

ORIGINAL

1 EXECUTIVE COMMITTEE MEETING TO CONSIDER LEGISLATION ON
2 RESTRUCTURING THE U.S. CUSTOMS SERVICE; H.R. 4342, THE
3 MISCELLANEOUS TRADE AND TECHNICAL CORRECTIONS ACT OF
4 1998; AND THE NOMINATION OF SUSAN G. ESSERMAN, TO BE
5 DEPUTY U.S. TRADE REPRESENTATIVE
6 THURSDAY, SEPTEMBER 10, 1998
7 U.S. Senate,
8 Committee on Finance,
9 Washington, DC.

10 The meeting was convened, pursuant to notice, at
11 10:11 a.m., in room SD-215, Dirksen Senate Office
12 Building, Hon. William V. Roth, Jr. (Chairman of the
13 Committee) presiding.

Gilmour
19 pp.

14 Also present: Senators Chafee, Hatch,
15 D'Amato, Nickles, Gramm, Jeffords, Mack, Moynihan,
16 Rockefeller, Graham, Bryan, and Kerrey.

17 Also present: Franklin G. Polk, Staff Director and
18 Chief Counsel; Mark A. Patterson, Minority Staff Director
19 and Chief Counsel.

20 Also present: Grant Aldonas, Chief Trade Counsel;
21 Faryar Shirzad, Trade Counsel; and Mark Prater, Chief Tax
22 Counsel.

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1 OPENING STATEMENT OF THE HON. WILLIAM V. ROTH, JR., A
2 U.S. SENATOR FROM DELAWARE, CHAIRMAN, COMMITTEE ON
3 FINANCE

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5 The Chairman. The committee will be in order.

6 Today we will be marking up two pieces of legislation
7 of considerable practical importance, H.R. 3809, the
8 House-passed bill authorizing appropriations for the
9 Customs Service, and H.R. 4342, the Miscellaneous Tariff
10 and Technical Corrections Act of 1998.

11 We also, of course, will be considering the
12 nomination of Susan Esserman to be Deputy U.S. Trade
13 Representative.

14 But before turning to the work, and I do not think
15 that is going to take very long once we have a quorum, I
16 do want to make a few comments directed particularly at
17 the Customs authorization proposal we will be
18 considering.

19 It was clear from the testimony before the committee
20 at our hearing last week that we are experiencing
21 significant delays at the border due to resource
22 constraints at Customs.

23 It seemed equally clear that Customs is confronting
24 new challenges, both due to the rapidly rising volume of
25 legitimate trade, as well as the increasing

1 sophistication of efforts by drug traffickers and other
2 smugglers to push their illegal wares into the streets of
3 our cities here in the United States.

4 As I said, I believe that our ability to assure the
5 American people that we are doing the most that we can to
6 make our borders secure is key to building public support
7 for an American trade policy of opening markets abroad
8 and keeping our markets open and competitive here at
9 home.

10 For those reasons, I believe, on balance, that we
11 should move ahead with the authorization of
12 appropriations for Customs set out in the bill before us.
13 That said, I want to underscore, particularly for
14 representatives of the Customs Service and the Treasury
15 present today, that I view this bill as a contract
16 between the Customs and the committee.

17 It involves not just the authorization of
18 appropriations, but also a commitment to vigorous
19 oversight of the Customs Service progress toward the twin
20 goals of facilitating legitimate trade, its principal
21 purpose, as well as ensuring compliance with U.S. law.

22 Title II of the Customs Authorization bill before us
23 reinforces that point. It sets out our expectations that
24 Customs will report back to us prior to the start of the
25 next Congress on its priorities, plans, and performance

1 standards. I expect that report to form the basis for a
2 closer scrutiny of Customs operations in order to assure
3 the American people that they are getting their money's
4 worth.

5 I want the Customs Service and the Treasury
6 Department commitment that we will move forward together
7 on a constructive basis to confront the challenges that
8 Customs faces.

9 Now, Senator Moynihan, we will also be considering
10 the Miscellaneous Trade and Technical Corrections Act of
11 1998. It includes a number of revisions designed to
12 suspend or reduce temporarily the duties imposed on the
13 importation of a variety of products.

14 The bill contains a number of technical corrections,
15 a minor modification to the trade laws. In each
16 instance, we have solicited comments from the public and
17 from the administration to ensure that there is no
18 controversy surrounding these issues. Only those
19 provisions that were non-controversial and revenue
20 neutral have been included in the Chairman's mark.

21 While these measures are non-controversial and have
22 no revenue impact, they do, I believe, serve an important
23 end. The tariff suspensions include a large number of
24 anti-HIV/AIDS and anti-cancer drugs, and also include
25 provisions to suspend or reduce temporarily tariffs on

1 certain organic pigments which are environmentally benign
2 substitutes for pigments containing toxic heavy metals.

3 In all instances, this bill will enable U.S. firms to
4 produce goods in a more cost-efficient manner, thereby
5 helping to create jobs for American workers and reducing
6 costs for consumers.

7 With that, I would be happy to turn to my colleague,
8 Senator Moynihan.

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1 OPENING STATEMENT OF THE HON. DANIEL PATRICK MOYNIHAN, A
2 U.S. SENATOR FROM NEW YORK

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4 Senator Moynihan. I am happy just to take a moment
5 to thank you, sir, for the oversight of Customs, which
6 you have now provided us. This is a secondary role in
7 our committee and you have raised it to a certain equal
8 status with the Internal Revenue Service, and now with
9 the Customs Service.

10 I do not think we have heard from the Customs Service
11 in my 22 years on this committee, and it is time we did.
12 They were happy to be here. We said, we are here to help
13 you, and I think you have helped them.

14 I would like, particularly, to thank you, as a
15 regional point. We learned from them that the number of
16 Customs agents on the northern border of the United
17 States has not changed since 1980.

18 The Chairman. That is hard to believe.

19 Senator Moynihan. Yes. When trade has just been
20 flourishing. There is a provision for that, and other
21 things, in here, which we very much appreciate. I hope
22 my colleagues will just join me in thanking the Chairman.

23 Senator Rockefeller. Mr. Chairman? I would like to
24 put in the record, in addition to what Senator Moynihan
25 said. The tariff bill is monumentally complicated and

1 exhausting for the staff who work on it. I think that
2 you, and Senator Moynihan, the Minority staff, the
3 Majority staff, the legislative counsel, et cetera, have
4 done extraordinary work on this.

5 I also want to, in a sense, apologize, while thanking
6 you and the staff, because there was a last-minute, what
7 I thought was going to be non-controversial, where we
8 were misinformed by the company.

9 Yet, Linda Mengheti, Debbie Lamb, Lisa Lee, Faryar
10 Shirzad, Grant Aldonas, Tim Keeler, Polly Craighill,
11 people from CBO, ITC, Commerce, Customs, all spent, in
12 fact, considerable numbers of hours over the Labor Day
13 weekend trying to be helpful to this individual Senator.
14 Then it turned out the company had given us poor
15 information, it was controversial, so all the work was
16 for naught.

17 I think that from time to time that needs to be said,
18 that we are blessed with superb staff on both sides.
19 They try to help the members, even when the members are
20 not being particularly helpful to the staff. So I am
21 grateful to the Chairman and to the staff.

22 Senator Moynihan. Yes. Nicely said.

23 The Chairman. We are hopeful that we are going to
24 have a quorum in a few minutes. So, in the meantime,
25 does anyone else care to make any comments? Senator

- 1 Gramm.
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1 OPENING STATEMENT OF THE HON. PHIL GRAMM, A U.S. SENATOR
2 FROM TEXAS

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4 Senator Gramm. Mr. Chairman, the moment we have a
5 quorum, if I have not finished speaking before then, I
6 will stop. I would like to thank you for your work on
7 Customs as well. This is a very important issue in my
8 State.

9 We have been working with Customs over the last year
10 to really try to deal with this problem we have where we
11 have tremendous amounts of legitimate commerce that ends
12 up being held up at the border because we do not have
13 enough people, because we do not have enough technology,
14 and, quite frankly, because we have a tremendous problem
15 in trying to keep out illegal drugs.

16 So we are trying to deal with the problem of letting
17 legitimate commerce in upon which rests the prosperity
18 and economic growth of the country, and at the same time
19 keep illegal drugs out. It is a very difficult job.

20 What we have in this bill is what the Customs Service
21 says it needs in order to be able to reduce the average
22 wait at the border down to 20 minutes. That would be a
23 dramatic improvement.

24 I would just note, Mr. Chairman, following up on what
25 Senator Moynihan said, that expenditures in areas like

1 the Customs Service represent the most clearly defined
2 role of government that we have. This is an area where
3 government has to provide services in order for commerce
4 to function.

5 I think, given the growth in trade with NAFTA, that
6 we have inadequate resources. We still have a problem in
7 my State, and will still have after this money is
8 provided, in that we do not operate these bridges for
9 commercial purposes 24 hours a day, which we should.

10 So we are building all these bridges, we are
11 operating all of them about half as efficiently in terms
12 of numbers of hours. These are things that we are going
13 to have to deal with. But this is clearly a major step
14 in the right direction, and I want to thank you for
15 helping it happen.

16 The Chairman. Well, I want to thank you for your
17 leadership in this matter. As you well know, this
18 legislation reflects much of the work that you have done
19 on this problem and I appreciate that valued assistance.

20 I think we might go ahead and call up H.R. 3809,
21 which is the legislation reauthorizing the U.S. Customs
22 Service. We will go ahead and ask, Grant, you and
23 Faryar, to advise us of what is in the mark-up.

24 Mr. Aldonas. Surely. Well, with respect to H.R.
25 3809, the Drug-Free Borders Act-----

1 The Chairman. Would you yield for a moment? I
2 would like to call on Senator Chafee for comments.
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1 OPENING STATEMENT OF THE HON. JOHN H. CHAFEE, A U.S.
2 SENATOR FROM RHODE ISLAND

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4 Senator Chafee. Thank you very much, Mr. Chairman.
5 I want to thank you and the Ranking Member, Senator
6 Moynihan, for renewing this committee's oversight efforts
7 regarding the Customs Service. This is a critical
8 agency, as has been voiced previously. We need to give
9 them the tools that they need and see that they use the
10 tools wisely, which I believe they will.

11 I just did want to reiterate my interest in hearing
12 from Customs about the problem of jewelry imports that I
13 mentioned the other day. This is a subject that, as I
14 say, was discussed.

15 It is the marking of jewelry, the country of origin,
16 marking it in the piece of jewelry itself. I am sending
17 a letter today to Customs requesting official comment
18 regarding the scope of this problem and the options for
19 addressing it. I do look forward to the response from
20 Customs on this.

21 So, again, thank you, Mr. Chairman, for what you have
22 done in connection with all of this.

23 The Chairman. Thank you, Senator Chafee.

24 Grant, do you want to proceed?

25 Senator Graham. Mr. Chairman?

1 The Chairman. Yes.

2 Senator Graham. Could I make a brief comment?

3 The Chairman. Certainly. Please.

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1 OPENING STATEMENT OF THE HON. BOB GRAHAM, A U.S. SENATOR
2 FROM FLORIDA

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4 Senator Graham. I would like to add to the
5 compliments of the committee for the outstanding
6 leadership that you are providing in an area that has
7 been too long neglected.

8 I think this is part of a general pattern of greater
9 emphasis on oversight by this committee, which yielded
10 great results with the Internal Revenue Service, and I am
11 certain will do the same now with the Customs Service.

12 I have a statement I would like to file for the
13 record, but if I could just comment on a couple of points
14 that are in this statement.

15 Last June, under the auspices of Senator Grassley and
16 his International Drug Caucus committee, I held a hearing
17 at the Coast Guard Station in Miami, Florida. In fact,
18 the hearing was held, literally, on a Coast Guard cutter.
19 We got a lot of very interesting information, some old
20 information underscored and some new information.

21 The old information underscored, for instance, was
22 the fact that we were sitting on a 25-year-old Coast
23 Guard cutter which had just come back of a tour of the
24 Eastern Caribbean, where it was outmanned, outrun,
25 outperformed by the equipment that it was intended to be

1 interdicting. Part of this legislation will help us
2 bring our capacity to protect the American borders up to
3 the level of sophistication of those who are trying to
4 invade our borders.

5 Second, an example of the new challenge that we are
6 facing. There is a new class of major merchant marine
7 vessels being constructed which will be too large,
8 require too deep a channel for most American ports, and
9 therefore they are starting the development of
10 intermediate ports, such as one that is currently under
11 construction at Freeport in the Bahamas. These massive
12 ships will come into these ports, their cargo will be
13 broken down, put on smaller vessels to come into the
14 United States.

15 This is going to pose a whole new level of challenge
16 to our Customs Service because we are going to have a lot
17 of activities that will directly impact our port security
18 now being conducted in foreign countries' ports that are
19 immediately adjacent to the United States. Again, this
20 legislation gives us some increased capability to deal
21 with those new challenges.

22 So, Mr. Chairman, I commend you for your vision and
23 leadership and hope that this committee will quickly
24 recommend, and the Senate, the Congress, and the
25 President will sign into law, this legislation.

1 [The prepared statement of Senator Graham appears in
2 the appendix.]

3 Senator Moynihan. Mr. Chairman, I believe we have a
4 quorum, which would make it appropriate, if no one
5 objects, for me to move the adoption of the legislation
6 en bloc, the three measures that you have.

7 The Chairman. If I could point out, there are
8 modifications. Would you quickly mention those, Grant?

9 Mr. Aldonas. The one modification to the Customs
10 Authorization Act is to augment the resources available
11 for the northern border. It would increase the overall
12 authorization by approximately \$9 million. It would
13 provide for additional trade facilitation equipment and
14 an additional 125 cargo inspectors for the northern
15 border.

16 Senator D'Amato. I second the motion.

17 The Chairman. Well, I would now move to strike all
18 after the enacting clause and insert the text of the
19 Chairman's mark, as amended by this committee that I have
20 in reference to H.R. 3809.

21 All those in favor, say aye.

22 [Chorus of ayes]

23 The Chairman. Those opposed, nay.

24 [No response]

25 The Chairman. The ayes have it. I now move to

1 report the House bill favorably to the Senate. All those
2 in favor, say aye.

3 [Chorus of ayes]

4 The Chairman. All those opposed, say nay.

5 [No response]

6 The Chairman. The bill will be so reported.

7 Senator Moynihan. Mr. Chairman, I believe H.R. 4342
8 is next.

9 The Chairman. That is correct.

10 Senator Moynihan. If there is no objection, I would
11 like to move the adoption of the measure by voice vote.

12 The Chairman. I thank the distinguished Senator.
13 We would move to strike all after the enacting clause and
14 insert the text of the Chairman's mark, as modified.

15 All those in favor, say aye.

16 [Chorus of ayes]

17 The Chairman. Those opposed, say nay.

18 [No response]

19 The Chairman. The ayes have it.

20 I now move to report the House bill favorably to the
21 Senate. All those in favor, say aye.

22 [Chorus of ayes]

23 The Chairman. All those opposed, say nay.

24 [No response]

25 The Chairman. The bill will be so reported.

1 Senator Moynihan. Mr. Chairman, I believe the next
2 item is the nomination of Susan G. Esserman. I think we
3 want to make this unanimous, but we are beginning to
4 sound like the Soviet Duma. [Laughter]. Is there
5 anybody who wants to?

6 The Chairman. Frankly, I like it.

7 Senator Moynihan. I move the confirmation of the
8 nomination of Susan G. Esserman.

9 The Chairman. All those in favor, please signify by
10 saying aye.

11 [Chorus of ayes]

12 The Chairman. Those opposed, say nay.

13 [No response]

14 The Chairman. The ayes have it. The nomination
15 will be so reported.

16 I want to thank the members of this committee on both
17 sides of the aisle for responding to our call for a
18 quorum. I think it has expedited a very important and
19 very practical piece of legislation.

20 Senator Chafee. Mr. Chairman, could I submit some
21 comments for the record, if I might? I want to thank
22 you. There a couple of bills that I am particularly
23 interested in that were included in the tariff
24 legislation, and I want to thank you for that. I will
25 place the statement in the record. Thank you.

