

igin provided for under article 511 of the Agreement shall be issued no later than the date of entry into force of the Agreement. In the case of any implementing action that takes effect on a date after the date of entry into force of the Agreement, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

(Pub. L. 103-182, title I, §104, Dec. 8, 1993, 107 Stat. 2064.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a), is Pub. L. 103-182, Dec. 8, 1993, 107 Stat. 2057, known as the North American Free Trade Agreement Implementation Act. For complete classification of this Act to the Code, see Short Title note set out under section 3301 of this title and Tables.

TERMINATION OF NAFTA STATUS

Section to cease to have effect with respect to any country during any period in which such country ceases to be a NAFTA country, see section 109(b) of Pub. L. 103-182, set out as an Effective Date; Termination of NAFTA Status note under section 3311 of this title.

NORTH AMERICAN FREE TRADE AGREEMENT: ENTRY INTO FORCE

The North American Free Trade Agreement entered into force on Jan. 1, 1994, see note set out under section 3311 of this title.

§ 3315. United States Section of NAFTA Secretariat

(a) Establishment of United States Section

The President is authorized to establish within any department or agency of the United States Government a United States Section of the Secretariat established under chapter 20 of the Agreement. The United States Section, subject to the oversight of the interagency group established under section 3432 of this title, shall carry out its functions within the Secretariat to facilitate the operation of the Agreement, including the operation of chapters 19 and 20 of the Agreement and the work of the panels, extraordinary challenge committees, special committees, and scientific review boards convened under those chapters. The United States Section may not be considered to be an agency for purposes of section 552 of title 5.

(b) Authorization of appropriations

There are authorized to be appropriated for each fiscal year after fiscal year 1993 to the department or agency within which the United States Section is established the lesser of—

- (1) such sums as may be necessary; or
- (2) \$2,000,000;

for the establishment and operations of the United States Section and for the payment of the United States share of the expenses, including food when sequestered, of binational panels and extraordinary challenge committees convened under chapter 19, and of the expenses incurred in dispute settlement proceedings under chapter 20, of the Agreement.

(c) Reimbursement of certain expenses

If, in accordance with Annex 2002.2 of the Agreement, the Canadian Section or the Mexi-

can Section of the Secretariat provides funds to the United States Section during any fiscal year, as reimbursement for expenses by the Canadian Section or the Mexican Section in connection with settlement proceedings under chapter 19 or 20 of the Agreement, the United States Section may retain and use such funds to carry out the functions described in subsection (a) of this section.

(Pub. L. 103-182, title I, §105, Dec. 8, 1993, 107 Stat. 2064; Pub. L. 110-161, div. B, title I, §107, Dec. 26, 2007, 121 Stat. 1893.)

AMENDMENTS

2007—Subsec. (b). Pub. L. 110-161, which directed the amendment of section 3315 of title 19, United States Code, by inserting “, including food when sequestered,” after “for the establishment and operations of the United States Section and for the payment of the United States share of the expenses”, was executed by making the substitution in the concluding provisions of this section, which is section 105 of Pub. L. 103-182, to reflect the probable intent of Congress.

TERMINATION OF NAFTA STATUS

Section to cease to have effect with respect to any country during any period in which such country ceases to be a NAFTA country, see section 109(b) of Pub. L. 103-182, set out as an Effective Date; Termination of NAFTA Status note under section 3311 of this title.

ESTABLISHMENT OF UNITED STATES SECTION OF NAFTA SECRETARIAT

For establishment of United States Section of NAFTA Secretariat within Department of Commerce, see section 1 of Ex. Ord. No. 12889, Dec. 27, 1993, 58 F.R. 69681, set out as a note under section 3311 of this title.

§ 3316. Appointments to chapter 20 panel proceedings

(a) Consultation

The Trade Representative shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the selection and appointment of candidates for the rosters described in article 2009 of the Agreement.

(b) Selection of individuals with environmental expertise

The United States shall, to the maximum extent practicable, encourage the selection of individuals who have expertise and experience in environmental issues for service in panel proceedings under chapter 20 of the Agreement to hear any challenge to a United States or State environmental law.

(Pub. L. 103-182, title I, §106, Dec. 8, 1993, 107 Stat. 2065.)

TERMINATION OF NAFTA STATUS

Section to cease to have effect with respect to any country during any period in which such country ceases to be a NAFTA country, see section 109(b) of Pub. L. 103-182, set out as an Effective Date; Termination of NAFTA Status note under section 3311 of this title.

