

PART A
TEXT OF AMENDMENT TO BE CONSIDERED AS ADOPTED FOR
H.R. 1886

**AMENDMENT TO H.R. 1886, AS REPORTED
OFFERED BY MR. BERMAN OF CALIFORNIA**

Page 11, line 22, strike “and” at the end.

Page 11, line 25, strike the period at the end and insert “; and”.

Page 11, after line 25, insert the following new paragraph:

1 (9) to promote the rights and empowerment of
2 women and girls in Pakistan, including efforts to in-
3 crease access to basic healthcare services to address
4 Pakistan’s high maternal mortality rate and to in-
5 crease girls’ and women’s access to education.

Page 17, line 8, strike “and” at the end.

Page 17, after line 8, insert the following new sub-paragraph:

6 (D) preventing youth from turning to ex-
7 tremism and militancy, and promoting the re-
8 nunciation of such tactics and extremist
9 ideologies, by providing economic, social, edu-
10 cational, and vocational opportunities and life-
11 skills training to at-risk youth; and

Page 17, line 9, strike “(D)” and insert “(E)”.

Page 20, line 20, insert “libraries and” before “public”.

Page 30, beginning on line 12, strike “for a fiscal year”.

Page 24, line 9, after “hepatitis” insert the following: “, and to reduce the nation’s high maternal and under-five mortality rates, including—”

1 (A) support for repairing and building
2 healthcare infrastructure, including purchase of
3 equipment and training of health professionals,
4 to ensure adequate access to healthcare for
5 Pakistan’s population, especially among its
6 rural, poor, marginalized and disadvantaged
7 segments; and

8 (B) promotion of efforts by the Govern-
9 ment of Pakistan to reduce maternal mortality,
10 including through the provision of maternal and
11 newborn health services and development of
12 community-based skilled birth attendants.

Page 30, line 13, strike “is” and insert “for fiscal year 2010 and such sums as may be necessary for each of the fiscal years 2011 through 2013 are”.

Page 30, line 21, strike “authorized to be made available under” and insert “made available to carry out”.

Page 30, line 22, strike “is authorized to” and insert “may”.

Page 31, beginning on line 2, strike “for a fiscal year”.

Page 31, line 3, strike “is” and insert “for fiscal year 2010 and such sums as may be necessary for each of the fiscal years 2011 through 2013 are”.

Page 31, line 10, strike “authorized to be made available under” and insert “made available to carry out”.

Page 31, line 11, strike “is authorized to” and insert “may”.

Page 33, beginning on line 1, strike “of the F-16 sale with its own national funds” and insert “on the 2006 sales relating to F-16 fighter aircraft and associated equipment with its own national funds, including the mid-life updates and munitions for such aircraft included in such Letters of Offer and Acceptance”.

Page 33, line 5, strike “or section 204”.

Page 34, line 9, strike “Such plan” and all that follows through “section 204(f)(1).” on line 11 and insert the following: “Such plan shall include an assessment of how the use of such amounts complements or otherwise is related to amounts described in section 204.”.

Page 34, after line 11, insert the following:

1 (5) ADDITIONAL AUTHORITY.—Except as pro-
2 vided in section 3(a)(2) of the Arms Export Control
3 Act and except as otherwise provided in this title,
4 amounts authorized to be made available to carry
5 out paragraph (2) for fiscal years 2010 and 2011
6 are authorized to be made available notwithstanding
7 any other provision of law.

Page 34, line 12, strike “(5)” and insert “(6)”.

Amend section 204 of the bill (page 34, line 22 to page 39, line 20) to read as follows:

8 **SEC. 204. PAKISTAN COUNTERINSURGENCY CAPABILITY**
9 **FUND.**
10 (a) FOR FISCAL YEAR 2010.—
11 (1) IN GENERAL.—For fiscal year 2010, the
12 Department of State’s Pakistan Counterinsurgency
13 Capability Fund, hereinafter in this section referred
14 to as the “Fund”, shall consist of the following:

1 (A) Amounts appropriated to carry out
2 this subsection.

3 (B) Amounts otherwise available to the
4 Secretary of State to carry out this subsection.

5 (2) PURPOSES OF FUND.—Amounts in the
6 Fund made available to carry out this subsection for
7 any fiscal year are authorized to be used by the Sec-
8 retary of State, with the concurrence of the Sec-
9 retary of Defense, to build and maintain the
10 counterinsurgency capability of Pakistan under the
11 same terms and conditions (except as otherwise pro-
12 vided in this subsection) that are applicable to
13 amounts made available under the Fund for fiscal
14 year 2009.

15 (3) TRANSFER AUTHORITY.—

16 (A) IN GENERAL.—The Secretary of State
17 is authorized to transfer amounts in the Fund
18 made available to carry out this subsection for
19 any fiscal year to the Department of Defense's
20 Pakistan Counterinsurgency Fund.

21 (B) TREATMENT OF TRANSFERRED
22 FUNDS.—Subject to the requirements of para-
23 graph (4), transfers from the Fund under the
24 authority of subparagraph (A) shall be merged
25 with and be available for the same purposes and

1 for the same time period as amounts in the De-
2 partment of Defense's Pakistan
3 Counterinsurgency Fund.

4 (C) RELATION TO OTHER AUTHORITIES.—

5 The authority to make transfers from the Fund
6 under subparagraph (A) is in addition to any
7 other transfer of funds authority of the Depart-
8 ment of State. The authority to provide assist-
9 ance under this subsection is in addition to any
10 other authority to provide assistance to foreign
11 countries.

12 (D) NOTIFICATION.—The Secretary of
13 State shall, not less than 15 days prior to mak-
14 ing transfers from the Fund under subpara-
15 graph (A), notify the appropriate congressional
16 committees in writing of the details of any such
17 transfer.

18 (4) RESTRICTION.—

19 (A) IN GENERAL.—Subject to subpara-
20 graph (B), amounts in the Fund made available
21 to carry out this subsection for any fiscal year
22 may not be used to purchase F-16 fighter air-
23 craft, to purchase mid-life updates for such air-
24 craft, or to make payments on the sales of F-

1 16 fighter aircraft and associated equipment
2 described in section 203(b)(3)(A).

3 (B) EXCEPTION.—Amounts in the Fund
4 made available to carry out this subsection for
5 any fiscal year are authorized to be used for
6 military construction activities.

7 (C) WAIVER.—The President may waive
8 the restriction under subparagraph (A) with re-
9 spect to amounts described in subparagraph (A)
10 if the President certifies to the appropriate con-
11 gressional committees not later than 15 days
12 prior to exercising the authority of this sub-
13 paragraph that the waiver is important to the
14 national security interests of the United States.

15 (5) AUTHORIZATION OF APPROPRIATIONS.—For
16 fiscal year 2010, \$300,000,000 is hereby authorized
17 to be appropriated to carry out this subsection.

18 (b) SUBMISSION OF NOTIFICATIONS.—Any notifica-
19 tion required by this section shall be submitted in classi-
20 fied form, but may include a unclassified annex if nec-
21 essary.

22 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
23 FINED.—In this section, the term “appropriate congres-
24 sional committees” means—

1 (1) the Committee on Appropriations, the Com-
2 mittee on Armed Services, and the Committee on
3 Foreign Affairs of the House of Representatives;
4 and

5 (2) the Committee on Appropriations, the Com-
6 mittee on Armed Services, and the Committee on
7 Foreign Relations of the Senate.

Page 43, after line 11, insert the following new sub-
section:

8 (e) GAO ANALYSIS AND REPORT.—Not later than
9 120 days after the President makes the determinations de-
10 scribed in subsection (b), the Comptroller General of the
11 United States shall conduct an independent analysis of
12 each of the determinations under subsection (b) and writ-
13 ten justifications for such determinations under subsection
14 (d) and shall submit to the appropriate congressional com-
15 mittees a report containing the results of the independent
16 analysis.

Page 43, line 12, strike “(e)” and insert “(f)”.

Page 43, strike lines 13 through 17 and insert the
following:

17 (1) the term “appropriate congressional com-
18 mittees” means—

1 (A) the Committee on Foreign Affairs, the
2 Committee on Armed Services, the Committee
3 on Oversight and Government Reform, and the
4 Permanent Select Committee on Intelligence of
5 the House of Representatives; and

6 (B) the Committee on Foreign Relations,
7 the Committee on Armed Services, and the Se-
8 lect Committee on Intelligence of the Senate;
9 and

Page 43, beginning on line 23, strike “, assistance authorized under section 204 of this Act,”.

Page 44, line 12, strike “for each of the fiscal years 2010 through 2013” and insert “for fiscal year 2010 and such sums as may be necessary for each of the fiscal years 2011 through 2013”.



AMENDMENT TO H.R. 1886, AS REPORTED
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Page 57, line 5, insert “and title IV of this Act”
after “section 104”.

Page 57, after line 6, add the following new title:

1 **TITLE IV—DUTY-FREE TREAT-**
2 **MENT FOR CERTAIN GOODS**
3 **FROM RECONSTRUCTION OP-**
4 **PORTUNITY ZONES IN AF-**
5 **GHANISTAN AND PAKISTAN**

6 **SEC. 401. SHORT TITLE.**

7 This title may be cited as the “Afghanistan-Pakistan
8 Security and Prosperity Enhancement Act”.

9 **SEC. 402. DEFINITIONS; PURPOSES.**

10 (a) **DEFINITIONS.**—In this title:

11 (1) **AGREEMENT ON TEXTILES AND CLOTH-**
12 **ING.**—The term “Agreement on Textiles and Cloth-

13 **ing”** means the Agreement on Textiles and Clothing
14 referred to in section 101(d)(4) of the Uruguay
15 Round Agreements Act (19 U.S.C. 3511(d)(4)).

16 (2) **CATEGORY; TEXTILE AND APPAREL CAT-**
17 **EGORY NUMBER.**—The terms “category” and “tex-

1 tile and apparel category number” mean the number
2 assigned under the U.S. Textile and Apparel Cat-
3 egory System of the Office of Textiles and Apparel
4 of the Department of Commerce, as listed in the
5 HTS under the applicable heading or subheading (as
6 in effect on September 1, 2007).