1 The Chairman. Without objection.

2 [The prepared statement of Senator Chafee appears in
3 the appendix.]

4 The Chairman. The committee is in recess.

5 [Whereupon, at 10:30 a.m., the meeting was
6 concluded.]

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United States Senate

WASHINGTON, DC 20510-0903

COMMITTEES:
FINANCE
ENVIRONMENT AND
PUBLIC WORKS
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INTELLIGENCE
ENERGY AND NATURAL
RESOURCES

**U.S. SENATOR BOB GRAHAM
OPENING STATEMENT
U.S. CUSTOMS SERVICE REAUTHORIZATION MARK-UP
SEPTEMBER 10, 1998**

I would first like to thank Senator Grassley and his staff from the International Narcotics Control Caucus for their hard work and cooperation with me in putting together a significant portion of this bill. I would further thank Chairman Roth and Senator Moynihan for their assistance in moving this important legislation forward. Our action today signals a new era of Senate involvement in and oversight of the critically important duties of the U.S. Customs Service. Working together, I am certain that we can both improve the facilitation of legitimate trade, and protect our borders from the illicit trade of narcotics.

In June of this year, I chaired a field hearing in Miami on drug interdiction. At that hearing, we identified numerous shortfalls in our ability to stop the flow of drugs into this country. For example, I discovered that additional personnel, newer and more effective high-tech equipment, and increased intelligence capabilities were required in South Florida and the Caribbean to wage an efficient and effective war on the drug trade.

I was also told of the new containerized shipping port facility in Freeport, Bahamas, which many law enforcement officials fear will become the "staging point" for the flow of illegal drugs into various ports in the United States.

Unfortunately, the Port of Miami has traditionally been a major "importer" of illegal drugs. Following the hearing, I was determined to ensure that both the resource shortfalls and the new threats were comprehensively addressed. I believe that this legislation will accomplish both of these tasks, and will also implement a comprehensive strategy to move the U.S. Customs Service into the twenty-first century.

The legislation addresses inspector, equipment, and law enforcement shortfalls at the Northern and Southern land borders, as well as the Florida and Gulf Coast Seaports. It also addresses the critically needed operation and maintenance of the Customs Service air and maritime assets.

I am especially interested in the report that the Customs Service will generate as a result of Title II of the legislation, and I look forward to working with Customs to identify any further legislative actions that will improve the efficiency and effectiveness of the organization.

Once again, I thank Senator Grassley for his critical assistance in formulating this legislation. It was a pleasure to work in a bipartisan fashion to create legislation that I consider to be important to both the public and private sector.

**STATEMENT BY SEN. JOHN H. CHAFEE
REGARDING THE CHAIRMAN'S MARK
FOR HR 4342, MISCELLANEOUS TARIFF LEGISLATION
September 10, 1998**

I want to express my appreciation to the Chairman and the Ranking Member for including a number of duty suspension bills for products that are important to manufacturers in my State of Rhode Island.

The products in question are organic replacements for colorants that use heavy metals -- such as lead, molybdenum, chrome, and cadmium -- in the plastics and coatings industries. Heavy metal colorants traditionally have been used in the coloration of plastics and coatings, especially where the applications are subjected to high heat, or where high weatherfastness or lightfastness are required. Until recently, finding substitutes for these heavy metal-based products was difficult. Thanks to new formulations, a number of organic products have proved themselves to be satisfactory substitutes.

Reducing our reliance on heavy metal colorants makes sense environmentally. However, none of the organic substitutes in question are produced in the United States. Thus, our producers have no choice but to import the substitutes and pay the requisite import taxes. The added costs associated with these duties hurts their ability to compete, and thus their ability to maintain their Rhode Island workforce. Yet, given that there is no domestic industry producing these substitutes, the duties serve little purpose.

Therefore, approval of my package of duty-free bills will make a difference to these Rhode Island employers. I thank the Chairman for including them in the Chairman's mark. Let me also thank the Committee staff, as they have spent countless hours wading through highly technical bills and double-checking them with Commerce and the ITC.

**STATEMENT BY SEN. JOHN H. CHAFEE
REGARDING THE CHAIRMAN'S MARK
FOR HR 3809, THE CUSTOMS REAUTHORIZATION LEGISLATION
September 10, 1998**

I want to congratulate the Chairman and Ranking Member for renewing this Committee's oversight efforts regarding the Customs Service. This is a critical agency with a variety of important functions, and we need to spend some time ensuring that they have the tools they need, and that they are using these tools wisely.

Let me take a moment to reiterate my interest in hearing from Customs about the problem of jewelry imports that are not clearly marked, as required by law. I mentioned this subject at the hearing last Thursday.

As a follow-up, today I am sending a letter to Customs requesting official comment regarding the scope of this problem, and the options for addressing it. I look forward to receiving their response.

There are legislative proposals to require that all imported jewelry be indelibly marked. My colleague Senator Reed, who has been working on this issue, and I are interested in this proposal. Before attaching it to this bill, however, I want to hear back from Customs on whether a legislative remedy is necessary, or if the problem can be addressed administratively. Til I hear back from Customs, I will hold off on legislation, but I want to reserve my right to offer a legislative solution on the floor.

**STATEMENT BY SENATOR JOHN H. CHAFEE
REGARDING THE NOMINATION OF SUSAN ESSERMAN
TO BE DEPUTY U.S. TRADE REPRESENTATIVE**

September 10, 1998

I commend the Chairman and Ranking Member for moving this nomination in a timely fashion. This deputy post — which involves responsibility for Europe, Africa, the Middle East, and general WTO policy — is important post and requires a capable person at the helm.

Jeff Lang ably fulfilled that job. I am pleased that with Ms. Esserman's confirmation, we will continue to have public servants of high caliber in this position. Our staffs have worked with Ms. Esserman over the years and we know her to be an intelligent and capable person.

I look forward to her eventual confirmation by the full Senate and congratulate her and her family in advance.

COMMITTEE ON FINANCE

ADDITIONAL MODIFICATIONS TO THE CHAIRMAN'S PROPOSAL
ON H.R. 4342 -- THE MISCELLANEOUS TARIFF AND TECHNICAL
CORRECTIONS ACT OF 1998

[Insert in the appropriate section]

**2242. Bentazon (3-Isopropyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-di
(S.2029 Grassley)**

Present law

(3-Isopropyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-di (Bentazon) is a product used primarily for a post-emergent herbicide in the production of corn and soybeans and is classifiable under HTS subheading 2934.90.11.00 and subject to an NTR duty rate of 6.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new heading for (3-Isopropyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-di (Bentazon) as temporarily at a duty rate of 5% until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

**2243. Certain high-performance loudspeakers not mounted
in their enclosures (Kennedy, Nickles, Kerrey)**

Present law

Certain high-performance loudspeakers not mounted in their enclosures are classifiable under HTS subheading 8528.29.80.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for certain high-performance loudspeakers not mounted in their enclosures. as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using

this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2244. Parts for use in the manufacture of certain high-performance loudspeakers (Kennedy, Nickles, Kerrey)

Present law

Parts for use in the manufacture of certain high-performance loudspeakers are classifiable under HTS subheading 8518.90.80.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for sodium bentazon as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2518. Duty-Free Stores (S.1861 Feinstein, Murkowski)

Present law

Section 555(b) of the Tariff Act of 1930, as amended, requires that a duty-free sales enterprise (so-called duty-free store) may be located anywhere within (a) the same port of entry from which a purchaser of duty-free merchandise departs the customs territory of the United States; or (b) 25 statute miles from the exit point through which the purchaser of duty-free merchandise will depart the customs territory of the United States.

Explanation of provision

The provision would amend section 555 of the Tariff Act of 1930 to allow duty-free stores to be located anywhere within a Customs-defined port-of-entry or 25 statute miles from such port-of-entry, whether or not it is the same port through which the merchandise will be exported from the United States, so long as the Customs Service concludes that there is "reasonable assurance" that the duty-free merchandise will be exported from the United States.

Reason for change

The provision would create additional opportunities for duty-free stores to increase sales. Rather than limiting purchases by international travelers to duty-free stores in or within 25 miles of the port-of-entry of their departure, this provision would permit purchases to be made in any duty-free store located

in or within 25 miles of a Customs-defined port-of-entry, whether or not it is the same port through which the purchaser will depart from the United States. This provision only applies, however, to the extent that the Customs Service determines that there is a "reasonable assurance" that the duty-free merchandise will be exported from the United States.

COMMITTEE ON FINANCE

**SUMMARY OF MODIFICATIONS TO THE CHAIRMAN'S PROPOSAL
ON H.R. 4342 -- THE MISCELLANEOUS TARIFF AND
TECHNICAL CORRECTIONS ACT OF 1998**

Additions:

- Section 2239 [s-(r*,r*)]-2,3-dihydroxy-butanedioic acid (House Provision, Sec. 2088)
- Section 2240 Acetic Acid, [[2-chloro-4-fluoro-5[(tetrahydro-3-oxo-1H,3H-[1,3,4]thiadiazolo[3,4-a]pyridazin-1-ylidene)amino]phenyl]thio]-,methyl ester (S.1842 Helms)
- Section 2241 Pentyl Acetate (Grassley)
- Section 2516 Reliquidation of Drawback Entries and Refund Drawback Payments for Certain Juice Exports (Mack)
- Section 2517 Watch Markings (D'Amato)

Deletions:

Section 2109

Technical Changes:

The HTS numbers and tariff rates of the following sections have been corrected:
1003, 2141, 2142, 2143, 2144, 2164, 2175, 2185, 2187, 2188, 2198, 2198a, 2198b,
2198j, 2230, and 2510.

H.R. 4342

MISCELLANEOUS TARIFF AND TECHNICAL CORRECTIONS ACT OF 1998

CHAIRMAN'S MARK (Modified 9/9/98)

**Prepared by the Senate Finance Committee Staff
September 10, 1998**

INTRODUCTION

The Chairman's mark for the Miscellaneous Trade and Technical Corrections Act of 1998 consists of the measures contained in H.R.4342, which was passed by the House of Representatives on August 4, 1998, as well as certain additional provisions.

The Chairman's mark for H.R.4342 consists of two titles. The first title includes three provisions that would make certain technical corrections to the trade laws. The second title of the Chairman's mark contains two subtitles. The first subtitle consists of over one hundred provisions that would suspend or reduce the tariff applicable to certain specified products. Most of these provisions would temporarily suspend or reduce the duties on a wide array of chemicals, including many organic pigments which are environmentally benign substitutes for pigments containing toxic heavy metals. In addition, a large portion of the provisions in this subtitle would temporarily suspend the duty on a variety of anti-HIV/AIDS and anti-cancer drugs. The remainder of the provisions cover an assortment of other products. The second subtitle of Title II contains an array of miscellaneous trade provisions. One provision, for example, would extend trade benefits under the Production Incentive Certificate program to jewelry makers in the insular possessions of the United States.

On February 17, 1998 and on April 9, 1998, Chairman Roth requested written comments from parties interested in miscellaneous trade proposals, technical corrections to trade laws, and temporary suspensions of duty for specific products. The Committee received comments from individual companies, industry associations and other concerned parties. In addition, the U.S. Customs Service, the U.S. Department of Commerce, the U.S. International Trade Commission (ITC), the United States Trade Representative and other agencies provided extensive comments to the Committee on each of the provisions in this mark.

This package of trade bills has been thoroughly evaluated and commented on by concerned parties. Only those provisions which were non-controversial based on the public comments and Administration and ITC reviews, and which were revenue neutral, have been included in the Chairman's mark. These provisions will enable U.S. firms to produce goods in a more cost efficient manner, thereby helping create jobs for American workers.

A. TITLE I -- MISCELLANEOUS TRADE CORRECTIONS.

Sec. 1001. Clerical Amendments.

Explanation of Provision

This provision makes clerical amendments to the trade laws to bring them up to date with current institutions and statutes.

Reason for Change

The provision is necessary to bring trade law into compliance with current terminology and statutes reached in new agreements.

1002. Obsolete References to GATT.

Present Law

In many instances, the U.S. Code still references the General Agreement on Tariffs and Trade (GATT).

Explanation of Provision

The provision will update several provisions of the U.S. code to properly refer to the GATT and the World Trade Organization (WTO).

Reason for Change

On January 1, 1995, the WTO was created to administer the GATT 1994 and the Uruguay Round Agreements. Section 1002 revises various provisions of the trade laws to reflect the establishment of the WTO and the Uruguay Round Agreements.

1003. Classification of 13-inch Televisions.

Present Law

Televisions with an exact diagonal measurement of 33.02 cm (13 inches) are classifiable under HTS subheading 8528.12.20, which corresponds to a duty rate of 2 percent. If the diagonal measurement exceeds 33.02 cm, but does not exceed 35.56 cm, then the televisions are classifiable under HTS subheading 8528.12.24 with a corresponding duty rate of 5 percent.

Explanation of Provision

This provision corrects the classification of certain televisions in the HTS by specifying that "13-inch" television receivers, monitors, and picture tubes, and combination TV/VCRs, may have

have diagonal measurement up to "34.29 centimeters," which is 13 and one-half inches, in the HTS. This correction gives the Customs Service the authority it needs to apply lower tariffs on "13-inch" televisions up to 34.29 centimeters.

Reason for Change

During the GATT Uruguay Round, the United States agreed to phase down U.S. tariffs on "13-inch" television receivers, monitors, and picture tubes, and on combination TV/VCRs, over the period from 1995 to 1999. Specifically, the United States agreed to reduce tariffs on receivers and monitors from 5 percent to zero, on picture tubes from 15 percent to 7.5 percent, and on combination TV/VCRs from 3.9 percent to zero. The term "13-inch" is a commercial designation employed by television manufacturers to describe television products whose picture tubes are approximately, but not exactly, 13 inches by diagonal measurement.

The correction does not increase the number of television receivers, monitors, and picture tubes, and combination TV/VCRs, on which lower tariffs were stipulated by the Uruguay Round agreement. Accordingly, the provision is revenue-neutral under Congressional budget rules because the cost of the reductions in tariffs on these "13-inch" television products was paid for when the Uruguay Round implementing legislation was enacted.

Effective Date

This provision shall go into effect on October 1, 1998.

B. TITLE II -- TEMPORARY DUTY SUSPENSIONS AND REDUCTIONS AND OTHER TRADE PROVISIONS.

SUBTITLE A: TEMPORARY DUTY SUSPENSIONS AND REDUCTIONS

The provisions in Subtitle A consist of temporary suspensions and reductions of duties for a variety of products.

2101. Diiodomethyl-*p*-tolylsulfone (S.699 Breaux)

Present law

Diiodomethyl-*p*-tolylsulfone (DMTS) is a fungicide/mideweide used in chaulks, adhesives, plastics and other purposes and is classifiable under HTS subheading 2930.90.10 and subject to an NTR duty rate of 10.1% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for DMTS as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2102. Racemic dl-menthol (S.1010 Thurmond)

Present law

Racemic dl-menthol is a chemical used as a fragrance or flavor to produce pharmaceuticals, confections, and cigarettes. This product is classifiable under HTS subheading 2906.11.00 and subject to an NTR duty rate of 2.1% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Racemic dl-menthol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2103. 2,4-Dichloro-5-hydrazino-phenol-monohydrochloride (S.1063 Rockefeller)

Present law

2,4-Dicholoro-5-hydrazino-phenol-monohydrochoride is used in the manufacture of Azafenidin, an active ingredient in DuPont's "Milestone" herbicide 113. This product is classifiable under HTS subheading 2928.00.25 and subject to an NTR duty rate of 6.6 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2,4-Dicholoro-5-hydrazino-phenol-monohydrochoride as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2104. Phosphinic acid, [3-(acetyloxy)-3-cyanopropy]methyl-, butyl ester (S.1088 Roth)

Present law

Phosphinic acid, [3-(acetyloxy)-3-cyanopropy]methyl-, butyl ester (ACM) is utilized in the manufacture of glufonsinate ammonium, a non-selective herbicide. This product is classifiable under HTS subheading 2931.00.90 and subject to an NTR duty rate of 3.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Phosphinic acid, [3-(acetyloxy)-3-cyanopropy]methyl-, butyl ester as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2105. Snowboards boots with uppers of textile material (S.1101 Jeffords)

Present law

Snowboards boots with uppers of textile material are classifiable under HTS subheading 6406.11.90 and subject to an NTR duty rate of 20% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for snowboards boots with uppers of textile material as temporarily duty free until December 31, 2001.

