

Calendar No. 198

105TH CONGRESS
1ST Session

S. 1269

[Report No. 105-102]

A BILL

To establish objectives for negotiating and procedures for implementing certain trade agreements.

OCTOBER 8, 1997

Read twice and placed on the calendar

Calendar No. 198

105TH CONGRESS
1ST SESSION**S. 1269****[Report No. 105–102]**

To establish objectives for negotiating and procedures for implementing
certain trade agreements.

IN THE SENATE OF THE UNITED STATES

OCTOBER 8, 1997

Mr. ROTH, from the Committee on Finance, reported the following original
bill; which was read twice and placed on the calendar

A BILL

To establish objectives for negotiating and procedures for
implementing certain 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.**

4 This Act may be cited as the “Reciprocal Trade
5 Agreements Act of 1997”.

1 **SEC. 2. TRADE NEGOTIATING OBJECTIVES OF THE UNITED**
2 **STATES.**

3 (a) STATEMENT OF PURPOSES.—The purposes of
4 this Act are to achieve, through trade agreements afford-
5 ing mutual benefits—

6 (1) more open, equitable, and reciprocal market
7 access for United States goods, services, and invest-
8 ment;

9 (2) the reduction or elimination of barriers and
10 other trade-distorting policies and practices;

11 (3) a more effective system of international
12 trading disciplines and procedures; and

13 (4) economic growth, higher living standards,
14 and full employment in the United States, and eco-
15 nomic growth and development among United States
16 trading partners.

17 (b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—
18 The principal trade negotiating objectives of the United
19 States for agreements subject to the provisions of section
20 3 include the following:

21 (1) REDUCTION OF BARRIERS TO TRADE IN
22 GOODS.—The principal negotiating objective of the
23 United States regarding barriers to trade in goods
24 is to obtain competitive opportunities for United
25 States exports in foreign markets substantially
26 equivalent to the opportunities afforded foreign ex-

1 ports to United States markets, including the reduc-
2 tion or elimination of tariff and nontariff trade bar-
3 riers, including—

4 (A) tariff and nontariff disparities remain-
5 ing from previous rounds of multilateral trade
6 negotiations that have put United States ex-
7 ports at a competitive disadvantage in world
8 markets;

9 (B) measures identified in the annual re-
10 port prepared under section 181 of the Trade
11 Act of 1974 (19 U.S.C. 2241); and

12 (C) tariff elimination for products identi-
13 fied in section 111(b) of the Uruguay Round
14 Agreements Act (19 U.S.C. 3521(b)) and the
15 accompanying Statement of Administrative Ac-
16 tion related to that section.

17 (2) TRADE IN SERVICES.—

18 (A) The principal negotiating objectives of
19 the United States regarding trade in services
20 are—

21 (i) to reduce or eliminate barriers to,
22 or other distortions of, international trade
23 in services, including regulatory and other
24 barriers that deny national treatment or
25 unreasonably restrict the establishment

1 and operation of service suppliers in for-
2 eign markets; and

3 (ii) to develop internationally agreed
4 rules, including dispute settlement proce-
5 dures, that—

6 (I) are consistent with the com-
7 mercial policies of the United States,
8 and

9 (II) will reduce or eliminate such
10 barriers or distortions, and help en-
11 sure fair, equitable opportunities for
12 foreign markets.

13 (B) In pursuing the negotiating objectives
14 described in subparagraph (A), United States
15 negotiators shall take into account legitimate
16 United States domestic objectives, including
17 protection of legitimate health, safety, essential
18 security, environmental, consumer, and employ-
19 ment opportunity interests. The preceding sen-
20 tence shall not be construed to authorize any
21 modification of United States law.

22 (3) FOREIGN INVESTMENT.—

23 (A) The principal negotiating objectives of
24 the United States regarding foreign investment
25 are—

1 (i) to reduce or eliminate artificial or
2 trade-distorting barriers to foreign invest-
3 ment, to expand the principle of national
4 treatment, and to reduce unreasonable bar-
5 riers to establishment; and

6 (ii) to develop internationally agreed
7 rules through the negotiation of investment
8 agreements, including dispute settlement
9 procedures, that—

10 (I) will help ensure a free flow of
11 foreign investment, and

12 (II) will reduce or eliminate the
13 trade distortive effects of certain
14 trade-related investment measures.

15 (B) In pursuing the negotiating objectives
16 described in subparagraph (A), United States
17 negotiators shall take into account legitimate
18 United States domestic objectives, including
19 protection of legitimate health, safety, essential
20 security, environmental, consumer, and employ-
21 ment opportunity interests. The preceding sen-
22 tence shall not be construed to authorize any
23 modification of United States law.