7 (3) CORE LABOR STANDARDS.—The term “core
8 labor standards” means—

9 (A) freedom of association;

10 (B) the effective recognition of the right to
11 bargain collectively;

12 (C) the elimination of all forms of compul-
13 sory or forced labor;

14 (D) the effective abolition of child labor
15 and a prohibition on the worst forms of child
16 labor; and

17 (E) the elimination of discrimination in re-
18 spect of employment and occupation.

19 (4) ENTERED.—The term “entered” means en-
20 tered, or withdrawn from warehouse for consump-
21 tion, in the customs territory of the United States.

22 (5) ENTITY.—The term “entity” means—

23 (A) a natural person, corporation, com-
24 pany, business association, partnership, society,

1 trust, any other nongovernmental entity, orga-
2 nization, or group, whether or not for profit;

3 (B) any governmental entity or instrumen-
4 tality of a government; and

5 (C) any successor, subunit, or subsidiary of
6 any entity described in subparagraph (A) or
7 (B).

8 (6) HTS.—The term “HTS” means the Har-
9 monized Tariff Schedule of the United States.

10 (7) NAFTA.—The term “NAFTA” means the
11 North American Free Trade Agreement concluded
12 between the United States, Mexico, and Canada on
13 December 17, 1992.

14 (8) RECONSTRUCTION OPPORTUNITY ZONE.—
15 The term “Reconstruction Opportunity Zone” means
16 any area that—

17 (A) solely encompasses portions of the ter-
18 ritory of—

19 (i) Afghanistan; or

20 (ii) 1 or more of the following areas of
21 Pakistan:

22 (I) the Federally Administered
23 Tribal Areas;

24 (II) areas of Pakistan-adminis-
25 tered Kashmir that the President de-

1 termines were harmed by the earth-
2 quake of October 8, 2005;

3 (III) areas of Baluchistan that
4 are within 100 miles of Pakistan's
5 border with Afghanistan; and

6 (IV) the North West Frontier
7 Province;

8 (B) has been designated by the competent
9 authorities in Afghanistan or Pakistan, as the
10 case may be, as an area in which merchandise
11 may be introduced without payment of duty or
12 excise tax; and

13 (C) has been designated by the President
14 as a Reconstruction Opportunity Zone pursuant
15 to section 403(a).

16 (b) PURPOSES.—The purposes of this title are—

17 (1) to stimulate economic activity and develop-
18 ment in Afghanistan and the border region of Paki-
19 stan, critical fronts in the struggle against violent
20 extremism;

21 (2) to reflect the strong support that the
22 United States has pledged to Afghanistan and Paki-
23 stan for their sustained commitment in the global
24 war on terrorism;

1 (3) to support the 3-pronged United States
2 strategy in Afghanistan and the border region of
3 Pakistan that leverages political, military, and eco-
4 nomic tools, with Reconstruction Opportunity Zones
5 as a critical part of the economic component of that
6 strategy; and

7 (4) to offer a vital opportunity to improve liveli-
8 hoods of indigenous populations of Reconstruction
9 Opportunity Zones, promote good governance, im-
10 prove economic and commercial ties between the
11 people of Afghanistan and Pakistan, and strengthen
12 the Governments of Afghanistan and Pakistan.

13 **SEC. 403. DESIGNATION OF RECONSTRUCTION OPPOR-**
14 **TUNITY ZONES.**

15 (a) **AUTHORITY TO DESIGNATE.**—The President is
16 authorized to designate an area within Afghanistan or
17 Pakistan described in section 402(a)(8) (A) and (B) as
18 a Reconstruction Opportunity Zone if the President deter-
19 mines that—

20 (1) Afghanistan or Pakistan, as the case may
21 be, meets the eligibility criteria set forth in sub-
22 section (b);

23 (2) Afghanistan or Pakistan, as the case may
24 be, meets the eligibility criteria set forth in sub-
25 section (c) of section 502 of the Trade Act of 1974

1 (19 U.S.C. 2462(c)) for designation as a beneficiary
2 developing country under that section and is not in-
3 eligible under subsection (b) of such section; and

4 (3) designation of the area as a Reconstruction
5 Opportunity Zone is appropriate taking into account
6 the factors listed in subsection (c).

7 (b) ELIGIBILITY CRITERIA.—Afghanistan or Paki-
8 stan, as the case may be, meets the eligibility criteria set
9 forth in this subsection if that country—

10 (1) has established, or is making continual
11 progress toward establishing—

12 (A) a market-based economy that protects
13 private property rights, incorporates an open
14 rules-based trading system, and minimizes gov-
15 ernment interference in the economy through
16 measures such as price controls, subsidies, and
17 government ownership of economic assets;

18 (B) the rule of law, political pluralism, and
19 the right to due process, a fair trial, and equal
20 protection under the law;

21 (C) economic policies to—

22 (i) reduce poverty;

23 (ii) increase the availability of health
24 care and educational opportunities;

25 (iii) expand physical infrastructure;

1 (iv) promote the development of pri-
2 vate enterprise; and

3 (v) encourage the formation of capital
4 markets through microcredit or other pro-
5 grams;

6 (D) a system to combat corruption and
7 bribery, such as ratifying and implementing the
8 United Nations Convention Against Corruption;
9 and

10 (E) protection of core labor standards and
11 acceptable conditions of work with respect to
12 minimum wages, hours of work, and occupa-
13 tional health and safety;

14 (2) is eliminating or has eliminated barriers to
15 trade and investment, including by—

16 (A) providing national treatment and
17 measures to create an environment conducive to
18 domestic and foreign investment;

19 (B) protecting intellectual property; and

20 (C) resolving bilateral trade and invest-
21 ment disputes;

22 (3) does not engage in activities that undermine
23 United States national security or foreign policy in-
24 terests;

1 (4) does not engage in gross violations of inter-
2 nationally recognized human rights;

3 (5) does not provide support for acts of inter-
4 national terrorism; and

5 (6) cooperates in international efforts to elimi-
6 nate human rights violations and terrorist activities.

7 (c) **ADDITIONAL FACTORS.**—In determining whether
8 to designate an area in Afghanistan or Pakistan as a Re-
9 construction Opportunity Zone, the President shall take
10 into account—

11 (1) an expression by the government of the
12 country of its desire to have a particular area des-
13 ignated as a Reconstruction Opportunity Zone under
14 this title;

15 (2) the capability of the country to establish a
16 program in the area meeting the requirements of
17 section 407(d)(3) based on assessments undertaken
18 by the Secretary of Labor and the government of the
19 country of such factors as—

20 (A) the geographical suitability of the area
21 for such a program;

22 (B) the nature of the labor market in the
23 area;

1 (C) skills requirements and infrastructure
2 needs for operation of such a program in the
3 area; and

4 (D) all other relevant information;

5 (3) whether the government of the country has
6 provided the United States with a monitoring and
7 enforcement plan outlining specific steps the country
8 will take to cooperate with the United States to—

9 (A) facilitate legitimate cross-border com-
10 merce;

11 (B) ensure that articles for which duty-free
12 treatment is sought pursuant to this title sat-
13 isfy the applicable rules of origin described in
14 section 404 (c) and (d) or section 405 (c) and
15 (d), whichever is applicable; and

16 (C) prevent unlawful transshipment, as de-
17 scribed in section 406(b)(4);

18 (4) the potential for such designation to create
19 local employment and to promote local and regional
20 economic development;

21 (5) the physical security of the proposed Recon-
22 struction Opportunity Zone;

23 (6) the economic viability of the proposed Re-
24 construction Opportunity Zone, including—

1 (A) whether there are commitments to fi-
2 nance economic activity proposed for the Recon-
3 struction Opportunity Zone; and

4 (B) whether there is existing or planned
5 infrastructure for power, water, transportation,
6 and communications in the area;

7 (7) whether such designation would be compat-
8 ible with and contribute to the foreign policy and na-
9 tional security objectives of the United States, tak-
10 ing into account the information provided under sub-
11 section (d); and

12 (8) the views of interested persons submitted
13 pursuant to subsection (e).

14 (d) INFORMATION RELATING TO COMPATIBILITY
15 WITH AND CONTRIBUTION TO FOREIGN POLICY AND NA-
16 TIONAL SECURITY OBJECTIVES OF THE UNITED
17 STATES.—In determining whether designation of a Recon-
18 struction Opportunity Zone would be compatible with and
19 contribute to the foreign policy and national security ob-
20 jectives of the United States in accordance with subsection
21 (e)(7), the President shall take into account whether Af-
22 ghanistan or Pakistan, as the case may be, has provided
23 the United States with a plan outlining specific steps it
24 will take to verify the ownership and nature of the activi-
25 ties of entities to be located in the proposed Reconstruc-

1 tion Opportunity Zone. The specific steps outlined in a
2 country's plan shall include a mechanism to annually reg-
3 ister each entity by a competent authority of the country
4 and—

5 (1) to collect from each entity operating in, or
6 proposing to operate in, a Reconstruction Oppor-
7 tunity Zone, information including—

8 (A) the name and address of the entity;

9 (B) the name and location of all facilities
10 owned or operated by the entity that are oper-
11 ating in or proposed to be operating in a Recon-
12 struction Opportunity Zone;

13 (C) the name, nationality, date and place
14 of birth, and position title of each person who
15 is an owner, director, or officer of the entity;
16 and

17 (D) the nature of the activities of each en-
18 tity;

19 (2) to update the information required under
20 paragraph (1) as changes occur; and

21 (3) to provide such information promptly to the
22 Secretary of State.

23 (e) OPPORTUNITY FOR PUBLIC COMMENT.—Before
24 the President designates an area as a Reconstruction Op-
25 portunity Zone pursuant to subsection (a), the President

1 shall afford an opportunity for interested persons to sub-
2 mit their views concerning the designation.

