

Senate Finance Committee Republican Staff
Summary of the Conference Report to H.R. 1047,
The Miscellaneous Trade and Technical Corrections Act of 2004

Background

On October 8, 2004, Conferees filed the Conference report to H.R. 1047, the Miscellaneous Trade and Technical Corrections Act of 2004. The House passed H.R. 1047 that same day.

The Senate passed H.R. 1047 by unanimous consent on March 2, 2004, after striking the substance and inserting the contents of S. 671 as amended. The Committee on Finance had reported S. 671 out of committee by voice vote on February 27, 2003.

Title I contains new duty suspensions or reductions, and continues certain existing duty suspensions or reductions on imported products. An imported product must generally meet three tests to be eligible for inclusion in a miscellaneous trade bill. First, it must be non-controversial and non-competitive with domestic products. Second, the product should be intended to benefit a U.S. downstream producer—someone who utilizes the product in domestic manufacturing. Third, the volume of imports and corresponding revenue loss attributable to the duty suspension or reduction should be relatively small.

Virtually every one of the duty reductions and suspensions went through an extensive vetting process including a public notice and comment period as well as evaluation from the U.S. International Trade Commission.

Title I also contains a number of liquidations and reliquidations for certain entries. The general rule for inclusion of these provisions is that the product entered the United States under an incorrect duty rate due to administrative error. These liquidations and reliquidations allow those entries to enter the United States at the correct duty rate. The remainder of the bill contains some miscellaneous trade provisions and technical corrections.

Title I – Tariff Provisions

Duty Suspensions, Reductions, and Extensions of Certain Entries

- Sections 1111 through 1441 are new duty suspensions and reductions.
- Sections 1451 through 1456 extend certain existing duty suspensions and reductions until December 31, 2006.
- Section 1457 revises the effective date for the extension of duty suspensions effective as of January 1, 2004.

Liquidation or Reliquidation of Certain Entries

- Sections 1501 through 1536 provide for the liquidation or reliquidation of certain imported entries.

Miscellaneous Provisions

- Sections 1551 through 1553 include technical clarifications for treatment of certain hair clippers, tractor body parts, and flexible magnets.
- Section 1554 clarifies ad valorem ship duty rates.
- Section 1555 authorizes the President to designate certain hand-knotted and hand-woven carpets as eligible articles under the Generalized System of Preferences.
- Section 1556 applies the duty drawback statute to U.S. Insular Possessions.
- Section 1557 clarifies that the Harbor Maintenance Tax is a fee eligible for duty drawback.
- Section 1558 amends the Caribbean Basin Economic Recovery Act to allow duty-free treatment from eligible countries. This change does not apply to 17 categories of footwear that are still considered import sensitive.
- Section 1559 extends designation of the San Antonio International Airport as an airport at which private aircraft arriving from a foreign area and having a final destination in the U.S. may land for Customs processing.
- Section 1560 authorizes Integrated Border Inspection Areas on either side of the U.S.-Canada border.
- Section 1561 provides for inspections and pre-clearance in foreign countries and authorizes the Secretary of State to enter into agreements with foreign countries for the stationing of foreign customs and agriculture inspection officers in the United States.
- Section 1562 amends the U.S Insular Possession Program.
- Section 1563 simplifies and clarifies provisions relating to duty drawback claims.

Title II - Other Trade Provisions

Miscellaneous Provisions

- Section 2001 extends permanent normal trade relations to Armenia.
- Section 2002 conforms U.S. law to the requirements of the Mutual Acceptance Agreement on Winemaking Practices (MAA) and establishes procedures to assure that countries not party to the MAA meet minimum requirements.
- Section 2003 corrects the Trade Act of 2002 to provide for continued duty-free treatment for certain eligible products.
- Section 2004 contains technical amendments including a limitation on customs user fees, labeling requirements for certain sock products, and extension of industry trade advisory committees.
- Section 2005 extends normal trade relations to Laos.
- Section 2006 prospectively repeals certain provisions of the Revenue Act of 1916.

Technical Amendments Relating to Entry and Protest

- Sections 2101 through 2108 simplify Customs processing of commercial importations, thereby resulting in increased efficiency and productivity for both Customs and the trade community.

Protection of Intellectual Property Rights

- Section 2201 requires the United States Trade Representative to make determinations under Section 301 of the Trade Act of 1974 not later than 30 days after a WTO dispute settlement proceeding is concluded thereby conforming the timetable to the WTO dispute settlement timetable.

Title III – Iraqi Cultural Antiquities

- Sections 3001 through 3003 authorize the President to exercise authority under the Convention on Cultural Property Implementation Act (CCPIA) with respect to any archeological or ethnological material of Iraq without regard to whether Iraq is a State Party under the CCPIA.

Title IV – Wool Trust Fund

- Sections 4001 and 4002 extend and modify duty suspension on wool products, wool research and wool duty refunds.

Title V – Reference to Customs Service

- Section 5001 provides that any reference in this Act to the “United States Customs Service” or the “Customs Service” shall be considered to be a reference to the “Bureau of Customs and Border Protection” of the Department of Homeland Security.