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107TH CONGRESS
1ST SESSION

H. R. 3005

[Report No. 107-249, Part I]

To extend trade authorities procedures with respect to reciprocal trade agreements.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2001

Mr. THOMAS (for himself, Mr. CRANE, Mr. DREIER, Mr. JEFFERSON, Mr. TANNER, and Mr. DOOLEY of California) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

OCTOBER 16, 2001

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

OCTOBER 16, 2001

Referral to the Committee on Rules extended for a period ending not later than October 17, 2001

OCTOBER 17, 2001

Committee on Rules discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend trade authorities procedures with respect to reciprocal trade agreements.

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 AND FINDINGS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Bi-*
5 *partisan Trade Promotion Authority Act of 2001”.*

6 (b) *FINDINGS.*—*The Congress makes the following*
7 *findings:*

8 (1) *The expansion of international trade is vital*
9 *to the national security of the United States. Trade*
10 *is critical to the economic growth and strength of the*
11 *United States and to its leadership in the world. Sta-*
12 *ble trading relationships promote security and pros-*
13 *perity. Trade agreements today serve the same pur-*
14 *poses that security pacts played during the Cold War,*
15 *binding nations together through a series of mutual*
16 *rights and obligations. Leadership by the United*
17 *States in international trade fosters open markets, de-*
18 *mocracy, and peace throughout the world.*

19 (2) *The national security of the United States*
20 *depends on its economic security, which in turn is*

1 *founded upon a vibrant and growing industrial base.*
2 *Trade expansion has been the engine of economic*
3 *growth. Trade agreements maximize opportunities for*
4 *the critical sectors and building blocks of the economy*
5 *of the United States, such as information technology,*
6 *telecommunications and other leading technologies,*
7 *basic industries, capital equipment, medical equip-*
8 *ment, services, agriculture, environmental technology,*
9 *and intellectual property. Trade will create new op-*
10 *portunities for the United States and preserve the un-*
11 *paralleled strength of the United States in economic,*
12 *political, and military affairs. The United States, se-*
13 *cured by expanding trade and economic opportuni-*
14 *ties, will meet the challenges of the twenty-first cen-*
15 *tury.*

16 **SEC. 2. TRADE NEGOTIATING OBJECTIVES.**

17 *(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The*
18 *overall trade negotiating objectives of the United States for*
19 *agreements subject to the provisions of section 3 are—*

20 *(1) to obtain more open, equitable, and recip-*
21 *rocal market access;*

22 *(2) to obtain the reduction or elimination of bar-*
23 *riers and distortions that are directly related to trade*
24 *and that decrease market opportunities for United*

1 *States exports or otherwise distort United States*
2 *trade;*

3 *(3) to further strengthen the system of inter-*
4 *national trading disciplines and procedures, includ-*
5 *ing dispute settlement;*

6 *(4) to foster economic growth, raise living stand-*
7 *ards, and promote full employment in the United*
8 *States and to enhance the global economy;*

9 *(5) to ensure that trade and environmental poli-*
10 *cies are mutually supportive and to seek to protect*
11 *and preserve the environment and enhance the inter-*
12 *national means of doing so, while optimizing the use*
13 *of the world's resources; and*

14 *(6) to promote respect for worker rights and the*
15 *rights of children consistent with core labor standards*
16 *of the International Labor Organization (as defined*
17 *in section 10(2)) and an understanding of the rela-*
18 *tionship between trade and worker rights.*

19 *(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—*

20 *(1) TRADE BARRIERS AND DISTORTIONS.—The*
21 *principal negotiating objectives of the United States*
22 *regarding trade barriers and other trade distortions*
23 *are—*

24 *(A) to expand competitive market opportu-*
25 *nities for United States exports and to obtain*

1 *fairer and more open conditions of trade by re-*
2 *ducing or eliminating tariff and nontariff bar-*
3 *riers and policies and practices of foreign gov-*
4 *ernments directly related to trade that decrease*
5 *market opportunities for United States exports*
6 *or otherwise distort United States trade; and*

7 *(B) to obtain reciprocal tariff and nontariff*
8 *barrier elimination agreements, with particular*
9 *attention to those tariff categories covered in sec-*
10 *tion 111(b) of the Uruguay Round Agreements*
11 *Act (19 U.S.C. 3521(b)).*

12 (2) *TRADE IN SERVICES.*—*The principal negoti-*
13 *ating objective of the United States regarding trade in*
14 *services is to reduce or eliminate barriers to inter-*
15 *national trade in services, including regulatory and*
16 *other barriers that deny national treatment and mar-*
17 *ket access or unreasonably restrict the establishment*
18 *or operations of service suppliers.*

19 (3) *FOREIGN INVESTMENT.*—*The principal nego-*
20 *tiating objective of the United States regarding for-*
21 *ign investment is to reduce or eliminate artificial or*
22 *trade-distorting barriers to trade-related foreign in-*
23 *vestment by—*

24 *(A) reducing or eliminating exceptions to*
25 *the principle of national treatment;*

1 (B) *freeing the transfer of funds relating to*
2 *investments;*

3 (C) *reducing or eliminating performance re-*
4 *quirements, forced technology transfers, and*
5 *other unreasonable barriers to the establishment*
6 *and operation of investments;*

7 (D) *seeking to establish standards for expro-*
8 *priation and compensation for expropriation,*
9 *consistent with United States legal principles*
10 *and practice;*

11 (E) *providing meaningful procedures for re-*
12 *solving investment disputes; and*

13 (F) *seeking to improve mechanisms used to*
14 *resolve disputes between an investor and a gov-*
15 *ernment through—*

16 (i) *mechanisms to eliminate frivolous*
17 *claims;*

18 (ii) *procedures to ensure the efficient*
19 *selection of arbitrators and the expeditious*
20 *disposition of claims; and*

21 (iii) *procedures to increase trans-*
22 *parency in investment disputes.*

23 (4) *INTELLECTUAL PROPERTY.—The principal*
24 *negotiating objectives of the United States regarding*
25 *trade-related intellectual property are—*

1 (A) to further promote adequate and effec-
2 tive protection of intellectual property rights, in-
3 cluding through—

4 (i)(I) ensuring accelerated and full im-
5 plementation of the Agreement on Trade-
6 related Aspects of Intellectual Property Rights
7 referred to in section 101(d)(15) of the Uru-
8 guay Round Agreements Act (19 U.S.C.
9 3511(d)(15)), particularly with respect to
10 meeting enforcement obligations under that
11 agreement; and

12 (II) ensuring that the provisions of
13 any multilateral or bilateral trade agree-
14 ment governing intellectual property rights
15 that is entered into by the United States re-
16 flect a standard of protection similar to
17 that found in United States law;

18 (ii) providing strong protection for
19 new and emerging technologies and new
20 methods of transmitting and distributing
21 products embodying intellectual property;

22 (iii) preventing or eliminating dis-
23 crimination with respect to matters affect-
24 ing the availability, acquisition, scope,

1 *maintenance, use, and enforcement of intel-*
2 *lectual property rights;*

3 *(iv) ensuring that standards of protec-*
4 *tion and enforcement keep pace with techno-*
5 *logical developments, and in particular en-*
6 *sureing that rightholders have the legal and*
7 *technological means to control the use of*
8 *their works through the Internet and other*
9 *global communication media, and to pre-*
10 *vent the unauthorized use of their works;*
11 *and*

12 *(v) providing strong enforcement of in-*
13 *tellectual property rights, including through*
14 *accessible, expeditious, and effective civil,*
15 *administrative, and criminal enforcement*
16 *mechanisms; and*

17 *(B) to secure fair, equitable, and non-*
18 *discriminatory market access opportunities for*
19 *United States persons that rely upon intellectual*
20 *property protection.*

21 *(5) TRANSPARENCY.—The principal negotiating*
22 *objective of the United States with respect to trans-*
23 *parency is to obtain wider and broader application*
24 *of the principle of transparency through—*

1 (A) increased and more timely public access
2 to information regarding trade issues and the ac-
3 tivities of international trade institutions;

4 (B) increased openness at the WTO and
5 other international trade fora by increasing pub-
6 lic access to appropriate meetings, proceedings,
7 and submissions, including with regard to dis-
8 pute settlement and investment; and

9 (C) increased and more timely public access
10 to all notifications and supporting documenta-
11 tion submitted by parties to the WTO.