3 (f) NOTIFICATION TO CONGRESS.—Before the Presi-
4 dent designates an area as a Reconstruction Opportunity
5 Zone pursuant to subsection (a), the President shall notify
6 Congress of the President's intention to make the designa-
7 tion, together with the reasons for making the designation.

8 **SEC. 404. DUTY-FREE TREATMENT FOR CERTAIN NONTEXTILE**
9 **AND NONAPPAREL ARTICLES.**

10 (a) IN GENERAL.—The President is authorized to
11 proclaim duty-free treatment for—

12 (1) any article from a Reconstruction Oppor-
13 tunity Zone that the President has designated as an
14 eligible article under section 503(a)(1)(A) of the
15 Trade Act of 1974 (19 U.S.C. 2463(a)(1)(A));

16 (2) any article from a Reconstruction Oppor-
17 tunity Zone located in Afghanistan that the Presi-
18 dent has designated as an eligible article under sec-
19 tion 503(a)(1)(B) of the Trade Act of 1974 (19
20 U.S.C. 2463(a)(1)(B)); or

21 (3) any article from a Reconstruction Oppor-
22 tunity Zone that is not a textile or apparel article,
23 regardless of whether the article has been designated
24 as an eligible article under section 503(a)(1)(A) or
25 (B) of the Trade Act of 1974 (19 U.S.C. 2463(a)(1)

1 (A) or (B)), if, after receiving the advice of the
2 International Trade Commission pursuant to sub-
3 section (b), the President determines that such arti-
4 cle is not import-sensitive in the context of imports
5 from a Reconstruction Opportunity Zone.

6 (b) ADVICE CONCERNING CERTAIN ELIGIBLE ARTI-
7 CLES.—Before proclaiming duty-free treatment for an ar-
8 ticle pursuant to subsection (a)(3), the President shall
9 publish in the Federal Register and provide the Inter-
10 national Trade Commission a list of articles which may
11 be considered for such treatment. The provisions of sec-
12 tions 131 through 134 of the Trade Act of 1974 (19
13 U.S.C. 2151 through 2154) shall apply to any designation
14 under subsection (a)(3) in the same manner as such sec-
15 tions apply to action taken under section 123 of the Trade
16 Act of 1974 (19 U.S.C. 2133) regarding a proposed trade
17 agreement.

18 (c) GENERAL RULES OF ORIGIN.—

19 (1) IN GENERAL.—The duty-free treatment
20 proclaimed with respect to an article described in
21 paragraph (1) or (3) of subsection (a) shall apply to
22 any article subject to such proclamation which is the
23 growth, product, or manufacture of 1 or more Re-
24 construction Opportunity Zones if—

1 (A) that article is imported directly from a
2 Reconstruction Opportunity Zone into the cus-
3 toms territory of the United States; and

4 (B)(i) with respect to an article that is an
5 article of a Reconstruction Opportunity Zone in
6 Pakistan, the sum of—

7 (I) the cost or value of the materials
8 produced in 1 or more Reconstruction Op-
9 portunity Zones in Pakistan or Afghani-
10 stan,

11 (II) the direct costs of processing op-
12 erations performed in 1 or more Recon-
13 struction Opportunity Zones in Pakistan or
14 Afghanistan, and

15 (III) the cost or value of materials
16 produced in the United States, determined
17 in accordance with paragraph (2),

18 is not less than 35 percent of the appraised
19 value of the article at the time it is entered into
20 the United States; or

21 (ii) with respect to an article that is an ar-
22 ticle of a Reconstruction Opportunity Zone in
23 Afghanistan, the sum of—

24 (I) the cost or value of the materials
25 produced in 1 or more Reconstruction Op-

1 portunity Zones in Pakistan or Afghani-
2 stan,

3 (II) the cost or value of the materials
4 produced in 1 or more countries that are
5 members of the South Asian Association
6 for Regional Cooperation,

7 (III) the direct costs of processing op-
8 erations performed in 1 or more Recon-
9 struction Opportunity Zones in Pakistan or
10 Afghanistan, and

11 (IV) the cost or value of materials
12 produced in the United States, determined
13 in accordance with paragraph (2),

14 is not less than 35 percent of the appraised
15 value of the article at the time it is entered into
16 the United States.

17 (2) DETERMINATION OF 35 PERCENT FOR ARTI-
18 CLES FROM RECONSTRUCTION OPPORTUNITY ZONES
19 IN PAKISTAN AND AFGHANISTAN.—If the cost or
20 value of materials produced in the customs territory
21 of the United States is included with respect to an
22 article described in paragraph (1)(B), for purposes
23 of determining the 35-percent appraised value re-
24 quirement under clause (i) or (ii) of paragraph
25 (1)(B), not more than 15 percent of the appraised

1 value of the article at the time the article is entered
2 into the United States may be attributable to the
3 cost or value of such United States materials.

4 (d) RULES OF ORIGIN FOR CERTAIN ARTICLES OF
5 RECONSTRUCTION OPPORTUNITY ZONES IN AFGHANI-
6 STAN.—

7 (1) IN GENERAL.—The duty-free treatment
8 proclaimed with respect to an article described in
9 paragraph (2) of subsection (a) shall apply to any
10 article subject to such proclamation which is the
11 growth, product, or manufacture of 1 or more Re-
12 construction Opportunity Zones in Afghanistan if—

13 (A) that article is imported directly from a
14 Reconstruction Opportunity Zone in Afghani-
15 stan into the customs territory of the United
16 States; and

17 (B) with respect to that article, the sum
18 of—

19 (i) the cost or value of the materials
20 produced in 1 or more Reconstruction Op-
21 portunity Zones in Afghanistan,

22 (ii) the cost or value of the materials
23 produced in 1 or more countries that are
24 members of the South Asian Association
25 for Regional Cooperation,

1 (iii) the direct costs of processing op-
2 erations performed in 1 or more Recon-
3 struction Opportunity Zones in Afghani-
4 stan, and

5 (iv) the cost or value of materials pro-
6 duced in the United States, determined in
7 accordance with paragraph (2),

8 is not less than 35 percent of the appraised
9 value of the product at the time it is entered
10 into the United States.

11 (2) DETERMINATION OF 35 PERCENT FOR ARTI-
12 CLES FROM RECONSTRUCTION OPPORTUNITY ZONES
13 IN PAKISTAN AND AFGHANISTAN.—If the cost or
14 value of materials produced in the customs territory
15 of the United States is included with respect to an
16 article described in paragraph (1)(B), for purposes
17 of determining the 35-percent appraised value re-
18 quirement under paragraph (1)(B), not more than
19 15 percent of the appraised value of the article at
20 the time the article is entered into the United States
21 may be attributable to the cost or value of such
22 United States materials.

23 (e) EXCLUSIONS.—An article shall not be treated as
24 the growth, product, or manufacture of 1 or more Recon-
25 struction Opportunity Zones, and no material shall be in-

1 cluded for purposes of determining the 35-percent ap-
2 praised value requirement under subsection (e)(1) or
3 (d)(1), by virtue of having merely undergone—

4 (1) simple combining or packaging operations;

5 or

6 (2) mere dilution with water or with another
7 substance that does not materially alter the charac-
8 teristics of the article or material.

9 (f) DIRECT COSTS OF PROCESSING OPERATIONS.—

10 (1) IN GENERAL.—As used in subsections
11 (e)(1)(B)(i)(II), (e)(1)(B)(ii)(III), and (d)(1)(B)(iii),
12 the term “direct costs of processing operations” in-
13 cludes, but is not limited to—

14 (A) all actual labor costs involved in the
15 growth, production, manufacture, or assembly
16 of the article, including—

17 (i) fringe benefits;

18 (ii) on-the-job training; and

19 (iii) costs of engineering, supervisory,
20 quality control, and similar personnel; and

21 (B) dies, molds, tooling, and depreciation
22 on machinery and equipment which are allo-
23 cable to the article.

24 (2) EXCLUDED COSTS.—As used in subsections
25 (e)(1)(B)(i)(II), (e)(1)(B)(ii)(III), and (d)(1)(B)(iii),

1 the term “direct costs of processing operations” does
2 not include costs which are not directly attributable
3 to the article or are not costs of manufacturing the
4 article, such as—

5 (A) profit; and

6 (B) general expenses of doing business
7 which are either not allocable to the article or
8 are not related to the growth, production, man-
9 ufacture, or assembly of the article, such as ad-
10 ministrative salaries, casualty and liability in-
11 surance, advertising, and salesmen’s salaries,
12 commissions, or expenses.

13 (g) REGULATIONS.—The Secretary of the Treasury,
14 after consultation with the United States Trade Rep-
15 resentative, shall prescribe such regulations as may be
16 necessary to carry out this section. The regulations may
17 provide that, in order for an article to be eligible for duty-
18 free treatment under this section, the article—

19 (1) shall be wholly the growth, product, or man-
20 ufacture of 1 or more Reconstruction Opportunity
21 Zones; or

22 (2) shall be a new or different article of com-
23 merce which has been grown, produced, or manufac-
24 tured in 1 or more Reconstruction Opportunity
25 Zones.

1 **SEC. 405. DUTY-FREE TREATMENT FOR CERTAIN TEXTILE**
 2 **AND APPAREL ARTICLES.**

3 (a) **DUTY-FREE TREATMENT.**—The President is au-
 4 thorized to proclaim duty-free treatment for any textile or
 5 apparel article described in subsection (b), if—

6 (1) the article is a covered article described in
 7 subsection (b); and

8 (2) the President determines that the country
 9 in which the Reconstruction Opportunity Zone is lo-
 10 cated has satisfied the requirements set forth in sec-
 11 tion 406.