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

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

7 (i) seeking the enactment and effective
8 enforcement by foreign countries of
9 laws that—

10 (I) recognize and adequately protect
11 intellectual property, including
12 copyrights, patents, trademarks, semiconductor
13 chip layout designs, and
14 trade secrets, and

15 (II) provide protection against
16 unfair competition;

17 (ii) accelerating and ensuring the full
18 implementation of the Agreement on
19 Trade-Related Aspects of Intellectual
20 Property Rights referred to in section
21 101(d)(15) of the Uruguay Round Agree-
22 ments Act (19 U.S.C. 3511(d)(15)), and
23 achieving improvements in the standards
24 of that Agreement;

1 (iii) providing strong protection for
2 new and emerging technologies and new
3 methods of transmitting and distributing
4 products embodying intellectual property;

5 (iv) preventing or eliminating dis-
6 crimination with respect to matters affect-
7 ing the availability, acquisition, scope,
8 maintenance, use, and enforcement of in-
9 tellectual property rights; and

10 (v) providing for strong enforcement
11 of intellectual property rights through ac-
12 cessible, expeditious, and effective civil, ad-
13 ministrative, and criminal enforcement
14 mechanisms;

15 (B) to secure fair, equitable, and non-
16 discriminatory market access opportunities for
17 United States persons that rely on intellectual
18 property protection; and

19 (C) to recognize that the inclusion in the
20 WTO of—

21 (i) adequate and effective substantive
22 norms and standards for the protection
23 and enforcement of intellectual property
24 rights, and

1 (ii) dispute settlement provisions and
2 enforcement procedures,
3 is without prejudice to other complementary ini-
4 tiatives undertaken in other international orga-
5 nizations.

6 (5) AGRICULTURE.—The principal negotiating
7 objectives of the United States with respect to agri-
8 culture are, in addition to those set forth in section
9 1123(b) of the Food Security Act of 1985 (7 U.S.C.
10 1736r(b)), to achieve, on an expedited basis to the
11 maximum extent feasible, more open and fair condi-
12 tions of trade in agricultural commodities by—

13 (A) developing, strengthening, and clarify-
14 ing rules for agricultural trade, including dis-
15 ciplines on restrictive or trade-distorting import
16 and export practices such as those that would
17 impact perishable or cyclical products;

18 (B) increasing United States agricultural
19 exports by eliminating barriers to trade (includ-
20 ing transparent and nontransparent barriers)
21 and reducing or eliminating the subsidization of
22 agricultural production consistent with the
23 United States policy of agricultural stabilization
24 in cyclical and unpredictable markets;

1 (C) creating a free and more open world
2 agricultural trading system by resolving ques-
3 tions pertaining to export and other trade-dis-
4 torting subsidies, market pricing, and market
5 access;

6 (D) eliminating or reducing substantially
7 other specific constraints to fair trade and more
8 open market access, such as tariffs, quotas, and
9 other nontariff practices; and

10 (E) developing, strengthening, and clarify-
11 ing rules that address 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, including—

15 (i) unfair or trade-distorting activities
16 of state trading enterprises and other ad-
17 ministrative mechanisms, including lack of
18 price transparency;

19 (ii) unjustified restrictions or commer-
20 cial requirements affecting new tech-
21 nologies, including biotechnology;

22 (iii) unjustified sanitary or
23 phytosanitary restrictions;

24 (iv) other unjustified technical bar-
25 riers to trade; and

1 (v) restrictive rules in the administra-
2 tion of tariff-rate quotas.

3 (6) UNFAIR TRADE PRACTICES.—The principal
4 negotiating objectives of the United States with re-
5 spect to unfair trade practices are—

6 (A) to enhance the operation and effective-
7 ness of the relevant Uruguay Round Agree-
8 ments and any other agreements designed to
9 define, deter, discourage the persistent use of,
10 and otherwise discipline, unfair trade practices
11 having adverse trade effects, including forms of
12 subsidy and dumping not adequately dis-
13 ciplined, such as resource input subsidies, diver-
14 sionary dumping, dumped or subsidized inputs,
15 third country dumping, circumvention of anti-
16 dumping or countervailing duty orders, and ex-
17 port targeting practices; and

18 (B) to obtain the enforcement of WTO
19 rules against—

20 (i) trade-distorting practices of state
21 trading enterprises, and

22 (ii) the acts, practices, or policies of
23 any foreign government which, as a prac-
24 tical matter, unreasonably require that—

1 (I) substantial direct investment
2 in the foreign country be made,

3 (II) intellectual property be li-
4 censed to the foreign country or to
5 any firm of the foreign country, or

6 (III) other collateral concessions
7 be made,

8 as a condition for the importation of any
9 product or service of the United States
10 into the foreign country or as a condition
11 for carrying on business in the foreign
12 country.

13 (7) SAFEGUARDS.—The principal negotiating
14 objectives of the United States regarding safeguards
15 are—

16 (A) to improve and expand rules and pro-
17 cedures covering safeguard measures;

18 (B) to ensure that safeguard measures
19 are—

20 (i) transparent,

21 (ii) temporary,

22 (iii) degressive, and

23 (iv) subject to review and termination
24 when no longer necessary to remedy injury
25 and to facilitate adjustment; and

1 (C) to require notification of, and to mon-
2 itor the use by, WTO members of import relief
3 actions for their domestic industries.

4 (8) 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 WTO and other multilateral
8 trade agreements are—

9 (A) to improve the operation and extend
10 the coverage of the WTO and such agreements
11 to products, sectors, and conditions of trade not
12 adequately covered; and

13 (B) to expand country participation in par-
14 ticular agreements, where appropriate.

15 (9) DISPUTE SETTLEMENT.—The principal ne-
16 gotiating objectives of the United States with respect
17 to dispute settlement are—

18 (A) to provide for effective and expeditious
19 dispute settlement mechanisms and procedures
20 in any trade agreement entered into under this
21 authority; and

22 (B) to ensure that such mechanisms within
23 the WTO and agreements concluded under the
24 auspices of the WTO provide for more effective

1 and expeditious resolution of disputes and en-
2 able better enforcement of United States rights.

