 which have in none of the immediately preceding ten  
2 years exceeded \$10,000.

3 (c) Before recommending to the President any action  
4 under this section the Tariff Commission shall publish in  
5 the Federal Register a public notice of the type of modifica-  
6 tion of the Tariff Schedules which it has under consideration,  
7 and shall give interested parties adequate opportunity for  
8 the presentation of their views to the Commission.

9 (d) Following any modification of the type authorized  
10 by subsection (b) (2) which has, or could have, the effect  
11 of reducing or eliminating a duty or other import restriction,  
12 the Tariff Commission shall, for a period of five years follow-  
13 ing the effective date of such modification, observe the effect,  
14 if any, of the modification on the importation of the article,  
15 or group of articles, involved. The Commission shall  
16 promptly report to the President any substantial increase in  
17 the imports of such article, or group of articles, during such  
18 five-year period. If the President determines that an effect  
19 of the modification has been a substantial increase in the  
20 imports of such article or group, and that such increase has  
21 resulted, or is likely to result, in injury to the domestic indus-  
22 try producing the like or directly competitive article, he shall  
23 promptly terminate the modification of the duty or other  
24 import restriction of such article or group of articles.

25 (e) The President may at any time terminate, in whole  
26 or in part, any action taken under this section.



93<sup>d</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 6767

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## A BILL

To promote the development of an open, non-discriminatory, and fair world economic system, to stimulate the economic growth of the United States, and to provide the President with additional negotiating authority therefor, and for other purposes.

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By Mr. MILLS of Arkansas, Mr. SCINEEBELI,  
Mr. CONABLE, Mr. CHAMBERLAIN, Mr.  
CLANCY, Mr. BROTZMAN, Mr. PETTIS, and  
Mr. DUNCAN

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APRIL 10, 1973

Referred to the Committee on Ways and Means