

**SENATE FINANCE COMMITTEE STAFF
SUMMARY OF THE UNITED STATES-SINGAPORE
FREE TRADE AGREEMENT IMPLEMENTATION ACT***

Sec. 1 Short Title; Table of Contents

This section provides the short title of the Act as the “United States-Singapore Free Trade Agreement Implementation Act.”

Sec. 2 Purposes

This section sets forth the purposes of the Act, *e.g.*, to approve and implement the U.S.-Singapore Free Trade Agreement (the Agreement).

Sec. 3 Definitions

This section provides definitions for the Act.

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

Title I approves the bill and establishes the general regulatory authority for the President to implement the Agreement.

Sec. 101 Approval and Entry into Force of the Agreement

This section provides Congressional approval for the Agreement and its accompanying Statement of Administrative Action. Section 101 also authorizes the President to exchange notes with Singapore to provide for the entry into force of the Agreement on or after January 1, 2004.

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

This section establishes the relationship between the Agreement and U.S. law. It clarifies that no provision of the Agreement will be given effect under domestic law if it is inconsistent with federal law.

Section 102 also clarifies the relationship between the Agreement and state law and precludes any private right of action or remedy against a federal, state, or local government, or against a private party, based on the provisions of the Agreement.

* NOTE: This summary covers only those provisions in the bill that are within the jurisdiction of the Committee on Finance.

Sec. 103 Consultation and Layover Provisions for, and Effective Date of, Proclaimed Actions

This section sets forth traditional consultation and layover steps that must precede the President's implementation of any tariff modifications by proclamation. Under the consultation and layover provisions, the President must obtain the advice of the private sector and the U.S. International Trade Commission (ITC) on a proposed action. The President must submit a report to the Senate Committee on Finance and the House Committee on Ways and Means setting forth the action proposed, the reasons therefore, and the advice of the private sector and the ITC. The Act sets aside a 60 day period following the date of transmittal of the report for the Committees to consult with the President on the action.

Sec. 104 Implementing Actions in Anticipation of Entry into Force and Initial Regulations

This section provides the authority for new or amended regulations to be issued, and for the President to proclaim actions implementing the provisions of the Agreement, on the date the Agreement enters into force.

Sec. 105 Administration of Dispute Settlement Proceedings

This section authorizes the President to establish or designate within the Department of Commerce an office responsible for providing administrative assistance to dispute settlement panels established under Chapter 20 of the Agreement. This section also authorizes the appropriation of funds to support this office.

Sec. 106 Arbitration of Certain Claims

This section authorizes the United States to utilize the Investor-State Dispute Settlement Procedures to arbitrate claims covered by the Agreement that involve government contracts.

Sec. 107 Effective Dates; Effect of Termination

This section provides effective dates for the Act. Section 107 also provides that the provisions of the Act will no longer be in effect should the Agreement cease to be in force.

TITLE II – CUSTOMS PROVISIONS

Title II authorizes changes to U.S. customs law which are necessary or appropriate to implement the Agreement.

Sec. 201 Tariff Modifications

This section authorizes the President to implement by proclamation the continuation, modification or elimination of tariffs as the President determines to be necessary or appropriate to carry out the terms of the Agreement.

Sec. 202 Rules of Origin

This section provides the rules of origin of the Agreement and authorizes the President to modify certain of the Agreement's specific rules of origin by proclamation, subject to the consultation and layover provisions of Section 103 of the Act.

Section 202 also provides that products listed in Annex 3B are to be considered "originating goods" only if they are imported into the territory of the United States, from the territory of Singapore, in the same form as such goods first entered the territory of Singapore. The goods listed in Annex 3B are information technology goods and certain other goods for which the current United States normal trade relations/most-favored-nation (NTR/MFN) duty rate is zero.

Sec. 203 Customs User Fees

This section provides for the immediate elimination of the merchandise processing fee for goods qualifying for preferential treatment under the Agreement.

Sec. 204 Disclosure of Incorrect Information

This section provides that the United States may not impose a penalty on an importer who makes an invalid claim for preferential tariff treatment under the Agreement if, after discovering that the claim is invalid, the importer promptly and voluntarily corrects the claim and pays any duty owing.

Sec. 205 Enforcement Relating to Trade in Textile and Apparel Goods

This section authorizes the President to apply anti-circumvention provisions concerning textile and apparel goods. In particular, this section authorizes the President to bar textile and apparel goods from an exporter or producer that has engaged in intentional circumvention or refused permission for U.S. officials to conduct a verification visit at its facilities in Singapore.