3 (10) TRANSPARENCY.—The principal negotiat-
4 ing objective of the United States regarding trans-
5 parency is to obtain broader application of the prin-
6 ciple of transparency through increased public access
7 to information regarding trade issues, clarification of
8 the costs and benefits of trade policy actions, and
9 the observance of open and equitable procedures by
10 United States trading partners and within the WTO.

11 (11) DEVELOPING COUNTRIES.—The principal
12 negotiating objectives of the United States regarding
13 developing countries are—

14 (A) to ensure that developing countries
15 promote economic development by assuming the
16 fullest possible measure of responsibility for
17 achieving and maintaining an open inter-
18 national trading system by providing reciprocal
19 benefits and assuming equivalent obligations
20 with respect to their import and export prac-
21 tices; and

22 (B) to establish procedures for reducing
23 nonreciprocal trade benefits for the more ad-
24 vanced developing countries.

1 (12) CURRENT ACCOUNT SURPLUSES.—The
2 principal negotiating objective of the United States
3 regarding current account surpluses is to promote
4 policies to address large and persistent global cur-
5 rent account imbalances of countries (including im-
6 balances which threaten the stability of the inter-
7 national trading system), by imposing greater re-
8 sponsibility on such countries to undertake policy
9 changes aimed at restoring current account equi-
10 librium through expedited implementation of trade
11 agreements where feasible and appropriate.

12 (13) ACCESS TO HIGH TECHNOLOGY.—

13 (A) The principal negotiating objective of
14 the United States regarding access to high
15 technology is to obtain the elimination or reduc-
16 tion of foreign barriers to, and acts, policies, or
17 practices by foreign governments which limit,
18 equitable access by United States persons to
19 foreign-developed technology, including barriers,
20 acts, policies, or practices which have the effect
21 of—

22 (i) restricting the participation of
23 United States persons in government-sup-
24 ported research and development projects;

1 (ii) denying equitable access by Unit-
2 ed States persons to government-held pat-
3 ents;

4 (iii) requiring the approval of govern-
5 ment entities, or imposing other forms of
6 government intervention, as a condition of
7 granting licenses to United States persons
8 by foreign persons (other than approval
9 which may be necessary for national secu-
10 rity purposes to control the export of criti-
11 cal military technology); and

12 (iv) otherwise denying equitable access
13 by United States persons to foreign-devel-
14 oped technology or contributing to the in-
15 equitable flow of technology between the
16 United States and its trading partners.

17 (B) In pursuing the negotiating objective
18 described in subparagraph (A), the United
19 States negotiators shall take into account Unit-
20 ed States Government policies in licensing or
21 otherwise making available to foreign persons
22 technology and other information developed by
23 United States laboratories.

24 (14) BORDER TAXES.—The principal negotiat-
25 ing objective of the United States regarding border

1 taxes is, within the WTO, to obtain a revision of
2 the treatment of border adjustments for internal
3 taxes in order to redress the disadvantage to coun-
4 tries that rely primarily on direct taxes rather than
5 indirect taxes for revenue.

6 (15) REGULATORY COMPETITION.—The prin-
7 cipal trade negotiating objectives of the United
8 States regarding the use of government regulation or
9 other practices by foreign governments to provide a
10 competitive advantage to their domestic producers,
11 service providers, or investors and thereby reduce
12 market access for United States goods, services, and
13 investment are—

14 (A) to ensure that government regulation
15 and other government practices do not unfairly
16 discriminate against United States goods, serv-
17 ices, or investment; and

18 (B) to prevent the use of foreign govern-
19 ment regulation and other government prac-
20 tices, including the lowering of, or derogation
21 from, existing labor (including child labor),
22 health and safety, or environmental standards,
23 for the purpose of attracting investment or in-
24 hibiting United States exports.

1 Nothing in subparagraph (B) shall be construed to
2 authorize in an implementing bill, or in an agree-
3 ment subject to an implementing bill, the inclusion
4 of provisions that would restrict the autonomy of the
5 United States in these areas.

6 (c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES
7 DESIGNED TO REINFORCE THE TRADE AGREEMENTS
8 PROCESS.—

9 (1) IN GENERAL.—It is the policy of the United
10 States to reinforce the trade agreements process
11 by—

12 (A) fostering stability in international cur-
13 rency markets and developing mechanisms to
14 assure greater coordination, consistency, and
15 cooperation between international trade and
16 monetary systems and institutions in order to
17 protect against the trade consequences of sig-
18 nificant and unanticipated currency movements;

19 (B) supplementing and strengthening
20 standards for protection of intellectual property
21 rights under conventions designed to protect
22 such rights that are administered by inter-
23 national organizations other than the WTO, ex-
24 panding the conventions to cover new and
25 emerging technologies, and eliminating discrimi-

1 nation and unreasonable exceptions or pre-
2 conditions to such protection;

3 (C) promoting respect for workers' rights,
4 by—

5 (i) reviewing the relationship between
6 workers' rights and the operation of inter-
7 national trading systems and specific trade
8 arrangements; and

9 (ii) seeking to establish in the Inter-
10 national Labor Organization (referred to in
11 this Act as the "ILO") a mechanism for
12 the systematic examination of, and report-
13 ing on, the extent to which ILO members
14 promote and enforce the freedom of asso-
15 ciation, the right to organize and bargain
16 collectively, a prohibition on the use of
17 forced labor, a prohibition on exploitative
18 child labor, and a prohibition on discrimi-
19 nation in employment; and

20 (D) expanding the production of goods and
21 trade in goods and services to ensure the opti-
22 mal use of the world's resources, while seeking
23 to protect and preserve the environment and to
24 enhance the international means for doing so.