12 (6) *ANTI-CORRUPTION*.—The principal negoti-
13 ating objectives of the United States with respect to
14 the use of money or other things of value to influence
15 acts, decisions, or omissions of foreign governments or
16 officials or to secure any improper advantage in a
17 manner affecting trade are—

18 (A) to obtain high standards and appro-
19 priate domestic enforcement mechanisms appli-
20 cable to persons from all countries participating
21 in the applicable trade agreement that prohibit
22 such attempts to influence acts, decisions, or
23 omissions of foreign governments; and

1 (B) to ensure that such standards do not
2 place United States persons at a competitive dis-
3 advantage in international trade.

4 (7) *IMPROVEMENT OF THE WTO AND MULTILAT-*
5 *ERAL TRADE AGREEMENTS.*—*The principal negoti-*
6 *ating objectives of the United States regarding the im-*
7 *provement of the World Trade Organization, the Uru-*
8 *guay Round Agreements, and other multilateral and*
9 *bilateral trade agreements are—*

10 (A) to achieve full implementation and ex-
11 tend the coverage of the World Trade Organiza-
12 tion and such agreements to products, sectors,
13 and conditions of trade not adequately covered;
14 and

15 (B) to expand country participation in and
16 enhancement of the Information Technology
17 Agreement and other trade agreements.

18 (8) *REGULATORY PRACTICES.*—*The principal ne-*
19 *gotiating objectives of the United States regarding the*
20 *use of government regulation or other practices by for-*
21 *oreign governments to provide a competitive advantage*
22 *to their domestic producers, service providers, or in-*
23 *vestors and thereby reduce market access for United*
24 *States goods, services, and investments are—*

1 (A) to achieve increased transparency and
2 opportunity for the participation of affected par-
3 ties in the development of regulations;

4 (B) to require that proposed regulations be
5 based on sound science, cost-benefit analysis, risk
6 assessment, or other objective evidence;

7 (C) to establish consultative mechanisms
8 among parties to trade agreements to promote
9 increased transparency in developing guidelines,
10 rules, regulations, and laws for government pro-
11 curement and other regulatory regimes; and

12 (D) to achieve the elimination of govern-
13 ment measures such as price controls and ref-
14 erence pricing which deny full market access for
15 United States products.

16 (9) *ELECTRONIC COMMERCE*.—The principal ne-
17 gotiating objectives of the United States with respect
18 to electronic commerce are—

19 (A) to ensure that current obligations, rules,
20 disciplines, and commitments under the World
21 Trade Organization apply to electronic com-
22 merce;

23 (B) to ensure that—

24 (i) electronically delivered goods and
25 services receive no less favorable treatment

1 *under trade rules and commitments than*
2 *like products delivered in physical form;*
3 *and*

4 *(ii) the classification of such goods and*
5 *services ensures the most liberal trade treat-*
6 *ment possible;*

7 *(C) to ensure that governments refrain from*
8 *implementing trade-related measures that im-*
9 *pede electronic commerce;*

10 *(D) where legitimate policy objectives re-*
11 *quire domestic regulations that affect electronic*
12 *commerce, to obtain commitments that any such*
13 *regulations are the least restrictive on trade,*
14 *nondiscriminatory, and transparent, and pro-*
15 *mote an open market environment; and*

16 *(E) to extend the moratorium of the World*
17 *Trade Organization on duties on electronic*
18 *transmissions.*

19 *(10) RECIPROCAL TRADE IN AGRICULTURE.—(A)*
20 *The principal negotiating objective of the United*
21 *States with respect to agriculture is to obtain com-*
22 *petitive opportunities for United States exports of ag-*
23 *ricultural commodities in foreign markets substan-*
24 *tially equivalent to the competitive opportunities af-*
25 *forded foreign exports in United States markets and*

1 to achieve fairer and more open conditions of trade
2 in bulk, specialty crop, and value-added commodities
3 by—

4 (i) reducing or eliminating, by a date cer-
5 tain, tariffs or other charges that decrease mar-
6 ket opportunities for United States exports—

7 (I) giving priority to those products
8 that are subject to significantly higher tar-
9 iffs or subsidy regimes of major producing
10 countries; and

11 (II) providing reasonable adjustment
12 periods for United States import-sensitive
13 products, in close consultation with the
14 Congress on such products before initiating
15 tariff reduction negotiations;

16 (ii) reducing tariffs to levels that are the
17 same as or lower than those in the United States;

18 (iii) reducing or eliminating subsidies that
19 decrease market opportunities for United States
20 exports or unfairly distort agriculture markets to
21 the detriment of the United States;

22 (iv) allowing the preservation of programs
23 that support family farms and rural commu-
24 nities but do not distort trade;

1 (v) *developing disciplines for domestic sup-*
2 *port programs, so that production that is in ex-*
3 *cess of domestic food security needs is sold at*
4 *world prices;*

5 (vi) *eliminating Government policies that*
6 *create price-depressing surpluses;*

7 (vii) *eliminating state trading enterprises*
8 *whenever possible;*

9 (viii) *developing, strengthening, and clari-*
10 *fying rules and effective dispute settlement mech-*
11 *anisms to eliminate practices that unfairly de-*
12 *crease United States market access opportunities*
13 *or distort agricultural markets to the detriment*
14 *of the United States, particularly with respect to*
15 *import-sensitive products, including—*

16 (I) *unfair or trade-distorting activities*
17 *of state trading enterprises and other ad-*
18 *ministrative mechanisms, with emphasis on*
19 *requiring price transparency in the oper-*
20 *ation of state trading enterprises and such*
21 *other mechanisms in order to end cross sub-*
22 *sidization, price discrimination, and price*
23 *undercutting;*

24 (II) *unjustified trade restrictions or*
25 *commercial requirements, such as labeling,*

1 that affect new technologies, including bio-
2 technology;

3 (III) unjustified sanitary or
4 phytosanitary restrictions, including those
5 not based on scientific principles in con-
6 travention of the Uruguay Round Agree-
7 ments;

8 (IV) other unjustified technical bar-
9 riers to trade; and

10 (V) restrictive rules in the administra-
11 tion of tariff rate quotas;

12 (ix) eliminating practices that adversely af-
13 fect trade in perishable or cyclical products,
14 while improving import relief mechanisms to
15 recognize the unique characteristics of perishable
16 and cyclical agriculture;

17 (x) ensuring that the use of import relief
18 mechanisms for perishable and cyclical agri-
19 culture are as accessible and timely to growers in
20 the United States as those mechanisms that are
21 used by other countries;

22 (xi) taking into account whether a party to
23 the negotiations has failed to adhere to the provi-
24 sions of already existing trade agreements with

1 *the United States or has circumvented obliga-*
2 *tions under those agreements;*

3 *(xii) taking into account whether a product*
4 *is subject to market distortions by reason of a*
5 *failure of a major producing country to adhere*
6 *to the provisions of already existing trade agree-*
7 *ments with the United States or by the cir-*
8 *cumvention by that country of its obligations*
9 *under those agreements;*

10 *(xiii) otherwise ensuring that countries that*
11 *accede to the World Trade Organization have*
12 *made meaningful market liberalization commit-*
13 *ments in agriculture;*

14 *(xiv) taking into account the impact that*
15 *agreements covering agriculture to which the*
16 *United States is a party, including the North*
17 *American Free Trade Agreement, have on the*
18 *United States agricultural industry; and*

19 *(xv) maintaining bona fide food assistance*
20 *programs and preserving United States market*
21 *development and export credit programs.*

22 *(B)(i) Before commencing negotiations with re-*
23 *spect to agriculture, the United States Trade Rep-*
24 *resentative, in consultation with the Congress, shall*
25 *seek to develop a position on the treatment of seasonal*

1 *and perishable agricultural products to be employed*
2 *in the negotiations in order to develop an inter-*
3 *national consensus on the treatment of seasonal or*
4 *perishable agricultural products in investigations re-*
5 *lating to dumping and safeguards and in any other*
6 *relevant area.*

7 *(ii) During any negotiations on agricultural*
8 *subsidies, the United States Trade Representative*
9 *shall seek to establish the common base year for calcu-*
10 *lating the Aggregated Measurement of Support (as de-*
11 *finied in the Agreement on Agriculture) as the end of*
12 *each country's Uruguay Round implementation pe-*
13 *riod, as reported in each country's Uruguay Round*
14 *market access schedule.*

15 *(iii) The negotiating objective provided in sub-*
16 *paragraph (A) applies with respect to agricultural*
17 *matters to be addressed in any trade agreement en-*
18 *tered into under section 3(a) or (b), including any*
19 *trade agreement entered into under section 3(a) or (b)*
20 *that provides for accession to a trade agreement to*
21 *which the United States is already a party, such as*
22 *the North American Free Trade Agreement and the*
23 *United States-Canada Free Trade Agreement.*