12 (b) **COVERED ARTICLES.**—A covered article described
 13 in this subsection is an article in 1 of the following cat-
 14 egories:

15 (1) **ARTICLES OF RECONSTRUCTION OPPOR-**
 16 **TUNITY ZONES.**—An article that is the product of 1
 17 or more Reconstruction Opportunity Zones and falls
 18 within the scope of 1 of the following textile and ap-
 19 parel category numbers, as set forth in the HTS (as
 20 in effect on September 1, 2007):

237	641	751
330	642	752
331	643	758
333	644	759
334	650	831
335	651	832
336	653	833
341	654	834
342	665	835
350	669	836
351	733	838
353	734	839
354	735	840
360	736	842

361	738	843
362	739	844
363	740	845
369	741	846
465	742	850
469	743	851
630	744	852
631	745	858
633	746	859
634	747	863
635	748	899
636	750	

1 (2) ARTICLES OF RECONSTRUCTION OPPOR-
2 TUNITY ZONES IN AFGHANISTAN.—The article is the
3 product of 1 or more Reconstruction Opportunity
4 Zones in Afghanistan and falls within the scope of
5 1 of the following textile and apparel category num-
6 bers, as set forth in the HTS (as in effect on Sep-
7 tember 1, 2007):

201	439	459
414	440	464
431	442	670
433	444	800
434	445	810
435	446	870
436	448	871
438		

8 (3) CERTAIN OTHER TEXTILE AND APPAREL
9 ARTICLES.—The article is the product of 1 or more
10 Reconstruction Opportunity Zones and falls within
11 the scope of 1 of the following textile and apparel
12 category numbers as set forth in the HTS (as in ef-
13 fect on September 1, 2007) and is covered by the
14 corresponding description for such category:

15 (A) CATEGORY 239.—An article in category
16 239 (relating to cotton and man-made fiber ba-
17 bies' garments) except for baby socks and baby

1 booties described in subheading 6111.20.6050,
2 6111.30.5050, or 6111.90.5050 of the HTS.

3 (B) CATEGORY 338.—An article in category
4 338 (relating to men's and boys' cotton knit
5 shirts) if the article is a certain knit-to-shape
6 garment that meets the definition included in
7 Statistical Note 6 to Chapter 61 of the HTS,
8 and is provided for in subheading
9 6110.20.1026, 6110.20.2067 or 6110.90.9067
10 of the HTS.

11 (C) CATEGORY 339.—An article in category
12 339 (relating to women's and girls' cotton knit
13 shirts and blouses) if the article is a knit-to-
14 shape garment that meets the definition in-
15 cluded in Statistical Note 6 to Chapter 61 of
16 the HTS, and is provided for in subheading
17 6110.20.1031, 6110.20.2077, or 6110.90.9071
18 of the HTS.

19 (D) CATEGORY 359.—An article in cat-
20 egory 359 (relating to other cotton apparel) ex-
21 cept swimwear provided for in subheading
22 6112.39.0010, 6112.49.0010, 6211.11.8010,
23 6211.11.8020, 6211.12.8010, or 6211.12.8020
24 of the HTS.

1 (E) CATEGORY 632.—An article in category
2 632 (relating to man-made fiber hosiery) if the
3 article is panty hose provided for in subheading
4 6115.21.0020 of the HTS.

5 (F) CATEGORY 638.—An article in category
6 638 (relating to men's and boys' man-made
7 fiber knit shirts) if the article is a knit-to-shape
8 garment that meets the definition included in
9 Statistical Note 6 to Chapter 61 of the HTS,
10 and is provided for in subheading
11 6110.30.2051, 6110.30.3051, or 6110.90.9079
12 of the HTS.

13 (G) CATEGORY 639.—An article in category
14 639 (relating to women's and girls' man-made
15 fiber knit shirts and blouses) if the article is a
16 knit-to-shape garment that meets the definition
17 included in Statistical Note 6 to Chapter 61 of
18 the HTS, and is provided for in subheading
19 6110.30.2061, 6110.30.3057, or 6110.90.9081
20 of the HTS.

21 (H) CATEGORY 647.—An article in cat-
22 egory 647 (relating to men's and boys' man-
23 made fiber trousers) if the article is ski/
24 snowboard pants that meets the definition in-
25 cluded in Statistical Note 4 to Chapter 62 of

1 the HTS, and is provided for in subheading
2 6203.43.3510, 6210.40.5031, or 6211.20.1525
3 of the HTS.

4 (I) CATEGORY 648.—An article in category
5 648 (relating to women's and girls' man-made
6 fiber trousers) if the article is ski/snowboard
7 pants that meets the definition included in Sta-
8 tistical Note 4 to Chapter 62 of the HTS, and
9 is provided for in subheading 6204.63.3010,
10 6210.50.5031, or 6211.20.1555 of the HTS.

11 (J) CATEGORY 659.—An article in category
12 659 (relating to other man-made fiber apparel)
13 except for swimwear provided for in subheading
14 6112.31.0010, 6112.31.0020, 6112.41.0010,
15 6112.41.0020, 6112.41.0030, 6112.41.0040,
16 6211.11.1010, 6211.11.1020, 6211.12.1010, or
17 6211.12.1020 of the HTS.

18 (K) CATEGORY 666.—An article in cat-
19 egory 666 (relating to other man-made fiber
20 furnishings) except for window shades and win-
21 dow blinds provided for in subheading
22 6303.12.0010 or 6303.92.2030 of the HTS.

23 (4) CERTAIN OTHER ARTICLES.—The article is
24 the product of 1 or more Reconstruction Oppor-
25 tunity Zones and falls within the scope of 1 of the

- 1 following statistical reporting numbers of the HTS
- 2 (as in effect on September 1, 2007):

4202.12.8010	6210.20.3000	6304.99.1000
4202.12.8050	6210.20.7000	6304.99.2500
4202.22.4010	6210.30.3000	6304.99.4000
4202.22.7000	6210.30.7000	6304.99.6030
4202.22.8070	6210.40.3000	6306.22.9010
4202.92.3010	6210.40.7000	6306.29.1100
4202.92.6010	6210.50.3000	6306.29.2100
4202.92.9010	6210.50.7000	6306.40.4100
4202.92.9015	6211.20.0810	6306.40.4900
5601.29.0010	6211.20.0820	6306.91.0000
5702.39.2090	6211.32.0003	6306.99.0000
5702.49.2000	6211.33.0003	6307.10.2030
5702.50.5900	6211.42.0003	6307.20.0000
5702.99.2000	6211.43.0003	6307.90.7200
5703.90.0000	6212.10.3000	6307.90.7500
5705.00.2090	6212.10.7000	6307.90.8500
6108.22.1000	6212.90.0050	6307.90.8950
6111.90.7000	6213.90.0500	6307.90.8985
6113.00.1005	6214.10.1000	6310.90.1000
6113.00.1010	6216.00.0800	6406.99.1580
6113.00.1012	6216.00.1300	6501.00.6000
6115.29.4000	6216.00.1900	6502.00.2000
6115.30.1000	6216.00.2600	6502.00.4000
6115.99.4000	6216.00.3100	6502.00.9060
6116.10.0800	6216.00.3500	6504.00.3000
6116.10.1300	6216.00.4600	6504.00.6000
6116.10.4400	6217.10.1010	6504.00.9045
6116.10.6500	6217.10.8500	6504.00.9075
6116.10.9500	6301.90.0020	6505.10.0000
6116.92.0800	6302.29.0010	6505.90.8015
6116.93.0800	6302.39.0020	6505.90.9050
6116.99.3500	6302.59.3010	6505.90.9076
6117.10.4000	6302.99.1000	9404.90.2000
6117.80.3010	6303.99.0030	9404.90.8523
6117.80.8500	6304.19.3030	9404.90.9523
6210.10.2000	6304.91.0060	9404.90.9570
6210.10.7000		

1 (c) RULES OF ORIGIN FOR CERTAIN COVERED ARTI-
2 CLES.—

3 (1) GENERAL RULES.—Except with respect to
4 an article listed in paragraph (2) of subsection (b),
5 duty-free treatment may be proclaimed for an article
6 listed in subsection (b) only if the article is imported
7 directly into the customs territory of the United
8 States from a Reconstruction Opportunity Zone
9 and—

1 (A) the article is wholly the growth, prod-
2 uct, or manufacture of 1 or more Reconstruc-
3 tion Opportunity Zones;

4 (B) the article is a yarn, thread, twine,
5 cordage, rope, cable, or braiding, and—

6 (i) the constituent staple fibers are
7 spun in, or

8 (ii) the continuous filament fiber is
9 extruded in,

10 1 or more Reconstruction Opportunity Zones;

11 (C) the article is a fabric, including a fab-
12 ric classifiable under chapter 59 of the HTS,
13 and the constituent fibers, filaments, or yarns
14 are woven, knitted, needled, tufted, felted, en-
15 tangled, or transformed by any other fabric-
16 making process in 1 or more Reconstruction
17 Opportunity Zones; or

18 (D) the article is any other textile or ap-
19 parel article that is cut (or knit-to-shape) and
20 sewn or otherwise assembled in 1 or more Re-
21 construction Opportunity Zones from its compo-
22 nent pieces.

23 (2) SPECIAL RULES.—

24 (A) CERTAIN MADE-UP ARTICLES, TEXTILE
25 ARTICLES IN THE PIECE, AND CERTAIN OTHER

1 TEXTILES AND TEXTILE ARTICLES.—Notwith-
2 standing paragraph (1)(D) and except as pro-
3 vided in subparagraphs (C) and (D) of this
4 paragraph, subparagraph (A), (B), or (C) of
5 paragraph (1), as appropriate, shall determine
6 whether a good that is classifiable under 1 of
7 the following headings or subheadings of the
8 HTS shall be considered to meet the rules of
9 origin of this subsection: 5609, 5807, 5811,
10 6209.20.50.40, 6213, 6214, 6301, 6302, 6303,
11 6304, 6305, 6306, 6307.10, 6307.90, 6308,
12 and 9404.90.

13 (B) CERTAIN KNIT-TO-SHAPE TEXTILES
14 AND TEXTILE ARTICLES.—Notwithstanding
15 paragraph (1)(D) and except as provided in
16 subparagraphs (C) and (D) of this paragraph,
17 a textile or apparel article that is wholly formed
18 on seamless knitting machines or by hand-knit-
19 ting in 1 or more Reconstruction Opportunity
20 Zones shall be considered to meet the rules of
21 origin of this subsection.