Reason for change

This temporary duty suspension would make the tariff rate for this product conform with the

rate for similar boots with uppers of leather or plastic. There is no domestic production of this product.

2106. 2-ethoxy-2,3-dihydro-3,3-dimethyl-5-benzofuranylmethanesulfonate (ethofumesate) singularly or in mixtures (S.1239 Abraham)

Present law

2-ethoxy-2,3-dihydro-3,3-dimethyl-5-benzofuranylmethanesulfonate (ethofumesate) singularly or in mixtures with application adjutants is a chemical is used in the production of certain herbicides and is subject to an NTR duty rate of 6.6% *ad valorem* (if classifiable under HTS 2932.99.08) and 0.4¢/kg+7.1% *ad valorem* (if classifiable under HTS 3808.30.15).

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-ethoxy-2,3-dihydro-3,3-dimethyl-5-benzofuranylmethanesulfonate (ethofumesate) singularly or in mixtures as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2107. 3-Methoxycarbonylamino-phenyl 3'-methylcarbanilate (phenmedipham) (S.1240 Abraham)

Present law

3-Methoxycarbonylamino-phenyl 3'-methylcarbanilate (phenmedipham) is a chemical used in the production of certain herbicides and is subject to an NTR duty rate of 10.3 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 3-Methoxycarbonylamino-phenyl 3'-methylcarbanilate (phenmedipham) as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2108. 3-ethoxycarbonyl-aminophenyl-N-phenylcarbamate (desmedipham) (S.1241 Abraham)

Present law

3-ethoxycarbonyl-aminophenyl-N-phenylcarbamate (desmedipham) is subject to an NTR duty rate of 6.6% *ad valorem*. This chemical is used in the production of certain herbicides.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 3-ethoxycarbonyl-aminophenyl-N-phenylcarbamate (desmedipham) as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

**2110. 2-amino-4-(4-aminobenzoylamino)-benzenesulfonic acid sodium salt
(S.1431 Helms)**

Present law

2-amino-4-(4-aminobenzoylamino)-benzenesulfonic acid sodium salt is an intermediate chemical used in the production of certain synthetic dyes and is classifiable under HTS subheading 2930.90.29 and subject to an NTR duty rate of 6.5% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-amino-4-(4-aminobenzoylamino)-benzenesulfonic acid sodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2111. 5-Amino-N-(2-hydroxyethyl)-2,3-xylenesulfonamide (S.1432 Helms)

Present law

5-Amino-N-(2-hydroxyethyl)-2,3-xylenesulfonamide is an intermediate chemical used in the production of certain synthetic dyes and is classifiable under HTS 2935.00.95 and subject to an NTR duty rate of 2.2¢/kg+13.4% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 5-Amino-N-(2-hydroxyethyl)-2,3-xylenesulfonamide as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2112. 3-amino-2'-(sulfatoethylsulfonyl) ethyl benzamide (S.1433 Helms)

Present law

3-amino-2'-(sulfatoethylsulfonyl) ethyl benzamide is an intermediate chemical used in the production of certain synthetic dyes and is under HTS 2930.90.29 and subject to an NTR duty rate of 6.5% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 3-amino-2'-(sulfatoethylsulfonyl) ethyl benzamide as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2113. 4-Chloro-3-nitrobenzenesulfonic acid, monopotassium salt (S.1434 Helms)

Present law

4-Chloro-3-nitrobenzenesulfonic acid, monopotassium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS 2904.90.47 and subject to an NTR duty rate of 2.2¢/kg+11.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Chloro-3-nitrobenzenesulfonic acid, monopotassium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2114. 2-amino-5-nitrothiazole (S.1435 Helms)

Present law

2-amino-5-nitrothiazole is classifiable under HTS 2934.10.90 and subject to an NTR duty rate of 10.7% *ad valorem*. This product is an intermediate chemical used mainly in the production of certain synthetic dyes.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-amino-5-nitrothiazole as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2115. 4-chloro-3-nitrobenzenesulfonic acid (S.1436 Helms)

Present law

4-chloro-3-nitrobenzenesulfonic acid is classifiable under HTS 2904.90.47 and subject to an NTR duty rate of 2.2¢/kg+11.7% *ad valorem*. This product is an intermediate chemical used mainly in the production of certain synthetic dyes.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-chloro-3-nitrobenzenesulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2116. 6-amino-1,3-naphthalenedisulfonic acid (S.1437 Helms)

Present law

6-amino-1,3-naphthalenedisulfonic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS 2921.45.90 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 6-amino-1,3-naphthalenedisulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2117. 4-chloro-3-nitrobenzenesulfonic acid, monosodium salt (S.1438 Helms)

Present law

4-chloro-3-nitrobenzenesulfonic acid, monosodium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS 2904.90.40 and subject to an NTR duty rate of 10.3% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-chloro-3-nitrobenzenesulfonic acid, monosodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2118. 2-methyl-5-nitrobenzenesulfonic acid (S.1439 Helms)

Present law

2-methyl-5-nitrobenzenesulfonic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2904.90.2 and subject to an NTR duty rate of 8.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-methyl-5-nitrobenzenesulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2119. 6-Amino-1,3-naphthalenedisulfonic acid, disodium salt (S.1440 Helms)

Present law

6-Amino-1,3-naphthalenedisulfonic acid, disodium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2921.45.90 and subject to an NTR duty rate of 1.4¢/kg + 13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 6-Amino-1,3-naphthalenedisulfonic acid, disodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2120. 2-Amino-p-cresol (S.1441 Helms)

Present law

2-Amino-p-cresol is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2922.29.10 and subject to an NTR duty rate of 5.8% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-p-cresol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2122. 6-Bromo-2,4,dinitroaniline (S.1443 Helms)

Present law

6-Bromo-2,4,dinitroaniline is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2921.42.90 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 6-Bromo-2,4,dinitroaniline as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2123. 7-Acetylamino-4-hydroxy-2-naphthalenesulfonic acid, monosodium salt (S.1444 Helms)

Present law

7-Acetylamino-4-hydroxy-2-naphthalenesulfonic acid, monosodium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2924.29.70 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 7-Acetylamino-4-hydroxy-2-naphthalenesulfonic acid, monosodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2124. Tannic Acid (S.1445 Helms)

Present law

Tannic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 3201.90.10 and subject to an NTR duty rate of 1.5 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for tannic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2125. 2-Amino-5-nitrobenzenesulfonic acid, monosodium salt (S.1446 Helms)

Present law

2-Amino-5-nitrobenzenesulfonic acid, monosodium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under 2921.42.90 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-5-nitrobenzenesulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2126. 2-Amino-5-nitrobenzenesulfonic acid, monoammonium salt (S.1447 Helms)

Present law

2-Amino-5-nitrobenzenesulfonic acid, monoammonium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2921.42.90 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-5-nitrobenzenesulfonic acid, monoammonium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2127. 2-Amino-5-nitrobenzenesulfonic acid (S.1448 Helms)

Present law

2-Amino-5-nitrobenzenesulfonic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2921.42.90 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-5-nitrobenzenesulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2128. 3-(4,5-Dihydro-3-methyl-5-oxo-1H-pyrazol-1-yl)benzenesulfonic acid (S.1449 Helms)

Present law

3-(4,5-Dihydro-3-methyl-5-oxo-1H-pyrazol-1-yl)benzenesulfonic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2933.19.43 and subject to an NTR duty rate of 2.2¢/kg+12.3% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 3-(4,5-Dihydro-3-methyl-5-oxo-1H-pyrazol-1-yl)benzenesulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2129. 4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid (S.1450 Helms)

Present law

4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2924.29.75 and subject to an NTR duty rate of 2.2¢/kg+13.5% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2130. 4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid, monosodium salt (S.1451 Helms)

Present law

4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid, monosodium salt is an intermediate chemical used mainly in the production of certain synthetic dyes and is classifiable under HTS subheading 2924.29.70 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid, monosodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2132. Pigment Yellow 151 (S.1537 Chafee)

Present law

Pigment Yellow 151 is an organic pigment primarily used in the automotive coating

industry. It is an environmentally benign substitute for comparable inorganic pigments using heavy metal chemicals such as cadmium, chrome, lead, and molybdenum, which are considered toxic. and is classifiable under HTS subheading 3204.17.90 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 151 as temporarily lowering the duty to 6.4% until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2133. Pigment Yellow 181 (S.1539 Chafee)

Present law

Pigment Yellow 181 is an organic pigment primarily used in the coloration of plastic processed over 200 degrees Centigrade and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*. It is an environmentally benign substitute for comparable inorganic pigments using heavy metal chemicals such as cadmium, chrome, lead, and molybdenum, which are considered toxic.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 181 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2134. Pigment Yellow 154 (S.1540 Chafee)

Present law

Pigment Yellow 154 is an organic pigment primarily used in the automotive coating industry. It is an environmentally benign substitute for comparable inorganic pigments using heavy metal chemicals such as cadmium, chrome, lead, and molybdenum, which are considered toxic. and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 154 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2135. Pigment Yellow 175 (S.1541 Chafee)

Present law

Pigment Yellow 175 is an organic pigment primarily used in the automotive coating industry. It is an environmentally benign substitute for comparable inorganic pigments using heavy metal chemicals such as cadmium, chrome, lead, and molybdenum, which are considered toxic, and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 175 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2136. Pigment Yellow 180 (S.1542 Chafee)

Present law

Pigment Yellow 180 is a yellow pigment approved by FDA for indirect food contact and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 180 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2137. Pigment Yellow 191 (S.1543 Chafee)

Present law

Pigment Yellow 191 is a yellow pigment approved by FDA for indirect food contact and is

classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 191 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2138. Pigment Red 187 (S.1544 Chafee)

Present law

Pigment Red 187 is a red pigment approved by FDA for indirect food contact and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 187 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2139. Pigment Red 247 (S.1545 Chafee)

Present law

Pigment Red 247 is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*. This pigment is used in the coloration of plastics that are processed at temperatures exceeding 200° C.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 247 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2140. Pigment Orange 72 (S.1546 Chafee)

Present law

Pigment Orange 72 is used in the coloration of plastics that are processed at temperatures exceeding 200° C. and is classifiable under HTS subheading 3204.17.60 and subject to an NTR duty rate of 11.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Orange 72 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumer

2141. Pigment Yellow 16 (S.1547 Chafee)

Present law

Pigment Yellow 16 is used in industrial and agricultural coating and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 16 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2142. Pigment Red 185 (S.1548 Chafee)

Present law

Pigment Red 185 is pigment is primarily used in the coloration of plastics that are processed at temperatures exceeding 200° C and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 185 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and

consumers.

2143. Pigment Red 208 (S.1549 Chafee)

Present law

Pigment Red 208 is primarily used in the coloration of plastics that are processed at temperatures exceeding 200° C and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 208 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2144. Pigment Red 188 (S.1550 Chafee)

Present law

Pigment Red 188 is a synthetic organic pigment primarily used in agricultural and industrial coating applications and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 188 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2145. 2,6-Dimethyl-m-dioxan-4-ol acetate (S.1567 Breaux)

Present law

2,6-Dimethyl-m-dioxan-4-ol acetate ("DXN") is a preservative used primarily in the manufacture and/or processing of industrial water-based products to inhibit microbial growth in textile manufacturing and for the preservation of cement admixtures and is classifiable under HTS subheading 2932.99.90 and subject to an NTR duty rate of 3.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new

subheading for 2,6-Dimethyl-m-dioxan-4-ol acetate as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2146. β -Bromo- β -nitrostyrene (S.1583 Breaux)

Present law

β -Bromo- β -nitrostyrene ("BNS") is a preservative that controls the growth of bacteria and fungi in the production of high quality paper and is classifiable under HTS subheading 2904.90.47 and subject to an NTR duty rate of 2.2¢/kg+11.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for β -Bromo- β -nitrostyrene as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2147. Ink-jet textile printing machinery (S.1620 Breaux)

Present law

Ink jet textile printing machinery is classifiable under HTS subheading 8443.51.10 and subject to an NTR duty rate of 3.1% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for ink jet textile printing machinery as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2148. Deltamethrin (S.1622 Roth)

Present law

(S)- α -cyano-3-phenoxybenzyl (1R, 3R)-3-(2,2-dibromovinyl)-2,2-dimethylcyclopropanecarboxylate (deltamethrin) in bulk or in forms or packings for retail sale is

classifiable and subject to an NTR duty rate of 10.1% *ad valorem* (for HTS subheading 2926.90.30) or 0.4¢/kg+7.1% *ad valorem* (for HTS subheading 3808.10.25). Deltamethrin is a synthetic organic chemical used as the active ingredient in certain insecticides

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for deltamethrin as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2149. Diclofop-methyl (S.1623 Roth)

Present law

Diclofop-methyl is classifiable and subject to an NTR duty rate of 10.7% *ad valorem* (for HTS subheading 2918.90.20) or 0.4¢/kg+7.1% *ad valorem* (for HTS subheading 3808.30.15). The product is used as a post emergence herbicide.

Explanation of provision

The provision would extend the temporary duty free treatment accorded this product in chapter 99, subchapter II of the HTS until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2150. ([5-(phenylmethyl)-3-furanyl]methyl 2,2-dimethyl-3-(2-methyl-1-propenyl) cyclopropanecarboxylate (resmethrin) (S.1625 Roth)

Present law

([5-(phenylmethyl)-3-furanyl]methyl 2,2-dimethyl-3-(2-methyl-1-propenyl) cyclopropanecarboxylate (resmethrin) is classifiable under HTS subheading 2932.19.10 and subject to an NTR duty rate of 6.5 % *ad valorem*. Resmethrin is the active ingredient in certain insecticides.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for resmethrin as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and

consumers. There is no domestic production of this product.

2151. N-phenyl-N'-1,2,3-thiadiazol-5-ylurea (thidiazuron) (S.1626 Roth)

Present law

N-phenyl-N'-1,2,3-thiadiazol-5-ylurea (thidiazuron) is a plant growth regulator used for the defoliation of cotton and is classifiable and subject to an NTR duty rate of 10.7% *ad valorem* (for HTS subheading 2934.90.15) or 0.4¢/kg+7.1% *ad valorem* (for HTS subheading 3808.30.15).

Explanation of provision

The provision would extend the duty free treatment accorded this product under chapter 99, subchapter II of the HTS until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2152. (1R,3S)3[(1'RS)(1',2',2',2',-tetrabromoethyl)]-2,2-dimethylcyclopropanecarboxylic acid (S)- α -cyano-3-phenoxybenzyl ester in bulk or in forms or packages for retail sale (tralomethrin) (S.1627 Roth)

Present law

(1R,3S)3[(1'RS)(1',2',2',2',-tetrabromoethyl)]-2,2-dimethylcyclopropanecarboxylic acid (S)- α -cyano-3-phenoxybenzyl ester in bulk or in forms or packages for retail sale (tralomethrin) is the active ingredient in certain insecticides and is classifiable and subject to an NTR duty rate of 10.1% *ad valorem* (for HTS subheading 2926.90.30) or 0.4¢/kg+7.1% *ad valorem* (for HTS subheading 3808.10.25).

