

RESOLUTION EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES THAT THE UNITED STATES SHOULD REAFFIRM ITS COMMITMENT AS A MEMBER OF THE WORLD TRADE ORGANIZATION (WTO) AND WORK WITH OTHER WTO MEMBERS TO ACHIEVE REFORMS AT THE WTO THAT IMPROVE THE SPEED AND PREDICTABILITY OF DISPUTE SETTLEMENT, ADDRESS LONGSTANDING CONCERNS WITH THE WTO'S APPELLATE BODY, INCREASE TRANSPARENCY AT THE WTO, ENSURE THAT WTO MEMBERS INVOKE SPECIAL AND DIFFERENTIAL TREATMENT RESERVED FOR DEVELOPING COUNTRIES ONLY IN FAIR AND APPROPRIATE CIRCUMSTANCES, AND UPDATE THE WTO RULES TO ADDRESS THE NEEDS OF THE UNITED STATES AND OTHER FREE AND OPEN ECONOMIES IN THE 21ST CENTURY

DECEMBER 2, 2020.—Referred to the House Calendar and ordered to be printed

Mr. NEAL, from the Committee on Ways and Means,
submitted the following

R E P O R T

[To accompany H. Res. 746]

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 746) expressing the sense of the House of Representatives that the United States should reaffirm its commitment as a member of the World Trade Organization (WTO) and work with other WTO members to achieve reforms at the WTO that improve the speed and predictability of dispute settlement, address longstanding concerns with the WTO's Appellate Body, increase transparency at the WTO, ensure that WTO members invoke special and differential treatment reserved for developing countries only in fair and appropriate circumstances, and update the WTO rules to address the needs of the United States and other free and open economies in the 21st century, having considered the same, reports favorably thereon with amendments and recommends that the resolution as amended be agreed to.

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The amendments are as follows:
Strike all after the resolving clause and insert the following:

- That it is the sense of the House of Representatives that—
- (1) the United States should continue to lead reform efforts to ensure that the World Trade Organization (WTO) functions as agreed by the membership and is updated appropriately for the 21st century; and
 - (2) the United States should continue to urge other WTO members to work with the United States to achieve needed reforms so that the WTO and its members can address unjustified barriers to trade and promote economic norms that improve the standard of living across the world; and
 - (3) the United States Trade Representative should continue to lead and work with other countries to pursue reforms at the WTO that—
 - (A) address concerns with the WTO’s Appellate Body;
 - (B) improve the efficiency and transparency of dispute settlement proceedings;
 - (C) remediate the failure to satisfy notification obligations of the various WTO agreements and develop accountability mechanisms to address this issue proactively;
 - (D) discipline the use of special and differential treatment for self-declared developing countries; and
 - (E) create new rules and structures that can serve the United States interests while promoting peace, prosperity and open markets and societies.

Amend the preamble to read as follows:

- Whereas the United States is an original member of the World Trade Organization (WTO) and a key architect of the institution;
- Whereas the WTO is a critical forum for strengthening the multilateral rules-based trading system and a bedrock of United States trade policy;
- Whereas the United States has provided the leadership and political will to advance the goal of the WTO to raise standards of living, expand the production of and trade in goods and services, create and enforce rules that reduce obstacles to international trade that help ensure a level playing field;
- Whereas sustained United States leadership in the WTO provides best paths to achieve necessary WTO reforms, create new trade rules that enhance opportunities for all, and address the needs and challenges of the United States and all other free and open economies in the 21st century;
- Whereas the WTO is the preferred forum in which member economies resolve disputes that arise among them;
- Whereas the United States has consistently supported having a functional, efficient dispute settlement mechanism at the WTO that strictly follows the Dispute Settlement Understanding as agreed by all WTO members and remains accountable to WTO members;
- Whereas the United States, for decades, has sought to strengthen the WTO dispute settlement system by advocating for necessary, thoughtful and prudent reforms;
- Whereas the United States has expressed longstanding concerns that the WTO Appellate Body, through its findings and procedural liberties, is improperly adding to or diminishing the rights or obligations of WTO members;
- Whereas the United States has consistently urged the WTO to improve transparency by requiring that all dispute settlement hearings at the WTO be open to the public, and all submissions by the parties be publicly available;

Whereas, while several WTO members have joined the United States in agreeing to open hearings to the public and in making public submissions, most WTO Members continue to insist on closed hearings and confidential submissions;

Whereas transparent WTO dispute settlement enhances WTO members' understanding of the dispute settlement system, particularly for those who do not participate often in the system;

Whereas open dispute settlement promotes the accountability, professionalism, and impartiality of WTO adjudicators, to the benefit of the dispute settlement system as a whole;

Whereas many WTO members have failed to meet basic notification obligations making it difficult and, in some cases, impossible to monitor or determine their compliance with WTO obligations, including subsidies disciplines;

Whereas the United States has encouraged, by proposing various incentives and administrative measures, better compliance with notification obligations;

Whereas the WTO allows members to self-identify as developing countries in order to receive special and differential treatment;

