

107TH CONGRESS
1ST SESSION

H. R. 3005

AN ACT

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,*

1 **SECTION 1. SHORT TITLE AND FINDINGS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Bipartisan Trade Promotion Authority Act of 2001”.

4 (b) **FINDINGS.**—The Congress makes the following
5 findings:

6 (1) The expansion of international trade is vital
7 to the national security of the United States. Trade
8 is critical to the economic growth and strength of
9 the United States and to its leadership in the world.
10 Stable trading relationships promote security and
11 prosperity. Trade agreements today serve the same
12 purposes that security pacts played during the Cold
13 War, binding nations together through a series of
14 mutual rights and obligations. Leadership by the
15 United States in international trade fosters open
16 markets, democracy, and peace throughout the
17 world.

18 (2) The national security of the United States
19 depends on its economic security, which in turn is
20 founded upon a vibrant and growing industrial base.
21 Trade expansion has been the engine of economic
22 growth. Trade agreements maximize opportunities
23 for the critical sectors and building blocks of the
24 economy of the United States, such as information
25 technology, telecommunications and other leading
26 technologies, basic industries, capital equipment,

1 medical equipment, services, agriculture, environ-
2 mental technology, and intellectual property. Trade
3 will create new opportunities for the United States
4 and preserve the unparalleled strength of the United
5 States in economic, political, and military affairs.
6 The United States, secured by expanding trade and
7 economic opportunities, will meet the challenges of
8 the twenty-first century.

9 **SEC. 2. TRADE NEGOTIATING OBJECTIVES.**

10 (a) **OVERALL TRADE NEGOTIATING OBJECTIVES.**—

11 The overall trade negotiating objectives of the United
12 States for agreements subject to the provisions of section
13 3 are—

14 (1) to obtain more open, equitable, and recip-
15 rocal market access;

16 (2) to obtain the reduction or elimination of
17 barriers and distortions that are directly related to
18 trade and that decrease market opportunities for
19 United States exports or otherwise distort United
20 States trade;

21 (3) to further strengthen the system of inter-
22 national trading disciplines and procedures, includ-
23 ing dispute settlement;

1 (4) to foster economic growth, raise living
2 standards, and promote full employment in the
3 United States and to enhance the global economy;

4 (5) to ensure that trade and environmental poli-
5 cies are mutually supportive and to seek to protect
6 and preserve the environment and enhance the inter-
7 national means of doing so, while optimizing the use
8 of the world's resources;

9 (6) to promote respect for worker rights and
10 the rights of children consistent with core labor
11 standards of the International Labor Organization
12 (as defined in section 11(2)) and an understanding
13 of the relationship between trade and worker rights;
14 and

15 (7) to seek provisions in trade agreements
16 under which parties to those agreements strive to
17 ensure that they do not weaken or reduce the protec-
18 tions afforded in domestic environmental and labor
19 laws as an encouragement for trade.

20 (b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

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

1 (A) to expand competitive market opportu-
2 nities for United States exports and to obtain
3 fairer and more open conditions of trade by re-
4 ducing or eliminating tariff and nontariff bar-
5 riers and policies and practices of foreign gov-
6 ernments directly related to trade that decrease
7 market opportunities for United States exports
8 or otherwise distort United States trade; and

9 (B) to obtain reciprocal tariff and non-
10 tariff barrier elimination agreements, with par-
11 ticular attention to those tariff categories cov-
12 ered in section 111(b) of the Uruguay Round
13 Agreements Act (19 U.S.C. 3521(b)).

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

21 (3) FOREIGN INVESTMENT.—The principal ne-
22 gotiating objective of the United States regarding
23 foreign investment is to reduce or eliminate artificial
24 or trade-distorting barriers to trade-related foreign
25 investment and, recognizing that United States law

1 on the whole provides a high level of protection for
2 investment, consistent with or greater than the level
3 required by international law, to secure for investors
4 important rights comparable to those that would be
5 available under United States legal principles and
6 practice, by—

7 (A) reducing or eliminating exceptions to
8 the principle of national treatment;

9 (B) freeing the transfer of funds relating
10 to investments;

11 (C) reducing or eliminating performance
12 requirements, forced technology transfers, and
13 other unreasonable barriers to the establish-
14 ment and operation of investments;

15 (D) seeking to establish standards for ex-
16 propriation and compensation for expropriation,
17 consistent with United States legal principles
18 and practice;

19 (E) providing meaningful procedures for
20 resolving investment disputes;

21 (F) seeking to improve mechanisms used
22 to resolve disputes between an investor and a
23 government through—

24 (i) mechanisms to eliminate frivolous
25 claims; and

1 (ii) procedures to ensure the efficient
2 selection of arbitrators and the expeditious
3 disposition of claims;

4 (G) providing an appellate or similar re-
5 view mechanism to correct manifestly erroneous
6 interpretations of law; and

7 (H) ensuring the fullest measure of trans-
8 parency in the dispute settlement mechanism,
9 to the extent consistent with the need to protect
10 information that is classified or business con-
11 fidential, by—

12 (i) ensuring that all requests for dis-
13 pute settlement are promptly made public;

14 (ii) ensuring that—

15 (I) all proceedings, submissions,
16 findings, and decisions are promptly
17 made public;

18 (II) all hearings are open to the
19 public; and

20 (iii) establishing a mechanism for ac-
21 ceptance of amicus curiae submissions
22 from businesses, unions, and nongovern-
23 mental organizations.

1 (4) INTELLECTUAL PROPERTY.—The principal
2 negotiating objectives of the United States regarding
3 trade-related intellectual property are—

4 (A) to further promote adequate and effective
5 protection of intellectual property rights,
6 including through—

7 (i)(I) ensuring accelerated and full
8 implementation of the Agreement on
9 Trade-Related Aspects of Intellectual
10 Property Rights referred to in section
11 101(d)(15) of the Uruguay Round Agree-
12 ments Act (19 U.S.C. 3511(d)(15)), par-
13 ticularly with respect to meeting enforce-
14 ment obligations under that agreement;
15 and

16 (II) ensuring that the provisions of
17 any multilateral or bilateral trade agree-
18 ment governing intellectual property rights
19 that is entered into by the United States
20 reflect a standard of protection similar to
21 that found in United States law;

22 (ii) providing strong protection for
23 new and emerging technologies and new
24 methods of transmitting and distributing
25 products embodying intellectual property;

1 (iii) preventing or eliminating dis-
2 crimination with respect to matters affect-
3 ing the availability, acquisition, scope,
4 maintenance, use, and enforcement of in-
5 tellectual property rights;

6 (iv) ensuring that standards of protec-
7 tion and enforcement keep pace with tech-
8 nological developments, and in particular
9 ensuring that rightholders have the legal
10 and technological means to control the use
11 of their works through the Internet and
12 other global communication media, and to
13 prevent the unauthorized use of their
14 works; and

15 (v) providing strong enforcement of
16 intellectual property rights, including
17 through accessible, expeditious, and effec-
18 tive civil, administrative, and criminal en-
19 forcement mechanisms; and

20 (B) to secure fair, equitable, and non-
21 discriminatory market access opportunities for
22 United States persons that rely upon intellec-
23 tual property protection.