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for tralomethrin as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2153. Pigment Yellow 109 (S.1628 Roth)

Present law

Pigment Yellow 109 is used in the production of plastics, specialty printing inks, and coatings (e.g. automotive refinishing) and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 109 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2154. Pigment Yellow 110 (S.1629 Roth)

Present law

Pigment Yellow 110 is used in the production of plastic, specialty printing inks, and coatings (i.e. automotive refinishing) and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 110 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2155. Pigment Red 177 (S.1630 Roth)

Present law

Pigment Red 177 is and used in the production of plastic, specialty printing inks, and coatings (i.e. automotive refinishing) and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 177 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2156. Certain Textile Printing Machinery (S.1633 Chafee)

Present law

The textile printing machinery covered under this provision is classifiable under HTS subheading 8443.59.10 and subject to an NTR duty rate of 3.1 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for certain textile machinery as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2157. Substrates of synthetic quartz or synesthetic fused silica imported in bulk or in forms of packages for retail sale (S.1650 Moynihan)

Present law

Substrates of synthetic quartz or synesthetic fused silica is classifiable under HTS subheading 7006.00.40 and subject to an NTR duty rate of 4.9% *ad valorem*. This is a high-purity glass which is transformed into photomask blanks which are ultimately used to project circuit patterns to manufacture semiconductors.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for substrates of synthetic quartz or synesthetic fused silica as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2158. 2-methyl-4,6-bis[(octylthio)methyl]phenol (S.1651 Moynihan)

Present law

2-methyl-4,6-bis[(octylthio)methyl]phenol is a synthetic organic chemical used mainly as an antioxidant and processing stabilizer in the manufacture of rubber and elastomeric products. and is classifiable under HTS subheading 2930.90.29 and subject to an NTR duty rate of 6.5% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-methyl-4,6-bis[(octylthio)methyl]phenol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2159. 2-methyl-4,6 bis[octylthio)methyl]phenol; epoxidized triglyceride (S.1652 Moynihan)

Present law

2-methyl-4,6 bis[octylthio)methyl]phenol; epoxidized triglyceride is a synthetic organic chemical used mainly as an antioxidant and processing stabilizer in the manufacture of rubber and elastomeric products and is classifiable under HTS subheading 3812.30.60 and subject to an NTR duty rate of 2.2¢/kg+10.8% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-methyl-4,6 bis[octylthio)methyl]phenol; epoxidized triglyceride as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2160. 4-[[4,6-bis(octylthio)-1,3,5-triazin-2-yl]amino]-2,6-bis(1,1-dimethylethyl)phenol (S.1653 Moynihan)

Present law

4-[[4,6-bis(octylthio)-1,3,5-triazin-2-yl]amino]-2,6-bis(1,1-dimethylethyl)phenol is a synthetic organic chemical used mainly as an antioxidant and processing stabilizer in the manufacture of rubber, adhesives and elastomeric products and is classifiable under HTS subheading 2933.69.60 and subject to an NTR duty rate of 3.5% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-[[4,6-bis(octylthio)-1,3,5-triazin-2-yl]amino]-2,6-bis(1,1-dimethylethyl)phenol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2161. (2-Benzothiazolythio)butane-dioic acid (S.1658 Moynihan)

Present law

(2-Benzothiazolythio)butane-dioic acid is a synthetic organic chemical used as a corrosion inhibitor in the manufacture of heavy duty maintenance coatings, aircraft coatings, and dry fall coatings and is classifiable under HTS subheading 2934.20.40 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for (2-Benzothiazolythio)butane-dioic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

**2162. Calcium bis[monoethyl (3,5-di-ter-butyl-4-hydroxybenzyl) phosphonate]
(S.1659 Moynihan)**

Present law

Calcium bis[monoethyl (3,5-di-ter-butyl-4-hydroxybenzyl) phosphonate] is a synthetic organic chemical used as an antioxidant and catalyst and is classifiable under HTS subheading 2931.00.30 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for calcium bis[monoethyl (3,5-di-ter-butyl-4-hydroxybenzyl) phosphonate] as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

**2163. 4-methyl- γ -oxo-benzenbutanoic acid compd. with 4-ethylmorpholine (2:1) (S.1661
Moynihan)**

Present law

4-methyl- γ -oxo-benzenbutanoic acid compd. with 4-ethylmorpholine (2:1) is classifiable under HTS 2934.90.39 and subject to an NTR duty rate of 10.7 % *ad valorem*. This is a synthetic organic compound used as a corrosion inhibitor in the manufacture of direct to metal mono-coats (i.e., rail cars and maintenance coatings).

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-methyl- γ -oxo-benzenbutanoic acid compd. with 4-ethylmorpholine (2:1) as

temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2164. Certain weaving machines (looms), shuttleless type (S.1632 Thurmond)

Present law

Certain weaving machines (looms), shuttleless type, for weaving fabrics of a width exceeding 30cm, but not exceeding 4.9 meters and are classifiable under HTS 8446.30.50 and subject to an NTR duty rate of 3.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for certain weaving machines covered under this provision to reduce the tariff rate to 3.5% until December 31, 1998, and to 3.3% between January 1, 1999 until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2165. Textile doubling or twisting machines (S.1694 Coverdell)

Present law

Textile doubling or twisting machines are classifiable under HTS 8445.30.00 and subject to an NTR duty rate of 0.8% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for textile doubling or twisting machines as temporarily duty free until December 31, 1998.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2166. Certain power weaving machines (looms), shuttle type (S.1714 Hollings)

Present law

Power weaving machines (looms), shuttle type, for weaving fabrics of a width exceeding 30

cm, but not exceeding 4.9 meters are classifiable under HTS 8446.21.50 and subject to an NTR duty rate of 3.9 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for certain power weaving machines (looms) as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2167. DENT (N,N-diethyl-m-toluidine) (S.1765 Thompson)

Present law

DEMT (N,N-diethyl-m-toluidine) is classifiable under HTS subheading 2921.43.80 and subject to an NTR duty rate of 1.4¢/kg+13.9% *ad valorem*. DEMT is an intermediate chemical used in the production of certain color couplers for photographic film.

Explanation of provision

The provision extends the duty free treatment provided for N,N-diethyl-m-toluidine under chapter 99, subchapter II of the HTS until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2169. Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- (S.1801 Lautenberg)

Present law

Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- is classifiable under HTS subheading 2912.29.60 and subject to an NTR duty rate of 9.0% *ad valorem*. This product is an aroma chemical used principally as a raw material in the manufacture of fragrances for fabric softeners and detergents.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- to reduce to 6% until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to

reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2170. 2H-3, 1-Benzoxazin-2-one, 6-chloro-4-(cyclopropylethynyl)-1,4-dihydro-4-(trifluoromethyl)- (S.1810 Roth)

Present law

2H-3, 1-Benzoxazin-2-one, 6-chloro-4-(cyclopropylethynyl)-1,4-dihydro-4-(trifluoromethyl)- is classifiable and subject to an NTR duty rate of 6.6% *ad valorem* under 2934.90.30. This chemical is the active pharmaceutical ingredient in an anti-viral (anti-HIV and anti-AIDS) drug.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2H-3, 1-Benzoxazin-2-one, 6-chloro-4-(cyclopropylethynyl)-1,4-dihydro-4-(trifluoromethyl)- as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2171. Tebufenozide (N-tert-butyl-N'-(4-ethylbenzoyl)-3,5-dimethylbenzoylhydrazide) (S.1815 Specter)

Present law

N-tert-butyl-N'-(4-ethylbenzoyl)-3,5-dimethylbenzoylhydrazide (tebufenozide) is classifiable under HTS subheading 2928.00.25 and subject to an NTR duty rate of 6.6% *ad valorem*. This product, which is also known as tebufenozide, is a narrow spectrum insecticide which targets lepidopterous insects -- those whose larvae are caterpillars.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for N-tert-butyl-N'-(4-ethylbenzoyl)-3,5-dimethylbenzoylhydrazide (tebufenozide) as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2172. Halofenozide (Benzoic acid, 4-chloro-2-benzoyl-2-(1,1-dimethylethyl) hydrazide) (S.1816 Specter)

Present law

Benzoic acid, 4-chloro-2-benzoyl-2-(1,1-dimethylethyl) hydrazide and is classifiable under HTS subheading 2928.00.25 and subject to an NTR duty rate of 6.6% *ad valorem*. This product, which is also known as Halofenozide, is a narrow spectrum insecticide which targets, and is toxic only to a specific type of insect found on green plant matter of turf grasses and ornamental plants.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for benzoic acid, 4-chloro-2-benzoyl-2-(1,1-dimethylethyl) hydrazide as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2173. Certain organic luminescent pigments and dyes (S.1818 Lautenberg)

Present law

Certain organic luminescent pigments and dyes, for security applications, excluding daylight florescent pigments and dyes, are classifiable under HTS subheading 3204.90.00 and subject to an NTR duty rate of 5.9% *ad valorem*. These luminescent complex organic chemicals are often designed (on a proprietary basis) for a specific use in products that require security and anti-counterfeiting technology (e.g. stock certificates and credit cards).

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for organic luminescent pigments, dyes, and fibers as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2174. 4-Hexylresorcinol (S.1820 Lautenberg)

Present law

4-Hexylresorcinol is classifiable under HTS subheading 2907.29.90 and subject to an NTR duty rate of 5.8% *ad valorem*. This product is used in a variety of pharmaceutical and cosmetic applications including throat lozenges and topical antiseptics.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Hexylresorcinol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2175. Polymethine photo-sensitizing dyes (S.1821 Lautenberg)

Present law

Polymethine photo-sensitizing dyes is classifiable under certain HTS subheadings. These dyes improve the spectral response photo-sensitive emulsion used on film.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Polymethine photo-sensitizing dyes as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2176. Skating boots for use in manufacture of in-line roller skates (S.1824 Torricelli)

Present law

Skating boots for use in manufacture of in-line roller skates are classifiable under HTS subheading 6404.11.90 and subject to an NTR duty rate of 20% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for such skating boots as temporarily duty free until December 31, 2001.

Reason for change

Skating boots used for in-line skates are subject to a 20 % duty. However, imports of completely-assembled in-line skates containing such boots enter free of duty, resulting in a tariff inversion which gives importers of in-line skates a competitive edge over U.S. producers of in-line skates. This provision would correct that tariff inversion and encourage U.S. production of in-line skates. There is negligible domestic production of this product.

2177. Dialkylnaphthalene sulfonic acid sodium salt (S.1827 Helms)

Present law

Dialkylnaphthalene sulfonic acid sodium salt is a synthetic organic chemical used to manufacture end-use herbicides and is classifiable under HTS subheading 2904.10.10 and subject to an NTR duty rate of 5.8% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Dialkyl naphthalene sulfonic acid sodium salt as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers.

2178. O-(6-chloro-3-phenyl-4-pyridazinyl)-S-octyl-carbonothioate (S.1829 Helms)

Present law

O-(6-chloro-3-phenyl-4-pyridazinyl)-S-octyl-carbonothioate is classifiable under HTS subheading 3808.30.15 and subject to an NTR duty rate of 0.4¢/kg+7.1% *ad valorem*. This product is a synthetic organic chemical used as an active ingredient in the manufacture of an herbicide for corn to control kochia and Russian thistle.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for O-(6-chloro-3-phenyl-4-pyridazinyl)-S-octyl-carbonothioate as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2179. 4-cyclopropyl-6-methyl-2-phenylamino-pyrimidine (S.1830 Helms)

Present law

4-cyclopropyl-6-methyl-2-phenylamino-pyrimidine is classifiable under HTS subheading 2933.59.15 and subject to an NTR duty rate of 10.2% *ad valorem*. This product is a synthetic organic chemical used as an active ingredient in the manufacture of fungicide formulations to control insects and mites in fruits, nuts, and cotton.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-cyclopropyl-6-methyl-2-phenylamino-pyrimidine as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on to the downstream users and consumers. There is no domestic production of this product.

2180. O,O-Dimethyl-S-[5-methoxy-2-oxo-1,3,4-thiadiazol-3(2H)-yl-methyl]-dithiophosphate (S.1831 Helms)

Present law

O,O-Dimethyl-S-[5-methoxy-2-oxo-1,3,4-thiadiazol-3(2H)-yl-methyl]-dithiophosphate is classifiable under HTS subheading 2934.90.90 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical used as an active ingredient in the manufacture of fungicide formulations to control insects and mites in fruits, nuts, and cotton.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for O,O-Dimethyl-S-[5-methoxy-2-oxo-1,3,4-thiadiazol-3(2H)-yl-methyl]-dithiophosphate as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2181. (Ethyl [2-(4-phenoxyphenoxy) ethyl] carbamate (S.1832 Helms)

Present law

(Ethyl [2-(4-phenoxyphenoxy) ethyl] carbamate is classifiable under HTS subheading 2924.10.80 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical used to manufacture insect growth regulators.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for (Ethyl [2-(4-phenoxyphenoxy) ethyl] carbamate as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2183. [(2S,4R)/(2R,4S)]/[(2R,4R)/(2S,4S)]-1-[2-[4-(4-chloro-phenoxy)-2-chlorophenyl]-4-methyl-1,3-dioxolan-2-yl-methyl]-1H-1,2,4-triazole (S.1836 Helms)

Present law

[(2S,4R)/(2R,4S)]/[(2R,4R)/(2S,4S)]-1-[2-[4-(4-chloro-phenoxy)-2-chlorophenyl]-4-methyl-1,3-dioxolan-2-yl-methyl]-1H-1,2,4-triazole is classifiable under HTS subheading 2934.90.12 and subject to an NTR duty rate of 9.3% *ad valorem*. The chemical is an active ingredient used to

formulate fungicide for use in seed treatments for cereals.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for [(2S,4R)/(2R,4S)]/[(2R,4R)/(2S,4S)]-1-[2-[4-(4-chloro-phenoxy)-2-chlorophenyl]-4-methyl-1,3-dioxolan-2-yl-methyl]-1H-1,2,4-triazole as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2184. 2,4-dichloro-3,5-dinitrobenzotrifluoride (S. 1837 Helms)

Present law

2,4-dichloro-3,5-dinitrobenzotrifluoride is classifiable under HTS subheading 2910.90.20 and subject to an NTR duty rate of 5.7% *ad valorem*. This product is a synthetic organic chemical used as an intermediate in the production of a herbicide active ingredient used to control weeds and turf grass.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2,4-dichloro-3,5-dinitrobenzotrifluoride as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2185. 2-Chloro-N-[2,6-dinitro-4-(trifluoromethyl) phenyl]-N-ethyl-6-fluorobenzenemethanamine (S.1839 Helms)

Present law

2-Chloro-N-[2,6-dinitro-4-(trifluoromethyl) phenyl]-N-ethyl-6-fluorobenzenemethanamine is classifiable under HTS subheading 2921.49.45 and subject to an NTR duty rate of 10.7% *ad valorem*. This chemical is an active ingredient used to formulate a growth regulator to control suckers (undesirable side-shoots) in tobacco plants.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Chloro-N-[2,6-dinitro-4-(trifluoromethyl) phenyl]-N-ethyl-6-fluorobenzenemethanamine as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2186. Chloroacetone (S.1840 Helms)

Present law

Chloroacetone is classifiable under HTS subheading 2914.19.00 and subject to an NTR duty rate of 4.0% *ad valorem*. Chloroacetone is a raw material used in the production of a chemical intermediate for production of an herbicide (weed-killer) used for various crops.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for chloroacetone as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2187. Acetic Acid (S.1843 Helms)

Present law

Acetic acid, [(5-chloro-8-quinolinyl)oxy]-, 1-methylhexyl ester is classifiable under HTS subheading 2933.40.30 and subject to an NTR duty rate of 9.3% *ad valorem*. The chemical is an intermediate used as a safener in the manufacture of an herbicide to control wild oats, foxtail and pigeon grass in wheat.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Acetic acid, [(5-chloro-8-quinolinyl)oxy]-, 1-methylhexyl ester as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2188. Propanic Acid (S.1848 Helms)

Present law

Propanic acid, 2-[4-[(5-chloro-3-fluoro-2-pyridinyl)oxy]phenoxy]-, 2-propynyl ester and is classifiable under HTS subheading 2933.39.25 and subject to an NTR duty rate of 10.7% *ad*

valorem. This chemical is an active ingredient in the manufacture of herbicides to control wild oats, foxtail, and pigeon grass in wheat.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Propanic acid, 2-[4-[(5-chloro-3-fluoro-2-pyridinyl)oxy]phenoxy]-, 2-propynyl ester as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2189. Mucochloric acid (S.1850 Helms)

Present law

Mucochloric acid is classifiable under HTS subheading 2918.30.90 and subject to an NTR duty rate of 3.7% *ad valorem*. The chemical is a raw material used in the production of an active ingredient produced in the U.S. to make a herbicide for control of a unique spectrum of broadleaf weeds and grasses in cotton, alfalfa, citrus, trees, nuts, and vines.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2190. Dual thrust chamber rocket engines each having maximum static sea level thrust exceeding 800,000 lbs. (3550 kN) and nozzle exit diameters exceeding 50 inches (127 cm). (S.1851 Mack, Graham)