22 (C) CERTAIN DYED AND PRINTED TEX-
23 TILES AND TEXTILE ARTICLES.—Notwith-
24 standing paragraph (1)(D), an article classifi-
25 able under subheading 6117.10, 6213.00,

1 6214.00, 6302.22, 6302.29, 6302.52, 6302.53,
2 6302.59, 6302.92, 6302.93, 6302.99, 6303.92,
3 6303.99, 6304.19, 6304.93, 6304.99,
4 9404.90.85, or .9404.90.95 of the HTS, except
5 for an article classifiable under 1 of such sub-
6 headings as of cotton or of wool or consisting
7 of fiber blends containing 16 percent or more
8 by weight of cotton, shall be considered to meet
9 the rules of origin of this subsection if the fab-
10 ric in the article is both dyed and printed in 1
11 or more Reconstruction Opportunity Zones, and
12 such dyeing and printing is accompanied by 2
13 or more of the following finishing operations:
14 bleaching, shrinking, fulling, napping, decatizing,
15 permanent stiffening, weighting, permanent em-
16 bossing, or moireing.

17 (D) FABRICS OF SILK, COTTON, MAN-MADE
18 FIBER, OR VEGETABLE FIBER.—Notwith-
19 standing paragraph (1)(C), a fabric classifiable
20 under the HTS as of silk, cotton, man-made
21 fiber, or vegetable fiber shall be considered to
22 meet the rules of origin of this subsection if the
23 fabric is both dyed and printed in 1 or more
24 Reconstruction Opportunity Zones, and such
25 dyeing and printing is accompanied by 2 or

1 more of the following finishing operations:
2 bleaching, shrinking, fulling, napping, decating,
3 permanent stiffening, weighting, permanent em-
4 bossing, or moireing.

5 (d) RULES OF ORIGIN FOR COVERED ARTICLES
6 THAT ARE PRODUCTS OF 1 OR MORE RECONSTRUCTION
7 OPPORTUNITY ZONES IN AFGHANISTAN.—

8 (1) GENERAL RULES.—Duty-free treatment
9 may be proclaimed for an article listed in paragraph
10 (2) of subsection (b) only if the article is imported
11 directly into the customs territory of the United
12 States from a Reconstruction Opportunity Zone in
13 Afghanistan and—

14 (A) the article is wholly the growth, prod-
15 uct, or manufacture of 1 or more Reconstruc-
16 tion Opportunity Zones in Afghanistan,

17 (B) the article is a yarn, thread, twine,
18 cordage, rope, cable, or braiding, and—

19 (i) the constituent staple fibers are
20 spun in, or

21 (ii) the continuous filament fiber is
22 extruded in,

23 1 or more Reconstruction Opportunity Zones in
24 Afghanistan;

1 (C) the article is a fabric, including a fab-
2 ric classifiable under chapter 59 of the HTS,
3 and the constituent fibers, filaments, or yarns
4 are woven, knitted, needled, tufted, felted, en-
5 tangled, or transformed by any other fabric-
6 making process in 1 or more Reconstruction
7 Opportunity Zones in Afghanistan; or

8 (D) the article is any other textile or ap-
9 parel article that is cut (or knit-to-shape) and
10 sewn or otherwise assembled in 1 or more Re-
11 construction Opportunity Zones in Afghanistan
12 from its component pieces.

13 (2) SPECIAL RULES.—

14 (A) CERTAIN MADE-UP ARTICLES, TEXTILE
15 ARTICLES IN THE PIECE, AND CERTAIN OTHER
16 TEXTILES AND TEXTILE ARTICLES.—Notwith-
17 standing paragraph (1)(D) and except as pro-
18 vided in subparagraphs (C) and (D) of this
19 paragraph, subparagraph (A), (B), or (C) of
20 paragraph (1), as appropriate, shall determine
21 whether a good that is classifiable under 1 of
22 the following headings or subheadings of the
23 HTS shall be considered to meet the rules of
24 origin of this subsection: 5609, 5807, 5811,
25 6209.20.50.40, 6213, 6214, 6301, 6302, 6303,

1 6304, 6305, 6306, 6307.10, 6307.90, 6308,
2 and 9404.90.

3 (B) CERTAIN KNIT-TO-SHAPE TEXTILES
4 AND TEXTILE ARTICLES.—Notwithstanding
5 paragraph (1)(D) and except as provided in
6 subparagraphs (C) and (D) of this paragraph,
7 a textile or apparel article that is wholly formed
8 on seamless knitting machines or by hand-knit-
9 ting in 1 or more Reconstruction Opportunity
10 Zones in Afghanistan shall be considered to
11 meet the rules of origin of this subsection.

12 (C) CERTAIN DYED AND PRINTED TEX-
13 TILES AND TEXTILE ARTICLES.—Notwith-
14 standing paragraph (1)(D), an article classifi-
15 able under subheading 6117.10, 6213.00,
16 6214.00, 6302.22, 6302.29, 6302.52, 6302.53,
17 6302.59, 6302.92, 6302.93, 6302.99, 6303.92,
18 6303.99, 6304.19, 6304.93, 6304.99,
19 9404.90.85, or 9404.90.95 of the HTS, except
20 for an article classifiable under 1 of such sub-
21 headings as of cotton or of wool or consisting
22 of fiber blends containing 16 percent or more
23 by weight of cotton, shall be considered to meet
24 the rules of origin of this subsection if the fab-
25 ric in the article is both dyed and printed in 1

1 or more Reconstruction Opportunity Zones in
2 Afghanistan, and such dyeing and printing is
3 accompanied by 2 or more of the following fin-
4 ishing operations: bleaching, shrinking, fulling,
5 napping, decating, permanent stiffening,
6 weighting, permanent embossing, or moireing.

7 (D) FABRICS OF SILK, COTTON, MAN-MADE
8 FIBER OR VEGETABLE FIBER.—Notwith-
9 standing paragraph (1)(C), a fabric classifiable
10 under the HTS as of silk, cotton, man-made
11 fiber, or vegetable fiber shall be considered to
12 meet the rules of origin of this subsection if the
13 fabric is both dyed and printed in 1 or more
14 Reconstruction Opportunity Zones in Afghani-
15 stan, and such dyeing and printing is accom-
16 panied by 2 or more of the following finishing
17 operations: bleaching, shrinking, fulling, nap-
18 ping, decating, permanent stiffening, weighting,
19 permanent embossing, or moireing.

20 (e) REGULATIONS.—The Secretary of the Treasury,
21 after consultation with the United States Trade Rep-
22 resentative, shall prescribe such regulations as may be
23 necessary to carry out this section.

1 **SEC. 406. PROTECTIONS AGAINST UNLAWFUL TRANS-**
2 **SHIPMENT.**

3 (a) **DUTY-FREE TREATMENT CONDITIONED ON EN-**
4 **FORCEMENT MEASURES.—**

5 (1) **IN GENERAL.**—The duty-free treatment de-
6 scribed in section 405 shall not be provided to cov-
7 ered articles that are imported from a Reconstruc-
8 tion Opportunity Zone in a country unless the Presi-
9 dent determines that country meets the following
10 criteria:

11 (A) The country has adopted—

12 (i) an effective visa or electronic cer-
13 tification system; and

14 (ii) domestic laws and enforcement
15 procedures applicable to covered articles to
16 prevent unlawful transshipment of the arti-
17 cles and the use of false documents relat-
18 ing to the importation of the articles into
19 the United States.

20 (B) The country has enacted legislation or
21 promulgated regulations that would permit U.S.
22 Customs and Border Protection verification
23 teams to have the access necessary to inves-
24 tigate thoroughly allegations of unlawful trans-
25 shipment through such country.

1 (C) The country agrees to provide U.S.
2 Customs and Border Protection with a monthly
3 report on shipments of covered articles from
4 each producer of those articles in a Reconstruc-
5 tion Opportunity Zone in that country.

6 (D) The country will cooperate fully with
7 the United States to address and take action
8 necessary to prevent circumvention, as de-
9 scribed in Article 5 of the Agreement on Tex-
10 tiles and Clothing.

11 (E) The country agrees to require each
12 producer of a covered article in a Reconstruc-
13 tion Opportunity Zone in that country to reg-
14 ister with the competent government authority,
15 to provide that authority with the following in-
16 formation, and to update that information as
17 changes occur:

18 (i) The name and address of the pro-
19 ducer, including the location of all textile
20 or apparel facilities owned or operated by
21 that producer in Afghanistan or Pakistan.

22 (ii) The telephone number, facsimile
23 number, and electronic mail address of the
24 producer.

1 (iii) The names and nationalities of
2 the producer's owners, directors, and cor-
3 porate officers, and their positions.

4 (iv) The number of employees the pro-
5 ducer employs and their occupations.

6 (v) A general description of the cov-
7 ered articles of the producer and the pro-
8 ducer's production capacity.

9 (vi) The number and type of machines
10 the producer uses to produce textile or ap-
11 parel articles at each facility.

12 (vii) The approximate number of
13 hours the machines operate per week.

14 (viii) The identity of any supplier to
15 the producer of textile or apparel goods, or
16 fabrics, yarns, or fibers used in the produc-
17 tion of textile or apparel goods.

18 (ix) The name of, and contact infor-
19 mation for, each of the producer's cus-
20 tomers in the United States.

21 (F) The country agrees to provide to U.S.
22 Customs and Border Protection on a timely
23 basis all of the information received by the com-
24 petent government authority in accordance with
25 subparagraph (E) and to provide U.S. Customs

1 and Border Protection with an annual update
2 of that information.

3 (G) The country agrees to require that all
4 producers and exporters of covered articles in a
5 Reconstruction Opportunity Zone in that coun-
6 try maintain complete records of the production
7 and the export of covered articles, including
8 materials used in the production, for at least 5
9 years after the production or export (as the
10 case may be).

