

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

# H. R. 1198

To amend the Trade Act of 1974 to provide for the review of the extent to which foreign countries are in compliance with bilateral trade agreements with the United States.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1993

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

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## A BILL

To amend the Trade Act of 1974 to provide for the review of the extent to which foreign countries are in compliance with bilateral trade agreements with the United States.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Trade Agreements  
5 Compliance Act of 1993”.

6 **SEC. 2. REQUESTS FOR REVIEW OF FOREIGN COMPLIANCE.**

7 Chapter 1 of title III of the Trade Act of 1974 (19  
8 U.S.C. 2411 et seq.) is amended by inserting after section  
9 306 the following new section:

1 **“SEC. 306A. REQUESTS FOR REVIEW OF FOREIGN COMPLI-**  
2 **ANCE.**

3 “(a) DEFINITIONS.—For purposes of this section—

4 “(1) The term ‘interested person’ means any  
5 person that has a significant economic interest that  
6 is being, or has been, adversely affected by the fail-  
7 ure of a foreign country to comply materially with  
8 the terms of a trade agreement.

9 “(2) The term ‘trade agreement’ means any bi-  
10 lateral trade agreement to which the United States  
11 is a party.

12 “(b) REQUEST FOR REVIEW.—

13 “(1) An interested person may request the  
14 Trade Representative to undertake a review under  
15 this section to determine whether a foreign country  
16 is in material compliance with the terms of a trade  
17 agreement.

18 “(2) A request for the review of a trade agree-  
19 ment under this section may be made only during—

20 “(A) the 30-day period beginning on each  
21 anniversary of the effective date of the trade  
22 agreement; and

23 “(B) the 30-day period ending on the 90th  
24 day before the termination date of the trade  
25 agreement, if the first day of such 30-day pe-  
26 riod occurs not less than 180 days after the last

1 occurring 30-day period referred to in subpara-  
2 graph (A).

3 “(3) The Trade Representative shall commence  
4 a review under this section if the request—

5 “(A) is in writing;

6 “(B) includes information reasonably avail-  
7 able to the petitioner regarding the failure  
8 of the foreign country to comply with the  
9 trade agreement;

10 “(C) identifies the economic interest of the  
11 petitioner that is being adversely affected by the  
12 failure referred to in subparagraph (B); and

13 “(D) describes the extent of the adverse ef-  
14 fect.

15 “(4) If 2 or more requests are filed during any  
16 period described in paragraph (2) regarding the  
17 same trade agreement, all of such requests shall be  
18 joined in a single review of the trade agreement.

19 “(c) REVIEW.—

20 “(1) If 1 or more requests regarding any trade  
21 agreement are received during any period described  
22 in subsection (b)(2), then within 90 days after the  
23 last day of such period the Trade Representative  
24 shall determine whether the foreign country is in

1 material compliance with the terms of the trade  
2 agreement.

3 “(2) In making a determination under para-  
4 graph (1), the Trade Representative shall take into  
5 account—

6 “(A) the extent to which the foreign coun-  
7 try has adhered to the commitments it made to  
8 the United States;

9 “(B) the extent to which that degree of ad-  
10 herence has achieved the objectives of the  
11 agreement; and

12 “(C) any act, policy, or practice of the for-  
13 eign country, or other relevant factor, that may  
14 have contributed directly or indirectly to mate-  
15 rial noncompliance with the terms of the agree-  
16 ment.

17 The acts, policies, or practices referred to in sub-  
18 paragraph (C) may include structural policies, tariff  
19 or nontariff barriers, or other actions which affect  
20 compliance with the terms of the agreement.

21 “(3) In conducting any review under para-  
22 graph (1), the Trade Representative may, if the  
23 Trade Representative considers such action nec-  
24 essary or appropriate—

1           “(A) consult with the Secretary of Com-  
2 merce and the Secretary of Agriculture;

3           “(B) seek the advice of the United States  
4 International Trade Commission; and

5           “(C) provide opportunity for the presen-  
6 tation of views by the public.

7           “(d) ACTION AFTER AFFIRMATIVE DETERMINA-  
8 TION.—

9           “(1) If, on the basis of the review carried out  
10 under subsection (c), the Trade Representative de-  
11 termines that a foreign country is not in material  
12 compliance with the terms of a trade agreement, the  
13 Trade Representative shall determine what action to  
14 take under section 301(a).

15           “(2) For purposes of section 301, any deter-  
16 mination made under subsection (c) shall be treated  
17 as a determination made under section 304.

18           “(3) In determining what action to take under  
19 section 301(a), the Trade Representative shall seek  
20 to minimize the adverse impact on existing business  
21 relations or economic interests of United States per-  
22 sons, including products for which a significant vol-  
23 ume of trade does not currently exist.

24           “(e) INTERNATIONAL OBLIGATIONS.—Nothing in  
25 this section may be construed as requiring actions that

1 are inconsistent with the international obligations of the  
2 United States, including the General Agreement on Tar-  
3iffs and Trade.”.

4 **SEC. 3. CONFORMING AMENDMENTS.**

5 (a) CONGRESSIONAL NOTIFICATION.—Section  
6 309(3)(A) of the Trade Act of 1974 (19 U.S.C.  
7 2419(3)(A)) is amended by striking out “section 302,”  
8 and inserting “sections 302 and 306A(c),”.

9 (b) TABLE OF CONTENTS.—The table of contents of  
10 the Trade Act of 1974 relating to chapter 1 of title III  
11 is amended by inserting after the item relating to section  
12 306 the following:

“Sec. 306A. Requests for review of foreign compliance.”.

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