§ 3317. Congressional intent regarding future accessions

(a) In general

Section 3311(a) of this title may not be construed as conferring Congressional approval of

the entry into force of the Agreement for the United States with respect to countries other than Canada and Mexico.

(b) Future free trade area negotiations

(1) Findings

The Congress makes the following findings:

(A) Efforts by the United States to obtain greater market opening through multilateral negotiations have not produced agreements that fully satisfy the trade negotiating objectives of the United States.

(B) United States trade policy should provide for additional mechanisms with which to pursue greater market access for United States exports of goods and services and opportunities for export-related investment by United States persons.

(C) Among the additional mechanisms should be a system of bilateral and multilateral trade agreements that provide greater market access for United States exports and opportunities for export-related investment by United States persons.

(D) The system of trade agreements can and should be structured to be consistent with, and complementary to, existing international obligations of the United States and ongoing multilateral efforts to open markets.

(2) Report on significant market opening

No later than May 1, 1994, and May 1, 1997, the Trade Representative shall submit to the President, and to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (hereafter in this section referred to as the “appropriate Congressional committees”), a report which lists those foreign countries—

(A) that—

(i) currently provide fair and equitable market access for United States exports of goods and services and opportunities for export-related investment by United States persons, beyond what is required by existing multilateral trade agreements or obligations; or

(ii) have made significant progress in opening their markets to United States exports of goods and services and export-related investment by United States persons; and

(B) the further opening of whose markets has the greatest potential to increase United States exports of goods and services and export-related investment by United States persons, either directly or through the establishment of a beneficial precedent.

(3) Presidential determination

The President, on the basis of the report submitted by the Trade Representative under paragraph (2), shall determine with which foreign country or countries, if any, the United States should seek to negotiate a free trade area agreement or agreements.

(4) Recommendations on future free trade area negotiations

No later than July 1, 1994, and July 1, 1997, the President shall submit to the appropriate

Congressional committees a written report that contains—

(A) recommendations for free trade area negotiations with each foreign country selected under paragraph (3);

(B) with respect to each country selected, the specific negotiating objectives that are necessary to meet the objectives of the United States under this section; and

(C) legislative proposals to ensure adequate consultation with the Congress and the private sector during the negotiations, advance Congressional approval of the negotiations recommended by the President, and Congressional approval of any trade agreement entered into by the President as a result of the negotiations.

(5) General negotiating objectives

The general negotiating objectives of the United States under this section are to obtain—

(A) preferential treatment for United States goods;

(B) national treatment and, where appropriate, equivalent competitive opportunity for United States services and foreign direct investment by United States persons;

(C) the elimination of barriers to trade in goods and services by United States persons through standards, testing, labeling, and certification requirements;

(D) nondiscriminatory government procurement policies and practices with respect to United States goods and services;

(E) the elimination of other barriers to market access for United States goods and services, and the elimination of barriers to foreign direct investment by United States persons;

(F) the elimination of acts, policies, and practices which deny fair and equitable market opportunities, including foreign government toleration of anticompetitive business practices by private firms or among private firms that have the effect of restricting, on a basis that is inconsistent with commercial considerations, purchasing by such firms of United States goods and services;

(G) adequate and effective protection of intellectual property rights of United States persons, and fair and equitable market access for United States persons that rely upon intellectual property protection;

(H) the elimination of foreign export and domestic subsidies that distort international trade in United States goods and services or cause material injury to United States industries;

(I) the elimination of all export taxes;

(J) the elimination of acts, policies, and practices which constitute export targeting; and

(K) monitoring and effective dispute settlement mechanisms to facilitate compliance with the matters described in subparagraphs (A) through (J).

(Pub. L. 103-182, title I, §108, Dec. 8, 1993, 107 Stat. 2066.)

SUBCHAPTER II—CUSTOMS PROVISIONS

§ 3331. **Tariff modifications****(a) Tariff modifications provided for in Agreement****(1) Proclamation authority**

The President may proclaim—

(A) such modifications or continuation of any duty,

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

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 302, 305, 307, 308, and 703 and Annexes 302.2, 307.1, 308.1, 308.2, 300-B, 703.2, and 703.3 of the Agreement.

