

GLOSSARY OF TRADE AND RELATED TERMS

Fast-track procedures	Legislative procedures set forth in Section 151 of the Trade Act of 1974, stipulating that once the President formally submits to Congress a bill implementing an agreement (negotiated under the act's authority) concerning non-tariff barriers to trade, both houses must vote on the bill within 90 days. No amendments are permitted. The purpose of these procedures is to assure foreign governments that Congress will act expeditiously on an agreement they negotiate with the US government. Under current law, the fast-track procedures expire on 3 January 1988.
FOB	An abbreviation used in some international sales contracts, when imports are valued at a designated point, as agreed between buyer and seller, that is considered "Free on Board." In such contracts, the seller is obligated to have the goods packaged and ready for shipment from the agreed point, whether his own place of business or some intermediate point, and the buyer normally assumes the burden of all inland transportation costs and risks in the exporting country, as well as all subsequent transportation costs, including the costs of loading the merchandise on the vessel. However, if the contract stipulates "FOB vessel" the seller bears all transportation costs to the vessel named by the buyer, as well as the costs of loading the goods onto that vessel. The same principle applies to the abbreviations "FOR" ("Free on Rail") and "FOT" ("Free on Truck").
Foreign Exchange Controls	Limitations or restrictions on the use of certain types of currency, bank drafts, or other means of payment in order to regulate imports, exports, and the balance of payments.
Foreign Investment Review Agency	Agency established by the Canadian federal government in 1974, to monitor and screen (FIRA) direct foreign investment with a view to ensuring that such investment would be of direct benefit to Canada. Its work created major difficulties in Canada-US relations and was disliked by the business community. It was replaced in 1984 by Investment Canada which has a mandate to attract foreign direct investment to Canada.
Foreign Sales Corporation (FSC)	A firm incorporated in Guam, the US Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, or any foreign country that has a satisfactory exchange-of-information agreement with the United States and elects to be taxed as a US corporation, except for the fact that it exempts from taxable income, a portion of the combined net income of the FSC and its affiliated supplier on the export of US products.
Framework Agreement	A trade agreement limited to a broad statement of objectives but including institutional arrangements to facilitate the attainment of these objectives.