

rates for these products, which shall be based on export value (or alternative bases of value in the absence of export value) in accordance with section 402 of the Tariff Act of 1930. The Japanese note provides the tariff concession which Japan is prepared to make if the ASP system is eliminated.

Subsection (b) concerns the last class of products now subject to the ASP system—rubber-soled footwear. These products were not included in any Kennedy round agreement providing for the elimination of ASP. Accordingly, paragraph (1) authorizes the President to enter into an agreement with respect to rubber-soled footwear. This agreement would provide for two new items in the TSUS to replace the present single item covering such footwear. The two new article descriptions were set forth by the Tariff Commission in its report of August 1966, concerning investigation No. 332-47. In addition, the agreement would provide that the rates of duty for the two new items shall be based on export value (or alternative bases of value in the absence of export value) in accordance with section 402 of the Tariff Act of 1930.

Paragraph (2) authorizes the President to proclaim such modifications of the TSUS as are required or appropriate to carry out such agreement, so long as two conditions are met. First, the modifications must not become effective earlier than January 1, 1971. Second, the new rates of duty for column 1 must not be lower than the rates specified in the act.

Subsection (c) provides that, in a proclamation issued pursuant to section 401, the President is authorized to simplify the TSUS by consolidating article descriptions, but without changing rates, with respect to articles which will be subject to full concession rates of duty (i.e., the final rates set out in the applicable agreements) that are identical to one another in column No. 1 and to rates of duty that are identical to one another in column No. 2. Any such consolidation shall become effective on the date the full concession rates become effective for such articles. This subsection is designed to insure that the President has the authority to consolidate provisions bearing the same rates of duty following the elimination of the ASP system and thereby to simplify customs administration.

Subsection (d) authorizes the President at any time to terminate, in whole or in part, any proclamation issued pursuant to section 401.

Section 402. Application of related provisions

In general, this section provides for the treatment of column 1 rates of duty proclaimed pursuant to section 401 under three related provisions of law.

Subsection (a) is intended to insure that the present rates of duty based upon ASP will not continue to qualify as rates existing on July 1, 1962, for purposes of the tariff-reducing authority in the TEA even after the ASP system is eliminated. In order to avoid such a possibility, subsection (a) deals with section 256(4) of the TEA, which defines the term "existing on July 1, 1962" as it applies to the 50 percent limitation on tariff reductions under section 201 of the TEA. Subsection (a) provides that for purposes of section 256(4) of the TEA the column 1 rates existing on July 1, 1962, shall, in effect, be two times the full concession rates (i.e., the final rates set out in the applicable agreements) proclaimed pursuant to section 401. Accordingly, if, for example, one of the new column 1 rates were increased and the President subse-