11 (H) The country agrees to provide, on a
12 timely basis, at the request of U.S. Customs
13 and Border Protection, documentation estab-
14 lishing the eligibility of covered articles for
15 duty-free treatment under section 405.

16 (2) DOCUMENTATION ESTABLISHING ELIGI-
17 BILITY OF ARTICLES FOR DUTY-FREE TREAT-
18 MENT.—For purposes of paragraph (1)(H), docu-
19 mentation establishing the eligibility of a covered ar-
20 ticle for duty-free treatment under section 405 in-
21 cludes documentation such as production records, in-
22 formation relating to the place of production, the
23 number and identification of the types of machinery
24 used in production, the number of workers employed

1 in production, and certification from both the pro-
2 ducer and the exporter.

3 (b) CUSTOMS PROCEDURES AND ENFORCEMENT.—

4 (1) IN GENERAL.—

5 (A) REGULATIONS.—The Secretary of the
6 Treasury, after consultation with the United
7 States Trade Representative, shall promulgate
8 regulations setting forth customs procedures
9 similar in all material respects to the require-
10 ments of article 502(1) of the NAFTA as im-
11 plemented pursuant to United States law, which
12 shall apply to any importer that claims duty-
13 free treatment for an article under section 405.

14 (B) DETERMINATION.—In order for arti-
15 cles produced in a Reconstruction Opportunity
16 Zone to qualify for the duty-free treatment
17 under section 405, there shall be in effect a de-
18 termination by the President that Afghanistan
19 or Pakistan, as the case may be—

- 20 (i) has implemented and follows, or
21 (ii) is making substantial progress to-
22 ward implementing and following,
23 procedures and requirements similar in all ma-
24 terial respects to the relevant procedures and
25 requirements under chapter 5 of the NAFTA.

1 (2) CERTIFICATE OF ORIGIN.—A certificate of
2 origin that otherwise would be required pursuant to
3 the provisions of paragraph (1) shall not be required
4 in the case of an article imported under section 405
5 if such certificate of origin would not be required
6 under article 503 of the NAFTA, as implemented
7 pursuant to United States law, if the article were
8 imported from Mexico.

9 (3) PENALTIES.—If the President determines,
10 based on sufficient evidence, that an entity has en-
11 gaged in unlawful transshipment described in para-
12 graph (4), the President shall deny for a period of
13 5 years beginning on the date of the determination
14 all benefits under section 405 to the entity, any suc-
15 cessor of the entity, and any other entity owned, op-
16 erated, or controlled by the principals of the entity.

17 (4) UNLAWFUL TRANSSHIPMENT DESCRIBED.—
18 For purposes of this section, unlawful transshipment
19 occurs when duty-free treatment for a covered article
20 has been claimed on the basis of material false infor-
21 mation concerning the country of origin, manufac-
22 ture, processing, or assembly of the article or any of
23 its components. For purposes of the preceding sen-
24 tence, false information is material if disclosure of
25 the true information would mean or would have

1 meant that the article is or was ineligible for duty-
2 free treatment under section 405.

3 (5) MONITORING AND REPORTS TO CON-
4 GRESS.—U.S. Customs and Border Protection shall
5 monitor and the Commissioner responsible for U.S.
6 Customs and Border Protection shall submit to Con-
7 gress, not later than March 31 of each year, a report
8 on the effectiveness of the visa or electronic certifi-
9 cation systems and the implementation of legislation
10 and regulations described in subsection (a) and on
11 measures taken by Afghanistan and Pakistan to pre-
12 vent circumvention as described in article 5 of the
13 Agreement on Textile and Clothing.

14 (c) ADDITIONAL CUSTOMS ENFORCEMENT.—U.S.
15 Customs and Border Protection shall—

16 (1) make available technical assistance to Af-
17 ghanistan and Pakistan—

18 (A) in the development and implementation
19 of visa or electronic certification systems, legis-
20 lation, and regulations described in subsection
21 (a)(1)(A) and (B); and

22 (B) to train their officials in anti-trans-
23 shipment enforcement;

24 (2) send production verification teams to Af-
25 ghanistan and Pakistan as necessary; and

1 (3) to the extent feasible, place Afghanistan
2 and Pakistan on a relevant e-certification program.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—To carry
4 out subsection (c), there are authorized to be appropriated
5 to U.S. Customs and Border Protection \$10,000,000 for
6 each of the fiscal years 2010 through 2023.

7 **SEC. 407. TECHNICAL ASSISTANCE, CAPACITY BUILDING,**
8 **COMPLIANCE ASSESSMENT, AND REMEDI-**
9 **ATION PROGRAM.**

10 (a) DEFINITIONS.—In this section:

11 (1) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES.—The term “appropriate congressional com-
13 mittees” means—

14 (A) the Committee on Finance and the
15 Committee on Armed Services of the Senate;
16 and

17 (B) the Committee on Ways and Means
18 and the Committee on Armed Services of the
19 House of Representatives.

20 (2) TEXTILE OR APPAREL PRODUCER.—The
21 term “textile or apparel producer” means a producer
22 of a covered article described in section 405(b) that
23 is located in a Reconstruction Opportunity Zone.

24 (b) ELIGIBILITY.—

1 (1) PRESIDENTIAL CERTIFICATION OF COMPLI-
2 ANCE BY AFGHANISTAN OR PAKISTAN WITH RE-
3 QUIREMENTS.—Upon the expiration of the 16-month
4 period beginning on the date on which the President
5 designates an area within Afghanistan or Pakistan,
6 as the case may be, as a Reconstruction Opportunity
7 Zone under section 403(a), duty-free treatment pro-
8 claimed under section 404(a) or 405(a) for articles
9 from such Reconstruction Opportunity Zone may re-
10 main in effect only if the President determines and
11 certifies to Congress that Afghanistan or Pakistan,
12 as the case may be—

13 (A) has implemented the requirements set
14 forth in subsections (c) and (d) with respect to
15 such Reconstruction Opportunity Zone; and

16 (B) has agreed to require textile or apparel
17 producers in such Reconstruction Opportunity
18 Zone to participate in the program described in
19 subsection (d) and has developed a system to
20 ensure participation in such program by such
21 producers, including by developing and main-
22 taining the registry described in subsection
23 (c)(2)(A).

24 (2) EXTENSION.—

1 (A) INITIAL EXTENSION.—The President
2 may extend the period for compliance by Af-
3 ghanistan or Pakistan under paragraph (1) for
4 an initial 6-month period if the President—

5 (i) determines that Afghanistan or
6 Pakistan, as the case may be, has made a
7 good faith effort toward implementing the
8 requirements set forth in paragraph (1)
9 (A) and (B) and has agreed to take addi-
10 tional steps towards implementing such re-
11 quirements that are satisfactory to the
12 President; and

13 (ii) provides to the appropriate con-
14 gressional committees, not later than 30
15 days before the last day of the 16-month
16 period specified in paragraph (1), a report
17 identifying the additional steps that Af-
18 ghanistan or Pakistan, as the case may be,
19 has agreed to take as described in clause
20 (i).

21 (B) SUBSEQUENT EXTENSIONS.—The
22 President may extend the period for compliance
23 by Afghanistan or Pakistan under paragraph
24 (1) for subsequent 6-month periods if, with re-
25 spect to each such extension, the President—

1 (i) provides an opportunity for public
2 comment and a public hearing on the pos-
3 sible extension not later than 45 days be-
4 fore the last day of the existing 6-month
5 extension;

6 (ii) consults with the Secretary of
7 Labor and the appropriate congressional
8 committees with respect to the possible ex-
9 tension not later than 45 days before the
10 last day of the existing 6-month extension;

11 (iii) determines, taking into account
12 any public comments and input received
13 during the public hearing described in
14 clause (i) and the consultations described
15 in clause (ii), that extraordinary cir-
16 cumstances exist that preclude Afghanistan
17 or Pakistan, as the case may be, from
18 meeting the requirements set forth in
19 paragraph (1) (A) and (B); and

20 (iv) publishes in the Federal Register
21 a notice that describes—

22 (I) the extraordinary cir-
23 cumstances described in clause (iii);

24 (II) the reasons why the extraor-
25 dinary circumstances preclude Af-

1 ghanistan or Pakistan, as the case
2 may be, from meeting the require-
3 ments set forth in paragraph (1) (A)
4 and (B); and

5 (III) the steps Afghanistan or
6 Pakistan, as the case may be, will
7 take during the 6-month period of the
8 extension to implement the require-
9 ments set forth in paragraph (1) (A)
10 and (B).

11 (3) CONTINUING COMPLIANCE.—

12 (A) TERMINATION OF DUTY-FREE TREAT-
13 MENT.—If, after making a certification under
14 paragraph (1), the President determines that
15 Afghanistan or Pakistan is no longer meeting
16 the requirements set forth in paragraph (1) (A)
17 and (B), the President shall terminate the duty-
18 free treatment proclaimed under section 404(a)
19 or 405(a).

20 (B) CONTINUATION OF DUTY-FREE TREAT-
21 MENT NOTWITHSTANDING NONCOMPLIANCE.—

22 (i) INITIAL 6-MONTH CONTINU-
23 ATION.—Notwithstanding subparagraph
24 (A), if, after making a certification under
25 paragraph (1), the President determines

1 that Afghanistan or Pakistan is no longer
2 meeting the requirements set forth in
3 paragraph (1) (A) and (B), the President
4 may extend the duty-free treatment pro-
5 claimed under section 404(a) or 405(a) for
6 an initial 6-month period if the Presi-
7 dent—

8 (I) determines, after consultation
9 with the Secretary of Labor and the
10 appropriate congressional committees,
11 that extraordinary circumstances exist
12 that preclude Afghanistan or Paki-
13 stan, as the case may be, from con-
14 tinuing to meet the requirements set
15 forth in paragraph (1) (A) and (B);
16 and

17 (II) publishes in the Federal
18 Register a notice, not later than 30
19 days after making the determination
20 under subclause (I), that describes—

21 (aa) the extraordinary cir-
22 cumstances described in sub-
23 clause (I); and

24 (bb) the reasons why the ex-
25 traordinary circumstances pre-

1 clude Afghanistan or Pakistan,
2 as the case may be, from con-
3 tinuing to meet the requirements
4 set forth in paragraph (1) (A)
5 and (B).