(2) Effect on Mexican GSP status

Notwithstanding section 502(f)(2) of the Trade Act of 1974 [19 U.S.C. 2462(f)(2)], the President shall terminate the designation of Mexico as a beneficiary developing country for purposes of title V of the Trade Act of 1974 [19 U.S.C. 2461 et seq.] on the date of entry into force of the Agreement between the United States and Mexico.

(b) Other tariff modifications**(1) In general**

Subject to paragraph (2) and the consultation and layover requirements of section 3313(a) of this title, the President may proclaim—

(A) such modifications or continuation of any duty,

(B) such modifications as the United States may agree to with Mexico or Canada regarding the staging of any duty treatment set forth in Annex 302.2 of the Agreement,

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

(D) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada or Mexico provided for by the Agreement.

(2) Special rule for articles with tariff phaseout periods of more than 10 years

The President may not consider a request to accelerate the staging of duty reductions for an article for which the United States tariff phaseout period is more than 10 years if a request for acceleration with respect to such article has been denied in the preceding 3 calendar years.

(c) Conversion to ad valorem rates for certain textiles

For purposes of subsections (a) and (b) of this section, with respect to an article covered by Annex 300-B of the Agreement imported from Mexico for which the base rate in the Schedule of the United States in Annex 300-B is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

(Pub. L. 103-182, title II, §201, Dec. 8, 1993, 107 Stat. 2068; Pub. L. 104-188, title I, §1954(a)(5), Aug. 20, 1996, 110 Stat. 1927.)

REFERENCES IN TEXT

The Trade Act of 1974, referred to in subsec. (a)(2), is Pub. L. 93-618, Jan. 3, 1975, 88 Stat. 1978, as amended. Title V of the Act is classified generally to subchapter V (§2461 et seq.) of chapter 12 of this title. For complete classification of this Act to the Code, see section 2101 of this title and Tables.

AMENDMENTS

1996—Subsec. (a)(2). Pub. L. 104-188 substituted “502(f)(2) of the Trade Act of 1974” for “502(a)(2) of the Trade Act of 1974 (19 U.S.C. 2462(a)(2))”.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 applicable to articles entered on or after Oct. 1, 1996, with provisions relating to retroactive application, see section 1953 of Pub. L. 104-188, set out as an Effective Date note under section 2461 of this title.

EFFECTIVE DATE

Pub. L. 103-182, title II, §213, Dec. 8, 1993, 107 Stat. 2099, provided that:

“(a) PROVISIONS EFFECTIVE ON DATE OF ENACTMENT.—Section 212 [enacting provisions set out as a note under section 58c of this title] and this section take effect on the date of the enactment of this Act [Dec. 8, 1993].

“(b) PROVISIONS EFFECTIVE WHEN AGREEMENT ENTERS INTO FORCE.—Section 201, section 202, section 203(a), (d), and (e), section 210 and section 211, the amendment made by section 203(c), and the amendments made by sections 204 through 209 [enacting this section and sections 3332, 3333(a), (d), (e), 3334, and 3335 of this title and amending sections 58c, 1304, 1313, 1508, 1509, 1514, 1520, 1592, and 1628 of this title] take effect on the date the Agreement enters into force with respect to the United States [Jan. 1, 1994].

“(c) PROVISIONS WITH DELAYED EFFECTIVE DATES.—The amendments made by section 203(b) [amending sections 81c, 1311 to 1313, and 1562 of this title] apply—

“(1) with respect to exports from the United States to Canada—

“(A) on January 1, 1996, if Canada is a NAFTA country on that date, and

“(B) after such date for so long as Canada continues to be a NAFTA country; and

“(2) with respect to exports from the United States to Mexico—

“(A) on January 1, 2001, if Mexico is a NAFTA country on that date; and

“(B) after such date for so long as Mexico continues to be a NAFTA country.”

NORTH AMERICAN FREE TRADE AGREEMENT: ENTRY INTO FORCE

The North American Free Trade Agreement entered into force on Jan. 1, 1994, see note set out under section 3311 of this title.

IMPLEMENTATION OF SAFEGUARD PROVISIONS FOR TEXTILE AND APPAREL GOODS

The Committee for the Implementation of Textile Agreements to implement safeguard provisions for textile and apparel goods pursuant to this section, see section 3 of Ex. Ord. No. 12889, Dec. 27, 1993, 58 F.R. 69681, set out as a note under section 3311 of this title.

§ 3332. **Rules of origin****(a) Originating goods****(1) In general**

For purposes of implementing the tariff treatment and quantitative restrictions pro-