24 (5) TRANSPARENCY.—The principal negotiating
25 objective of the United States with respect to trans-

1 parency is to obtain wider and broader application
2 of the principle of transparency through—

3 (A) increased and more timely public ac-
4 cess to information regarding trade issues and
5 the activities of international trade institutions;

6 (B) increased openness at the WTO and
7 other international trade fora by increasing
8 public access to appropriate meetings, pro-
9 ceedings, and submissions, including with re-
10 gard to dispute settlement and investment; and

11 (C) increased and more timely public ac-
12 cess to all notifications and supporting docu-
13 mentation submitted by parties to the WTO.

14 (6) ANTI-CORRUPTION.—The principal negoti-
15 ating objectives of the United States with respect to
16 the use of money or other things of value to influ-
17 ence acts, decisions, or omissions of foreign govern-
18 ments or officials or to secure any improper advan-
19 tage in a manner affecting trade are—

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

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

4 (7) IMPROVEMENT OF THE WTO AND MULTI-
5 LATERAL TRADE AGREEMENTS.—The principal ne-
6 gotiating objectives of the United States regarding
7 the improvement of the World Trade Organization,
8 the Uruguay Round Agreements, and other multilat-
9 eral and 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
19 negotiating objectives of the United States regarding
20 the use of government regulation or other practices
21 by foreign governments to provide a competitive ad-
22 vantage to their domestic producers, service pro-
23 viders, or investors and thereby reduce market ac-
24 cess for United States goods, services, and invest-
25 ments are—

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

4 (B) to require that proposed regulations be
5 based on sound science, cost-benefit analysis,
6 risk 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
17 negotiating objectives of the United States with re-
18 spect to electronic commerce are—

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

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
5 and services ensures the most liberal trade
6 treatment possible;

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

10 (D) where legitimate policy objectives re-
11 quire domestic regulations that affect electronic
12 commerce, to obtain commitments that any
13 such regulations are the least restrictive on
14 trade, nondiscriminatory, and transparent, and
15 promote 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.—

20 (A) 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
23 agricultural commodities in foreign markets substan-
24 tially equivalent to the competitive opportunities af-
25 farded 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
18 States;

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

23 (iv) allowing the preservation of programs
24 that support family farms and rural commu-
25 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
11 mechanisms to eliminate practices that unfairly
12 decrease United States market access opportu-
13 nities or distort agricultural markets to the det-
14 riment of the United States, particularly with
15 respect to import-sensitive products,
16 including—

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

1 (II) unjustified trade restrictions or
2 commercial requirements, such as labeling,
3 that affect new technologies, including bio-
4 technology;

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

10 (IV) other unjustified technical bar-
11 riers to trade; and

12 (V) restrictive rules in the administra-
13 tion of tariff rate quotas;

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

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

24 (xi) taking into account whether a party to
25 the negotiations has failed to adhere to the pro-

1 visions of already existing trade agreements
2 with the United States or has circumvented ob-
3 ligations under those agreements;

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

11 (xiii) otherwise ensuring that countries
12 that accede to the World Trade Organization
13 have made meaningful market liberalization
14 commitments in agriculture;

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

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

23 (B)(i) Before commencing negotiations with re-
24 spect to agriculture, the United States Trade Rep-
25 resentative, in consultation with the Congress, shall

1 seek to develop a position on the treatment of sea-
2 sonal and perishable agricultural products to be em-
3 ployed in the negotiations in order to develop an
4 international consensus on the treatment of seasonal
5 or perishable agricultural products in investigations
6 relating to dumping and safeguards and in any other
7 relevant area.

8 (ii) During any negotiations on agricultural
9 subsidies, the United States Trade Representative
10 shall seek to establish the common base year for cal-
11 culating the Aggregated Measurement of Support
12 (as defined in the Agreement on Agriculture) as the
13 end of each country's Uruguay Round implementa-
14 tion period, as reported in each country's Uruguay
15 Round market access schedule.

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

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

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

12 (B) to recognize that parties to a trade
13 agreement retain the right to exercise discretion
14 with respect to investigatory, prosecutorial, reg-
15 ulatory, and compliance matters and to make
16 decisions regarding the allocation of resources
17 to enforcement with respect to other labor or
18 environmental matters determined to have high-
19 er priorities, and to recognize that a country is
20 effectively enforcing its laws if a course of ac-
21 tion or inaction reflects a reasonable exercise of
22 such discretion, or results from a bona fide de-
23 cision regarding the allocation of resources and
24 no retaliation may be authorized based on the
25 exercise of these rights or the right to establish

1 domestic labor standards and levels of environ-
2 mental protection;

3 (C) to strengthen the capacity of United
4 States trading partners to promote respect for
5 core labor standards (as defined in section
6 11(2));

7 (D) to strengthen the capacity of United
8 States trading partners to protect the environ-
9 ment through the promotion of sustainable de-
10 velopment;

11 (E) to reduce or eliminate government
12 practices or policies that unduly threaten sus-
13 tainable development;

14 (F) to seek market access, through the
15 elimination of tariffs and nontariff barriers, for
16 United States environmental technologies,
17 goods, and services; and

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

24 (12) DISPUTE SETTLEMENT AND ENFORCE-
25 MENT.—The principal negotiating objectives of the

1 United States with respect to dispute settlement and
2 enforcement of trade agreements are—

3 (A) to seek provisions in trade agreements
4 providing for resolution of disputes between
5 governments under those trade agreements in
6 an effective, timely, transparent, equitable, and
7 reasoned manner, requiring determinations
8 based on facts and the principles of the agree-
9 ments, with the goal of increasing compliance
10 with the agreements;

11 (B) to seek to strengthen the capacity of
12 the Trade Policy Review Mechanism of the
13 World Trade Organization to review compliance
14 with commitments;

15 (C) to seek provisions encouraging the
16 early identification and settlement of disputes
17 through consultation;

18 (D) to seek provisions to encourage the
19 provision of trade-expanding compensation if a
20 party to a dispute under the agreement does
21 not come into compliance with its obligations
22 under the agreement;

23 (E) to seek provisions to impose a penalty
24 upon a party to a dispute under the agreement
25 that—

1 (i) encourages compliance with the ob-
2 ligations of the agreement;

3 (ii) is appropriate to the parties, na-
4 ture, subject matter, and scope of the vio-
5 lation; and

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

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

13 (i) the ability to resort to dispute set-
14 tlement under the applicable agreement;

15 (ii) the availability of equivalent dis-
16 pute settlement procedures; and

17 (iii) the availability of equivalent rem-
18 edies.