1 (11) *LABOR AND THE ENVIRONMENT.*—*The prin-*
2 *cipal negotiating objectives of the United States with*
3 *respect to labor and the environment are—*

4 (A) *to ensure that a party to a trade agree-*
5 *ment with the United States does not fail to ef-*
6 *fectively enforce its environmental or labor laws,*
7 *through a sustained or recurring course of action*
8 *or inaction, in a manner affecting trade between*
9 *the United States and that party after entry into*
10 *force of a trade agreement between those coun-*
11 *tries;*

12 (B) *to recognize that parties to a trade*
13 *agreement retain the right to exercise discretion*
14 *with respect to investigatory, prosecutorial, regu-*
15 *latory, and compliance matters and to make de-*
16 *isions regarding the allocation of resources to*
17 *enforcement with respect to other labor or envi-*
18 *ronmental matters determined to have higher*
19 *priorities, and to recognize that a country is ef-*
20 *fectively enforcing its laws if a course of action*
21 *or inaction reflects a reasonable exercise of such*
22 *discretion, or results from a bona fide decision*
23 *regarding the allocation of resources;*

24 (C) *to strengthen the capacity of United*
25 *States trading partners to promote respect for*

1 *core labor standards (as defined in section*
2 *10(2));*

3 *(D) to strengthen the capacity of United*
4 *States trading partners to protect the environ-*
5 *ment through the promotion of sustainable devel-*
6 *opment;*

7 *(E) to reduce or eliminate government prac-*
8 *tices or policies that unduly threaten sustainable*
9 *development;*

10 *(F) to seek market access, through the elimi-*
11 *nation of tariffs and nontariff barriers, for*
12 *United States environmental technologies, goods,*
13 *and services; and*

14 *(G) to ensure that labor, environmental,*
15 *health, or safety policies and practices of the*
16 *parties to trade agreements with the United*
17 *States do not arbitrarily or unjustifiably dis-*
18 *criminate against United States exports or serve*
19 *as disguised barriers to trade.*

20 *(12) DISPUTE SETTLEMENT AND ENFORCE-*
21 *MENT.—The principal negotiating objectives of the*
22 *United States with respect to dispute settlement and*
23 *enforcement of trade agreements are—*

24 *(A) to seek provisions in trade agreements*
25 *providing for resolution of disputes between gov-*

1 *ernments under those trade agreements in an ef-*
2 *fective, timely, transparent, equitable, and rea-*
3 *soned manner, requiring determinations based*
4 *on facts and the principles of the agreements,*
5 *with the goal of increasing compliance with the*
6 *agreements;*

7 *(B) to seek to strengthen the capacity of the*
8 *Trade Policy Review Mechanism of the World*
9 *Trade Organization to review compliance with*
10 *commitments;*

11 *(C) to seek provisions encouraging the early*
12 *identification and settlement of disputes through*
13 *consultation;*

14 *(D) to seek provisions to encourage the pro-*
15 *vision of trade-expanding compensation if a*
16 *party to a dispute under the agreement does not*
17 *come into compliance with its obligations under*
18 *the agreement;*

19 *(E) to seek provisions to impose a penalty*
20 *upon a party to a dispute under the agreement*
21 *that—*

22 *(i) encourages compliance with the ob-*
23 *ligations of the agreement;*

1 (ii) is appropriate to the parties, na-
2 ture, subject matter, and scope of the viola-
3 tion; and

4 (iii) has the aim of not adversely af-
5 fecting parties or interests not party to the
6 dispute while maintaining the effectiveness
7 of the enforcement mechanism; and

8 (F) to seek provisions that treat United
9 States principal negotiating objectives equally
10 with respect to—

11 (i) the ability to resort to dispute set-
12 tlement under the applicable agreement;

13 (ii) the availability of equivalent dis-
14 pute settlement procedures; and

15 (iii) the availability of equivalent rem-
16 edies.

17 (13) *WTO EXTENDED NEGOTIATIONS.*—*The*
18 *principal negotiating objectives of the United States*
19 *regarding trade in civil aircraft are those set forth in*
20 *section 135(c) of the Uruguay Round Agreements Act*
21 *(19 U.S.C. 3355(c)) and regarding rules of origin are*
22 *the conclusion of an agreement described in section*
23 *132 of that Act (19 U.S.C. 3552).*

1 (c) *PROMOTION OF CERTAIN PRIORITIES.*—*In order to*
2 *address and maintain United States competitiveness in the*
3 *global economy, the President shall—*

4 (1) *seek greater cooperation between the WTO*
5 *and the ILO;*

6 (2) *seek to establish consultative mechanisms*
7 *among parties to trade agreements to strengthen the*
8 *capacity of United States trading partners to promote*
9 *respect for core labor standards (as defined in section*
10 *10(2)), and report to the Committee on Ways and*
11 *Means of the House of Representatives and the Com-*
12 *mittee on Finance of the Senate on the content and*
13 *operation of such mechanisms;*

14 (3) *seek to establish consultative mechanisms*
15 *among parties to trade agreements to strengthen the*
16 *capacity of United States trading partners to develop*
17 *and implement standards for the protection of the en-*
18 *vironment and human health based on sound science,*
19 *and report to the Committee on Ways and Means of*
20 *the House of Representatives and the Committee on*
21 *Finance of the Senate on the content and operation*
22 *of such mechanisms;*

23 (4) *conduct environmental reviews of future*
24 *trade and investment agreements, consistent with Ex-*
25 *ecutive Order 13141 of November 16, 1999 and its rel-*

1 *evant guidelines, and report to the Committee on*
2 *Ways and Means of the House of Representatives and*
3 *the Committee on Finance of the Senate on such re-*
4 *views;*

5 *(5) review the impact of future trade agreements*
6 *on United States employment, modeled after Execu-*
7 *tive Order 13141, and report to the Committee on*
8 *Ways and Means of the House of Representatives and*
9 *the Committee on Finance of the Senate on such re-*
10 *view;*

11 *(6) take into account other legitimate United*
12 *States domestic objectives including, but not limited*
13 *to, the protection of legitimate health or safety, essen-*
14 *tial security, and consumer interests and the law and*
15 *regulations related thereto;*

16 *(7) have the Secretary of Labor consult with any*
17 *country seeking a trade agreement with the United*
18 *States concerning that country's labor laws and pro-*
19 *vide technical assistance to that country if needed;*

20 *(8) with respect to any trade agreement which*
21 *the President seeks to implement under trade authori-*
22 *ties procedures, submit to the Congress a report de-*
23 *scribing the extent to which the country or countries*
24 *that are parties to the agreement have in effect laws*
25 *governing exploitative child labor;*

1 (9) *preserve the ability of the United States to*
2 *enforce rigorously its trade laws, including the anti-*
3 *dumping and countervailing duty laws, and avoid*
4 *agreements which lessen the effectiveness of domestic*
5 *and international disciplines on unfair trade, espe-*
6 *cially dumping and subsidies, in order to ensure that*
7 *United States workers, agricultural producers, and*
8 *firms can compete fully on fair terms and enjoy the*
9 *benefits of reciprocal trade concessions;*

10 (10) *continue to promote consideration of multi-*
11 *lateral environmental agreements and consult with*
12 *parties to such agreements regarding the consistency*
13 *of any such agreement that includes trade measures*
14 *with existing environmental exceptions under Article*
15 *XX of the GATT 1994; and*

16 (11) *report to the Committee on Ways and*
17 *Means of the House of Representatives and the Com-*
18 *mittee on Finance of the Senate, not later than 12*
19 *months after the imposition of a penalty or remedy*
20 *by the United States permitted by a trade agreement*
21 *to which this Act applies, on the effectiveness of the*
22 *penalty or remedy applied under United States law*
23 *in enforcing United States rights under the trade*
24 *agreement.*

1 *The report under paragraph (11) shall address whether the*
2 *penalty or remedy was effective in changing the behavior*
3 *of the targeted party and whether the penalty or remedy*
4 *had any adverse impact on parties or interests not party*
5 *to the dispute.*

6 (d) *CONSULTATIONS.—*

7 (1) *CONSULTATIONS WITH CONGRESSIONAL AD-*
8 *VISERS.—In the course of negotiations conducted*
9 *under this Act, the United States Trade Representa-*
10 *tive shall consult closely and on a timely basis with,*
11 *and keep fully apprised of the negotiations, the Con-*
12 *gressional Oversight Group convened under section 7*
13 *and all committees of the House of Representatives*
14 *and the Senate with jurisdiction over laws that would*
15 *be affected by a trade agreement resulting from the*
16 *negotiations.*

17 (2) *CONSULTATION BEFORE AGREEMENT INI-*
18 *TIALED.—In the course of negotiations conducted*
19 *under this Act, the United States Trade Representa-*
20 *tive shall—*

21 (A) *consult closely and on a timely basis*
22 *(including immediately before initialing an*
23 *agreement) with, and keep fully apprised of the*
24 *negotiations, the congressional advisers for trade*
25 *policy and negotiations appointed under section*

1 161 of the Trade Act of 1974 (19 U.S.C. 2211),
2 the Committee on Ways and Means of the House
3 of Representatives, the Committee on Finance of
4 the Senate, and the Congressional Oversight
5 Group convened under section 7; and

6 (B) with regard to any negotiations and
7 agreement relating to agricultural trade, also
8 consult closely and on a timely basis (including
9 immediately before initialing an agreement)
10 with, and keep fully apprised of the negotiations,
11 the Committee on Agriculture of the House of
12 Representatives and the Committee on Agri-
13 culture, Nutrition, and Forestry of the Senate.