1 (2) APPLICATION OF PROCEDURES.—Nothing
 2 in this subsection shall be construed to authorize the
 3 use of the trade agreement approval procedures de-
 4 scribed in section 3 to modify United States law.

5 **SEC. 3. TRADE AGREEMENT NEGOTIATING AUTHORITY.**

6 (a) AGREEMENTS REGARDING TARIFF BARRIERS.—

7 (1) IN GENERAL.—Whenever the President de-
 8 termines that 1 or more existing duties or other im-
 9 port restrictions of any foreign country or the Unit-
 10 ed States are unduly burdening and restricting the
 11 foreign trade of the United States and that the pur-
 12 poses, policies, and objectives of this Act will be pro-
 13 moted thereby, the President—

14 (A) may enter into trade agreements with
 15 foreign countries before—

16 (i) October 1, 2001, or

17 (ii) October 1, 2005, if the authority
 18 provided by this Act is extended under
 19 subsection (c); and

20 (B) may, consistent with paragraphs (2)
 21 through (5), proclaim—

22 (i) such modification or continuance
 23 of any existing duty,

24 (ii) such continuance of existing duty-
 25 free or excise treatment, or

1 (iii) such additional duties,
2 as the President determines to be required or
3 appropriate to carry out any such trade agree-
4 ment.

5 (2) LIMITATIONS.—No proclamation may be
6 made under paragraph (1) that—

7 (A) reduces any rate of duty (other than a
8 rate of duty that does not exceed 5 percent ad
9 valorem on the date of enactment of this Act)
10 to a rate which is less than 50 percent of the
11 rate of such duty that applies on such date of
12 enactment;

13 (B) provides for a reduction of duty on an
14 article to take effect on a date that is more
15 than 10 years after the first reduction that is
16 proclaimed to carry out a trade agreement with
17 respect to such article; or

18 (C) increases any rate of duty above the
19 rate that applied on the date of enactment of
20 this Act.

21 (3) AGGREGATE REDUCTION; EXEMPTION FROM
22 STAGING.—

23 (A) AGGREGATE REDUCTION.—Except as
24 provided in subparagraph (B), the aggregate re-
25 duction in the rate of duty on any article which

1 is in effect on any day pursuant to a trade
2 agreement entered into under paragraph (1)
3 shall not exceed the aggregate reduction which
4 would have been in effect on such day if—

5 (i) a reduction of 3 percent ad valo-
6 rem or a reduction of one-tenth of the total
7 reduction, whichever is greater, had taken
8 effect on the effective date of the first re-
9 duction proclaimed under paragraph (1) to
10 carry out such agreement with respect to
11 such article; and

12 (ii) a reduction equal to the amount
13 applicable under clause (i) had taken effect
14 at 1-year intervals after the effective date
15 of such first reduction.

16 (B) EXEMPTION FROM STAGING.—No
17 staging under subparagraph (A) is required
18 with respect to a rate reduction that is pro-
19 claimed under paragraph (1) for an article of a
20 kind that is not produced in the United States.
21 The United States International Trade Com-
22 mission shall advise the President of the iden-
23 tity of articles that may be exempted from stag-
24 ing under this subparagraph.

1 (4) ROUNDING.—If the President determines
2 that such action will simplify the computation of re-
3 ductions under paragraph (3), the President may
4 round an annual reduction by the lesser of—

5 (A) the difference between the reduction
6 without regard to this paragraph and the next
7 lower whole number; or

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

9 (5) OTHER LIMITATIONS.—A rate of duty re-
10 duction or increase that may not be proclaimed by
11 reason of paragraph (2) may take effect only if a
12 provision authorizing such reduction or increase is
13 included within an implementing bill provided for
14 under section 5 and that bill is enacted into law.

15 (6) EXPANDED TARIFF PROCLAMATION AU-
16 THORITY.—

17 (A) IN GENERAL.—Notwithstanding the
18 provisions of paragraphs (1) through (5), before
19 October 1, 2001 (or before October 1, 2005, if
20 the authority provided by this Act is extended
21 under subsection (c)), and subject to the con-
22 sultation and layover requirements of section
23 115 of the Uruguay Round Agreements Act (19
24 U.S.C. 3524) and the notification and consulta-
25 tion requirements of section 4(a) of this Act,

1 the President may proclaim the modification of
2 any duty or staged rate reduction of any duty
3 set forth in Schedule XX, as defined in section
4 2(5) of the Uruguay Round Agreements Act, if
5 the United States has agreed to such modifica-
6 tion or staged rate reduction in a negotiation
7 for the reciprocal elimination or harmonization
8 of duties, within the same tariff categories,
9 under the auspices of the World Trade Organi-
10 zation or as part of an interim agreement lead-
11 ing to the formation of a regional free-trade
12 area.