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

1 (c) PROMOTION OF CERTAIN PRIORITIES.—In order
2 to address and maintain United States competitiveness in
3 the 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 pro-
9 mote respect for core labor standards (as defined in
10 section 11(2)), and report to the Committee on
11 Ways and Means of the House of Representatives
12 and the Committee on Finance of the Senate on the
13 content and 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 de-
17 velop and implement standards for the protection of
18 the environment and human health based on sound
19 science, and report to the Committee on Ways and
20 Means of the House of Representatives and the
21 Committee on Finance of the Senate on the content
22 and operation of such mechanisms;

23 (4) conduct environmental reviews of future
24 trade and investment agreements, consistent with
25 Executive Order 13141 of November 16, 1999 and

1 its relevant guidelines, and report to the Committee
2 on Ways and Means of the House of Representatives
3 and the Committee on Finance of the Senate on
4 such reviews;

5 (5) review the impact of future trade agree-
6 ments on United States employment, modeled after
7 Executive Order 13141, and report to the Com-
8 mittee on Ways and Means of the House of Rep-
9 resentatives and the Committee on Finance of the
10 Senate on such review;

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, es-
14 sential security, and consumer interests and the law
15 and regulations related thereto;

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

21 (8) with respect to any trade agreement which
22 the President seeks to implement under trade au-
23 thorities procedures, submit to the Congress a report
24 describing the extent to which the country or coun-

1 tries that are parties to the agreement have in effect
2 laws governing exploitative child labor;

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

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

18 (11) report to the Committee on Ways and
19 Means of the House of Representatives and the
20 Committee on Finance of the Senate, not later than
21 12 months after the imposition of a penalty or rem-
22 edy by the United States permitted by a trade agree-
23 ment to which this Act applies, on the effectiveness
24 of the penalty or remedy applied under United

1 States law in enforcing United States rights under
2 the trade agreement; and

3 (12) seek to establish consultative mechanisms
4 among parties to trade agreements to examine the
5 trade consequences of significant and unanticipated
6 currency movements and to scrutinize whether a for-
7 eign government engaged in a pattern of manipu-
8 lating its currency to promote a competitive advan-
9 tage in international trade.

10 The report under paragraph (11) shall address whether
11 the penalty or remedy was effective in changing the behav-
12 ior of the targeted party and whether the penalty or rem-
13 edy had any adverse impact on parties or interests not
14 party to the dispute.

15 (d) CONSULTATIONS.—

16 (1) CONSULTATIONS WITH CONGRESSIONAL AD-
17 VISERS.—In the course of negotiations conducted
18 under this Act, the United States Trade Representa-
19 tive shall consult closely and on a timely basis with,
20 and keep fully apprised of the negotiations, the Con-
21 gressional Oversight Group convened under section
22 7 and all committees of the House of Representa-
23 tives and the Senate with jurisdiction over laws that
24 would be affected by a trade agreement resulting
25 from the negotiations.

1 (2) CONSULTATION BEFORE AGREEMENT INI-
2 TIALED.—In the course of negotiations conducted
3 under this Act, the United States Trade Representa-
4 tive shall—

5 (A) consult closely and on a timely basis
6 (including immediately before initialing an
7 agreement) with, and keep fully apprised of the
8 negotiations, the congressional advisers for
9 trade policy and negotiations appointed under
10 section 161 of the Trade Act of 1974 (19
11 U.S.C. 2211), the Committee on Ways and
12 Means of the House of Representatives, the
13 Committee on Finance of the Senate, and the
14 Congressional Oversight Group convened under
15 section 7; and

16 (B) with regard to any negotiations and
17 agreement relating to agricultural trade, also
18 consult closely and on a timely basis (including
19 immediately before initialing an agreement)
20 with, and keep fully apprised of the negotia-
21 tions, the Committee on Agriculture of the
22 House of Representatives and the Committee
23 on Agriculture, Nutrition, and Forestry of the
24 Senate.

1 (e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY
2 ROUND AGREEMENTS.—In determining whether to enter
3 into negotiations with a particular country, the President
4 shall take into account the extent to which that country
5 has implemented, or has accelerated the implementation
6 of, its obligations under the Uruguay Round Agreements.

7 **SEC. 3. TRADE AGREEMENTS AUTHORITY.**

8 (a) AGREEMENTS REGARDING TARIFF BARRIERS.—

9 (1) IN GENERAL.—Whenever the President de-
10 termines that one or more existing duties or other
11 import restrictions of any foreign country or the
12 United States are unduly burdening and restricting
13 the foreign trade of the United States and that the
14 purposes, policies, priorities, and objectives of this
15 Act will be promoted thereby, the President—

16 (A) may enter into trade agreements with
17 foreign countries before—

18 (i) June 1, 2005; or

19 (ii) June 1, 2007, if trade authorities
20 procedures are extended under subsection
21 (c); and

22 (B) may, subject to paragraphs (2) and
23 (3), proclaim—

24 (i) such modification or continuance
25 of any existing duty,

- 1 (ii) such continuance of existing duty-
2 free or excise treatment, or
3 (iii) such additional duties,
4 as the President determines to be required or
5 appropriate to carry out any such trade agree-
6 ment.

7 The President shall notify the Congress of the Presi-
8 dent's intention to enter into an agreement under
9 this subsection.

10 (2) LIMITATIONS.—No proclamation may be
11 made under paragraph (1) that—

12 (A) reduces any rate of duty (other than a
13 rate of duty that does not exceed 5 percent ad
14 valorem on the date of the enactment of this
15 Act) to a rate of duty which is less than 50 per-
16 cent of the rate of such duty that applies on
17 such date of enactment;

18 (B) notwithstanding paragraph (6), re-
19 duces the rate of duty below that applicable
20 under the Uruguay Round Agreements, on any
21 agricultural product which was the subject of
22 tariff reductions by the United States as a re-
23 sult of the Uruguay Round Agreements, for
24 which the rate of duty, pursuant to such Agree-
25 ments, was reduced on January 1, 1995, to a

1 rate which was not less than 97.5 percent of
2 the rate of duty that applied to such article on
3 December 31, 1994; or

4 (C) increases any rate of duty above the
5 rate that applied on the date of the enactment
6 of this Act.

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

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

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

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

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

3 (B) EXEMPTION FROM STAGING.—No
4 staging is required under subparagraph (A)
5 with respect to a duty reduction that is pro-
6 claimed under paragraph (1) for an article of a
7 kind that is not produced in the United States.
8 The United States International Trade Com-
9 mission shall advise the President of the iden-
10 tity of articles that may be exempted from stag-
11 ing under this subparagraph.