6 (ii) SUBSEQUENT 6-MONTH CONTINU-
7 ATION.—The President may extend the
8 duty-free treatment proclaimed under sec-
9 tion 404(a) or 405(a) for a subsequent 6-
10 month period if, with respect to such ex-
11 tension, the President makes a determina-
12 tion that meets the requirements of clause
13 (i)(I) and publishes in the Federal Register
14 a notice that meets the requirements of
15 clause (i)(II).

16 (C) SUBSEQUENT COMPLIANCE.—If the
17 President, after terminating duty-free treat-
18 ment under subparagraph (A), determines that
19 Afghanistan or Pakistan, as the case may be, is
20 implementing the requirements set forth in
21 paragraph (1) (A) and (B) and meets the re-
22 quirements of section 403, the President shall
23 reinstate the application of duty-free treatment
24 proclaimed under section 404(a) or 405(a).

25 (c) LABOR OFFICIAL.—

1 (1) IN GENERAL.—The requirement under this
2 subsection is that Afghanistan or Pakistan, as the
3 case may be, has designated a labor official within
4 the national government that—

5 (A) reports directly to the President of Af-
6 ghanistan or Pakistan, as the case may be;

7 (B) is chosen by the President of Afghani-
8 stan or Pakistan, as the case may be, in con-
9 sultation with labor unions and industry asso-
10 ciations; and

11 (C) is vested with the authority to perform
12 the functions described in paragraph (2).

13 (2) FUNCTIONS.—The functions of the labor of-
14 ficial shall include—

15 (A) developing and maintaining a registry
16 of textile or apparel producers, and developing,
17 in consultation and coordination with any other
18 appropriate officials of the Government of Af-
19 ghanistan or Pakistan, as the case may be, a
20 system to ensure participation by such pro-
21 ducers in the program described in subsection
22 (d);

23 (B) overseeing the implementation of the
24 program described in subsection (d);

1 (C) receiving and investigating comments
2 from any interested party regarding the condi-
3 tions described in subsection (d)(2) in facilities
4 of textile or apparel producers listed in the reg-
5 istry described in subparagraph (A) and, where
6 appropriate, referring such comments or the re-
7 sult of such investigations to the appropriate
8 authorities of Afghanistan or Pakistan, as the
9 case may be, and to the entity operating the
10 program described in subsection (d);

11 (D) assisting, in consultation and coordina-
12 tion with any other appropriate authorities of
13 Afghanistan or Pakistan, as the case may be,
14 textile or apparel producers listed in the reg-
15 istry described in subparagraph (A) in meeting
16 the conditions set forth in subsection (d)(2);
17 and

18 (E) coordinating, with the assistance of the
19 entity operating the program described in sub-
20 section (d), a tripartite committee comprised of
21 appropriate representatives of government agen-
22 cies, employers, and workers, as well as other
23 relevant interested parties, for the purposes of
24 evaluating progress in implementing the pro-
25 gram described in subsection (d), and con-

1 sulting on improving core labor standards and
2 working conditions in the textile and apparel
3 sector in Afghanistan or Pakistan, as the case
4 may be, and on other matters of common con-
5 cern relating to such core labor standards and
6 working conditions.

7 (d) TECHNICAL ASSISTANCE, CAPACITY BUILDING,
8 COMPLIANCE ASSESSMENT, AND REMEDIATION PRO-
9 GRAM.—

10 (1) IN GENERAL.—The requirement under this
11 subsection is that Afghanistan or Pakistan, as the
12 case may be, in cooperation with the entity des-
13 igned by the Secretary of Labor under paragraph
14 (3)(A)(i), has established a program meeting the re-
15 quirements under paragraph (3)—

16 (A) to assess compliance by textile or ap-
17 parel producers listed in the registry described
18 in subsection (c)(2)(A) with the conditions set
19 forth in paragraph (2) and to assist such pro-
20 ducers in meeting such conditions; and

21 (B) to provide assistance to improve the
22 capacity of the Government of Afghanistan or
23 Pakistan, as the case may be—

1 (i) to inspect facilities of textile or ap-
2 parel producers listed in the registry de-
3 scribed in subsection (c)(2)(A); and

4 (ii) to enforce national labor laws and
5 resolve labor disputes, including through
6 measures described in paragraph (5).

7 (2) CONDITIONS DESCRIBED.—The conditions
8 referred to in paragraph (1) are—

9 (A) compliance with core labor standards;
10 and

11 (B) compliance with the labor laws of Af-
12 ghanistan or Pakistan, as the case may be, that
13 relate directly to core labor standards and to
14 ensuring acceptable conditions of work with re-
15 spect to minimum wages, hours of work, and
16 occupational health and safety.

17 (3) REQUIREMENTS.—The requirements for the
18 program are that the program—

19 (A) is operated by an entity that—

20 (i) is designated by the Secretary of
21 Labor, in consultation with appropriate of-
22 ficials of the Government of Afghanistan
23 or Pakistan, as the case may be;

1 (ii) operates independently of the Gov-
2 ernment of Afghanistan or Pakistan, as
3 the case may be;

4 (iii) has expertise relating to moni-
5 toring of core labor standards;

6 (iv) if the entity designated under
7 clause (i) is an entity other than the Inter-
8 national Labor Organization, is subject to
9 evaluation by the International Labor Or-
10 ganization at the request of the Secretary
11 of Labor, including—

12 (I) annual review of the oper-
13 ation of the program; and

14 (II) annual recommendations to
15 the entity operating the program, the
16 Government of Afghanistan or Paki-
17 stan, as the case may be, and the Sec-
18 retary of Labor to improve the oper-
19 ation of the program;

20 (v) prepares the annual report de-
21 scribed in paragraph (4);

22 (B) is developed through a participatory
23 process that includes the labor official described
24 in subsection (c) of Afghanistan or Pakistan, as
25 the case may be, and appropriate representa-

1 tives of government agencies, employers, and
2 workers;

3 (C) assess compliance by each textile or
4 apparel producer listed in the registry described
5 in subsection (c)(2)(A) with the conditions set
6 forth in paragraph (2) and identify any defi-
7 ciencies by such producer with respect to meet-
8 ing such conditions, including by—

9 (i) conducting site visits to facilities of
10 the producer;

11 (ii) conducting confidential interviews
12 with workers and management of the fa-
13 cilities of the producer; and

14 (iii) providing to management and
15 workers, and where applicable, worker or-
16 ganizations of the producer, on a confiden-
17 tial basis—

18 (I) the results of the assessment
19 carried out under this subparagraph;
20 and

21 (II) specific suggestions for reme-
22 diating any such deficiencies;

23 (D) assist the textile or apparel producer
24 in remediating any deficiencies identified under
25 subparagraph (C);

1 (E) conduct prompt follow-up site visits to
2 the facilities of the textile or apparel producer
3 to assess progress on remediation of any defi-
4 ciencies identified under subparagraph (C); and

5 (F) provide training to workers and man-
6 agement of the textile or apparel producer, and
7 where appropriate, to other persons or entities,
8 to promote compliance with paragraph (2).

9 (4) ANNUAL REPORT.—The annual report re-
10 ferred to in paragraph (3)(A)(v) is a report, by the
11 entity operating the program, that is published (and
12 available to the public in a readily accessible man-
13 ner) on an annual basis, beginning 1 year after Af-
14 ghanistan or Pakistan, as the case may be, has im-
15 plemented a program under this subsection, covering
16 the preceding 1-year period, and that includes the
17 following:

18 (A) The name of each textile or apparel
19 producer listed in the registry described in sub-
20 section (c)(2)(A) that has been in operation in
21 the Reconstruction Opportunity Zone for at
22 least 1 year and has been identified as having
23 met the conditions under paragraph (2).

24 (B) The name of each textile or apparel
25 producer listed in the registry described in sub-

1 section (c)(2)(A) that has been in operation in
2 the Reconstruction Opportunity Zone for at
3 least 1 year and has been identified as having
4 deficiencies with respect to the conditions under
5 paragraph (2), and has failed to remedy such
6 deficiencies.

7 (C) For each textile or apparel producer
8 listed under subparagraph (B)—

9 (i) a description of the deficiencies
10 found to exist and the specific suggestions
11 for remediating such deficiencies made by
12 the entity operating the program;

13 (ii) a description of the efforts by the
14 producer to remediate the deficiencies, in-
15 cluding a description of assistance provided
16 by any entity to assist in such remediation;
17 and

18 (iii) with respect to deficiencies that
19 have not been remediated, the amount of
20 time that has elapsed since the deficiencies
21 were first identified in a report under this
22 subparagraph.

23 (D) For each textile or apparel producer
24 identified as having deficiencies with respect to
25 the conditions described under paragraph (2) in

1 a prior report under this paragraph, a descrip-
2 tion of the progress made in remediating such
3 deficiencies since the submission of the prior re-
4 port, and an assessment of whether any aspect
5 of such deficiencies persists.

6 (5) CAPACITY BUILDING.—The assistance to
7 the Government of Afghanistan or Pakistan referred
8 to in paragraph (1)(B) shall include programs—

9 (A) to review the labor laws and regula-
10 tions of Afghanistan or Pakistan, as the case
11 may be, and to develop and implement strate-
12 gies for improving such labor laws and regula-
13 tions;

14 (B) to develop additional strategies for
15 protecting core labor standards and providing
16 acceptable conditions of work with respect to
17 minimum wages, hours of work, and occupa-
18 tional safety and health, including through
19 legal, regulatory, and institutional reform;

20 (C) to increase awareness of core labor
21 standards and national labor laws;

22 (D) to promote consultation and coopera-
23 tion between government representatives, em-
24 ployers, worker representatives, and United

1 States importers on matters relating to core
2 labor standards and national labor laws;

3 (E) to assist the labor official of Afghani-
4 stan or Pakistan, as the case may be, des-
5 ignated pursuant to subsection (c) in estab-
6 lishing and coordinating operation of the com-
7 mittee described in subsection (c)(2)(E);

8 (F) to assist worker representatives in
9 more fully and effectively advocating on behalf
10 of their members; and

11 (G) to provide on-the-job training and
12 technical assistance to labor inspectors, judicial
13 officers, and other relevant personnel to build
14 their capacity to enforce national labor laws
15 and resolve labor disputes.