13 (B) NOTICE REQUIRED.—The modification
14 or staged rate reduction authorized under sub-
15 paragraph (A) with respect to any negotiation
16 initiated after the date of enactment of this Act
17 may be proclaimed only on articles in tariff cat-
18 egories with respect to which the President has
19 provided notice in accordance with section 4(a).

20 (7) TARIFF MODIFICATIONS UNDER URUGUAY
21 ROUND AGREEMENTS ACT.—Nothing in this sub-
22 section shall limit the authority provided to the
23 President under section 111(b) of the Uruguay
24 Round Agreements Act.

1 (b) AGREEMENTS REGARDING TARIFF AND NON-
2 TARIFF BARRIERS.—

3 (1) IN GENERAL.—

4 (A) DETERMINATION BY PRESIDENT.—

5 Whenever the President determines that—

6 (i) any duty or other import restric-
7 tion imposed by any foreign country or the
8 United States or any other barrier to, or
9 other distortion of, international trade—

10 (I) unduly burdens or restricts
11 the foreign trade of the United States
12 or adversely affects the United States
13 economy, or

14 (II) is likely to result in such a
15 burden, restriction, or effect, and

16 (ii) the purposes, policies, and objec-
17 tives of this Act will be promoted thereby,
18 the President may, before October 1, 2001 (or
19 before October 1, 2005, if the authority pro-
20 vided under this Act is extended under sub-
21 section (c)) enter into a trade agreement de-
22 scribed in subparagraph (B).

23 (B) TRADE AGREEMENT DESCRIBED.—A
24 trade agreement described in this subparagraph

1 means an agreement with a foreign country
2 that provides for—

3 (i) the reduction or elimination of
4 such duty, restriction, barrier, or other dis-
5 tortion; or

6 (ii) the prohibition of, or limitation on
7 the imposition of, such barrier or other dis-
8 tortion.

9 (2) CONDITIONS.—A trade agreement may be
10 entered into under this subsection only if—

11 (A) such agreement makes progress in
12 meeting the applicable objectives described in
13 section 2(b); and

14 (B) the President satisfies the conditions
15 set forth in section 4 with respect to such
16 agreement.

17 (3) BILLS QUALIFYING FOR TRADE AGREEMENT
18 APPROVAL PROCEDURES.—The provisions of section
19 151 of the Trade Act of 1974 (in this Act referred
20 to as “trade agreement approval procedures”) apply
21 to implementing bills submitted with respect to trade
22 agreements entered into under this subsection, ex-
23 cept that, for purposes of applying section
24 151(b)(1), such implementing bills shall contain
25 only—

(A) provisions that approve a trade agreement entered into under this subsection that achieves one or more of the principal negotiating objectives set forth in section 2(b) and the statement of administrative action (if any) proposed to implement such trade agreement;

(B) provisions that are—

(i) necessary to implement such agreement; or

(ii) otherwise related to the implementation, enforcement, and adjustment to the effects of such trade agreement and are directly related to trade; and

(C) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the applicable trade agreement.

(c) EXTENSION PROCEDURES.—

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

(A) subsections (a) and (b) shall apply with respect to agreements entered into before October 1, 2001; and

(B) subsections (a) and (b) shall be extended to apply with respect to agreements entered into on or after October 1, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the authority under subsections (a) and (b) should be extended, the President shall submit to Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsections (a) and (b) and, where applicable, the anticipated schedule for submitting such agreements to Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives set out in section 2 (a) and (b) of this Act, and a statement that

1 such progress justifies the continuation of nego-
2 tiations; and

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

5 (3) REPORT TO CONGRESS BY THE ADVISORY
6 COMMITTEE.—The President shall promptly inform
7 the Advisory Committee for Trade Policy and Nego-
8 tiations established under section 135 of the Trade
9 Act of 1974 (19 U.S.C. 2155) of the President’s de-
10 cision to submit a report to Congress under para-
11 graph (2). The Advisory Committee shall submit to
12 Congress as soon as practicable, but not later than
13 August 1, 2001, a written report that contains—

14 (A) its views regarding the progress that
15 has been made in negotiations to achieve the
16 purposes, policies, and objectives of this Act;
17 and

18 (B) a statement of its views, and the rea-
19 sons therefor, regarding whether the extension
20 requested under paragraph (2) should be ap-
21 proved or disapproved.

22 (4) REPORTS MAY BE CLASSIFIED.—The re-
23 ports submitted to Congress under paragraphs (2)
24 and (3), or any portion of the reports, may be classi-

1 fied to the extent the President determines appro-
 2 prium.

3 (5) EXTENSION DISAPPROVAL RESOLUTIONS.—

4 (A) IN GENERAL.—For purposes of this
 5 subsection, the term “extension disapproval res-
 6 olution” means a resolution of either House of
 7 Congress, the sole matter after the resolving
 8 clause of which is as follows: “That the ____
 9 disapproves the request of the President for an
 10 extension, under section 3(c) of the Reciprocal
 11 Trade Agreements Act of 1997, of
 12 _____ after September 30,
 13 2001.”, with the first blank space being filled
 14 with the name of the resolving House of Con-
 15 gress and the second blank space being filled
 16 with one or both of the following phrases: “the
 17 tariff proclamation authority provided under
 18 section 3(a) of the Reciprocal Trade Agree-
 19 ments Act of 1997” or “the trade agreement
 20 approval procedures provided under section 3(b)
 21 of the Reciprocal Trade Agreements Act of
 22 1997”.