12 (4) ROUNDING.—If the President determines
13 that such action will simplify the computation of re-
14 ductions under paragraph (3), the President may
15 round an annual reduction by an amount equal to
16 the lesser 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 re-
22 duction that may not be proclaimed by reason of
23 paragraph (2) may take effect only if a provision au-
24 thorizing 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), (2)(A), (2)(C), and (3)
5 through (5), and subject to the consultation and lay-
6 over requirements of section 115 of the Uruguay
7 Round Agreements Act, the President may proclaim
8 the modification of any duty or staged rate reduc-
9 tion of any duty set forth in Schedule XX, as de-
10 fined in section 2(5) of that Act, if the United
11 States agrees to such modification or staged rate re-
12 duction in a negotiation for the reciprocal elimi-
13 nation or harmonization of duties under the auspices
14 of the World Trade Organization.

15 (7) AUTHORITY UNDER URUGUAY ROUND
16 AGREEMENTS ACT NOT AFFECTED.—Nothing in this
17 subsection shall limit the authority provided to the
18 President under section 111(b) of the Uruguay
19 Round Agreements Act (19 U.S.C. 3521(b)).

20 (b) AGREEMENTS REGARDING TARIFF AND NON-
21 TARIFF BARRIERS.—

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

24 (i) one or more existing duties or any other
25 import restriction of any foreign country or the

1 United States or any other barrier to, or other
2 distortion of, international trade unduly bur-
3 dens or restricts the foreign trade of the United
4 States or adversely affects the United States
5 economy; or

6 (ii) the imposition of any such barrier or
7 distortion is likely to result in such a burden,
8 restriction, or effect;

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

14 (B) The President may enter into a trade
15 agreement under subparagraph (A) with foreign
16 countries providing for—

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

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

22 (C) The President may enter into a trade
23 agreement under this paragraph before—

24 (i) June 1, 2005; or

1 (ii) June 1, 2007, if trade authorities pro-
2 cedures are extended under subsection (c).

3 (2) CONDITIONS.—A trade agreement may be
4 entered into under this subsection only if such
5 agreement makes progress in meeting the applicable
6 objectives described in section 2(a) and (b) and the
7 President satisfies the conditions set forth in section
8 4.

9 (3) BILLS QUALIFYING FOR TRADE AUTHORI-
10 TIES PROCEDURES.—(A) The provisions of section
11 151 of the Trade Act of 1974 (in this Act referred
12 to as “trade authorities procedures”) apply to a bill
13 of either House of Congress which contains provi-
14 sions described in subparagraph (B) to the same ex-
15 tent as such section 151 applies to implementing
16 bills under that section. A bill to which this para-
17 graph applies shall hereafter in this Act be referred
18 to as an “implementing bill”.

19 (B) The provisions referred to in subparagraph
20 (A) are—

21 (i) a provision approving a trade agree-
22 ment entered into under this subsection and ap-
23 proving the statement of administrative action,
24 if any, proposed to implement such trade agree-
25 ment; and

1 (ii) if changes in existing laws or new stat-
2 utory authority are required to implement such
3 trade agreement or agreements, provisions, nec-
4 essary or appropriate to implement such trade
5 agreement or agreements, either repealing or
6 amending existing laws or providing new statu-
7 tory authority.

8 (c) EXTENSION DISAPPROVAL PROCESS FOR CON-
9 GRESSIONAL TRADE AUTHORITIES PROCEDURES.—

10 (1) IN GENERAL.—Except as provided in sec-
11 tion 5(b)—

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

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

21 (i) the President requests such exten-
22 sion under paragraph (2); and

23 (ii) neither House of the Congress
24 adopts an extension disapproval resolution
25 under paragraph (5) before June 1, 2005.

1 (2) REPORT TO CONGRESS BY THE PRESI-
2 DENT.—If the President is of the opinion that the
3 trade authorities procedures should be extended to
4 implementing bills described in paragraph (1)(B),
5 the President shall submit to the Congress, not later
6 than March 1, 2005, a written report that contains
7 a request for such extension, together with—

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

12 (B) a description of the progress that has
13 been made in negotiations to achieve the pur-
14 poses, policies, priorities, and objectives of this
15 Act, and a statement that such progress justi-
16 fies the continuation of negotiations; and

17 (C) a statement of the reasons why the ex-
18 tension is needed to complete the negotiations.

19 (3) REPORT TO CONGRESS BY THE ADVISORY
20 COMMITTEE.—The President shall promptly inform
21 the Advisory Committee for Trade Policy and Nego-
22 tiations established under section 135 of the Trade
23 Act of 1974 (19 U.S.C. 2155) of the President’s de-
24 cision to submit a report to the Congress under
25 paragraph (2). The Advisory Committee shall submit

1 to the Congress as soon as practicable, but not later
2 than May 1, 2005, a written report that contains—

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

7 (B) a statement of its views, and the rea-
8 sons therefor, regarding whether the extension
9 requested under paragraph (2) should be ap-
10 proved or disapproved.

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

15 (5) EXTENSION DISAPPROVAL RESOLUTIONS.—

16 (A) For purposes of paragraph (1), the term “exten-
17 sion disapproval resolution” means a resolution of
18 either House of the Congress, the sole matter after
19 the resolving clause of which is as follows: “That the
20 _____ disapproves the request of the President for
21 the extension, under section 3(c)(1)(B)(i) of the Bi-
22 partisan Trade Promotion Authority Act of 2001, of
23 the trade authorities procedures under that Act to
24 any implementing bill submitted with respect to any
25 trade agreement entered into under section 3(b) of

1 that Act after June 30, 2005.”, with the blank space
2 being filled with the name of the resolving House of
3 the Congress.

4 (B) Extension disapproval resolutions—

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

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

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

17 (D) It is not in order for—

18 (i) the Senate to consider any extension
19 disapproval resolution not reported by the Com-
20 mittee on Finance;

21 (ii) the House of Representatives to con-
22 sider any extension disapproval resolution not
23 reported by the Committee on Ways and Means
24 and, in addition, by the Committee on Rules; or

1 (iii) either House of the Congress to con-
2 sider an extension disapproval resolution after
3 June 30, 2005.

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

20 **SEC. 4. CONSULTATIONS AND ASSESSMENT.**

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

24 (1) provide, at least 90 calendar days before
25 initiating negotiations, written notice to the Con-

1 gress of the President’s intention to enter into the
2 negotiations and set forth therein the date the Presi-
3 dent intends to initiate such negotiations, the spe-
4 cific United States objectives for the negotiations,
5 and whether the President intends to seek an agree-
6 ment, or changes to an existing agreement;

7 (2) before and after submission of the notice,
8 consult regarding the negotiations with the Com-
9 mittee on Finance of the Senate and the Committee
10 on Ways and Means of the House of Representa-
11 tives, such other committees of the House and Sen-
12 ate as the President deems appropriate, and the
13 Congressional Oversight group convened under sec-
14 tion 7; and

15 (3) upon the request of a majority of the mem-
16 bers of the Congressional Oversight Group under
17 section 7(c), meet with the Congressional Oversight
18 Group before initiating the negotiations or at any
19 other time concerning the negotiations.