14 (e) *ADHERENCE TO OBLIGATIONS UNDER URUGUAY*
15 *ROUND AGREEMENTS.*—In determining whether to enter
16 into negotiations with a particular country, the President
17 shall take into account the extent to which that country has
18 implemented, or has accelerated the implementation of, its
19 obligations under the Uruguay Round Agreements.

20 **SEC. 3. TRADE AGREEMENTS AUTHORITY.**

21 (a) *AGREEMENTS REGARDING TARIFF BARRIERS.*—

22 (1) *IN GENERAL.*—Whenever the President deter-
23 mines that one or more existing duties or other im-
24 port restrictions of any foreign country or the United
25 States are unduly burdening and restricting the for-

1 *eign trade of the United States and that the purposes,*
2 *policies, priorities, and objectives of this Act will be*
3 *promoted thereby, the President—*

4 *(A) may enter into trade agreements with*
5 *foreign countries before—*

6 *(i) June 1, 2005; or*

7 *(ii) June 1, 2007, if trade authorities*
8 *procedures are extended under subsection*
9 *(c); and*

10 *(B) may, subject to paragraphs (2) and (3),*
11 *proclaim—*

12 *(i) such modification or continuance of*
13 *any existing duty,*

14 *(ii) such continuance of existing duty-*
15 *free or excise treatment, or*

16 *(iii) such additional duties,*

17 *as the President determines to be required or ap-*
18 *propriate to carry out any such trade agreement.*

19 *The President shall notify the Congress of the Presi-*
20 *dent's intention to enter into an agreement under this*
21 *subsection.*

22 *(2) LIMITATIONS.—No proclamation may be*
23 *made under paragraph (1) that—*

24 *(A) reduces any rate of duty (other than a*
25 *rate of duty that does not exceed 5 percent ad va-*

1 *lorem on the date of the enactment of this Act)*
2 *to a rate of duty which is less than 50 percent*
3 *of the rate of such duty that applies on such date*
4 *of enactment; or*

5 *(B) increases any rate of duty above the*
6 *rate that applied on the date of the enactment of*
7 *this Act.*

8 *(3) AGGREGATE REDUCTION; EXEMPTION FROM*
9 *STAGING.—*

10 *(A) AGGREGATE REDUCTION.—Except as*
11 *provided in subparagraph (B), the aggregate re-*
12 *duction in the rate of duty on any article which*
13 *is in effect on any day pursuant to a trade*
14 *agreement entered into under paragraph (1)*
15 *shall not exceed the aggregate reduction which*
16 *would have been in effect on such day if—*

17 *(i) a reduction of 3 percent ad valorem*
18 *or a reduction of one-tenth of the total re-*
19 *duction, whichever is greater, had taken ef-*
20 *fect on the effective date of the first reduc-*
21 *tion proclaimed under paragraph (1) to*
22 *carry out such agreement with respect to*
23 *such article; and*

24 *(ii) a reduction equal to the amount*
25 *applicable under clause (i) had taken effect*

1 *at 1-year intervals after the effective date of*
2 *such first reduction.*

3 *(B) EXEMPTION FROM STAGING.—No stag-*
4 *ing is required under subparagraph (A) with re-*
5 *spect to a duty reduction that is proclaimed*
6 *under paragraph (1) for an article of a kind*
7 *that is not produced in the United States. The*
8 *United States International Trade Commission*
9 *shall advise the President of the identity of arti-*
10 *cles that may be exempted from staging under*
11 *this subparagraph.*

12 *(4) ROUNDING.—If the President determines that*
13 *such action will simplify the computation of reduc-*
14 *tions under paragraph (3), the President may round*
15 *an annual reduction by an amount equal to the lesser*
16 *of—*

17 *(A) the difference between the reduction*
18 *without regard to this paragraph and the next*
19 *lower whole number; or*

20 *(B) one-half of 1 percent ad valorem.*

21 *(5) OTHER LIMITATIONS.—A rate of duty reduc-*
22 *tion that may not be proclaimed by reason of para-*
23 *graph (2) may take effect only if a provision author-*
24 *izing such reduction is included within an imple-*

1 *menting bill provided for under section 5 and that*
2 *bill is enacted into law.*

3 (6) *OTHER TARIFF MODIFICATIONS.—Notwith-*
4 *standing paragraphs (1)(B) and (2) through (5), and*
5 *subject to the consultation and layover requirements*
6 *of section 115 of the Uruguay Round Agreements Act,*
7 *the President may proclaim the modification of any*
8 *duty or staged rate reduction of any duty set forth*
9 *in Schedule XX, as defined in section 2(5) of that*
10 *Act, if the United States agrees to such modification*
11 *or staged rate reduction in a negotiation for the re-*
12 *ciprocal elimination or harmonization of duties under*
13 *the auspices of the World Trade Organization.*

14 (7) *AUTHORITY UNDER URUGUAY ROUND AGREE-*
15 *MENTS ACT NOT AFFECTED.—Nothing in this sub-*
16 *section shall limit the authority provided to the Presi-*
17 *dent under section 111(b) of the Uruguay Round*
18 *Agreements Act (19 U.S.C. 3521(b)).*

19 (b) *AGREEMENTS REGARDING TARIFF AND NONTARIFF*
20 *BARRIERS.—*

21 (1) *IN GENERAL.—(A) Whenever the President*
22 *determines that—*

23 (i) *one or more existing duties or any other*
24 *import restriction of any foreign country or the*
25 *United States or any other barrier to, or other*

1 *distortion of, international trade unduly burdens*
2 *or restricts the foreign trade of the United States*
3 *or adversely affects the United States economy;*
4 *or*

5 *(ii) the imposition of any such barrier or*
6 *distortion is likely to result in such a burden, re-*
7 *striction, or effect;*

8 *and that the purposes, policies, priorities, and objec-*
9 *tives of this Act will be promoted thereby, the Presi-*
10 *dent may enter into a trade agreement described in*
11 *subparagraph (B) during the period described in sub-*
12 *paragraph (C).*

13 *(B) The President may enter into a trade agree-*
14 *ment under subparagraph (A) with foreign countries*
15 *providing for—*

16 *(i) the reduction or elimination of a duty,*
17 *restriction, barrier, or other distortion described*
18 *in subparagraph (A), or*

19 *(ii) the prohibition of, or limitation on the*
20 *imposition of, such barrier or other distortion.*

21 *(C) The President may enter into a trade agree-*
22 *ment under this paragraph before—*

23 *(i) June 1, 2005; or*

24 *(ii) June 1, 2007, if trade authorities proce-*
25 *dures are extended under subsection (c).*

1 (2) *CONDITIONS.*—A trade agreement may be en-
2 tered into under this subsection only if such agree-
3 ment makes progress in meeting the applicable objec-
4 tives described in section 2(a) and (b) and the Presi-
5 dent satisfies the conditions set forth in section 4.

6 (3) *BILLS QUALIFYING FOR TRADE AUTHORITIES*
7 *PROCEDURES.*—(A) The provisions of section 151 of
8 the Trade Act of 1974 (in this Act referred to as
9 “trade authorities procedures”) apply to a bill of ei-
10 ther House of Congress which contains provisions de-
11 scribed in subparagraph (B) to the same extent as
12 such section 151 applies to implementing bills under
13 that section. A bill to which this paragraph applies
14 shall hereafter in this Act be referred to as an “imple-
15 menting bill”.