23 (B) INTRODUCTION AND REFERRAL.—Ex-
 24 tension disapproval resolutions—

1 (i) may be introduced in either House
2 of Congress by any member of such House;

3 (ii) shall be jointly referred, in the
4 House of Representatives, to the Commit-
5 tee on Ways and Means and the Commit-
6 tee on Rules; and

7 (iii) shall be referred, in the Senate,
8 to the Committee on Finance.

9 (C) FLOOR CONSIDERATION.—The provi-
10 sions of sections 152(d) and (e) of the Trade
11 Act of 1974 (19 U.S.C. 2192(d) and (e)) (relat-
12 ing to the floor consideration of certain resolu-
13 tions in the House and Senate) apply to exten-
14 sion disapproval resolutions.

15 (D) COMMITTEE ACTION REQUIRED.—It is
16 not in order for—

17 (i) the Senate to consider any exten-
18 sion disapproval resolution not reported by
19 the Committee on Finance;

20 (ii) the House of Representatives to
21 consider any extension disapproval resolu-
22 tion not reported by the Committee on
23 Ways and Means and the Committee on
24 Rules; or

1 (iii) either House of Congress to con-
2 sider an extension disapproval resolution
3 after September 30, 2001.

4 **SEC. 4. NOTICE AND CONSULTATIONS.**

5 (a) NOTICE AND CONSULTATION BEFORE NEGOTIA-
6 TION.—With respect to any agreement subject to the pro-
7 visions of section 3 (a) or (b), the President shall—

8 (1) not later than 90 calendar days before initi-
9 ating negotiations, provide written notice to Con-
10 gress regarding—

11 (A) the President's intent to initiate the
12 negotiations;

13 (B) the date the President intends to initi-
14 ate such negotiations;

15 (C) the specific United States objectives
16 for the negotiations; and

17 (D) whether the President intends to seek
18 an agreement or changes to an existing agree-
19 ment;

20 (2) consult regarding the negotiations—

21 (A) before and promptly after submission
22 of the notice described in paragraph (1), with
23 the Committee on Finance of the Senate, the
24 Committee on Ways and Means of the House of
25 Representatives, and such other committees of

1 the House and Senate as the President deems
 2 appropriate; and

3 (B) with any other committee that re-
 4 quests consultations in writing; and

5 (3) consult with the appropriate industry sector
 6 advisory groups established under section 135 of the
 7 Trade Act of 1974 before initiating negotiations.

8 (b) CONSULTATION WITH CONGRESS BEFORE
 9 AGREEMENT ENTERED INTO.—

10 (1) CONSULTATION.—Before entering into any
 11 trade agreement under section 3 (a) or (b), the
 12 President shall consult with—

13 (A) the Committee on Ways and Means of
 14 the House of Representatives and the Commit-
 15 tee on Finance of the Senate; and

16 (B) each other committee of the House
 17 and the Senate, and each joint committee of
 18 Congress, which has jurisdiction over legislation
 19 involving subject matters that would be affected
 20 by the trade agreement.

21 (2) SCOPE.—The consultation described in
 22 paragraph (1) shall include consultation with respect
 23 to—

24 (A) the nature of the agreement;

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

4 (C) where applicable, the implementation
5 of the agreement under section 5, including
6 whether the agreement includes subject matter
7 for which supplemental implementing legislation
8 may be required which is not subject to trade
9 agreement approval procedures; and

10 (D) any other agreement the President has
11 entered into or intends to enter into with the
12 country or countries in question.

13 (c) ADVISORY COMMITTEE REPORTS.—The report
14 required under section 135(e)(1) of the Trade Act of 1974
15 regarding any trade agreement entered into under section
16 3(b) of this Act shall be provided to the President, Con-
17 gress, and the United States Trade Representative not
18 later than 30 calendar days after the date on which the
19 President notifies Congress under section 5(a)(1)(A) of
20 the President's intention to enter into the agreement.

21 (d) CONSULTATION BEFORE AGREEMENT INI-
22 TIALED.—In the course of negotiations conducted under
23 this Act, the United States Trade Representative shall
24 consult closely and on a timely basis (including imme-
25 diately before initialing an agreement) with, and keep fully

1 apprised of the negotiations, the congressional advisers for
 2 trade policy and negotiations appointed under section 161
 3 of the Trade Act of 1974 (19 U.S.C. 2211), the Commit-
 4 tee on Finance of the Senate, and the Committee on Ways
 5 and Means of the House of Representatives.

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

7 (a) IN GENERAL.—

8 (1) NOTIFICATION AND SUBMISSION.—Any
 9 agreement entered into under section 3(b) shall
 10 enter into force with respect to the United States if
 11 (and only if)—

12 (A) the President, at least 90 calendar
 13 days before the day on which the President en-
 14 ters into the trade agreement, notifies the
 15 House of Representatives and the Senate of the
 16 President's intention to enter into the agree-
 17 ment, and promptly thereafter publishes notice
 18 of such intention in the Federal Register;

19 (B) within 60 calendar days after entering
 20 into the agreement, the President submits to
 21 Congress a description of those changes to ex-
 22 isting laws that the President considers would
 23 be required in order to bring the United States
 24 into compliance with the agreement;

1 (C) after entering into the agreement, the
2 President submits a copy of the final legal text
3 of the agreement, together with—

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

6 (ii) a statement of any administrative
7 action proposed to implement the trade
8 agreement; and

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

11 (D) the implementing bill is enacted into
12 law.

