

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 997

To amend General Note 3(a)(iv) of the Harmonized Tariff Schedule of the United States to deny special tariff treatment to goods of the Commonwealth of the Northern Mariana Islands unless certain conditions are met, to require the Secretary of Labor to assign a full-time resident compliance officer to the Commonwealth of the Northern Mariana Islands, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1993

Mr. PAYNE of Virginia introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend General Note 3(a)(iv) of the Harmonized Tariff Schedule of the United States to deny special tariff treatment to goods of the Commonwealth of the Northern Mariana Islands unless certain conditions are met, to require the Secretary of Labor to assign a full-time resident compliance officer to the Commonwealth of the Northern Mariana Islands, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. CONDITIONS ON SPECIAL TARIFF TREATMENT**  
2 **FOR GOODS OF GUAM AND THE COMMON-**  
3 **WEALTH OF THE NORTHERN MARIANA IS-**  
4 **LANDS.**

5 General Note 3(a)(iv) of the Harmonized Tariff  
6 Schedule of the United States is amended—

7 (1) in subparagraph (A), by striking “Except”  
8 and inserting “Subject to subparagraph (E) and ex-  
9 cept”;

10 (2) in subparagraph (C), by inserting “and sub-  
11 ject to subparagraph (E)” after “1974”;

12 (3) in subparagraph (D), by inserting “and  
13 subject to subparagraph (E)” after “Act”; and

14 (4) by adding at the end the following new sub-  
15 paragraph:

16 “(E)(I) Notwithstanding any other provi-  
17 sion of this paragraph except as provided in  
18 clause (II), goods which are imported from the  
19 Commonwealth of the Northern Mariana Is-  
20 lands (in this subparagraph referred to as the  
21 ‘Commonwealth’) shall be subject to the rates  
22 of duty set forth in column 1 of the tariff  
23 schedule, and may not be labeled as having  
24 been produced or manufactured in the United  
25 States, unless the Commonwealth establishes  
26 that the labor rate paid to the workers produc-

1           ing such goods is greater than or equal to the  
2           prevailing United States minimum wage rate  
3           and that not less than 50 percent of the direct  
4           labor cost of producing such goods is paid to  
5           residents of the Commonwealth.

6           “(II) For purposes of this subparagraph,  
7           the term ‘direct labor’ includes all work re-  
8           quired for preparation, processing, packing, and  
9           shipping of a commodity, but not supervision,  
10          management, administration, or inspection; and  
11          the term ‘resident’ includes United States citi-  
12          zens and nationals, citizens of the Trust Terri-  
13          tory of the Pacific Islands, citizens of states in  
14          free association with the United States entitled  
15          to enter the United States and its territories  
16          pursuant to law, and permanent residents (as  
17          such term is used in the Immigration and Na-  
18          tionality Act.”.

19 **SEC. 2. RESIDENT LABOR COMPLIANCE OFFICER.**

20          (a) IN GENERAL.—The Secretary of Labor shall as-  
21          sign a full-time, resident compliance officer to the Com-  
22          monwealth of the Northern Mariana Islands for purposes  
23          of monitoring the Commonwealth’s compliance with Gen-  
24          eral Note 3(a)(iv)(E) of the Harmonized Tariff Schedule  
25          of the United States and monitoring the Commonwealth’s

1 compliance with applicable Federal labor laws and regula-  
2 tions issued thereunder.

3 (b) ANNUAL REPORT.—The Secretary of Labor shall  
4 submit a report annually to the Congress describing the  
5 extent to which the Commonwealth of the Northern Mari-  
6 ana Islands is in compliance with applicable Federal labor  
7 laws and regulations issued thereunder.

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