Present law

Dual thrust chamber rocket engines each having maximum static sea level thrust exceeding 800,000 lbs. and nozzle exit diameters exceeding 50 inches are classifiable under HTS subheading 8412.10.00 and subject to an NTR duty rate of 2% *ad valorem*. These rocket engines are liquid fuel engines designed to propel specific launch vehicles into space

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for dual thrust chamber rocket engines each having maximum static sea level thrust exceeding 800,000 lbs. and nozzle exit diameters exceeding 50 inches as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2191. Pigment Red 144 (S.1931 Roth)

Present law

Pigment Red 144 is a synthetic organic chemical used as a high performance pigment in ink, paint, plastic, and fiber applications and is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Red 144 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2193. Pigment Orange 64 (S.1933 Roth)

Present law

Pigment Orange 64 is a synthetic organic chemical used as a high performance pigment in ink, plastic, fiber and coating industry, and is classifiable and subject to an NTR duty rate of 11.6% *ad valorem* under 3204.17.60.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Orange 64 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2194. Pigment Yellow 95 (S.1934 Roth)

Present law

Pigment Yellow 95 is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*. This product is a synthetic organic chemical used as a high performance pigment; it has FDA approval for food-contact packaging applications.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 95 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2195. Pigment Yellow 93 (S.1935 Roth)

Present law

Pigment Yellow 93 is classifiable under HTS subheading 3204.17.04 and subject to an NTR duty rate of 6.9% *ad valorem*. This product is a synthetic organic chemical used as a high performance pigment with applications in ink, coating, plastics, and fiber industries.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for Pigment Yellow 93 as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to

reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2196. (S)-N-[[5-[2-(2-Amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b] [1,4]thiazin-6-yl)]ethyl-2-thienyl]carbonyl]-L-glutamic acid diethylester (S.1936 Feinstein, Boxer)

Present law

(S)-N-[[5-[2-(2-Amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b] [1,4]thiazin-6-yl)]ethyl-2-thienyl]carbonyl]-L-glutamic acid diethylester is classifiable under HTS subheading 2934.90.90 and subject to an NTR duty rate of 6.9% *ad valorem*. This chemical is an intermediate that will be used in the production of certain anti-cancer drugs.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for (S)-N-[[5-[2-(2-Amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b] [1,4]thiazin-6-yl)]ethyl-2-thienyl]carbonyl]-L-glutamic acid diethylester as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2196a. 4-Chloropyridine hydrochloride (S.1937 Feinstein, Boxer)

Present law

4-Chloropyridine hydrochloride is classifiable under HTS subheading 2933.39.61 and subject to an NTR duty rate of 10.7% *ad valorem*. The chemical is one of several synthetic organic chemical intermediates that are important in the production of a matrix metalloproteinase inhibitors that are in phase I clinical trials directed towards advanced cancer.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Chloropyridine hydrochloride as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2196b. 4-Phenoxy pyridine (S.1938 Feinstein, Boxer)

Present law

4-Phenoxy pyridine is classifiable under HTS subheading 2933.39.61 and subject to an

NTR duty rate of 10.7% *ad valorem*. The chemical is one of several synthetic organic chemical intermediates that are important in the production of a matrix metalloproteinase inhibitors that are in phase I clinical trials directed towards advanced cancer.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 4-Phenoxy pyridine as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2196c. (3S)-2,2-Dimethyl-3-thiomorpholine carboxylic acid (S.1939 Feinstein, Boxer)

Present law

(3S)-2,2-Dimethyl-3-thiomorpholine carboxylic acid is classifiable under HTS subheading 2934.90.90 and subject to an NTR duty rate of 7.1% *ad valorem*. The chemical is one of several synthetic organic chemical intermediates that are important in the production of a matrix metalloproteinase inhibitors that is in phase I clinical trials directed towards advanced cancer.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for (3S)-2,2-Dimethyl-3-thiomorpholine carboxylic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2196d. 2-Amino-5-bromo-6-methyl-4(1H)-quinazolinone (S.1940 Feinstein, Boxer)

Present law

2-Amino-5-bromo-6-methyl-4(1H)-quinazolinone is classifiable under HTS subheading 2933.59.70 and subject to an NTR duty rate of 10.7% *ad valorem*. This product is a synthetic organic chemical intermediate that is instrumental in producing THYMITAQ, a thymidylate synthase inhibitor which is currently in phase II clinical trials directed towards neck cancer and hepatoma.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-5-bromo-6-methyl-4(1H)-quinazolinone as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2196e. 2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone (S.1941 Feinstein,Boxer)

Present law

2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone is classifiable under HTS subheading 2933.59.70 and subject to an NTR duty rate of 10.7% *ad valorem*. This is a synthetic organic chemical intermediate that is instrumental in producing THYMITAQ, a thymidylate synthase inhibitor which is currently in phase II clinical trials directed towards neck cancer and hepatoma.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for 2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

**2196f. (S)-N-[[5-[2-(2-amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4b][1,4]thiazin-6-yl)ethyl]-2-thienyl]carbonyl]-L-glutamic acid
(S.1944 Feinstein, Boxer)**

Present Law

(S)-N-[[5-[2-(2-amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b][1,4]thiazin-6-yl)ethyl]-2-thienyl]carbonyl]-L-glutamic acid (CAS No. 177575-17-6) is classifiable under HTS subheading 2934.90.90 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical that will be incorporated in an anti-cancer drug.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (S)-N-[[5-[2-(2-amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b][1,4]thiazin-6-yl)ethyl]-2-thienyl]carbonyl]-L-glutamic acid (CAS No. 177575-17-6) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

**2196g. 2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone dihydrochloride
(S.1945 Feinstein, Boxer)**

Present Law

2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone dihydrochloride is classifiable under HTS subheading 2933.59.70 and subject to an NTR duty rate of 10.7% *ad valorem*. This product is a synthetic organic chemical that will be incorporated in an anti-cancer drug which is currently in phase II clinical trials.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for 2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone dihydrochloride as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow American companies using this product to reduce production costs, while furthering important medical research. There is no appreciable domestic production of this product.

2197. Suspends duty on 3-(Acetyloxy)-2-methylbenzoic acid (S.1942 Feinstein, Boxer)

Present Law

3-(Acetyloxy)-2-methylbenzoic acid is classifiable under HTS subheading 2918.29.65 and subject to an NTR duty rate of 10.7% *ad valorem*. This product is a synthetic organic chemical instrumental in the development of a new and more efficient production route for a protease inhibitor used for the treatment of HIV/AIDS. currently under investigation.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for 3-(Acetyloxy)-2-methylbenzoic acid as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would enable U.S. pharmaceutical companies to continue production of an anti-cancer drug, currently still in the trial stages, as cost-effectively as possible. There is no appreciable domestic production of this product.

2197a. [R-(R*,R*)]-1,2,3,4-Butanetetrol-1,4-dimethanesulfonate (S.1943 Feinstein, Boxer)

Present Law

[R-(R*,R*)]-1,2,3,4-Butanetetrol-1,4-dimethanesulfonate (CAS No. 1947-62-2) is classifiable under HTS subheading 2905.49.50 and subject to an NTR duty rate of 9.6% *ad valorem*. This product is a synthetic organic chemical used in the production of a protease inhibitor used to treat HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for [R-(R*,R*)]-1,2,3,4-Butanetetrol-1,4-dimethanesulfonate (CAS No. 1947-62-2) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

**2198. 9-[2-[[Bis [(pivaloyloxy) methoxy] phosphinyl]methoxy] ethyl]adenine
(S.1946 Feinstein, Boxer)**

Present Law

9-[2-[[Bis [(pivaloyloxy) methoxy] phosphinyl]methoxy] ethyl]adenine is classifiable under HTS subheading 2933.59.95 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is also known as Adefovir Dipivoxil, this synthetic organic chemical is undergoing clinical trials to receive FDA approval for use in treating HIV/AIDS and Hepatitis B.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for 9-[2-[[Bis [(pivaloyloxy) methoxy] phosphinyl]methoxy] ethyl]adenine as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

**2198a. 9-[2-[[Bis[(isopropoxycarbonyl)oxymethoxy]phosphinoyl]methoxy]propyl]adenine
fumarate (S.1947 Feinstein, Boxer)**

Present Law

9-[2-[[Bis[(isopropoxycarbonyl)oxymethoxy]phosphinoyl]methoxy]propyl]adenine fumarate is classifiable under HTS subheading 2933.59.95 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical used as a drug called PMPA which is currently undergoing clinical trials for treating HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for 9-[2-[[Bis[(isopropoxycarbonyl)oxymethoxy]phosphinoyl]methoxy]propyl]adenine fumarate as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic

production of this product.

2198b. (R)-9-(2-Phosphonomethoxypropyl)adenine (S.1948 Feinstein, Boxer)

Present Law

(R)-9-(2-Phosphonomethoxypropyl)adenine is classifiable under HTS subheading 2933.33.95 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical used as a drug called PMPA which is currently undergoing clinical trials for treating HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (R)-9-(2-Phosphonomethoxypropyl)adenine as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198c. (R)-1,3-Dioxolan-2-one, 4-methyl- (S.1949 Feinstein, Boxer)

Present Law

(R)-1,3-Dioxolan-2-one, 4-methyl- is classifiable under HTS subheading 2920.90.50 and subject to an NTR duty rate of 3.7% *ad valorem*. This product is a synthetic organic chemical used as a drug called PMPA which is currently undergoing clinical trials for the treatment of HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (R)-1,3-Dioxolan-2-one, 4-methyl- as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198d. 9-(2-Hydroxyethyl)adenine(S.1950 Feinstein, Boxer)

Present Law

9-(2-Hydroxyethyl)adenine is classifiable under HTS subheading 2933.59.95 and subject to an NTR duty rate of 6.8% *ad valorem*. This product is a synthetic organic chemical used in the production of Adefovir Dipivoxil, it is undergoing clinical trials to receive FDA approval for treating HIV/AIDS and Hepatitis B.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for 9-(2-Hydroxyethyl)adenine as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198e. (R)-9H-Purine-9-ethanol, 6-amino- α -methyl (S.1951 Feinstein, Boxer)

Present Law

(R)-9H-Purine-9-ethanol, 6-amino- α -methyl is classifiable under HTS subheading 2933.59.95 and subject to an NTR duty rate 6.8% *ad valorem*. This product is a synthetic organic chemical used as a drug called PMPA which is used for the treatment of HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (R)-9H-Purine-9-ethanol, 6-amino- α -methyl as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198f. Chloromethyl-2-propyl carbonate (S.1952 Boxer, Feinstein)

Present Law

Chloromethyl-2-propyl carbonate is classifiable under HTS subheading 2920.90.50 and subject to an NTR duty rate 6.8% *ad valorem*. A synthetic organic chemical used as a drug called PMPA which is currently undergoing clinical trials for the treatment of HIV/AIDS.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Chloromethyl-2-propyl carbonate as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198g. (R)-1,2-Propanediol, 3-chloro- (S.1953 Boxer, Feinstein)

Present Law

Chloromethyl-2-propyl carbonate is classifiable under HTS subheading 2905.50.60 and subject to an NTR duty rate 9.6% *ad valorem*. This is a synthetic organic chemical used in the production a drug used to treat CMV retinitis -- a potentially blinding disease common in late-stage AIDS patients.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Chloromethyl-2-propyl carbonate as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198h. Oxirane, (S)-((triphenylmethoxy)methyl)- (S.1954 Boxer, Feinstein)

Present Law

Oxirane, (S)-((triphenylmethoxy)methyl)- is classifiable under HTS subheading 2910.90.20 and subject to an NTR duty rate 5.7% *ad valorem*. This is a synthetic organic chemical used in the production of a drug used to treat CMV retinitis -- a potentially blinding disease common in late-stage AIDS patients.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Oxirane, (S)-((triphenylmethoxy)methyl)- as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2198i. Chloromethyl Pivalate (S.1955 Boxer, Feinstein)

Present Law

Chloromethyl Pivalate is classifiable under HTS subheading 2915.90.50 and subject to an NTR duty rate 3.8% *ad valorem*. It is a synthetic organic chemical used in the production of Adefovir Dipivoxil; it is undergoing clinical trials to receive FDA approval for treating HIV/AIDS and Hepatitis B.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Chloromethyl Pivalate as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. This synthetic chemical is used in the production of a protease inhibitor used to treat HIV/AIDS.

2198j. Diethyl (((p-toluenesulfonyl)oxy)methyl)phosphonate (S.1956 Boxer, Feinstein)

Present Law

Diethyl (((p-toluenesulfonyl)oxy)methyl)phosphonate is classifiable under HTS subheading 2931.00.30 and subject to an NTR duty rate 10.7% ad valorem. This is a synthetic organichemical used in the production of Adefovir Dipivoxil; it is undergoing clinical trials to receive FDA approval for treating HIV/AIDS and Hepatitis B.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Diethyl (((p-toluenesulfonyl)oxy)methyl)phosphonate as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would allow U.S. pharmaceutical companies to offer a highly specialized antiviral drug at a lower cost to the consumer. There is no appreciable domestic production of this product.

2208. (R)-Propylene Carbonate (House Provision, Sec. 2008)

Present Law

(R)-propylene carbonate (CAS No. 16606-55-6) is classifiable under HTS subheading 2920.90.50 and subject to an NTR duty rate of 3.7% ad valorem.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (R)-propylene carbonate (CAS No. 16606-55-6) as duty free through December 31, 1999.

Reason for Change

The temporary duty suspension would enable U.S. pharmaceutical companies to continue to use this chemical to cost-effectively produce an antiviral drug that has been proven highly effective in treating a primate virus closely related to AIDS.

2209. (R)-9-(2-hydroxypropyl) adenine (House Provision, Sec. 2010)

Present Law

(R)-9-(2-hydroxypropyl) adenine (CAS No. 14047-28-0) is classifiable under HTS subheading 2933.59.95 and subject to an NTR duty rate of 6.8% ad valorem.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for (R)-9-(2-hydroxypropyl) adenine (CAS No. 14047-28-0) as duty free through December 31, 1999.

Reason for Change

The temporary duty suspension would enable U.S. pharmaceutical companies to continue to use this chemical to cost-effectively produce an antiviral drug that has been proven highly effective in treating a primate virus closely related to AIDS.

2213. Hydroxyalkylamide (House Provision, Sec. 2027)

Present law

Beta Hydroxyalkylamide is classifiable under HTS subheading 3824.90.90 and subject to an NTR duty rate of 5% *ad valorem*.

Explanation of provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for beta hydroxyalkylamide (CAS No. 6334-25-4) as duty free through December 31, 2001

Reason for change

The provision would remove the duty on a chemical for which there is no known domestic production and would reduce costs for American companies.

2214. Grilamid TR90 (House Provision, Sec. 2029)

Present law

Grilamid TR90 is classifiable under HTS subheading 3908.90.70 and subject to an NTR duty rate of 0.4¢/kg + 6.7% *ad valorem*.

Explanation of provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Grilamid TR90 (CAS No. 163800-66-6) as duty free through December 31, 1999.

Reason for change

There is no known domestic production of this product.

2215. IN-w4280 (House Provision, Sec. 2038)

Present Law

IN-W4280, (2,4-dichloro-5-hydroxy-phenylhydrazine) (CAS No. 39807-21-1) is classifiable under HTS subheading 2928.00.2500 and subject to an NTR duty rate of 6.6% *ad valorem*.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for IN-W4280, (2,4-dichloro-5-hydroxy-phenylhydrazine) (CAS No. 39807-21-1) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would enable U.S. companies to continue cost-effectively producing herbicides in which this chemical is an ingredient. There is no known domestic production of this chemical.

2217. KL540 (House Provision, Sec. 2054)

Present Law

Methyl-4-trifluoromethoxyphenyl-N-(chlorocarbonyl) carbamate, known as KL540 (CAS No. 173903-15-6) is classifiable under HTS subheading 2924.29.70 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Methyl-4-trifluoromethoxyphenyl-N-(chlorocarbonyl) carbamate, known as KL540 (CAS No. 173903-15-6) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would enable U.S. companies to cost-effectively produce insecticides which incorporate this chemical.