13 (2) SUPPORTING INFORMATION.—The support-
14 ing information required under paragraph (1)(C)(iii)
15 consists of—

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

19 (B) a statement—

20 (i) asserting that the agreement
21 makes progress in achieving the applicable
22 purposes, policies, and objectives of this
23 Act; and

24 (ii) setting forth the reasons of the
25 President regarding—

1 (I) how and to what extent the
2 agreement makes progress in achiev-
3 ing the applicable purposes, policies,
4 and objectives referred to in clause (i),
5 and why and to what extent the
6 agreement does not achieve other ap-
7 plicable purposes, policies, and objec-
8 tives;

9 (II) whether and how the agree-
10 ment changes provisions of an agree-
11 ment previously negotiated;

12 (III) how the agreement serves
13 the interests of United States com-
14 merce;

15 (IV) why the implementing bill
16 qualifies for trade agreement approval
17 procedures under section 3(b)(3); and

18 (V) any proposed administrative
19 action.

20 (3) RECIPROCAL BENEFITS.—To ensure that a
21 foreign country which receives benefits under a trade
22 agreement entered into under section 3 (a) or (b) is
23 subject to the obligations imposed by such agree-
24 ment, the President shall recommend to Congress in
25 the implementing bill and statement of administra-

1 tive action submitted with respect to such agreement
 2 that the benefits and obligations of such agreement
 3 apply solely to the parties to such agreement, if such
 4 application is consistent with the terms of such
 5 agreement. The President may also recommend with
 6 respect to any such agreement that the benefits and
 7 obligations of such agreement not apply uniformly to
 8 all parties to such agreement, if such application is
 9 consistent with the terms of such agreement.

10 (b) LIMITATIONS ON TRADE AGREEMENT APPROVAL
 11 PROCEDURES.—

12 (1) DISAPPROVAL OF THE NEGOTIATION.—The
 13 trade agreement approval procedures shall not apply
 14 to any implementing bill that contains a provision
 15 approving any trade agreement that is entered into
 16 under section 3(b) with any foreign country if the
 17 Committee on Finance of the Senate and the Com-
 18 mittee on Ways and Means of the House of Rep-
 19 resentatives disapprove of the negotiation of the
 20 agreement before the close of the 90-calendar day
 21 period that begins on the date notice is provided
 22 under section 4(a)(1) with respect to the negotiation
 23 of such agreement.

24 (2) FOR LACK OF NOTICE OR CONSULTA-
 25 TIONS.—

1 (A) IN GENERAL.—The trade agreement
 2 approval procedures shall not apply to any im-
 3 plementing bill submitted with respect to a
 4 trade agreement entered into under section 3(b)
 5 if during the 60-day period beginning on the
 6 date that one House of Congress agrees to a
 7 procedural disapproval resolution for lack of no-
 8 tice or consultations with respect to that trade
 9 agreement, the other House separately agrees
 10 to a procedural disapproval resolution with re-
 11 spect to that agreement.

12 (B) PROCEDURAL DISAPPROVAL RESOLU-
 13 TION.—For purposes of this paragraph, the
 14 term “procedural disapproval resolution” means
 15 a resolution of either House of Congress, the
 16 sole matter after the resolving clause of which
 17 is as follows: “That the President has failed or
 18 refused to notify or consult (as the case may
 19 be) with Congress in accordance with sections 4
 20 and 5 of the Reciprocal Trade Agreements Act
 21 of 1997 with respect to _____ and, therefore, the
 22 trade agreement approval procedures set forth
 23 in section 3(b) of that Act shall not apply to
 24 any implementing bill submitted with respect to
 25 that trade agreement.”, with the blank space

being filled with a description of the trade agreement with respect to which the President is considered to have failed or refused to notify or consult.

(C) COMPUTATION OF CERTAIN PERIODS OF TIME.—The 60-day period of time described in subparagraph (A) shall be computed without regard to—

(i) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(ii) any Saturday and Sunday, not excluded under clause (i), when either House of Congress is not in session.

(3) PROCEDURES FOR CONSIDERING PROCEDURAL DISAPPROVAL RESOLUTIONS.—

(A) PROCEDURAL DISAPPROVAL RESOLUTIONS.—Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means

1 or the chairman or ranking minority
2 member of the Committee on Rules;

3 (II) shall be jointly referred to
4 the Committee on Ways and Means
5 and the Committee on Rules; and

6 (III) may not be amended by ei-
7 ther Committee; and

8 (ii) in the Senate shall be original res-
9 olutions of the Committee on Finance.

10 (B) FLOOR CONSIDERATION.—The provi-
11 sions of section 152 (d) and (e) of the Trade
12 Act of 1974 (19 U.S.C. 2192 (d) and (e)) (re-
13 lating to the floor consideration of certain reso-
14 lutions in the House and Senate) apply to pro-
15 cedural disapproval resolutions.