16 (B) The provisions referred to in subparagraph
17 (A) are—

18 (i) a provision approving a trade agreement
19 entered into under this subsection and approving
20 the statement of administrative action, if any,
21 proposed to implement such trade agreement;
22 and

23 (ii) if changes in existing laws or new stat-
24 utory authority are required to implement such
25 trade agreement or agreements, provisions, nec-

1 *essary or appropriate to implement such trade*
2 *agreement or agreements, either repealing or*
3 *amending existing laws or providing new statu-*
4 *tory authority.*

5 *(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRES-*
6 *SIONAL TRADE AUTHORITIES PROCEDURES.—*

7 *(1) IN GENERAL.—Except as provided in section*
8 *5(b)—*

9 *(A) the trade authorities procedures apply*
10 *to implementing bills submitted with respect to*
11 *trade agreements entered into under subsection*
12 *(b) before July 1, 2005; and*

13 *(B) the trade authorities procedures shall be*
14 *extended to implementing bills submitted with*
15 *respect to trade agreements entered into under*
16 *subsection (b) after June 30, 2005, and before*
17 *July 1, 2007, if (and only if)—*

18 *(i) the President requests such exten-*
19 *sion under paragraph (2); and*

20 *(ii) neither House of the Congress*
21 *adopts an extension disapproval resolution*
22 *under paragraph (5) before June 1, 2005.*

23 *(2) REPORT TO CONGRESS BY THE PRESI-*
24 *DENT.—If the President is of the opinion that the*
25 *trade authorities procedures should be extended to im-*

1 *plementing bills described in paragraph (1)(B), the*
2 *President shall submit to the Congress, not later than*
3 *March 1, 2005, a written report that contains a re-*
4 *quest for such extension, together with—*

5 *(A) a description of all trade agreements*
6 *that have been negotiated under subsection (b)*
7 *and the anticipated schedule for submitting such*
8 *agreements to the Congress for approval;*

9 *(B) a description of the progress that has*
10 *been made in negotiations to achieve the pur-*
11 *poses, policies, priorities, and objectives of this*
12 *Act, and a statement that such progress justifies*
13 *the continuation of negotiations; and*

14 *(C) a statement of the reasons why the ex-*
15 *ension is needed to complete the negotiations.*

16 *(3) REPORT TO CONGRESS BY THE ADVISORY*
17 *COMMITTEE.—The President shall promptly inform*
18 *the Advisory Committee for Trade Policy and Nego-*
19 *tiations established under section 135 of the Trade*
20 *Act of 1974 (19 U.S.C. 2155) of the President’s deci-*
21 *sion to submit a report to the Congress under para-*
22 *graph (2). The Advisory Committee shall submit to*
23 *the Congress as soon as practicable, but not later than*
24 *May 1, 2005, a written report that contains—*

1 (A) *its views regarding the progress that*
2 *has been made in negotiations to achieve the*
3 *purposes, policies, priorities, and objectives of*
4 *this Act; and*

5 (B) *a statement of its views, and the rea-*
6 *sons therefor, regarding whether the extension re-*
7 *quested under paragraph (2) should be approved*
8 *or disapproved.*

9 (4) *STATUS OF REPORTS.—The reports sub-*
10 *mitted to the Congress under paragraphs (2) and (3),*
11 *or any portion of such reports, may be classified to*
12 *the extent the President determines appropriate.*

13 (5) *EXTENSION DISAPPROVAL RESOLUTIONS.—*
14 (A) *For purposes of paragraph (1), the term “exten-*
15 *sion disapproval resolution” means a resolution of ei-*
16 *ther House of the Congress, the sole matter after the*
17 *resolving clause of which is as follows: “That the _____*
18 *disapproves the request of the President for the exten-*
19 *sion, under section 3(c)(1)(B)(i) of the Bipartisan*
20 *Trade Promotion Authority Act of 2001, of the trade*
21 *authorities procedures under that Act to any imple-*
22 *menting bill submitted with respect to any trade*
23 *agreement entered into under section 3(b) of that Act*
24 *after June 30, 2005.”, with the blank space being*

1 *filled with the name of the resolving House of the*
2 *Congress.*

3 *(B) Extension disapproval resolutions—*

4 *(i) may be introduced in either House of the*
5 *Congress by any member of such House; and*

6 *(ii) shall be referred, in the House of Rep-*
7 *resentatives, to the Committee on Ways and*
8 *Means and, in addition, to the Committee on*
9 *Rules.*

10 *(C) The provisions of sections 152(d) and (e) of*
11 *the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))*
12 *(relating to the floor consideration of certain resolu-*
13 *tions in the House and Senate) apply to extension*
14 *disapproval resolutions.*

15 *(D) It is not in order for—*

16 *(i) the Senate to consider any extension dis-*
17 *approval resolution not reported by the Com-*
18 *mittee on Finance;*

19 *(ii) the House of Representatives to consider*
20 *any extension disapproval resolution not re-*
21 *ported by the Committee on Ways and Means*
22 *and, in addition, by the Committee on Rules; or*

23 *(iii) either House of the Congress to con-*
24 *sider an extension disapproval resolution after*
25 *June 30, 2005.*

1 (d) *COMMENCEMENT OF NEGOTIATIONS.*—*In order to*
2 *contribute to the continued economic expansion of the*
3 *United States, the President shall commence negotiations*
4 *covering tariff and nontariff barriers affecting any indus-*
5 *try, product, or service sector, and expand existing sectoral*
6 *agreements to countries that are not parties to those agree-*
7 *ments, in cases where the President determines that such*
8 *negotiations are feasible and timely and would benefit the*
9 *United States. Such sectors include agriculture, commercial*
10 *services, intellectual property rights, industrial and capital*
11 *goods, government procurement, information technology*
12 *products, environmental technology and services, medical*
13 *equipment and services, civil aircraft, and infrastructure*
14 *products. In so doing, the President shall take into account*
15 *all of the principal negotiating objectives set forth in section*
16 *2(b).*

17 **SEC. 4. CONSULTATIONS AND ASSESSMENT.**

18 (a) *NOTICE AND CONSULTATION BEFORE NEGOTIA-*
19 *TION.*—*The President, with respect to any agreement that*
20 *is subject to the provisions of section 3(b), shall—*

21 (1) *provide, at least 90 calendar days before ini-*
22 *tiating negotiations, written notice to the Congress of*
23 *the President’s intention to enter into the negotiations*
24 *and set forth therein the date the President intends to*
25 *initiate such negotiations, the specific United States*

1 *objectives for the negotiations, and whether the Presi-*
2 *dent intends to seek an agreement, or changes to an*
3 *existing agreement; and*

4 *(2) before and after submission of the notice, con-*
5 *sult regarding the negotiations with the Committee on*
6 *Finance of the Senate and the Committee on Ways*
7 *and Means of the House of Representatives, such other*
8 *committees of the House and Senate as the President*
9 *deems appropriate, and the Congressional Oversight*
10 *group convened under section 7.*

11 *(b) NEGOTIATIONS REGARDING AGRICULTURE.—Be-*
12 *fore initiating or continuing negotiations the subject matter*
13 *of which is directly related to the subject matter under sec-*
14 *tion 2(b)(10)(A)(i) with any country, the President shall*
15 *assess whether United States tariffs on agricultural prod-*
16 *ucts that were bound under the Uruguay Round Agreements*
17 *are lower than the tariffs bound by that country. In addi-*
18 *tion, the President shall consider whether the tariff levels*
19 *bound and applied throughout the world with respect to im-*
20 *ports from the United States are higher than United States*
21 *tariffs and whether the negotiation provides an opportunity*
22 *to address any such disparity. The President shall consult*
23 *with the Committee on Ways and Means and the Committee*
24 *on Agriculture of the House of Representatives and the*
25 *Committee on Finance and the Committee on Agriculture,*

1 *Nutrition, and Forestry of the Senate concerning the results*
2 *of the assessment, whether it is appropriate for the United*
3 *States to agree to further tariff reductions based on the con-*
4 *clusions reached in the assessment, and how all applicable*
5 *negotiating objectives will be met.*

6 (c) *CONSULTATION WITH CONGRESS BEFORE AGREE-*
7 *MENTS ENTERED INTO.—*

8 (1) *CONSULTATION.—Before entering into any*
9 *trade agreement under section 3(b), the President*
10 *shall consult with—*

11 (A) *the Committee on Ways and Means of*
12 *the House of Representatives and the Committee*
13 *on Finance of the Senate;*

14 (B) *each other committee of the House and*
15 *the Senate, and each joint committee of the Con-*
16 *gress, which has jurisdiction over legislation in-*
17 *volving subject matters which would be affected*
18 *by the trade agreement; and*