Whereas some self-declared developing countries that are now advanced continue to demand the same special and differential treatment intended for much smaller, less developed members, creating asymmetries that hinder the WTO from achieving meaningful outcomes in current and future negotiations;

Whereas for over a decade, most WTO members have refused to engage in serious efforts to address longstanding United States calls for reform of dispute settlement and other important aspects of the WTO system; and

Whereas WTO members are engaged in negotiations to reform the WTO and create new rules, including with respect to fisheries subsidies and e-commerce: Now, therefore, be it

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

H. Res. 746, a Resolution to Support and Reform the World Trade Organization (WTO), as amended and ordered reported by the Committee on Ways and Means on December 17, 2019, expresses the sense of the House of Representatives that the United States should reaffirm its commitment as a member of the World Trade Organization (WTO) and work with other WTO members to reform the WTO.

B. BACKGROUND

The World Trade Organization (WTO) is an intergovernmental organization that is concerned with the regulation of international trade between nations. The WTO was officially established on January 1, 1995, replacing the General Agreement on Tariffs and Trade (GATT) established in 1948 which grew out of the international political and economic upheaval and conflicts of the 1930s and World War II.

The WTO is the largest international economic organization in the world that deals with the regulation of trade in goods, services and intellectual property between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements. The United States has been a long-time champion of and leader at the WTO and is credited with being one of the organization's most consequential founding members. The United States has provided the leadership and political will to advance the goals of the WTO to raise standards of living, expand the production of and trade in goods and services, and create and enforce rules that reduce obstacles to international trade and help ensure a level playing field.

While Congress has been an ardent supporter of U.S. participation and leadership in the WTO, Members of Congress for more than 20 years have expressed serious concerns with the functioning of the organization. In particular, Congress has sought to improve the speed and predictability of dispute settlement and address longstanding concerns with the WTO's Appellate Body, including its findings and procedural liberties that are improperly adding to or diminishing the rights or obligations of WTO members. Congress has also sought to increase transparency at the WTO, ensure that WTO members invoke special and differential treatment reserved for developing countries only in fair and appropriate circumstances, and update the WTO rules to address the needs of the United States and other free and open economies in the 21st century.

In October 2019, a bipartisan Congressional delegation from the Ways and Means Committee traveled to the WTO to learn first-hand the current impediments to a functioning World Trade Organization, including the Appellate Body, as well as understand the impasse to WTO negotiations and reforms. The trip confirmed that Congress' long-standing concerns have not been addressed.

C. LEGISLATIVE HISTORY

Background

H. Res. 746 was introduced by Representatives Kind (D-WI), Schweikert (R-AZ), Beyer (D-VA), Marchant (R-TX), DelBene (D-WA), J. Smith (R-MO), Sewell (D-AL), and Estes (R-KS) on December 6, 2019, and was referred to the Committee on Ways and Means.

Committee hearings

The Committee held a hearing with U.S. Trade Representative Robert Lighthizer on June 19, 2019 entitled, "The 2019 Trade Policy Agenda: Negotiations with China, Japan, the EU, and UK; new NAFTA/USMCA; U.S. Participation in the WTO; and other matters."

Committee action

The Committee on Ways and Means marked up H. Res. 746 on December 17, 2019, and ordered the bill, as amended, favorably reported (with a quorum being present) by voice vote.

II. EXPLANATION OF THE RESOLUTION

H. Res. 746, a Resolution to Support and Reform the World Trade Organization (WTO), reaffirms the commitment of the United States to the WTO and calls on the United States to work with other WTO members to achieve reforms at the WTO that improve the speed and predictability of dispute settlement, address longstanding concerns with the WTO's Appellate Body, increase transparency at the WTO, ensure that WTO members invoke special and differential treatment reserved for developing countries only in fair and appropriate circumstances, and update the WTO rules to address the needs of the United States and other free and open economies in the 21st century.

III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means in its consideration of H. Res. 746, a Resolution to Support and Reform the World Trade Organization (WTO), on December 17, 2019.

The Chairman's amendment in the nature of a substitute was adopted by a voice vote (with a quorum being present).

The bill, H. Res. 746, as amended, was ordered favorably reported by voice vote (with a quorum being present).

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

Clause 3(d) of rule XIII of the Rules of the House of Representatives is inapplicable to the resolution.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES BUDGET AUTHORITY

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives is inapplicable.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee advises that the Congressional Budget Office did not provide a cost estimate for the resolution.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the resolution contains no measure that authorizes funding, so no statement of general performance goals and objectives for which any measure authorizes funding is required.

C. INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104-4).

The Committee has determined that the resolution does not contain Federal mandates on the private sector. The Committee has determined that the resolution does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

D. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND
LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution, and states that the provisions of the resolution do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

E. DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the resolution establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report to Congress pursuant to section 21 of Public Law 111-139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant section 6104 of title 31, United States Code.

**VI. CHANGES IN EXISTING LAW MADE BY THE
RESOLUTION, AS REPORTED**

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, the Committee advises that H. Res. 746 does not make any changes to existing law.