2218. Methyl thioglycolate (House Provision, Sec. 2055)

Present Law

Methyl thioglycolate (CAS No. 2365-48-2) is classifiable under HTS subheading 2930.90.90 and subject to an NTR duty rate of 3.7% *ad valorem*.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for methyl thioglycolate (CAS No. 2365-48-2) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would enable U.S. companies to cost-effectively produce herbicides which incorporate this chemical.

2219. DPX-e6758 (House Provision, Sec. 2058)

Present Law

DPX-E6758, phenyl (4,6-dimethoxypyrimidin-2-yl) carbamate (CAS No. 89392-03-0) is classifiable under subheading 2933.59.70 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for DPX-E6758, phenyl (4,6-dimethoxypyrimidin-2-yl) carbamate (CAS No. 89392-03-0) as duty free through December 31, 2001.

Reason for Change

The temporary duty suspension would enable U.S. companies to cost-effectively produce herbicides which incorporate this chemical.

2220. Ethylene, tetrafluoro-polymer with ethylene (ETFE) (House Provision, Sec. 2061)

Present Law

Ethylene, tetrafluoro-polymer with ethylene (ETFE) is classifiable under HTS subheading 3904.69.50.00 and subject to an NTR duty rate of .4 cents/kg + 6.7% *ad valorem*.

Explanation of Provision

The provision would amend subchapter II of chapter 99 of the HTS by inserting a new subheading for Ethylene, tetrafluoro-polymer with ethylene (ETFE) with a reduced duty rate of 3.3% *ad valorem* through December 31, 2001.

Reason for Change

The temporary tariff reduction would enable U.S. companies to more cost-effectively use the subject chemical in wide applications, including coating electrical wires, insulating aircraft fuel tanks and hydraulic systems, and acting as a vapor barrier in automobiles to help comply with the Clean Air Act.

2225. 3-mercapto-d-valine (House Provision, Sec. 2094)

Present law

3-Mercapto-D-valine is classifiable under HTS subheading 2930.90.45 and subject to an NTR duty rate of 4.2% *ad valorem*. This product is used in the production of anti-cancer drugs, as temporarily duty free until December 31, 2001.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.32.18 for 3-Mercapto-D-valine.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this chemical.

2226. P-ethylphenol (House Provision, Sec. 2100)

Present law

P-Ethylphenol is classifiable under HTS subheading 2907.19.20 and subject to an NTR duty rate of 9.4% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.31.21 for p-Ethylphenol as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this chemical.

2227. Pantera (House Provision, Sec. 2101)

Present law

Pantera is classifiable under HTS subheading 2909.30.40 and subject to an NTR duty rate of 11.1% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.29.09 for (+/-)-Tetrahydrofurfuryl (R)-2-[4-(6-chloroquinoline-2-yloxy) phenoxy] propanoate (referred to as Pantera) as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this chemical.

2228. P-nitrobenzoic acid (House Provision, Sec. 2105)

Present law

P-Nitrobenzoic acid is classifiable under HTS subheading 2916.39.45 and subject to an NTR duty rate of 11.4% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.32.94 for p-Nitrobenzoic acid as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There

are currently no known domestic producers of this chemical and no known commercially viable substitutes for this product in downstream applications.

2229. P-toluenesulfonamide (House Provision, Sec. 2106)

Present law

P-Toluenesulfonamide is classifiable under HTS subheading 2935.00.95 and subject to an NTR duty rate of 2.6¢/kg +14.6% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.32.95 for p-Toluenesulfonamide as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this product.

2230. Polymers of tetrafluoroethylene, hexafluoropropylene, and vinylidene fluoride (House Provision, Sec. 2108)

Present law

Polymers of tetrafluoroethylene, hexafluoropropylene, and vinylidene fluoride are classifiable under HTS subheadings 3904.61.00 and 3904.69.50 and subject to an NTR duty rate of 0.9¢/kg +7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading 9902.39.04 for polymers of tetrafluoroethylene as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this product.

2231. Methyl 2-[[[[[4-(dimethylamino)-6-(2,2,2-trifluoroethoxy)-1,3,5-triazin-2-yl]-amino]carbonyl]-amino]sulfonyl]-3-methylbenzoate (trisulfuron methyl) (House Provision, Sec. 2109)

Present law

Methyl 2-[[[[[4-(dimethylamino)-6-(2,2,2-trifluoroethoxy)-1,3,5-triazin-2-yl]-amino]carbonyl]-amino]sulfonyl]-3-methylbenzoate is classifiable HTS subheading 3808.30.15 and

subject to an NTR duty rate of 0.7¢/kg + 7.8% *ad valorem*.

Explanation of provision

The provision is would amend chapter 99, subchapter II of the HTS to insert a new subheading 9902.38.08 for Methyl 2-[[[[[4-(dimethylamino)-6-(2,2,2-trifluoroethoxy)-1,3,5-triazin-2-yl]-amino]carbonyl]-amino]sulfonyl]-3-methylbenzoate in mixture with application adjuvants as temporarily free of duty until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies to reduce production costs, operate more efficiently, and pass savings on to downstream users and consumers. There is no domestic production of this product.

2232. Certain Manufacturing Equipment (House Provision, Sec. 2110)

Present Law

This machinery, used to produce tires for large equipment is classifiable under the following HTS subheadings and subject to the following NTR duty rates:

8462.00.00	4.4% <i>ad valorem</i>
8465.10.00	2.6% <i>ad valorem</i> .

Explanation of Provision

The provision would amend chapter 99, subchapter II of the HTS by inserting new subheadings 9902.84.79, 9902.84.81, 9902.84.83, 9902.84.85, 9902.84.87, 9902.84.89, 9902.84.91 to provide for duty free treatment of certain machinery used to produce the tires.

Reason for Change

The temporary duty suspension would enable U.S. companies which use this machinery to more cost-effectively compete in the large tire industry. There is no U.S. producer of the subject machinery in the specifications provided.

2233. Certain textured rolled glass sheets (S.2362 Thurmond/Hollings)

Present law

Certain textured rolled glass sheets used to produce glass-ceramic stovetops are classifiable under HTS subheadings 7003.19.00 and 7003.12.00 and subject to an NTR duty rate of 1.5 % *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for certain textured rolled glass sheets as temporarily duty free until December 31, 2001.

Reason for change

This provision would correct competitive imbalance in the tariff schedule which favors

foreign production of glass-ceramic stovetops. Because of an inverted tariff, imports of the unfinished glass sheets are subject to a higher rate of duty than imports of the finished glass stovetops (which enter duty-free under HTS subheading 8516.60.65). There is no domestic production of this product.

2234. Certain HIV drugs (S.2391 Moseley-Braun)

Present law

The HIV drugs covered by this provision are classifiable under HTS subheading 2933.40.60 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for these products as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2235. Rimsulfuron (H.R.3424 Roth)

Present law

Rimulsifuron is classifiable under HTS subheading 2935.00.75 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for rimulsifuron to reduce the duty to 8% until December 31, 1998 and to 7.3% until December 31, 1999, and to provide duty-free entry between January 1, 2000 until December 31, 2000.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2236. Carbamic Acid (U-9069) (H.R. 3425 Roth)

Present law

Carbamic acid is classifiable under HTS subheading 2935.00.75 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for carbamic acid to reduce the duty to 9% until December 31, 1998, to 8.3% until December 31, 1999, and to 7.6% until December 31, 2000.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2237. DPX-E9260 (H.R.3426 Roth)

Present law

DPX-E9260 is classifiable under HTS subheading 2935.00.75 and subject to an NTR duty rate of 10.7% *ad valorem*.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for this product to reduce the duty to 6% until December 31, 1999 and to 5.3% until December 31, 2000.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2519. Ziram (House Provision, Sec. 2110)

Present Law

Ziram is classifiable under HTS subheading 3808.20.28 and subject to a NTR duty rate of 3.7% *ad valorem*. It is a chemical used to produce herbicides.

Explanation of Provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for ziram as temporarily duty-free until December 31, 2001.

Reason for Change

The temporary duty suspension would enable American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2238. Ferroboran (S. 1187 Lautenberg)

Present Law

Ferroboran is classifiable under HTS subheading 7202.99.50.40 and subject to a NTR duty

rate of 5% *ad valorem*. It is a raw material used in the production of amorphous metal electrical power distribution transformer cores.

Explanation of Provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for ferroboran to temporarily reduce the duty to 2.5% until December 31, 2001.

Reason for Change

The temporary duty suspension would enable American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers. There is no domestic production of this product.

2239. [S-(R*,R*)]-2,3-dihydroxy-butanedioic acid (House Provision, Sec. 2088)

Present law

[S-(R*,R*)]-2,3-dihydroxy-Butanedioic acid is classifiable in HTS subheading 2918.19.90 or 2918.90.50 and subject to an NTR duty rate of 4% *ad valorem*. This product is used in the production of anti-HIV/anti-AIDS drugs,

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new heading 9902.32.23 for the chemical [S-(R*,R*)]-2,3-dihydroxy-Butanedioic acid as temporarily duty free until December 31, 2000.

Reason for Change

The temporary duty suspension would enable American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2240. Acetic Acid, [[2-chloro-4-fluoro-5[(tetrahydro-3-oxo-1H,3H-[1,3,4] thiadiazolo[3,4-a]pyridazin-1-ylidene)amino]phenyl]thio]-,methyl ester (S.1842 Helms)

Present law

Acetic Acid, [[2-chloro-4-fluoro-5[(tetrahydro-3-oxo-1H,3H-[1,3,4] thiadiazolo[3,4-a]pyridazin-1-ylidene)amino]phenyl]thio]-,methyl ester is classifiable under HTS subheading 2934.90.15 and subject to an NTR duty rate of 10.7% *ad valorem*. It is a chemical used in the manufacture of a herbicide to control broadleaf weeds, such as velvetleaf in corn and soybeans.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for this chemical as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to

reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

2241. Pentyl Acetate (Grassley)

Present law

Pentyl[2-chloro-5-(cyclohex-1-ene-1,2-dicarboximido-4-fluorophenoxy)]acetate is classifiable under HTS subheading 2925.19.40 and is subject to an NTR duty rate of 11.6%. It is a chemical used in the manufacture of a herbicide to control broadleaf weeds, such as velvetleaf in corn and soybeans.

Explanation of provision

The provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading for this chemical as temporarily duty free until December 31, 2001.

Reason for change

The temporary duty suspension would allow American companies using this product to reduce production costs, operate more efficiently, and pass savings on the downstream users and consumers.

SUBTITLE B--OTHER TRADE PROVISIONS

2501. Extension of certain trade benefits of insular possessions of the United States to certain fine jewelry. (S. 1457 Moseley-Braun)

Present law

Note 5 in Chapter 91 of the HTS currently allows producers of watches located in the U.S. insular possessions to benefit from the Production Incentive Certificate (PIC) system, which allows watch producers to import specified quantities of watches, watch movements, and some watch components duty free and to claim duty refunds for watches, watch movements, and watch parts. The benefits provided under Note 5 are based on the amount of wages paid to produce such watches in the insular possessions.

The Note 5 program is intended to counteract the lack of natural resources and other competitive disadvantages of the insular possessions. In part because of this program, the watch manufacturing industry plays a significant role in the economies of the insular possessions, particularly the Virgin Islands where it provides high-skill, high-wage employment to approximately 200 workers.

Explanation of provision

This provision would amend the HTS to extend to certain fine jewelry certain of the benefits enjoyed by watch makers in U.S. insular possessions under the PIC program.

Reason for change

This section makes certain articles of fine jewelry, specifically jewelry articles of silver, gold or platinum under HTS subheading 7113, produced in insular possessions, eligible for certain Note 5 benefits. In particular, this section adds an additional U.S. note 3 to chapter 71 of the HTS. Paragraph (a) of the new note 3 permits the inclusion of wages paid for jewelry production in the insular possessions as an offset to duties paid on watches, watch movements and parts imported into the United States, as currently authorized by additional U.S. note 5 to Chapter 91 of the HTS. Paragraph (b) of note 3 provides that the extension of Note 5 benefits to jewelry may not result in any increase in the authorized amount of benefits established by Note 5 and paragraph (c) of note 3 provides that this provision shall not diminish the benefits currently available to watch producers under paragraph (h)(iv) of Note 5 to chapter 91. Paragraph (d) requires the Secretary of Commerce and the Secretary of the Interior to issue regulations to carry out this provision. Recognizing that the establishment of full-scale jewelry production in the insular possessions will require a transition period, the Committee intends that the Secretaries will develop and administer their regulations in a manner that will promote jewelry production in the insular possessions.

Effective Date

The provision applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

**2502. Tariff treatment for certain components of scientific instruments and apparatus.
(House Provision)**

Present law

Separate components of certain large scientific instruments or apparatus that are imported for assembly under those circumstances in which the instrument or apparatus, due to its size, cannot be imported in its assembled state, are subject to separate NTR duty rates, even though the larger scientific apparatus of which the components are a part would receive duty-free treatment, were they imported as part of a single, finished scientific instrument or apparatus.

Explanation of provision

The provision would amend U.S. Note 6, subchapter X, chapter 98 of the HTS to clarify that separate components of certain large scientific instruments and apparatus would be provided the same tariff treatment as those large scientific instruments and apparatus. The term "instruments and apparatus" under subheading 9810.00.60 would include separable components of an instrument or apparatus that are imported for assembly under those circumstances in which the instrument or apparatus, due to its size, cannot be imported in its assembled state. The provision also would amend the procedures by which the Secretaries of Treasury and Commerce would determine whether or not to grant such duty-free treatment.

Reason for change

The provision is needed to permit duty-free treatment for separate components of certain large scientific instruments or apparatus that are imported for assembly under circumstances in which the instrument, due to its size, cannot be imported in its assembled state, even though the larger scientific apparatus of which the components are a part would receive duty-free treatment, were they imported as part of a single, finished scientific instrument or apparatus.

Effective date

The effective date shall be 120 days following enactment.

2503. Liquidation or reliquidation of certain entries. (House Provision)

Present Law

Certain entries at the ports of Los Angeles and New Orleans in 1986 and 1987 were liquidated not in accordance with a Department of Commerce antidumping determination.

Explanation of Provision

The provision would provide for reliquidation of certain entries made at Los Angeles and New Orleans, in accordance with the final decision of the Department of Commerce for shipments entered between October 1, 1984, and December 14, 1987 (case number A-274-001).

Reason for Change

The provision would liquidate these entries in compliance with the Department of Commerce rulings.

Effective Date

The provision shall apply as of the date of the enactment of this Act.

2504. Finished petroleum derivatives drawback (House Provision)

Present law

Section 313(p)(2)(A)(iv) of the Tariff Act of 1930 (19 U.S.C. 1313(p)(2)(A)(iv)) provides for substitution drawback for finished petroleum derivatives.

Explanation of provision

The provision would require the Secretary of the Treasury to convene a working group of interested parties and publish regulations and, if necessary, submit legislation to the Congress, to modify and simplify the processing of finished petroleum derivatives drawback claims.

Reason for change

Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) was amended by the North American Free Trade Agreements (NAFTA) Implementation Act [P.L. 103-182] to provide special accounting and attribution rules for drawback on petroleum products. The provision was intended to allow the petroleum industry to account for selected petroleum products on a quantitative basis, relieving Customs and industry of the problem of "tracking molecules" for the attribution of drawback. However, Customs' interpretation of 19 U.S.C. 1313(p)(2)(a)(iv) requires companies to track delivery of the actual imported petroleum in possession of the exporter. As such, companies are required to "track molecules." The proposed amendment would require the Secretary of the Treasury to convene a working group of interested parties and publish regulations and, if necessary, submit legislation to the Congress, to modify and simplify the processing of finished petroleum derivatives drawback claims. The Committee believes that the working group should seek to fulfill the original intent of the Customs Modernization Act that selected petroleum products should be tracked on a quantitative basis for purposes of substitution drawback.

Effective date

The provision would be effective as of the date of enactment.

2505. Drawback and refund of packaging material. (House Provision)

Present law

Section 313 of the Tariff Act of 1930 (19 U.S.C. 1313) was amended by the North American Free Trade Agreement Implementation Act [P.L. 103-182] to insert a new subsection (q) allowing drawback of packaging materials, where the packaging is "used" by filling prior to exportation.