19 (C) *the Congressional Oversight Group con-*
20 *vened under section 7.*

21 (2) *SCOPE.—The consultation described in para-*
22 *graph (1) shall include consultation with respect to—*

23 (A) *the nature of the agreement;*

1 (B) *how and to what extent the agreement*
2 *will achieve the applicable purposes, policies,*
3 *priorities, and objectives of this Act; and*

4 (C) *the implementation of the agreement*
5 *under section 5, including the general effect of*
6 *the agreement on existing laws.*

7 (d) *ADVISORY COMMITTEE REPORTS.—The report re-*
8 *quired under section 135(e)(1) of the Trade Act of 1974 re-*
9 *garding any trade agreement entered into under section*
10 *3(a) or (b) of this Act shall be provided to the President,*
11 *the Congress, and the United States Trade Representative*
12 *not later than 30 days after the date on which the President*
13 *notifies the Congress under section 3(a)(1) or 5(a)(1)(A) of*
14 *the President’s intention to enter into the agreement.*

15 (e) *ITC ASSESSMENT.—*

16 (1) *IN GENERAL.—The President, at least 90 cal-*
17 *endar days before the day on which the President en-*
18 *ters into a trade agreement under section 3(b), shall*
19 *provide the International Trade Commission (referred*
20 *to in this subsection as “the Commission”) with the*
21 *details of the agreement as it exists at that time and*
22 *request the Commission to prepare and submit an as-*
23 *essment of the agreement as described in paragraph*
24 *(2). Between the time the President makes the request*
25 *under this paragraph and the time the Commission*

1 *submits the assessment, the President shall keep the*
2 *Commission current with respect to the details of the*
3 *agreement.*

4 (2) *ITC ASSESSMENT.*—*Not later than 90 cal-*
5 *endar days after the President enters into the agree-*
6 *ment, the Commission shall submit to the President*
7 *and the Congress a report assessing the likely impact*
8 *of the agreement on the United States economy as a*
9 *whole and on specific industry sectors, including the*
10 *impact the agreement will have on the gross domestic*
11 *product, exports and imports, aggregate employment*
12 *and employment opportunities, the production, em-*
13 *ployment, and competitive position of industries like-*
14 *ly to be significantly affected by the agreement, and*
15 *the interests of United States consumers.*

16 (3) *REVIEW OF EMPIRICAL LITERATURE.*—*In*
17 *preparing the assessment, the Commission shall re-*
18 *view available economic assessments regarding the*
19 *agreement, including literature regarding any sub-*
20 *stantially equivalent proposed agreement, and shall*
21 *provide in its assessment a description of the analyses*
22 *used and conclusions drawn in such literature, and a*
23 *discussion of areas of consensus and divergence be-*
24 *tween the various analyses and conclusions, including*
25 *those of the Commission regarding the agreement.*

1 **SEC. 5. IMPLEMENTATION OF TRADE AGREEMENTS.**

2 (a) *IN GENERAL.*—

3 (1) *NOTIFICATION AND SUBMISSION.*—*Any agree-*
4 *ment entered into under section 3(b) shall enter into*
5 *force with respect to the United States if (and only*
6 *if)—*

7 (A) *the President, at least 90 calendar days*
8 *before the day on which the President enters into*
9 *the trade agreement, notifies the House of Rep-*
10 *resentatives and the Senate of the President’s in-*
11 *tervention to enter into the agreement, and prompt-*
12 *ly thereafter publishes notice of such intention in*
13 *the Federal Register;*

14 (B) *within 60 days after entering into the*
15 *agreement, the President submits to the Congress*
16 *a description of those changes to existing laws*
17 *that the President considers would be required in*
18 *order to bring the United States into compliance*
19 *with the agreement;*

20 (C) *after entering into the agreement, the*
21 *President submits to the Congress a copy of the*
22 *final legal text of the agreement, together with—*

23 (i) *a draft of an implementing bill de-*
24 *scribed in section 3(b)(3);*

1 (ii) a statement of any administrative
2 action proposed to implement the trade
3 agreement; and

4 (iii) the supporting information de-
5 scribed in paragraph (2); and

6 (D) the implementing bill is enacted into
7 law.

8 (2) *SUPPORTING INFORMATION.*—*The supporting*
9 *information required under paragraph (1)(C)(iii)*
10 *consists of—*

11 (A) *an explanation as to how the imple-*
12 *menting bill and proposed administrative action*
13 *will change or affect existing law; and*

14 (B) *a statement—*

15 (i) *asserting that the agreement makes*
16 *progress in achieving the applicable pur-*
17 *poses, policies, priorities, and objectives of*
18 *this Act; and*

19 (ii) *setting forth the reasons of the*
20 *President regarding—*

21 (I) *how and to what extent the*
22 *agreement makes progress in achieving*
23 *the applicable purposes, policies, and*
24 *objectives referred to in clause (i);*

1 (II) *whether and how the agree-*
2 *ment changes provisions of an agree-*
3 *ment previously negotiated;*

4 (III) *how the agreement serves the*
5 *interests of United States commerce;*

6 (IV) *how the implementing bill*
7 *meets the standards set forth in section*
8 *3(b)(3); and*

9 (V) *how and to what extent the*
10 *agreement makes progress in achieving*
11 *the applicable purposes, policies, and*
12 *objectives referred to in section 2(c) re-*
13 *garding the promotion of certain prior-*
14 *ities.*

15 (3) *RECIPROCAL BENEFITS.—In order to ensure*
16 *that a foreign country that is not a party to a trade*
17 *agreement entered into under section 3(b) does not re-*
18 *ceive benefits under the agreement unless the country*
19 *is also subject to the obligations under the agreement,*
20 *the implementing bill submitted with respect to the*
21 *agreement shall provide that the benefits and obliga-*
22 *tions under the agreement apply only to the parties*
23 *to the agreement, if such application is consistent*
24 *with the terms of the agreement. The implementing*
25 *bill may also provide that the benefits and obligations*

1 *under the agreement do not apply uniformly to all*
2 *parties to the agreement, if such application is con-*
3 *sistent with the terms of the agreement.*

4 *(b) LIMITATIONS ON TRADE AUTHORITIES PROCE-*
5 *DURES.—*

6 *(1) FOR LACK OF NOTICE OR CONSULTATIONS.—*

7 *(A) IN GENERAL.—The trade authorities*
8 *procedures shall not apply to any implementing*
9 *bill submitted with respect to a trade agreement*
10 *entered into under section 3(b) if during the 60-*
11 *day period beginning on the date that one House*
12 *of Congress agrees to a procedural disapproval*
13 *resolution for lack of notice or consultations with*
14 *respect to that trade agreement, the other House*
15 *separately agrees to a procedural disapproval*
16 *resolution with respect to that agreement.*

17 *(B) PROCEDURAL DISAPPROVAL RESOLU-*
18 *TION.—For purposes of this paragraph, the term*
19 *“procedural disapproval resolution” means a*
20 *resolution of either House of Congress, the sole*
21 *matter after the resolving clause of which is as*
22 *follows: “That the President has failed or refused*
23 *to notify or consult (as the case may be) with*
24 *Congress in accordance with section 4 or 5 of the*
25 *Bipartisan Trade Promotion Authority Act of*

1 2001 on negotiations with respect to
2 _____ and, therefore, the trade authori-
3 ties procedures under that Act shall not apply to
4 any implementing bill submitted with respect to
5 that trade agreement.”, with the blank space
6 being filled with a description of the trade agree-
7 ment with respect to which the President is con-
8 sidered to have failed or refused to notify or con-
9 sult.