20 (b) NEGOTIATIONS REGARDING AGRICULTURE.—

21 (1) IN GENERAL.—Before initiating or con-
22 tinuing negotiations the subject matter of which is
23 directly related to the subject matter under section
24 2(b)(10)(A)(i) with any country, the President shall
25 assess whether United States tariffs on agricultural

1 products that were bound under the Uruguay Round
2 Agreements are lower than the tariffs bound by that
3 country. In addition, the President shall consider
4 whether the tariff levels bound and applied through-
5 out the world with respect to imports from the
6 United States are higher than United States tariffs
7 and whether the negotiation provides an opportunity
8 to address any such disparity. The President shall
9 consult with the Committee on Ways and Means and
10 the Committee on Agriculture of the House of Rep-
11 resentatives and the Committee on Finance and the
12 Committee on Agriculture, Nutrition, and Forestry
13 of the Senate concerning the results of the assess-
14 ment, whether it is appropriate for the United
15 States to agree to further tariff reductions based on
16 the conclusions reached in the assessment, and how
17 all applicable negotiating objectives will be met.

18 (2) SPECIAL CONSULTATIONS ON IMPORT SEN-
19 SITIVE PRODUCTS.—(A) Before initiating negotia-
20 tions with regard to agriculture, and, with respect to
21 the Free Trade Area for the Americas and negotia-
22 tions with regard to agriculture under the auspices
23 of the World Trade Organization, as soon as prac-
24 ticable after the enactment of this Act, the United
25 States Trade Representative shall—

1 (i) identify those agricultural products sub-
2 ject to tariff reductions by the United States as
3 a result of the Uruguay Round Agreements, for
4 which the rate of duty was reduced on January
5 1, 1995, to a rate which was not less than 97.5
6 percent of the rate of duty that applied to such
7 article on December 31, 1994;

8 (ii) consult with the Committee on Ways
9 and Means and the Committee on Agriculture
10 of the House of Representatives and the Com-
11 mittee on Finance and the Committee on Agri-
12 culture, Nutrition, and Forestry of the Senate
13 concerning—

14 (I) whether any further tariff reduc-
15 tions on the products identified under
16 clause (i) should be appropriate, taking
17 into account the impact of any such tariff
18 reduction on the United States industry
19 producing the product concerned; and

20 (II) whether the products so identified
21 face unjustified sanitary or phytosanitary
22 restrictions, including those not based on
23 scientific principles in contravention of the
24 Uruguay Round Agreements;

1 (iii) request that the International Trade
2 Commission prepare an assessment of the prob-
3 able economic effects of any such tariff reduc-
4 tion on the United States industry producing
5 the product concerned and on the United States
6 economy as a whole; and

7 (iv) upon complying with clauses (i), (ii),
8 and (iii), notify the Committee on Ways and
9 Means and the Committee on Agriculture of the
10 House of Representatives and the Committee
11 on Finance and the Committee on Agriculture,
12 Nutrition, and Forestry of the Senate of those
13 products identified under clause (i) for which
14 the Trade Representative intends to seek tariff
15 liberalization in the negotiations and the rea-
16 sons for seeking such tariff liberalization.

17 (B) If, after negotiations described in subpara-
18 graph (A) are commenced—

19 (i) the United States Trade Representative
20 identifies any additional agricultural product
21 described in subparagraph (A)(i) for tariff re-
22 ductions which were not the subject of a notifi-
23 cation under subparagraph (A)(iv), or

24 (ii) any additional agricultural product de-
25 scribed in subparagraph (A)(i) is the subject of

1 a request for tariff reductions by a party to the
2 negotiations,
3 the Trade Representative shall, as soon as prac-
4 ticable, notify the committees referred to in subpara-
5 graph (A)(iv) of those products and the reasons for
6 seeking such tariff reductions.

7 (c) NEGOTIATIONS REGARDING TEXTILES.—Before
8 initiating or continuing negotiations the subject matter of
9 which is directly related to textiles and apparel products
10 with any country, the President shall assess whether
11 United States tariffs on textile and apparel products that
12 were bound under the Uruguay Round Agreements are
13 lower than the tariffs bound by that country and whether
14 the negotiation provides an opportunity to address any
15 such disparity. The President shall consult with the Com-
16 mittee on Ways and Means of the House of Representa-
17 tives and the Committee on Finance of the Senate con-
18 cerning the results of the assessment, whether it is appro-
19 priate for the United States to agree to further tariff re-
20 ductions based on the conclusions reached in the assess-
21 ment, and how all applicable negotiating objectives will be
22 met.

23 (d) CONSULTATION WITH CONGRESS BEFORE
24 AGREEMENTS ENTERED INTO.—

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

4 (A) the Committee on Ways and Means of
5 the House of Representatives and the Com-
6 mittee on Finance of the Senate;

7 (B) each other committee of the House
8 and the Senate, and each joint committee of the
9 Congress, which has jurisdiction over legislation
10 involving subject matters which would be af-
11 fected by the trade agreement; and

12 (C) the Congressional Oversight Group
13 convened under section 7.

14 (2) SCOPE.—The consultation described in
15 paragraph (1) shall include consultation with respect
16 to—

17 (A) the nature of the agreement;

18 (B) how and to what extent the agreement
19 will achieve the applicable purposes, policies,
20 priorities, and objectives of this Act; and

21 (C) the implementation of the agreement
22 under section 5, including the general effect of
23 the agreement on existing laws.

24 (e) ADVISORY COMMITTEE REPORTS.—The report
25 required under section 135(e)(1) of the Trade Act of 1974

1 regarding any trade agreement entered into under section
2 3(a) or (b) of this Act shall be provided to the President,
3 the Congress, and the United States Trade Representative
4 not later than 30 days after the date on which the Presi-
5 dent notifies the Congress under section 3(a)(1) or
6 5(a)(1)(A) of the President’s intention to enter into the
7 agreement.

8 (f) ITC ASSESSMENT.—

9 (1) IN GENERAL.—The President, at least 90
10 calendar days before the day on which the President
11 enters into a trade agreement under section 3(b),
12 shall provide the International Trade Commission
13 (referred to in this subsection as “the Commission”)
14 with the details of the agreement as it exists at that
15 time and request the Commission to prepare and
16 submit an assessment of the agreement as described
17 in paragraph (2). Between the time the President
18 makes the request under this paragraph and the
19 time the Commission submits the assessment, the
20 President shall keep the Commission current with
21 respect to the details of the agreement.