Explanation of provision

The provision would amend section 313(q) of the Tariff Act of 1930 (19 U.S.C. 1313(q)) by inserting a new paragraph for drawback-eligible packaging material filled prior to exportation. The provision would state that packaging materials produced in the United States, which are used by the manufacturer or any other person for articles which are exported or destroyed, would be eligible for a drawback refund of 99 percent of any duty, tax, or fee imposed on the importation of materials used to manufacture the packaging materials.

Reason for change

Under current law, individuals are ineligible to receive drawback on packaging materials used on items which are subsequently exported. The amendment would permit drawback on packaging materials used by a person other than the manufacturer of the container.

Effective Date

The provision would be effective as it applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment.

2506. Inclusion of commercial importation data from foreign-trade zones under the national customs automation program. (House Provision)

Present law

Section 411 of the Tariff Act of 1930 (19 U.S.C. 1411) established the National Customs Automation Program (NCAP), including a program for the automation of electronic filing.

Explanation of provision

The provision would amend section 411 of the Tariff Act of 1930 (19 U.S.C. 1411) relating to the NCAP, to require Customs to provide, no later than January 1, 2000, for the inclusion under the program of commercial importation data from foreign trade zones.

Reason for change

Customs has not developed a system for the automation of electronic filing of importation

data from foreign-trade zones. The provision would establish a deadline for the development and implementation of such a system.

Effective Date

The provision would be effective as of the date of enactment.

2507. Large yachts imported for sale at United States boat shows. (House Provision)

Present law

Large yachts are classifiable under HTS subheading 8903.92.00 and subject to the NTR duty rate of 1.5% at the time of importation.

Explanation of provision

The provision would amend the Tariff Act of 1930 by inserting a new section 484b to provide that large previously owned yachts which would otherwise be dutiable, may be imported without the payment of duty if imported with the intention to offer for sale at a boat show in the U.S. Payment of duty would be deferred until such a large yacht is sold, not to exceed a period of six months.

Reason for change

The provision would remove the disincentives under the current law which frequently discourage the sale of large previously owned yachts domestically by requiring the duty to be paid at the time of importation, whether the yacht is eventually sold or not. Removing the disincentives would allow for more large vessel sales, which could pump tens of thousands of dollars into local economies because of related expenditures such as the cost of a supporting crew, docking fees, boat repairs, and supplies.

Effective Date

The provision shall apply with respect to a large yacht entered into the United States after the date that is 15 days after the date of enactment of this Act.

2508. Review of protests against decisions of customs service (House Provision)

Present law

Section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)) provides for administrative review of protests against decisions by the Customs Service.

Explanation of provision

The provision would amend section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)) to provide that, within 30 days from the date an application for further review is filed, the appropriate Customs officer shall allow or deny the application and, if allowed, forward the protest to the Customs officer who will be conducting the further review.

Reason for change

The provision would require timely processing by Customs officers of applications for further review, thus facilitating trade.

Effective Date

The provision would apply with respect to applications for further review filed on or after the date of enactment.

2509. Entries of NAFTA-origin goods (House Provision)

Present law

Section 520(d) of the Tariff Act of 1930 (19 U.S.C. 1520(d)), outlines the statutory authority by which a good qualifies for a NAFTA preference under the NAFTA rules of origin. Under the NAFTA Implementation Act [P.L. 103-182], merchandise processing fees (MPFs) are not imposed on goods originating in NAFTA countries. To claim a NAFTA preference, an importer must provide a valid certificate of origin. Importers often pay duties and the MPF on a good they know is NAFTA-eligible, with the expectation that the MPF will be refunded later as an excess duty when NAFTA-eligibility is proven. However, Customs has taken the position that MPFs are not refundable excess duties under section 520(d).

Section 514(a) of the Tariff Act of 1930 (19 U.S.C. 1514(a)) outlines the statutory authority for filing protests against decisions of the Customs Service relating to claims for a NAFTA preference. An importer may not claim a NAFTA preference before receiving a valid certificate of origin issued by the exporter. Many importers do not have a certificate of origin at the time goods are entered, and subsequently file post-entry claims when a valid certificate of origin is received. If the entry is liquidated before receiving a certificate of origin, importers generally protest the liquidation under section 514. However, this action prevents the liquidation from becoming final before the valid NAFTA-eligibility claim is made. Customs has taken the position that protests under section 514 are inapplicable to NAFTA claims, and that such claims must be filed under section 520(d) of the Tariff Act of 1930 within one year from the date of entry.

Explanation of provision

Section (a) of this provision would amend section 520(d) of the Tariff Act of 1930 (19 U.S.C. 1520(d)) to clarify that MPFs may be refunded along with excess duties if NAFTA-eligibility is proven.

Section (b) of this provision would amend section 514(a) of the Tariff Act of 1930 (19

U.S.C. 1514(a)) to ensure that if an importer is entitled to a NAFTA preference, there is a method for obtaining a refund of the duties paid at the time of entry. The provision would clarify that importers may use the protest procedure under section 514.

Reason for change

Section (a) of this provision is necessary to clarify that MPFs may be refunded along with excess duties if NAFTA-eligibility is proven. Section (b) of this provision is necessary to ensure that if an importer is entitled to a NAFTA preference, there is a method for obtaining a refund of the duties paid at the time of entry. The provision is also necessary to clarify that importers may use the protest procedure under section 514. Both of these provisions would facilitate NAFTA trade.

Effective Date

The provision would be effective as it applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment.

**2510. Treatment of international travel merchandise held at customs-approved storage rooms
(House Provision)**

Present law

Section 557(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1557(a)(1)) authorizes entry of dutiable merchandise in Customs-approved bonded warehouses and requires its withdrawal within 5 years for consumption upon payment of duties or for exportation.

Explanation of provision

The provision would amend section 557(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1557(a)(1)) to include International Travel Merchandise (ITM) among the merchandise which may be retained in a bonded warehouse for 5 years from the date of importation, thereby replacing the Customs Approved Storage Room (CASR) concept.

Reason for change

International Travel Merchandise (ITM) consists of in-flight merchandise sold on board international air carriers after departure from U.S. Customs territory. Presently, ITM is imported into the United States under bond and moved to CASRs, where merchandise is stored, repackaged and under Customs supervision. A Customs regulation applies a six-month limit to goods placed in CASRs. The amendment would apply the same 5-year time limit to ITM as currently applies to merchandise in bonded warehouses. This change would make ITM appropriate for storage in a bonded warehouse for up to five years, replacing the CASR concept.

The Committee's intent is to recognize that ITM operations are not duty-free enterprises, subject to section 1555(b) of the Tariff Act of 1930 (19 U.S.C. 1555(b)), but wholly unique business enterprise. The Committee intends that Customs provide, through regulations, for the

application of the benefits, privileges, and responsibilities of other classes of bonded warehouses in a new "Class X" category, which recognizes the unique features of ITM operations.

Effective Date

The provision would be effective as of the date of enactment.

2511. Exception to 5-year reviews of countervailing duty or antidumping duty orders (House Provision)

Present Law

Section 751(C) of the Tariff Act of 1930 maintains that five year reviews of countervailing duty or antidumping duty orders must be conducted and does not exclude merchandise prohibited from importation into the United States because of trade sanctions imposed against the country in which the merchandise originates.

Explanation of Provision

The provision would provide that five-year reviews of countervailing duty or antidumping duty orders would not be conducted if the merchandise subject to the orders was prohibited from importation into the United States because of trade sanctions imposed against the country in which the merchandise originates, by amending section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)).

Reason for Change

This provision will ensure that sunset reviews are not used inappropriately in those limited circumstances in which imports of the subject merchandise have been banned by an embargo.

Effective Date

This provision shall apply as of the date of the enactment of this Act.

2512. Reliquidation of certain water resistant wool trousers that entered the United States from December 31, 1988 until January 1, 1995 to the rate applied on January 1, 1995 (S.1127 Kerry)

Present Law

Water resistant wool trousers are classifiable under HTS subheadings 6203.41.05 6204.61.00 and are subject to a NTR duty rate of 7.6% *ad valorem*.

Explanation of Provision

The provision would provide retroactive duty refunds to water-resistant wool trousers imported during 1989-94. To be eligible for the lower duty rates on such trousers that became effective in 1995, the importers' requests would need to be filed with the Customs Service within 180 days after the date of the enactment of this legislation.

Reason for Change

This provision would correct an error made when the U.S. tariff schedules were converted to the Harmonized Tariff Schedule (HTS) on January 1, 1995. As a result of this conversion, such trousers were no longer separately provided for and were classifiable under HTS provision for wool trousers at a higher duty rate. The correct tariff treatment was corrected effective January 1, 1995. This provision will allow importers to seek duty refunds at the lower (7.6%) duty for water-resistant wool trousers entered between 1989 and 1994.

Effective Date

This provision shall apply as of the date of the enactment of this Act.

2513. Elimination of Duties on the Reimportation of Certain Goods (S.1477 D'Amato)

Present Law

Under current law, some products sold by catalogue merchants face double duties when the goods are returned to the manufacturer in the United States from customers abroad.

Explanation of Provision

The bill would amend subchapter I of chapter 98 of the HTS subheading by establishing a new HTS (similar to current HTS subheading 9801.00.25) which provides duty-free treatment for an article assessed a duty during a previous importation, if the article was (1) exported within 3 years after the date of such previous importation; (2) sold for exportation and exported to individuals for personal use; (3) reimported without having been advanced in value or improved in condition by any process of manufacture or other means while abroad; (4) reimported as personal returns from those individuals, whether or not consolidated with other personal returns prior to reimportation; and (5) reimported by or for the account of the person who exported the article from the United States within 1 year of such exportation.

Reason for Change

This provision will correct a problem faced by catalogue merchants. Under current law, some products sold by catalogue merchants face double duties when the goods are returned to them by customers abroad. This provision would ensure that duties are assessed only the first time a product comes into this country from abroad.

Effective Date

This provision shall apply to goods that are reimported into the United States on or after the date that is 15 days after enactment.

2514. Temporary Duty Suspension for Personal Effects of Participants in Certain World Athletic Events (S. 1826 Moynihan, S. 2047 Hatch)

Present Law

Under current law, U.S. Customs Service inspectors have the discretion to allow certain articles, not intended for sale or distribution, to be brought into the United States in connection with international athletic events on a duty-free basis. Persons seeking such duty-free treatment are obliged, however, to comply with certain filing requirements which significantly lengthen the entry process.

Explanation of provision

This provision would amend chapter 99, subchapter II of the HTS by inserting a new subheading to provide temporary duty-free entry for the personal effects and athletic equipment of participants in, officials of, or accredited members of delegations to (and persons who are immediate family members of or servants to such persons) to certain world athletic events, provided such items are not intended for sale or distribution to the public through December 31, 2003. These events are the 1999 International Special Olympics, the 1999 Women's World Cup Soccer, the 2001 International Special Olympics, the 2002 Salt Lake City Winter Olympics, and the 2002 Winter Paralympic Games. The suspension applies also to other articles, not intended for sale or distribution to the public, such as equipment and materials imported in connection with such events, as well as articles to be used in exhibitions depicting the culture of a country participating in any such event. It would continue to permit Customs Service inspectors to inspect all imports, regardless of their duty status. This section does not allow products to come into the United States that would be barred under existing law, but will help make the customs process as smooth as possible for upcoming international athletic events.

This provision also exempts from taxes and fees all articles described in this provision. This provision clarifies that these articles shall not be free or otherwise exempt or excluded from routine or other inspections as may be required by the Customs Service.

Reason for change

This provision would substantially reduce the Customs paperwork to which athletes and officials of these events and their families would otherwise be subjected. Similar measures have been enacted for other international athletic competitions and are analogous to treatment routinely afforded by other countries hosting such events.

**2515. Reliquidation of Certain Entries of Thermal Transfer Multifunction Machines
(Thompson)**

Present law

Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) provides for the filing of protests against decisions of the Customs Service.

Explanation of provision

This section directs the Customs Service to liquidate or reliquidate certain entries of thermal transfer multifunction machines (liquidated or reliquidated under HTS subheading 8517.21.00 or 9009.12.00) at the rate of duty that would have been applicable to such merchandise if it had been liquidated or reliquidated under HTS subheading 8471.60.65. Any amounts paid by the United States pursuant to the liquidation or reliquidation of these subject entries would be paid within 180 days after or liquidation reliquidation.

Reason for change

This provision would allow for the liquidation or reliquidation of thermal transfer multifunction machines at a lower rate of duty.

**2516. Reliquidation of Drawback Entries and Refund Drawback Payments for
Certain Orange Juice Exports (Mack)**

Present law

Sections 514 and 520 of the Tariff Act of 1930, as amended (19 U.S.C. 1514 and 1520) provide, respectively, for the filing of protests against decisions of the Customs Service, and authority for the Secretary of Treasury to refund duties in the event of errors by the Customs Service in collecting such duties.

Explanation of provision

The provision would direct the Customs Service to liquidate or reliquidate certain entries of juice within 180 days after the date of enactment of this Act and provides that any amounts owed by the United States shall be refunded with interest.

Reason for change

A company protested the classification of certain exports of orange juice for purposes of duty drawback. Certain exports were reliquidated by Customs after an error was acknowledged. The company in question, however, inadvertently omitted certain exports that should have been reliquidated and Customs did not reliquidate those entries at the lower, correct duty rate. The

company filed a protest and CIT case, but lost because Customs and the CIT determined that the protest was not timely filed.

2517. Watch Markings (D'Amato)

Present law

Imported watch movements and cases must be marked separately with (1) the name of the country of manufacture, (2) the name of the manufacturer or purchaser and (3) for movements, the number of jewels (if any) serving as frictional bearings. Additional U.S. Note 4, Chapter 91, HTSUS (19 U.S.C. 1202) prescribes the method of marking as cutting, die-sinking, engraving, stamping or mold-marking.

Explanation of provision

The provision would amend chapter 91 of the HTS to clarify that "stamping" can be done by means of indelible ink.

Reason for change

The provision ensures that the Customs Service continues to allow stamping by means of indelible ink as a way to satisfy the marking requirements for watches.

H.R. 3809 -- Drug Free Borders Act of 1998

Chairman's Proposal Prepared by the Senate Finance Committee Staff September 8, 1998

Background

Based on testimony before the Committee, it is clear that there are significant delays in the processing of passengers and cargo at the nation's ports of entry and that those delays stem, in part, from the need to divert personnel from normal commercial operations as enforcement needs arise. Testimony before the Committee also suggested the need for increased oversight of the agency going forward to ensure full implementation of the Customs Modernization and Informed Compliance Act of 1993, strengthen partnerships formed between Customs and the trade and transport communities that have assisted Customs in both its trade facilitation and enforcement activities, and to ensure that Customs is adequately prepared to address the challenges it confronts in a world of rapidly expanding trade and broader enforcement responsibilities.

That suggests a two-step approach. The first step would consist of authorizing those additional investments in technology and personnel needed to eliminate the immediate problems Customs' faces in performing its functions at the border in the near term. The second step would involve building a foundation for stronger Committee oversight in the future.

The following proposal adopts that approach. It builds upon a bill introduced by Senator Gramm as S. 1787, further proposals developed by Senators Grassley and Graham of the Finance Committee, as well as authorizing legislation passed by the House in the form of H.R. 3809, but goes farther than those proposals in demanding greater accountability from Customs in the future with respect to the management of the resources contained in this and prior authorizing legislation.

By way of further background, the statutory basis for authorization of appropriations for Customs is section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)). The 1978 Act, as amended by section 8102 of the Omnibus Budget and Reconciliation Act of 1986, requires separate authorizations and appropriations for salaries and expenses related to

commercial and non-commercial (i.e., enforcement) operations. For purposes of comparison, the figures listed below are total figures for salaries and expenses.

The most recent authorization of appropriations for Customs took place in 1990 as part of the Customs and Trade Act of 1990 (Pub. L. No. 101-382). That Act provided \$1,247,000 for total salaries and expenses and \$150,199,000 for air and marine interdiction and other operations and maintenance in fiscal year 1992. That authorization expired in 1992 and Customs has been without a new authorization for appropriations since that time.