10 (2) *PROCEDURES FOR CONSIDERING RESOLU-*
11 *TIONS.—(A) Procedural disapproval resolutions—*

12 *(i) in the House of Representatives—*

13 *(I) shall be introduced by the chairman*
14 *or ranking minority member of the Com-*
15 *mittee on Ways and Means or the chairman*
16 *or ranking minority member of the Com-*
17 *mittee on Rules;*

18 *(II) shall be referred to the Committee*
19 *on Ways and Means and, in addition, to*
20 *the Committee on Rules; and*

21 *(III) may not be amended by either*
22 *Committee; and*

23 *(ii) in the Senate shall be original resolu-*
24 *tions of the Committee on Finance.*

1 (B) *The provisions of section 152(d) and (e) of*
2 *the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))*
3 *(relating to the floor consideration of certain resolu-*
4 *tions in the House and Senate) apply to procedural*
5 *disapproval resolutions.*

6 (C) *It is not in order for the House of Represent-*
7 *atives to consider any procedural disapproval resolu-*
8 *tion not reported by the Committee on Ways and*
9 *Means and, in addition, by the Committee on Rules.*

10 (c) *RULES OF HOUSE OF REPRESENTATIVES AND SEN-*
11 *ATE.—Subsection (b) of this section and section 3(c) are*
12 *enacted by the Congress—*

13 (1) *as an exercise of the rulemaking power of the*
14 *House of Representatives and the Senate, respectively,*
15 *and as such are deemed a part of the rules of each*
16 *House, respectively, and such procedures supersede*
17 *other rules only to the extent that they are incon-*
18 *sistent with such other rules; and*

19 (2) *with the full recognition of the constitutional*
20 *right of either House to change the rules (so far as re-*
21 *lating to the procedures of that House) at any time,*
22 *in the same manner, and to the same extent as any*
23 *other rule of that House.*

1 **SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR**
2 **WHICH NEGOTIATIONS HAVE ALREADY**
3 **BEGUN.**

4 (a) *CERTAIN AGREEMENTS.*—*Notwithstanding section*
5 *3(b)(2), if an agreement to which section 3(b) applies—*

6 (1) *is entered into under the auspices of the*
7 *World Trade Organization,*

8 (2) *is entered into with Chile,*

9 (3) *is entered into with Singapore, or*

10 (4) *establishes a Free Trade Area for the Amer-*
11 *icas,*

12 *and results from negotiations that were commenced before*
13 *the date of the enactment of this Act, subsection (b) shall*
14 *apply.*

15 (b) *TREATMENT OF AGREEMENTS.*—*In the case of any*
16 *agreement to which subsection (a) applies—*

17 (1) *the applicability of the trade authorities pro-*
18 *cedures to implementing bills shall be determined*
19 *without regard to the requirements of section 4(a) (re-*
20 *lating only to 90 days notice prior to initiating nego-*
21 *tiations), and any procedural disapproval resolution*
22 *under section 5(b)(1)(B) shall not be in order on the*
23 *basis of a failure or refusal to comply with the provi-*
24 *sions of section 4(a); and*

25 (2) *the President shall, as soon as feasible after*
26 *the enactment of this Act—*

1 (A) *notify the Congress of the negotiations*
2 *described in subsection (a), the specific United*
3 *States objectives in the negotiations, and whether*
4 *the President is seeking a new agreement or*
5 *changes to an existing agreement; and*

6 (B) *before and after submission of the no-*
7 *tice, consult regarding the negotiations with the*
8 *committees referred to in section 4(a)(2) and the*
9 *Congressional Oversight Group.*

10 **SEC. 7. CONGRESSIONAL OVERSIGHT GROUP.**

11 (a) *MEMBERS AND FUNCTIONS.—*

12 (1) *IN GENERAL.—By not later than 60 days*
13 *after the date of the enactment of this Act, and not*
14 *later than 30 days after the convening of each Con-*
15 *gress, the chairman of the Committee on Ways and*
16 *Means of the House of Representatives and the chair-*
17 *man of the Committee on Finance of the Senate shall*
18 *convene the Congressional Oversight Group.*

19 (2) *MEMBERSHIP FROM THE HOUSE.—In each*
20 *Congress, the Congressional Oversight Group shall be*
21 *comprised of the following Members of the House of*
22 *Representatives:*

23 (A) *The chairman and ranking member of*
24 *the Committee on Ways and Means, and 3 addi-*
25 *tional members of such Committee (not more*

1 *than 2 of whom are members of the same polit-*
2 *ical party).*

3 *(B) The chairman and ranking member, or*
4 *their designees, of the committees of the House of*
5 *Representatives which would have, under the*
6 *Rules of the House of Representatives, jurisdic-*
7 *tion over provisions of law affected by a trade*
8 *agreement negotiations for which are conducted*
9 *at any time during that Congress and to which*
10 *this Act would apply.*

11 *(3) MEMBERSHIP FROM THE SENATE.—In each*
12 *Congress, the Congressional Oversight Group shall*
13 *also be comprised of the following members of the Sen-*
14 *ate:*

15 *(A) The chairman and ranking Member of*
16 *the Committee on Finance and 3 additional*
17 *members of such Committee (not more than 2 of*
18 *whom are members of the same political party).*

19 *(B) The chairman and ranking member, or*
20 *their designees, of the committees of the Senate*
21 *which would have, under the Rules of the Senate,*
22 *jurisdiction over provisions of law affected by a*
23 *trade agreement negotiations for which are con-*
24 *ducted at any time during that Congress and to*
25 *which this Act would apply.*

1 (4) *ACCREDITATION.*—*Each member of the Con-*
2 *gressional Oversight Group described in paragraph*
3 *(2)(A) and (3)(A) shall be accredited by the United*
4 *States Trade Representative on behalf of the President*
5 *as official advisers to the United States delegation in*
6 *negotiations for any trade agreement to which this*
7 *Act applies. Each member of the Congressional Over-*
8 *sight Group described in paragraph (2)(B) and*
9 *(3)(B) shall be accredited by the United States Trade*
10 *Representative on behalf of the President as official*
11 *advisers to the United States delegation in the nego-*
12 *tiations by reason of which the member is in the Con-*
13 *gressional Oversight Group. The Congressional Over-*
14 *sight Group shall consult with and provide advice to*
15 *the Trade Representative regarding the formulation of*
16 *specific objectives, negotiating strategies and posi-*
17 *tions, the development of the applicable trade agree-*
18 *ment, and compliance and enforcement of the nego-*
19 *tiated commitments under the trade agreement.*

20 (5) *CHAIR.*—*The Congressional Oversight Group*
21 *shall be chaired by the Chairman of the Committee on*
22 *Ways and Means of the House of Representatives and*
23 *the Chairman of the Committee on Finance of the*
24 *Senate.*

25 (b) *GUIDELINES.*—

1 (1) *PURPOSE AND REVISION.*—*The United States*
2 *Trade Representative, in consultation with the chair-*
3 *men and ranking minority members of the Committee*
4 *on Ways and Means of the House of Representatives*
5 *and the Committee on Finance of the Senate—*

6 (A) *shall, within 120 days after the date of*
7 *the enactment of this Act, develop written guide-*
8 *lines to facilitate the useful and timely exchange*
9 *of information between the Trade Representative*
10 *and the Congressional Oversight Group estab-*
11 *lished under this section; and*

12 (B) *may make such revisions to the guide-*
13 *lines as may be necessary from time to time.*

14 (2) *CONTENT.*—*The guidelines developed under*
15 *paragraph (1) shall provide for, among other*
16 *things—*

17 (A) *regular, detailed briefings of the Con-*
18 *gressional Oversight Group regarding negoti-*
19 *ating objectives, including the promotion of cer-*
20 *tain priorities referred to in section 2(c), and*
21 *positions and the status of the applicable nego-*
22 *tiations, beginning as soon as practicable after*
23 *the Congressional Oversight Group is convened,*
24 *with more frequent briefings as trade negotia-*
25 *tions enter the final stage;*

1 (B) access by members of the Congressional
2 Oversight Group, and staff with proper security
3 clearances, to pertinent documents relating to the
4 negotiations, including classified materials;

5 (C) the closest practicable coordination be-
6 tween the Trade Representative and the Congres-
7 sional Oversight Group at all critical periods
8 during the negotiations, including at negotiation
9 sites; and

10 (D) after the applicable trade agreement is
11 concluded, consultation regarding ongoing com-
12 pliance and enforcement of negotiated commit-
13 ments under the trade agreement.

14 **SEC. 8. ADDITIONAL IMPLEMENTATION AND ENFORCE-**
15 **MENT REQUIREMENTS.**

16 (a) *IN GENERAL.*—At the time the President submits
17 to the Congress the final text of an agreement pursuant to
18 section 5(a)(1)(C), the President shall also submit a plan
19 for implementing and enforcing the agreement. The imple-
20 mentation and enforcement plan shall include the following:

21 (1) *BORDER PERSONNEL REQUIREMENTS.*—A de-
22 scription of additional personnel required at border
23 entry points, including a list of additional customs
24 and agricultural inspectors.

1 (2) *AGENCY STAFFING REQUIREMENTS.*—A de-
2 scription of additional personnel required by Federal
3 agencies responsible for monitoring and implementing
4 the trade agreement, including personnel required by
5 the Office of the United States Trade Representative,
6 the Department of Commerce, the Department of Ag-
7 riculture (including additional personnel required to
8 implement sanitary and phytosanitary measures in
9 order to obtain market access for United States ex-
10 ports), the Department of the Treasury, and such
11 other agencies as may be necessary.