22 (2) ITC ASSESSMENT.—Not later than 90 cal-
23 endar days after the President enters into the agree-
24 ment, the Commission shall submit to the President
25 and the Congress a report assessing the likely im-

1 pact of the agreement on the United States economy
2 as a whole and on specific industry sectors, includ-
3 ing the impact the agreement will have on the gross
4 domestic product, exports and imports, aggregate
5 employment and employment opportunities, the pro-
6 duction, employment, and competitive position of in-
7 dustries likely to be significantly affected by the
8 agreement, and the interests of United States con-
9 sumers.

10 (3) REVIEW OF EMPIRICAL LITERATURE.—In
11 preparing the assessment, the Commission shall re-
12 view available economic assessments regarding the
13 agreement, including literature regarding any sub-
14 stantially equivalent proposed agreement, and shall
15 provide in its assessment a description of the anal-
16 yses used and conclusions drawn in such literature,
17 and a discussion of areas of consensus and diver-
18 gence between the various analyses and conclusions,
19 including those of the Commission regarding the
20 agreement.

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

22 (a) IN GENERAL.—

23 (1) NOTIFICATION AND SUBMISSION.—Any
24 agreement entered into under section 3(b) shall

1 enter into force with respect to the United States if
2 (and only if)—

3 (A) the President, at least 90 calendar
4 days before the day on which the President en-
5 ters into the trade agreement, notifies the
6 House of Representatives and the Senate of the
7 President's intention to enter into the agree-
8 ment, and promptly thereafter publishes notice
9 of such intention in the Federal Register;

10 (B) within 60 days after entering into the
11 agreement, the President submits to the Con-
12 gress a description of those changes to existing
13 laws that the President considers would be re-
14 quired in order to bring the United States into
15 compliance with the agreement;

16 (C) after entering into the agreement, the
17 President submits to the Congress, on a day on
18 which both Houses of Congress are in session,
19 a copy of the final legal text of the agreement,
20 together with—

21 (i) a draft of an implementing bill de-
22 scribed in section 3(b)(3);

23 (ii) a statement of any administrative
24 action proposed to implement the trade
25 agreement; and

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

3 (D) the implementing bill is enacted into
4 law.

5 (2) SUPPORTING INFORMATION.—The sup-
6 porting information required under paragraph
7 (1)(C)(iii) consists of—

8 (A) an explanation as to how the imple-
9 menting bill and proposed administrative action
10 will change or affect existing law; and

11 (B) a statement—

12 (i) asserting that the agreement
13 makes progress in achieving the applicable
14 purposes, policies, priorities, and objectives
15 of this Act; and

16 (ii) setting forth the reasons of the
17 President regarding—

18 (I) how and to what extent the
19 agreement makes progress in achiev-
20 ing the applicable purposes, policies,
21 and objectives referred to in clause (i);

22 (II) whether and how the agree-
23 ment changes provisions of an agree-
24 ment previously negotiated;

1 (III) how the agreement serves
2 the interests of United States com-
3 merce;

4 (IV) how the implementing bill
5 meets the standards set forth in sec-
6 tion 3(b)(3); and

7 (V) how and to what extent the
8 agreement makes progress in achiev-
9 ing the applicable purposes, policies,
10 and objectives referred to in section
11 2(c) regarding the promotion of cer-
12 tain priorities.

13 (3) RECIPROCAL BENEFITS.—In order to en-
14 sure that a foreign country that is not a party to a
15 trade agreement entered into under section 3(b)
16 does not receive benefits under the agreement unless
17 the country is also subject to the obligations under
18 the agreement, the implementing bill submitted with
19 respect to the agreement shall provide that the bene-
20 fits and obligations under the agreement apply only
21 to the parties to the agreement, if such application
22 is consistent with the terms of the agreement. The
23 implementing bill may also provide that the benefits
24 and obligations under the agreement do not apply
25 uniformly to all parties to the agreement, if such ap-

1 plication is consistent with the terms of the agree-
2 ment.

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

5 (1) FOR LACK OF NOTICE OR CONSULTA-
6 TIONS.—

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 or trade agreements entered into under section
11 3(b) if during the 60-day period beginning on
12 the date that one House of Congress agrees to
13 a procedural disapproval resolution for lack of
14 notice or consultations with respect to such
15 trade agreement or agreements, the other
16 House separately agrees to a procedural dis-
17 approval resolution with respect to such trade
18 agreement or agreements.

19 (B) PROCEDURAL DISAPPROVAL RESOLU-
20 TION.—(i) For purposes of this paragraph, the
21 term “procedural disapproval resolution” means
22 a resolution of either House of Congress, the
23 sole matter after the resolving clause of which
24 is as follows: “That the President has failed or
25 refused to notify or consult in accordance with

1 the Bipartisan Trade Promotion Authority Act
2 of 2001 on negotiations with respect to
3 _____ and, therefore, the trade au-
4 thorities procedures under that Act shall not
5 apply to any implementing bill submitted with
6 respect to such trade agreement or agree-
7 ments.”, with the blank space being filled with
8 a description of the trade agreement or agree-
9 ments with respect to which the President is
10 considered to have failed or refused to notify or
11 consult.

12 (ii) For purposes of clause (i), the Presi-
13 dent has “failed or refused to notify or consult
14 in accordance with the Bipartisan Trade Pro-
15 motion Authority Act of 2001” on negotiations
16 with respect to a trade agreement or trade
17 agreements if—

18 (I) the President has failed or refused
19 to consult (as the case may be) in accord-
20 ance with section 4 or 5 with respect to the
21 negotiations, agreement, or agreements;

22 (II) guidelines under section 7(b) have
23 not been developed or met with respect to
24 the negotiations, agreement, or agree-
25 ments;

1 (III) the President has not met with
2 the Congressional Oversight Group pursu-
3 ant to a request made under section 7(c)
4 with respect to the negotiations, agree-
5 ment, or agreements; or

6 (IV) the agreement or agreements fail
7 to make progress in achieving the pur-
8 poses, policies, priorities, and objectives of
9 this Act.

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

12 (i) in the House of Representatives—

13 (I) may be introduced by any Member
14 of the House;

15 (II) shall be referred to the Com-
16 mittee on Ways and Means and, in addi-
17 tion, to the Committee on Rules; and

18 (III) may not be amended by either
19 Committee; and

20 (ii) in the Senate may be introduced by
21 any Member of the Senate.

22 (B) The provisions of section 152(d) and (e) of
23 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))
24 (relating to the floor consideration of certain resolu-
25 tions in the House and Senate) apply to a proce-

1 dural disapproval resolution introduced with respect
2 to a trade agreement if no other procedural dis-
3 approval resolution with respect to that trade agree-
4 ment has previously been considered under such pro-
5 visions of section 152 of the Trade Act of 1974 in
6 that House of Congress during that Congress.