Section 205 also authorizes the President to take action against circumvention that has not been addressed through bilateral cooperation by denying preferential tariff treatment for the goods subject to the circumvention and for other textile and apparel goods produced by the enterprise that has been found to have engaged in the circumvention.

Sec. 206 Regulations

This section requires the Secretary of the Treasury to prescribe regulations necessary to carry out the tariff-related provisions of the Agreement, including the rules of origin provisions.

TITLE III – RELIEF FROM IMPORTS

Title III establishes bilateral and textile and apparel safeguards.

Sec. 301 Definitions

This section provides definitions for this title.

SUBTITLE A – RELIEF FROM IMPORTS BENEFITING FROM THE AGREEMENT

Sec. 311 Commencing of Action for Relief

This section sets forth provisions regarding the commencement of bilateral safeguard investigations. Pursuant to the terms of the Agreement, Section 311 also exempts from investigation, under this section, Singaporean articles that have been the basis previously for relief to an industry, after the Agreement’s entry into force, under various safeguard mechanisms available under U.S. law.

Section 311 permits a petitioning entity to request provisional relief as if the petition had been filed under section 202(a) of the Trade Act of 1974, and also claim “critical circumstances” with respect to a surge of imports from Singapore.

Sec. 312 Commission Action on Petition

This section establishes deadlines for U.S. International Trade Commission (ITC) determinations following the initiation of a bilateral safeguard investigation. Section 312 also provides that, if the ITC makes an affirmative determination, or a determination that the President may consider to be an affirmative determination, the ITC must find and recommend to the President the amount of import relief that is necessary to remedy or prevent the serious injury and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

Sec. 313 Provision of Relief

This section authorizes the President to provide relief under the bilateral safeguard provisions of the Act.

Sec. 314 Termination of Relief Authority

This section terminates the President's authority to take action under the bilateral safeguards provision after ten years from the date on which the Agreement enters into force. The President may take action under the bilateral safeguards provision after this ten year period, but only to the extent the President determines that the Government of Singapore consents to such action.

Sec. 315 Compensation Authority

This section authorizes the President to provide trade compensation to Singapore when the United States imposes relief through a bilateral safeguard action.

Sec. 316 Confidential Business Information

This section incorporates procedures regarding the release of confidential business information to apply in bilateral safeguard investigations.

SUBTITLE B – TEXTILE AND APPAREL SAFEGUARD MEASURES

Sec. 321 Commencement of Action for Relief

This section sets forth procedures regarding the commencement of action for relief under the Agreement's safeguard mechanism available to domestic textile and apparel industries.

Sec. 322 Determination and Provision of Relief

This section sets forth provisions regarding the President's determinations as to whether a U.S. industry is eligible for relief under the textile and apparel safeguard mechanism.

Sec. 323 Period of Relief

This section provides that the initial period of relief under the textile and apparel safeguard shall be no longer than two years. That period may be extended if the President determines that an extension is necessary to remedy or prevent serious damage and to facilitate adjustment to import competition and that the domestic industry is making a positive adjustment to import competition. The total period of relief, including any extension, may not exceed four years.

Sec. 324 Articles Exempt from Relief

This section exempts textile and apparel articles from relief under the textile and apparel safeguard if relief previously has been granted to such articles under this safeguard.

Sec. 325 Rate After Termination of Import Relief

This section provides that the duty rate applicable to a textile or apparel article after import relief expires will be the duty rate that would have been in force on that date but for such import relief.

Sec. 326 Termination of Relief Authority

This section provides that the authority to provide relief under the textile and apparel safeguard will expire ten years after the date on which the textile and apparel provisions of the Agreement take effect.

Sec. 327 Compensation Authority

This section authorizes the President to provide trade compensation for actions taken pursuant to the Agreement's textile and apparel safeguard provisions.

Sec. 328 Business Confidential Information

This section sets forth provisions concerning the release of business confidential information submitted to the President in connection with the request for action pursuant to the textile and apparel safeguard provisions.

**SUBTITLE C – CASES UNDER TITLE II OF THE
TRADE ACT OF 1974**

Sec. 331 Findings and Action on Goods from Singapore

This section authorizes the President, in granting global import relief under sections 201-204 of the Trade Act of 1974, to exclude imports from Singapore when certain conditions are present.

TITLE IV – TEMPORARY ENTRY OF BUSINESS PERSONS

Title IV of the Act implements U.S. commitments under Chapter 14 of the Agreement, which governs the temporary entry of business persons. These provisions are within the jurisdiction of the Committee on Judiciary.