12 (3) *CUSTOMS INFRASTRUCTURE REQUIRE-*
13 MENTS.—A description of the additional equipment
14 and facilities needed by the United States Customs
15 Service.

16 (4) *IMPACT ON STATE AND LOCAL GOVERN-*
17 MENTS.—A description of the impact the trade agree-
18 ment will have on State and local governments as a
19 result of increases in trade.

20 (5) *COST ANALYSIS.*—An analysis of the costs as-
21 sociated with each of the items listed in paragraphs
22 (1) through (4).

23 (b) *BUDGET SUBMISSION.*—The President shall in-
24 clude a request for the resources necessary to support the
25 plan described in subsection (a) in the first budget that the

1 *President submits to the Congress after the submission of*
2 *the plan.*

3 **SEC. 9. CONFORMING AMENDMENTS.**

4 (a) *IN GENERAL.*—*Title I of the Trade Act of 1974*
5 *(19 U.S.C. 2111 et seq.) is amended as follows:*

6 (1) *IMPLEMENTING BILL.*—

7 (A) *Section 151(b)(1) (19 U.S.C.*
8 *2191(b)(1)) is amended by striking “section*
9 *1103(a)(1) of the Omnibus Trade and Competi-*
10 *tiveness Act of 1988, or section 282 of the Uru-*
11 *guay Round Agreements Act” and inserting “sec-*
12 *tion 282 of the Uruguay Round Agreements Act,*
13 *or section 5(a)(1) of the Bipartisan Trade Pro-*
14 *motion Authority Act of 2001”.*

15 (B) *Section 151(c)(1) (19 U.S.C.*
16 *2191(c)(1)) is amended by striking “or section*
17 *282 of the Uruguay Round Agreements Act” and*
18 *inserting “, section 282 of the Uruguay Round*
19 *Agreements Act, or section 5(a)(1) of the Bipar-*
20 *tisan Trade Promotion Authority Act of 2001”.*

21 (2) *ADVICE FROM INTERNATIONAL TRADE COM-*
22 *MISSION.*—*Section 131 (19 U.S.C. 2151) is*
23 *amended—*

24 (A) *in subsection (a)—*

1 (i) in paragraph (1), by striking “sec-
2 tion 123 of this Act or section 1102 (a) or
3 (c) of the Omnibus Trade and Competitive-
4 ness Act of 1988,” and inserting “section
5 123 of this Act or section 3(a) or (b) of the
6 Bipartisan Trade Promotion Authority Act
7 of 2001,”; and

8 (ii) in paragraph (2), by striking “sec-
9 tion 1102 (b) or (c) of the Omnibus Trade
10 and Competitiveness Act of 1988” and in-
11 serting “section 3(b) of the Bipartisan
12 Trade Promotion Authority Act of 2001”;

13 (B) in subsection (b), by striking “section
14 1102(a)(3)(A)” and inserting “section 3(a)(3)(A)
15 of the Bipartisan Trade Promotion Authority
16 Act of 2001”; and

17 (C) in subsection (c), by striking “section
18 1102 of the Omnibus Trade and Competitiveness
19 Act of 1988,” and inserting “section 3 of the Bi-
20 partisan Trade Promotion Authority Act of
21 2001,”.

22 (3) *HEARINGS AND ADVICE.*—Sections 132,
23 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and
24 2154(a)) are each amended by striking “section 1102
25 of the Omnibus Trade and Competitiveness Act of

1 1988,” each place it appears and inserting “section 3
2 of the Bipartisan Trade Promotion Authority Act of
3 2001,”.

4 (4) *PREREQUISITES FOR OFFERS.*—Section
5 134(b) (19 U.S.C. 2154(b)) is amended by striking
6 “section 1102 of the Omnibus Trade and Competitive-
7 ness Act of 1988” and inserting “section 3 of the Bi-
8 partisan Trade Promotion Authority Act of 2001”.

9 (5) *ADVICE FROM PRIVATE AND PUBLIC SEC-*
10 *TORS.*—Section 135 (19 U.S.C. 2155) is amended—

11 (A) in subsection (a)(1)(A), by striking
12 “section 1102 of the Omnibus Trade and Com-
13 petitiveness Act of 1988” and inserting “section
14 3 of the Bipartisan Trade Promotion Authority
15 Act of 2001”;

16 (B) in subsection (e)(1)—

17 (i) by striking “section 1102 of the
18 Omnibus Trade and Competitiveness Act of
19 1988” each place it appears and inserting
20 “section 3 of the Bipartisan Trade Pro-
21 motion Authority Act of 2001”; and

22 (ii) by striking “section 1103(a)(1)(A)
23 of such Act of 1988” and inserting “section
24 5(a)(1)(A) of the Bipartisan Trade Pro-
25 motion Authority Act of 2001”; and

1 (C) in subsection (e)(2), by striking “section
2 1101 of the Omnibus Trade and Competitiveness
3 Act of 1988” and inserting “section 2 of the Bi-
4 partisan Trade Promotion Authority Act of
5 2001”.

6 (6) *TRANSMISSION OF AGREEMENTS TO CON-*
7 *GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is*
8 *amended by striking “or under section 1102 of the*
9 *Omnibus Trade and Competitiveness Act of 1988”*
10 *and inserting “or under section 3 of the Bipartisan*
11 *Trade Promotion Authority Act of 2001”.*

12 (b) *APPLICATION OF CERTAIN PROVISIONS.—For pur-*
13 *poses of applying sections 125, 126, and 127 of the Trade*
14 *Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—*

15 (1) *any trade agreement entered into under sec-*
16 *tion 3 shall be treated as an agreement entered into*
17 *under section 101 or 102, as appropriate, of the*
18 *Trade Act of 1974 (19 U.S.C. 2111 or 2112); and*

19 (2) *any proclamation or Executive order issued*
20 *pursuant to a trade agreement entered into under sec-*
21 *tion 3 shall be treated as a proclamation or Executive*
22 *order issued pursuant to a trade agreement entered*
23 *into under section 102 of the Trade Act of 1974.*

24 **SEC. 10. DEFINITIONS.**

25 *In this Act:*

1 (1) *AGREEMENT ON AGRICULTURE*.—The term
2 “*Agreement on Agriculture*” means the agreement re-
3 ferred to in section 101(d)(2) of the Uruguay Round
4 Agreements Act (19 U.S.C. 3511(d)(2)).

5 (2) *CORE LABOR STANDARDS*.—The term “core
6 labor standards” means—

7 (A) *the right of association;*

8 (B) *the right to organize and bargain collec-*
9 *tively;*

10 (C) *a prohibition on the use of any form of*
11 *forced or compulsory labor;*

12 (D) *a minimum age for the employment of*
13 *children; and*

14 (E) *acceptable conditions of work with re-*
15 *spect to minimum wages, hours of work, and oc-*
16 *cupational safety and health.*

17 (3) *GATT 1994*.—The term “*GATT 1994*” has
18 the meaning given that term in section 2 of the Uru-
19 guay Round Agreements Act (19 U.S.C. 3501).

20 (4) *ILO*.—The term “*ILO*” means the Inter-
21 national Labor Organization.

22 (5) *UNITED STATES PERSON*.—The term “*United*
23 *States person*” means—

24 (A) *a United States citizen;*

1 (B) a partnership, corporation, or other
2 legal entity organized under the laws of the
3 United States; and

4 (C) a partnership, corporation, or other
5 legal entity that is organized under the laws of
6 a foreign country and is controlled by entities
7 described in subparagraph (B) or United States
8 citizens, or both.

9 (6) *URUGUAY ROUND AGREEMENTS*.—The term
10 “Uruguay Round Agreements” has the meaning given
11 that term in section 2(7) of the Uruguay Round
12 Agreements Act (19 U.S.C. 3501(7)).

13 (7) *WORLD TRADE ORGANIZATION; WTO*.—The
14 terms “World Trade Organization” and “WTO”
15 mean the organization established pursuant to the
16 WTO Agreement.

17 (8) *WTO AGREEMENT*.—The term “WTO Agree-
18 ment” means the Agreement Establishing the World
19 Trade Organization entered into on April 15, 1994.

Union Calendar No. 152

107TH CONGRESS
1ST SESSION

H. R. 3005

[Report No. 107-249, Part I]

A BILL

To extend trade authorities procedures with respect
to reciprocal trade agreements.

OCTOBER 17, 2001

Committee on Rules discharged; committed to the Com-
mittee of the Whole House on the State of the Union
and ordered to be printed