7 (C) It is not in order for the House of Rep-
8 resentatives to consider any procedural disapproval
9 resolution not reported by the Committee on Ways
10 and Means and, in addition, by the Committee on
11 Rules.

12 (c) RULES OF HOUSE OF REPRESENTATIVES AND
13 SENATE.—Subsection (b) of this section and section 3(c)
14 are enacted by the Congress—

15 (1) as an exercise of the rulemaking power of
16 the House of Representatives and the Senate, re-
17 spectively, and as such are deemed a part of the
18 rules of each House, respectively, and such proce-
19 dures supersede other rules only to the extent that
20 they are inconsistent with such other rules; and

21 (2) with the full recognition of the constitu-
22 tional right of either House to change the rules (so
23 far as relating to the procedures of that House) at
24 any time, in the same manner, and to the same ex-
25 tent as any 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 sec-
5 tion 3(b)(2), if an agreement to which section 3(b)
6 applies—

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

9 (2) is entered into with Chile,

10 (3) is entered into with Singapore, or

11 (4) establishes a Free Trade Area for the
12 Americas,

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

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

18 (1) the applicability of the trade authorities
19 procedures to implementing bills shall be determined
20 without regard to the requirements of section 4(a)
21 (relating only to 90 days notice prior to initiating
22 negotiations), and any procedural disapproval resolu-
23 tion under section 5(b)(1)(B) shall not be in order
24 on the basis of a failure or refusal to comply with
25 the provisions of section 4(a); and

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

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

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

12 **SEC. 7. CONGRESSIONAL OVERSIGHT GROUP.**

13 (a) MEMBERS AND FUNCTIONS.—

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

22 (2) MEMBERSHIP FROM THE HOUSE.—In each
23 Congress, the Congressional Oversight Group shall
24 be comprised of the following Members of the House
25 of Representatives:

1 (A) The chairman and ranking member of
2 the Committee on Ways and Means, and 3 ad-
3 ditional members of such Committee (not more
4 than 2 of whom are members of the same polit-
5 ical party).

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

14 (3) MEMBERSHIP FROM THE SENATE.—In each
15 Congress, the Congressional Oversight Group shall
16 also be comprised of the following members of the
17 Senate:

18 (A) The chairman and ranking Member of
19 the Committee on Finance and 3 additional
20 members of such Committee (not more than 2
21 of whom are members of the same political
22 party).

23 (B) The chairman and ranking member, or
24 their designees, of the committees of the Senate
25 which would have, under the Rules of the Sen-

1 ate, jurisdiction over provisions of law affected
2 by a trade agreement negotiations for which are
3 conducted at any time during that Congress
4 and to which this Act would apply.

5 (4) ACCREDITATION.—Each member of the
6 Congressional Oversight Group described in para-
7 graph (2)(A) and (3)(A) shall be accredited by the
8 United States Trade Representative on behalf of the
9 President as official advisers to the United States
10 delegation in negotiations for any trade agreement
11 to which this Act applies. Each member of the Con-
12 gressional Oversight Group described in paragraph
13 (2)(B) and (3)(B) shall be accredited by the United
14 States Trade Representative on behalf of the Presi-
15 dent as official advisers to the United States delega-
16 tion in the negotiations by reason of which the mem-
17 ber is in the Congressional Oversight Group. The
18 Congressional Oversight Group shall consult with
19 and provide advice to the Trade Representative re-
20 garding the formulation of specific objectives, negoti-
21 ating strategies and positions, the development of
22 the applicable trade agreement, and compliance and
23 enforcement of the negotiated commitments under
24 the trade agreement.

1 (5) CHAIR.—The Congressional Oversight
2 Group shall be chaired by the Chairman of the Com-
3 mittee on Ways and Means of the House of Rep-
4 resentatives and the Chairman of the Committee on
5 Finance of the Senate.

6 (b) GUIDELINES.—

7 (1) PURPOSE AND REVISION.—The United
8 States Trade Representative, in consultation with
9 the chairmen and ranking minority members of the
10 Committee on Ways and Means of the House of
11 Representatives and the Committee on Finance of
12 the Senate—

13 (A) shall, within 120 days after the date of
14 the enactment of this Act, develop written
15 guidelines to facilitate the useful and timely ex-
16 change of information between the Trade Rep-
17 resentative and the Congressional Oversight
18 Group established under this section; and

19 (B) may make such revisions to the guide-
20 lines as may be necessary from time to time.

21 (2) CONTENT.—The guidelines developed under
22 paragraph (1) shall provide for, among other
23 things—

24 (A) regular, detailed briefings of the Con-
25 gressional Oversight Group regarding negoti-

1 ating objectives, including the promotion of cer-
2 tain priorities referred to in section 2(c), and
3 positions and the status of the applicable nego-
4 tiations, beginning as soon as practicable after
5 the Congressional Oversight Group is convened,
6 with more frequent briefings as trade negotia-
7 tions enter the final stage;

8 (B) access by members of the Congres-
9 sional Oversight Group, and staff with proper
10 security clearances, to pertinent documents re-
11 lating to the negotiations, including classified
12 materials;

13 (C) the closest practicable coordination be-
14 tween the Trade Representative and the Con-
15 gressional Oversight Group at all critical peri-
16 ods during the negotiations, including at nego-
17 tiation sites; and

18 (D) after the applicable trade agreement is
19 concluded, consultation regarding ongoing com-
20 pliance and enforcement of negotiated commit-
21 ments under the trade agreement.

22 (c) REQUEST FOR MEETING.—Upon the request of
23 a majority of the Congressional Oversight Group, the
24 President shall meet with the Congressional Oversight
25 Group before initiating negotiations with respect to a

1 trade agreement, or at any other time concerning the ne-
2 gotiations.

3 **SEC. 8. ADDITIONAL IMPLEMENTATION AND ENFORCE-**
4 **MENT REQUIREMENTS.**

5 (a) IN GENERAL.—At the time the President submits
6 to the Congress the final text of an agreement pursuant
7 to section 5(a)(1)(C), the President shall also submit a
8 plan for implementing and enforcing the agreement. The
9 implementation and enforcement plan shall include the fol-
10 lowing:

11 (1) BORDER PERSONNEL REQUIREMENTS.—A
12 description of additional personnel required at bor-
13 der entry points, including a list of additional cus-
14 toms and agricultural inspectors.

15 (2) AGENCY STAFFING REQUIREMENTS.—A de-
16 scription of additional personnel required by Federal
17 agencies responsible for monitoring and imple-
18 menting the trade agreement, including personnel
19 required by the Office of the United States Trade
20 Representative, the Department of Commerce, the
21 Department of Agriculture (including additional per-
22 sonnel required to implement sanitary and
23 phytosanitary measures in order to obtain market
24 access for United States exports), the Department of

1 the Treasury, and such other agencies as may be
2 necessary.