Appropriations for Customs for fiscal year 1998 for salaries and expenses totaled \$1,522,165,000 and \$92,758,000 for air and marine interdiction and other operations and maintenance. Total Customs appropriations for fiscal year 1998 amounted to \$1,675,571,000.

The President's fiscal year 1999 budget request asked for \$1,638,065,000 for salary and expenses and an additional \$98,499,000 for marine and air interdiction and other operations and maintenance. Thus far, the House has passed legislation appropriating the requested figure. The Senate has acted on legislation appropriating a slightly lower amount -- \$1,630,273,000 -- for salaries and expenses and \$98,488,000 for operations and maintenance, including air and marine interdiction, which was the amount requested by the President for those activities.

H.R. 3809, as passed by the House, would authorize a total of \$1,935,425,584 for salary and expenses and \$98,488,000 for marine and air interdiction and other operations and maintenance in fiscal year in 1999. For fiscal year 2000, H.R. 3809 would authorize a total of \$2,072,891,328 in salary and expenses for fiscal year 2000 and \$101,443,000 for air and marine interdiction and other operations and maintenance. That represents a total authorization of close to \$2.2 billion, a substantial increase over the last authorization of appropriations in 1992 and an increase of close to 500 million over recent budget allocations.

The Chairman's proposal, although it applies to fiscal years 2000 and 2001, would authorize roughly \$32 million more for salary and expenses in the first of two fiscal years than would H.R. 3809, and \$130 million more for marine and air interdiction and other operations and maintenance than would the House-passed legislation.

Section-by-Section Analysis of the Proposal

The Chairman's proposal is divided into two titles. The first would authorized additional resources for enforcement and trade facilitation at the northern and southern borders, and along the Florida and Gulf Coasts. Title I would also address certain other issues relating to Customs' Service current operations.

Title II would, by contrast, call on Customs to provide a report addressing a number of specific questions designed to assist the Committee in discharging its oversight responsibilities in the future. Those questions, as reflected in the section-by-section analysis, would build on the strategic planning process called for under the Government Performance and Results Act of 1993. Relying on the most recent Customs Service strategic plan, the report called for under Title II would call on Customs to identify standards it intends to apply to its own performance in achieving the goals specified in its own strategic plan, as well as require additional information on issues raised in testimony before the Committee, in recent Government Accounting Office studies, and in industry comment on recent Customs initiatives.

I. Title I – Authorization of Appropriations for Enhanced Inspection, Trade Facilitation and Drug Interdiction

A. Section 101 -- Authorizations for Enforcement, Commercial Operations and Air and Marine Interdiction

Present Law

As noted above, the most recent authorization of appropriations for Customs approved by Congress was in 1990. The final year of that authorization, for fiscal year 1992, provided \$1,247,884,000 for salary and expenses and \$150,199,000 for operations and maintenance. Fiscal year 1998 appropriations totaled \$1,522,165,000 for salaries and expenses and \$92,758,000 for operations and maintenance.

Explanation of Provision

Section 101 of the Chairman's proposal would authorize additional appropriations for enforcement, commercial operations, and air and marine interdiction in fiscal years 2000 and 2001. It would also require Customs to provide out-year budget projections for fiscal years beyond 2001. Specifically, section 101 would amend section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 to authorize \$997,300,584 and \$1,100,818,328 for drug enforcement

and other non-commercial operations in fiscal years 2000 and 2001 respectively. Section 101 would authorize \$970,838,000 in fiscal year 2000 and \$999,963,000 in fiscal year 2001 for Customs Service commercial operations. Section 101 would, in addition, authorize appropriations of \$229,001,000 and \$176,967,000 for air and marine interdiction and other operations and maintenance in fiscal years 2000 and 2001 respectively.

Thus, section 101 would provide a total authorization of \$1,968,138,584 for salaries and expenses in fiscal year 2000 and \$229,001,000 for air and marine interdiction and other operations and maintenance. For fiscal year 2001, section 101 would authorize a total of \$2,100,781,328 in salary and expenses and \$176,967,000 for air and marine interdiction and other operations and maintenance.

Reasons for Change

Section 101 recognizes the efforts that Customs has made, in response to the Customs Modernization and Informed Compliance Act of 1993, to reform its own operations and to manage itself on an increasingly efficient basis. It also recognizes the significant new challenges Customs faces due to expanding statutory responsibilities, significant increases in the level of international trade, both inbound and outbound, passing through U.S. ports, and the rising level of sophistication of smugglers of drugs and other contraband that will require a greater investment in resources on Customs part to combat.

B. Section 102 -- Narcotics Detection Equipment Northern and Southern Borders and Florida and Gulf Seaports

Present Law

No provision.

Explanation of Provision

Section 102 would earmark specific amounts out of the totals set out in section 101 to be used for the express purpose of narcotics detection at northern and southern land border entry points, as well as at Florida and Gulf Coast ports of entry. The total authorization for these purposes would be \$90,244,000 distributed as

follows:

1. United States-Mexico Border

- \$6 million for 8 vehicle and container inspection systems;
- \$11 million for 5 mobile truck x-rays;
- \$12 million for upgrade of 8 fixed-site truck x-rays;
- \$7.2 million for 8 pallet x-rays;
- \$1 million for 200 portable contraband detectors;
- \$.6 million for 50 contraband detection kits;
- \$.5 million for 25 ultrasonic container inspections units;
- \$2.45 million for 7 automated targeting systems;
- \$.36 million for 30 rapid tire deflator systems;
- \$\$.48 million for 20 portable Treasury Enforcement Communications Systems terminals;
- \$1 million for 20 remote watch surveillance cameras;
- \$1.254 million for 57 weigh-in-motion sensors;
- \$.180 for 36 AM band traffic information radio stations;
- \$1.04 million for 260 inbound vehicle counters;
- \$.95 million for 38 counter surveillance spotter cameras;
- \$.39 million for 60 inbound commercial truck transponders;
- \$1.6 million for 40 narcotics vapor and particle detectors;
- \$.4 million for license plate reader automatic targeting software; and
- \$1 million for a demonstration site for a high-energy relocatable rail car inspection system at a shared Defense Department testing facility for a two-month period.

2. United States-Canada Border

- \$3 million for 4 vehicle and container inspections systems;
- \$8.8 million for 4 mobile truck x-rays;

- \$3.6 million for 4 pallet x-rays;
- \$.25 million for 50 portable contraband detectors;
- \$.3 million for 25 contraband detection kits;
- \$.24 million for 10 portable Treasury Enforcement Communications Systems; and
- \$.4 million for 10 narcotics vapor and particle detectors.

3. Florida and Gulf Coast Seaports

- \$4.5 million for 6 vehicle and container inspection systems;
- \$11.8 for 5 mobile truck x-rays;
- \$7.2 million for 8 pallet x-rays;
- \$.25 million for 50 portable contraband detectors; and
- \$.3 million for 25 contraband detection kits.

Section 102 would authorize \$8.9245 million for maintenance and support of the equipment identified above and for training of personnel to maintain and support such equipment. Section 102 would allow the Commissioner flexibility in spending the amounts specified in section 102 if he were to find technologically superior equipment designed for the same purpose was available. In addition, section 102 would allow some room for reallocation (not to exceed 10 percent) among the various enumerated items within any geographic areas identified above as needed.

Reasons for Change

The provision reinforces the focus of the authorization on the specific needs of the Customs Service to meet the rising challenges of both increasing levels of legitimate commerce and the need for stronger vigilance and enforcement.

C. Section 103 – Peak Hours and Investigative Resource Enhancement

Present Law

No provision.

Explanation of Provision

Section 103 would authorize a net increase in personnel to enhance Customs' ability to address peak loads at various points of entry and to increase investigative personnel dedicated to the interdiction of drugs and other contraband as follows:

1. Net increase of 535 inspectors, 120 special agents, and 10 intelligence analysts for the United State-Mexican border and 375 inspectors for the United States-Canada border in order to open all primary lanes on such border during peak hours;
2. Net increase of 285 inspectors and canine enforcement officers to be distributed at large cargo facilities in order to reduce commercial waiting times on the United States-Mexico border;
3. Net increase of 40 inspectors at sea ports in southeast Florida to process and screen cargo;
4. Net increase of 70 special agents, 23 intelligence agents, 9 support staff, and the necessary equipment to enhance investigation efforts targeted at internal conspiracies at the Nation's sea ports;
5. Net increase of 360 special agents, 30 intelligence analysts, and additional resources for use in ports that have jurisdiction over major metropolitan drug or narcotics distribution and/or transportation centers;
6. Net increase of 2 special agents to staff a Customs attache office in Nassau, Bahamas;
7. Net increase of 62 special agents and 8 intelligence analysts for maritime smuggling investigations and interdiction operations; and
8. Net increase of 50 positions and additional resources to staff adequately the Office of Internal Affairs to enhance investigation of anti-corruption efforts.

Section 103 would also authorize the additional funds necessary to cover the cost incurred as a result of the increase in personnel hired pursuant to that provision of the authorizing legislation.

Reasons for Change

The provision recognizes the need to provide for a stronger commitment to enforcement, intelligence gathering, and the maintenance of the high standards of integrity within the Customs Service are fundamental to a stronger enforcement effort and to the improvement of commercial operations as well.

D. Section 104 – Air and Marine Operations and Maintenance Funding

Present Law

No provision.

Explanation of Provision

Section 104 would earmark additional amounts out of the totals set out in section 101 to improve the Customs Service's air and marine interdiction efforts as follows:

1. For fiscal year 2000, authorize \$96.5 million for restoration or replacement of aging aircraft, \$15 million for increased air interdiction and investigative support activities, and \$19.013 million for marine vessel replacement and related equipment; and
2. For fiscal year 2001, \$36.5 million for aircraft restoration and replacement, \$15 million for increased air interdiction and investigative support activities, and \$24.024 million for marine vessel replacement and related equipment.

Reasons for Change

The provision would provide a specific focus to Customs improvement of its marine and air interdiction efforts, as well as ensure the investment of any appropriated funds in new aircraft that will enhance Customs interdiction capabilities.

E. Section 105 – Compliance with Performance Plan Requirements

Present Law

No provision.

Explanation of the Provision

Section 105 would require Customs to establish specific performance goals, performance indicators, and other standards for the additional activities enumerated in sections 102-104 as a part of developing its annual performance plan in order to allow both Customs and the Committee to assess the value added to Customs efforts by these authorizations.

Reasons for Change

The provision is designed to ensure that Customs provides Congress with regular explanations as to how it intends to further the goals of the agency and those set out as part of this authorizing legislation.

F. Section 106 – Commissioner of Customs

Present Law

The Customs Commissioner is currently paid at Executive Schedule -- Level IV or a \$118,400.

Explanation of Provision

Section 106 would authorize an increase in the Customs Commissioner's pay to that of Executive Schedule -- Level III or \$125,900. Section 106 would apply to fiscal year 1999 and those that follow.

Reasons for Change

The change would ensure that the Commissioner of Customs is paid at a rate commensurate with other U.S. government officials of similar rank and responsibility.

G. Section 107 – Passenger Pre-clearance Abroad

Present Law

No provision.

Explanation of Provision

Section 107 would direct Customs to continue to provide passenger pre-clearance at air transport facilities in Canada which it has provided in the past. Section 107 would authorize the appropriation of additional funds necessary to cover the costs of such pre-clearance services that are not covered by funds provided by the customs user fees under section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985.

Reason for Change

The Customs Service plans to eliminate current preclearance processing at Canadian airports for U.S.-bound passengers.

II. Title II – Customs Performance Report

Present Law

No provision.

Explanation of Provision

Title II would consist of a single reporting requirement obliging Customs to report to the Committees on Finance of the Senate and Ways and Means of the House within 120 days of enactment of the Customs Authorization Act of 1998 on the topics enumerated below. The goal of the report is to build on the strategic planning process called for under the Government Performance and Results Act of 1993 and the annual performance reports called for under section 105 of this legislation and set a baseline for Committee oversight of the Customs Service's performance in the future. Topics on which Customs would be required to report would include –

A. Identifying Objectives and Setting Priorities – Outline means for identifying enforcement and trade facilitation objectives; provide reasons for choosing the objectives identified in the Customs Service's most recent strategic plan; define performance standards against which the Committee might assess Customs' efforts to reach the goals outlined in its strategic plan;

B. Implementation of the Customs Modernization and Informed Compliance Act of 1993 -- Review of Customs' implementation of the Customs

Modernization and Informed Compliance Act of 1993, together with the reasons for any elements that remain incomplete, a review of the effectiveness of the informed compliance strategy in obtaining higher levels of effective compliance among the trade community, particularly in priority industries that have been the focus of Customs' most intense efforts at ensuring compliance under the Mod Act, and a summary of the results of the first Customs Assessment Team reviews;

C. Improving Commercial Operations -- Identify standards to be applied in assessing the performance and efficiency of core trade facilitation functions, including entry and inspection procedures, classification, valuation, country-of-origin determinations, and duty drawback determinations; develop proposals for improving Customs performance in these areas in order to eliminate lengthy delays in obtaining rulings in those core areas; outline alternative strategies designed to ensure that the trade community has the information necessary to carry out its compliance responsibilities and plan its business operations;

D. Review of Enforcement Responsibilities -- Provide an overview of Customs Service enforcement responsibilities; assess the degree to which the current functions of Customs overlap with other agencies and identify instances in which the Customs Service should cede jurisdiction in favor of another agency in order to refocus Customs' efforts on its primary responsibilities; explain the use of various targeting methods designed to identify high risk persons or cargo entering the United States; outline the standards used to identify persons for more intensive questioning and search upon entering the United States, as well as steps taken to ensure against abuse of that prerogative.

E. Comprehensive Drug Interdiction Strategy -- Outline a comprehensive strategy for Customs' role in U.S. drug interdiction efforts; clarify the respective roles of other cooperating agencies, including the Drug Enforcement Administration, Federal Bureau of Investigation, Coast Guard, and intelligence community; identify Customs functions that belong within the unique competence of the agency, while identifying those functions that could be better performed by other agencies; and indicate how Customs expects to allocate the additional drug interdiction resources authorized by this legislation in the regions identified;

F. Enhancing Cooperation with the Trade Community -- Identify ways to expand cooperation with the trade and transport community to improve detection of contraband at its source in the foreign port, enhance information flow between Customs and industry in order to achieve greater awareness of potential compliance threats, improve the design and efficiency of Customs commercial operations, foster

account-based management of customs compliance, eliminate unnecessary regulatory burdens, and establish standards for industry best practices in customs compliance;

G. Resource Allocation -- Outline the basis for Customs current allocation of inspection and investigative personnel; identify steps taken to ensure that Customs can detect any misallocation of such resources among various ports and has the means for reallocating resources within the agency to meet particular enforcement or trade facilitation demands;

H. Automation and Information Technology -- Identify automation needs, particularly the current state of the Automated Commercial System and the status of implementation of the proposed replacement, the Automated Commercial Environment; outline a comprehensive strategy for reaching Customs information technology goals; provide an explanation of the systems architecture and how that architecture best serves Customs core functions; identify comparable public and private sector automation projects that might be used as a benchmark against which Customs progress toward its information technology goals might be judged; estimate total projected costs for automation projects currently under way and provide a timetable for implementation, and summarize options for financing such automation projects;

I. Personnel Policies -- Provide an overview of current personnel practices, including performance standards, criteria used for promotion and termination, processes for investigating complaints of bias or sexual harassment, criteria used for conducting internal investigations, summaries of the number of and reasons for internal investigations, existence of any protection for whistle blowers within the Customs Service, and programs designed for discovering and eliminating corruption within the agency; identify workforce needs for the future and training needed to ensure Customs personnel stay abreast of developments in international business operations and international trade that affect Customs operations; and identify any instances in which current personnel policies or practices may impede achievement of Customs trade facilitation and enforcement goals.

Reasons for Change

The objective of the reporting requirement is to provide a better basis on which the Committee can conduct future oversight of Customs Service operation, particularly in light of the additional appropriations that would be authorized by this legislation and the need to ensure that those amounts, if appropriated, are spent in the

most efficient, cost effective manner in furtherance of the goals set by Customs
in conjunction with the Committee.