16 (e) COMPLIANCE WITH ELIGIBILITY CRITERIA.—

17 (1) COUNTRY COMPLIANCE WITH CORE LABOR
18 STANDARDS ELIGIBILITY CRITERIA.—In making a
19 determination of whether Afghanistan or Pakistan is
20 meeting the eligibility requirement set forth in sec-
21 tion 403(b)(1)(E) relating to core labor standards,
22 the President shall consider any reports produced
23 under subsection (d)(4) and acceptable conditions of
24 work with respect to minimum wages, hours of work,
25 and occupational health and safety.

1 (2) PRODUCER ELIGIBILITY.—

2 (A) IDENTIFICATION OF PRODUCERS.—

3 (i) IN GENERAL.—Except as provided
4 in clause (ii), beginning 2 years after the
5 President makes the certification under
6 subsection (b)(1), the President shall iden-
7 tify on a biennial basis whether a textile or
8 apparel producer listed in the registry de-
9 scribed in subsection (c)(2)(A) and in oper-
10 ation for at least 1 year has failed to com-
11 ply with core labor standards and with the
12 labor laws of Afghanistan or Pakistan, as
13 the case may be, that directly relate to and
14 are consistent with core labor standards.

15 (ii) EXCEPTION.— The President may
16 identify a textile or apparel producer at
17 any time under clause (i) if the evidence
18 warrants such a review.

19 (B) ASSISTANCE TO PRODUCERS; WITH-
20 DRAWAL, ETC., OF DUTY-FREE TREATMENT.—

21 For each textile or apparel producer that the
22 President identifies under subparagraph (A),
23 the President shall seek to assist such producer
24 in coming into compliance with core labor
25 standards and with the labor laws of Afghani-

1 stan or Pakistan, as the case may be, that di-
2 rectly relate to and are consistent with core
3 labor standards. If, within a reasonable period
4 of time, such efforts fail, the President shall
5 withdraw, suspend, or limit the application of
6 duty-free treatment to textile and apparel cov-
7 ered articles of such producer.

8 (C) REINSTATING DUTY-FREE TREAT-
9 MENT.—If the President, after withdrawing,
10 suspending, or limiting the application of duty-
11 free treatment under subparagraph (B) to arti-
12 cles of a textile or apparel producer, determines
13 that such producer is complying with core labor
14 standards and with the labor laws of Afghani-
15 stan or Pakistan, as the case may be, that di-
16 rectly relate to and are consistent with core
17 labor standards, the President shall reinstate
18 the application of duty-free treatment under
19 section 405 to the textile and apparel covered
20 articles of such producer.

21 (D) CONSIDERATION OF REPORTS.—In
22 making the identification under subparagraph
23 (A) and the determination under subparagraph
24 (C), the President shall consider the reports
25 made available under subsection (d)(4).

1 (f) REPORTS BY THE PRESIDENT.—

2 (1) IN GENERAL.—Not later than one year
3 after the date of the enactment of this Act, and an-
4 nually thereafter, the President shall transmit to the
5 appropriate congressional committees a report on
6 the implementation of this section during the pre-
7 ceding 1-year period.

8 (2) MATTERS TO BE INCLUDED.—Each report
9 required by paragraph (1) shall include the fol-
10 lowing:

11 (A) An explanation of the efforts of Af-
12 ghanistan and Pakistan, the President, and en-
13 tity designated by the Secretary of Labor to
14 carry out this section.

15 (B) A summary of each report produced
16 under subsection (d)(4) during the preceding 1-
17 year period and a summary of the findings con-
18 tained in such report.

19 (C) Identifications made under subsection
20 (e)(2)(A) and determinations made under sub-
21 section (e)(2)(C).

22 (g) EVALUATION AND REPORT BY SECRETARY OF
23 LABOR.—

24 (1) EVALUATION.—The Secretary of Labor
25 shall evaluate the monitoring program established

1 under this section to determine ways to improve
2 adoption and adherence to core labor standards and
3 acceptable conditions of work with respect to min-
4 imum wages, hours of work, and occupational health
5 and safety. To the extent that producers of nontex-
6 tile or nonapparel articles described in section 404
7 have established operations in Reconstruction Op-
8 portunity Zones, the report shall also evaluate op-
9 tions for expanding the program to include such pro-
10 ducers.

11 (2) REPORT.—Not later than 1 year after the
12 date on which Afghanistan or Pakistan, as the case
13 may be, has implemented a program under this sec-
14 tion, the Secretary of Labor shall submit to the ap-
15 propriate congressional committees a report that
16 contains the results of the evaluation required under
17 paragraph (1) and recommendations to improve the
18 program under this section and, if applicable, to ex-
19 pand the program to include producers of nontextile
20 or nonapparel articles.

21 (3) AUTHORIZATION OF APPROPRIATIONS.—
22 There is authorized to be appropriated to the Sec-
23 retary of Labor such sums as may be necessary to
24 carry out this subsection.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 (other than subsection (g)) \$20,000,000 for the period be-
4 ginning on October 1, 2009, and ending on September 30,
5 2023.

6 **SEC. 408. PETITION PROCESS.**

7 Any interested party may file a request to have the
8 status of Afghanistan or Pakistan reviewed with respect
9 to the eligibility requirements listed in this title, and the
10 President shall provide for this purpose the same proce-
11 dures as those that are provided for reviewing the status
12 of eligible beneficiary developing countries with respect to
13 the designation criteria listed in subsections (b) and (c)
14 of section 502 of the Trade Act of 1974 (19 U.S.C. 2462
15 (b) and (c)).

16 **SEC. 409. LIMITATIONS ON PROVIDING DUTY-FREE TREAT-**
17 **MENT.**

18 (a) IN GENERAL.—

19 (1) PROCLAMATION.—Except as provided in
20 paragraph (2), and subject to subsection (b) and the
21 conditions described in sections 403 through 407,
22 the President shall exercise the President's authority
23 under this title, and the President shall proclaim any
24 duty-free treatment pursuant to that authority.

1 (2) WAIVER.—The President may waive the ap-
2 plication of this title if the President determines that
3 providing such treatment is inconsistent with the na-
4 tional interests of the United States. In making such
5 determination, the President shall consider—

6 (A) obligations of the United States under
7 international agreements;

8 (B) the national economic interests of the
9 United States; and

10 (C) the foreign policy interests of the
11 United States, including the economic develop-
12 ment of Afghanistan and the border region of
13 Pakistan.

14 (b) WITHDRAWAL, SUSPENSION, OR LIMITATION OF
15 DUTY-FREE TREATMENT.—The President may withdraw,
16 suspend, or limit the application of the duty-free treat-
17 ment proclaimed under this title upon consideration of the
18 factors set forth in section 403 (b) and (c) of this Act,
19 and section 502 (b) and (c) of the Trade Act of 1974 (19
20 U.S.C. 2462 (b) and (c)). In taking any action to with-
21 draw, suspend, or limit duty-free treatment with respect
22 to producers receiving benefits under section 404 or 405,
23 the President shall consider the information described in
24 section 403(d) relating to verification of the ownership
25 and nature of the activities of such producers and any

1 other relevant information the President determines to be
2 appropriate.

3 (c) NOTICE TO CONGRESS.—The President shall ad-
4 vise Congress—

5 (1) of any action the President takes to waive,
6 withdraw, suspend, or limit the application of duty-
7 free treatment with respect to Reconstruction Op-
8 portunity Zones in Afghanistan or Pakistan or en-
9 terprises receiving benefits under section 404 or
10 405; and

11 (2) if either Afghanistan or Pakistan fails to
12 adequately take the actions described in section 403
13 (b) and (c) of this Act or section 502 (b) and (c)
14 of the Trade Act of 1974 (19 U.S.C. 2462 (b) and
15 (c)).

16 **SEC. 410. TERMINATION OF BENEFITS.**

17 Duty-free treatment provided under this title shall re-
18 main in effect through September 30, 2024.

19 **SEC. 411. CUSTOMS USER FEES.**

20 (a) IN GENERAL.—The Secretary of the Treasury
21 shall increase the amount of fees charged and collected
22 under section 13031(a) of the Consolidated Omnibus
23 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) for
24 the provision of customs services in connection with im-

1 ports and travel from Afghanistan and Pakistan as nec-
2 essary to meet the requirements of subsection (b).

3 (b) MINIMUM AMOUNT.—The amount of the increase
4 in fees charged and collected under the authority of sub-
5 section (a)—

6 (1) shall not be less than \$12,000,000 for the
7 period beginning on the date of the enactment of
8 this Act and ending at the close of September 30,
9 2014; and

10 (2) shall not be less than \$105,000,000 for the
11 period beginning on the date of the enactment of
12 this Act and ending at the close of September 30,
13 2019.

14 (c) RULE OF CONSTRUCTION.—The amount of the
15 increase in fees charged and collected under the authority
16 of subsection (a) shall be in addition to the amount of
17 fees that would otherwise be charged and collected under
18 section 13031(a) of the Consolidated Omnibus Budget
19 Reconciliation Act of 1985 (19 U.S.C. 58c(a)) for the pro-
20 vision of customs services in connection with imports and
21 travel from Afghanistan and Pakistan.

22 (d) TERMINATION OF AUTHORITY.—The authority
23 provided under subsection (a) terminates at the close of
24 the date on which the aggregate amount of the increase

- 1 in fees charged and collected under the authority of sub-
- 2 section (a) equals \$105,000,000.