3 (3) CUSTOMS INFRASTRUCTURE REQUIRE-
4 MENTS.—A description of the additional equipment
5 and facilities needed by the United States Customs
6 Service.

7 (4) IMPACT ON STATE AND LOCAL GOVERN-
8 MENTS.—A description of the impact the trade
9 agreement will have on State and local governments
10 as a result of increases in trade.

11 (5) COST ANALYSIS.—An analysis of the costs
12 associated with each of the items listed in para-
13 graphs (1) through (4).

14 (b) BUDGET SUBMISSION.—The President shall in-
15 clude a request for the resources necessary to support the
16 plan described in subsection (a) in the first budget that
17 the President submits to the Congress after the submis-
18 sion of the plan.

19 **SEC. 9. COMMITTEE STAFF.**

20 The grant of trade promotion authority under this
21 Act is likely to increase the activities of the primary com-
22 mittees of jurisdiction in the area of international trade.
23 In addition, the creation of the Congressional Oversight
24 Group under section 7 will increase the participation of
25 a broader number of Members of Congress in the formula-

1 tion of United States trade policy and oversight of the
2 international trade agenda for the United States. The pri-
3 mary committees of jurisdiction should have adequate
4 staff to accommodate these increases in activities.

5 **SEC. 10. CONFORMING AMENDMENTS.**

6 (a) IN GENERAL.—Title I of the Trade Act of 1974
7 (19 U.S.C. 2111 et seq.) is amended as follows:

8 (1) IMPLEMENTING BILL.—

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

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

1 (2) ADVICE FROM INTERNATIONAL TRADE COM-
2 MISSION.—Section 131 (19 U.S.C. 2151) is
3 amended—

4 (A) in subsection (a)—

5 (i) in paragraph (1), by striking “sec-
6 tion 123 of this Act or section 1102 (a) or
7 (c) of the Omnibus Trade and Competitive-
8 ness Act of 1988,” and inserting “section
9 123 of this Act or section 3(a) or (b) of
10 the Bipartisan Trade Promotion Authority
11 Act of 2001,”; and

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

17 (B) in subsection (b), by striking “section
18 1102(a)(3)(A)” and inserting “section
19 3(a)(3)(A) of the Bipartisan Trade Promotion
20 Authority Act of 2001”; and

21 (C) in subsection (c), by striking “section
22 1102 of the Omnibus Trade and Competitive-
23 ness Act of 1988,” and inserting “section 3 of
24 the Bipartisan Trade Promotion Authority Act
25 of 2001,”.

1 (3) HEARINGS AND ADVICE.—Sections 132,
2 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and
3 2154(a)) are each amended by striking “section
4 1102 of the Omnibus Trade and Competitiveness
5 Act of 1988,” each place it appears and inserting
6 “section 3 of the Bipartisan Trade Promotion Au-
7 thority Act of 2001,”.

8 (4) PREREQUISITES FOR OFFERS.—Section
9 134(b) (19 U.S.C. 2154(b)) is amended by striking
10 “section 1102 of the Omnibus Trade and Competi-
11 tiveness Act of 1988” and inserting “section 3 of the
12 Bipartisan Trade Promotion Authority Act of
13 2001”.

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

16 (A) in subsection (a)(1)(A), by striking
17 “section 1102 of the Omnibus Trade and Com-
18 petitiveness Act of 1988” and inserting “section
19 3 of the Bipartisan Trade Promotion Authority
20 Act of 2001”;

21 (B) in subsection (e)(1)—

22 (i) by striking “section 1102 of the
23 Omnibus Trade and Competitiveness Act
24 of 1988” each place it appears and insert-

1 ing “section 3 of the Bipartisan Trade
2 Promotion Authority Act of 2001”; and

3 (ii) by striking “section 1103(a)(1)(A)
4 of such Act of 1988” and inserting “sec-
5 tion 5(a)(1)(A) of the Bipartisan Trade
6 Promotion Authority Act of 2001”; and

7 (C) in subsection (e)(2), by striking “sec-
8 tion 1101 of the Omnibus Trade and Competi-
9 tiveness Act of 1988” and inserting “section 2
10 of the Bipartisan Trade Promotion Authority
11 Act of 2001”.

12 (6) TRANSMISSION OF AGREEMENTS TO CON-
13 GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is
14 amended by striking “or under section 1102 of the
15 Omnibus Trade and Competitiveness Act of 1988”
16 and inserting “or under section 3 of the Bipartisan
17 Trade Promotion Authority Act of 2001”.

18 (b) APPLICATION OF CERTAIN PROVISIONS.—For
19 purposes of applying sections 125, 126, and 127 of the
20 Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and
21 2137)—

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

1 (2) any proclamation or Executive order issued
2 pursuant to a trade agreement entered into under
3 section 3 shall be treated as a proclamation or Exec-
4 utive order issued pursuant to a trade agreement en-
5 tered into under section 102 of the Trade Act of
6 1974.

7 **SEC. 11. DEFINITIONS.**

8 In this Act:

9 (1) **AGREEMENT ON AGRICULTURE.**—The term
10 “Agreement on Agriculture” means the agreement
11 referred to in section 101(d)(2) of the Uruguay
12 Round Agreements Act (19 U.S.C. 3511(d)(2)).

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

15 (A) the right of association;

16 (B) the right to organize and bargain col-
17 lectively;

18 (C) a prohibition on the use of any form
19 of forced or compulsory labor;

20 (D) a minimum age for the employment of
21 children; and

22 (E) acceptable conditions of work with re-
23 spect to minimum wages, hours of work, and
24 occupational safety and health.

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

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

6 (5) UNITED STATES PERSON.—The term
7 “United States person” means—

8 (A) a United States citizen;

9 (B) a partnership, corporation, or other
10 legal entity organized under the laws of the
11 United States; and

12 (C) a partnership, corporation, or other
13 legal entity that is organized under the laws of
14 a foreign country and is controlled by entities
15 described in subparagraph (B) or United States
16 citizens, or both.

17 (6) URUGUAY ROUND AGREEMENTS.—The term
18 “Uruguay Round Agreements” has the meaning
19 given that term in section 2(7) of the Uruguay
20 Round Agreements Act (19 U.S.C. 3501(7)).

21 (7) WORLD TRADE ORGANIZATION; WTO.—The
22 terms “World Trade Organization” and “WTO”
23 mean the organization established pursuant to the
24 WTO Agreement.

1 (8) WTO AGREEMENT.—The term “WTO
2 Agreement” means the Agreement Establishing the
3 World Trade Organization entered into on April 15,
4 1994.

Passed the House of Representatives December 6,
2001.

Attest:

Clerk.

107TH CONGRESS
1ST SESSION

H. R. 3005

AN ACT

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