16 (C) COMMITTEE ACTION REQUIRED.—

17 (i) HOUSE OF REPRESENTATIVES.—It
18 is not in order for the House of Represent-
19 atives to consider any procedural dis-
20 approval resolution not reported by the
21 Committee on Ways and Means and the
22 Committee on Rules.

23 (ii) SENATE.—It is not in order for
24 the Senate to consider any procedural dis-

1 approval resolution not reported by the
2 Committee on Finance.

3 (c) RULES OF HOUSE OF REPRESENTATIVES AND
4 SENATE.—Subsection (b) of this section and section 3(c)
5 are enacted by Congress—

6 (1) as an exercise of the rulemaking power of
7 the House of Representatives and the Senate, re-
8 spectively, and as such are deemed a part of the
9 rules of each House, respectively, and such proce-
10 dures supersede other rules only to the extent that
11 they are inconsistent with such other rules; and

12 (2) with the full recognition of the constitu-
13 tional right of either House to change the rules (so
14 far as relating to the procedures of that House) at
15 any time, in the same manner, and to the same ex-
16 tent as any other rule of that House.

17 **SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS.**

18 (a) IN GENERAL.—Notwithstanding section
19 3(a)(6)(B) and section 3(b)(2), the provisions of section
20 4(a) shall not apply with respect to agreements that result
21 from—

22 (1) negotiations under the auspices of the
23 World Trade Organization regarding trade in infor-
24 mation technology products;

1 (2) negotiations or work programs initiated
 2 pursuant to a Uruguay Round Agreement, as de-
 3 fined in section 2 of the Uruguay Round Agree-
 4 ments Act; or

5 (3) negotiations with Chile,
 6 that were commenced before the date of enactment of this
 7 Act, and the applicability of trade agreement approval pro-
 8 cedures with respect to such agreements shall be deter-
 9 mined without regard to the requirements of section 4(a).

10 (b) **PROCEDURAL DISAPPROVAL RESOLUTION NOT**
 11 **IN ORDER.**—A procedural disapproval resolution under
 12 section 5(b) shall not be in order with respect to an agree-
 13 ment described in subsection (a) of this section based on
 14 a failure or refusal to comply with section 4(a).

15 **SEC. 7. CONFORMING AMENDMENTS.**

16 (a) **IN GENERAL.**—Title I of the Trade Act of 1974
 17 (19 U.S.C. 2111 et seq.) is amended as follows:

18 (1) **IMPLEMENTING BILL.**—

19 (A) Section 151(b)(1) (19 U.S.C.
 20 2191(b)(1)) is amended—

21 (i) by striking “section 1103(a)(1) of
 22 the Omnibus Trade and Competitiveness
 23 Act of 1988, or section 282 of the Uru-
 24 guay Round Agreements Act” and insert-
 25 ing “section 282 of the Uruguay Round

1 Agreements Act, or section 5(a)(1) of the
 2 Reciprocal Trade Agreements Act of
 3 1997”; and

4 (ii) by adding after subparagraph (C)
 5 the following flush sentence:

6 “For purposes of applying this paragraph to imple-
 7 menting bills submitted with respect to trade agree-
 8 ments entered into under section 3(b) of the Recip-
 9 rocal Trade Agreements Act of 1997, subparagraphs
 10 (A), (B), and (C) of section 3(b)(3) of such Act shall
 11 be substituted for subparagraphs (A), (B), and (C)
 12 of this paragraph.”.

13 (B) Section 151(c)(1) (19 U.S.C.
 14 2191(c)(1)) is amended by striking “or section
 15 282 of the Uruguay Round Agreements Act”
 16 and inserting “, section 282 of the Uruguay
 17 Round Agreements Act, or section 5(a)(1) of
 18 the Reciprocal Trade Agreements Act of 1997”.

19 (2) ADVICE FROM INTERNATIONAL TRADE COM-
 20 MISSION.—Section 131 (19 U.S.C. 2151) is amend-
 21 ed—

22 (A) in subsection (a)—

23 (i) in paragraph (1), by striking “sec-
 24 tion 123 of this Act or section 1102 (a) or
 25 (c) of the Omnibus Trade and Competitive-

ness Act of 1988,” and inserting “section 123 of this Act or section 3 (a) or (b) of the Reciprocal Trade Agreements Act of 1997,”; and

(ii) in paragraph (2), by striking “section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988” and inserting “section 3(b) of the Reciprocal Trade Agreements Act of 1997”;

(B) in subsection (b), by striking “section 1102(a)(3)(A)” and inserting “section 3(a)(3)(A) of the Reciprocal Trade Agreements Act of 1997” before the end period; and

(C) in subsection (c), by striking “section 1102 of the Omnibus Trade and Competitiveness Act of 1988,” and inserting “section 3 of the Reciprocal Trade Agreements Act of 1997,”.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking “section 1102 of the Omnibus Trade and Competitiveness Act of 1988,” each place it appears and inserting “section 3 of the Reciprocal Trade Agreements Act of 1997,”.

1 (4) PREREQUISITES FOR OFFERS.—Section
 2 134(b) (19 U.S.C. 2154(b)) is amended by striking
 3 “section 1102 of the Omnibus Trade and Competi-
 4 tiveness Act of 1988” and inserting “section 3 of the
 5 Reciprocal Trade Agreements Act of 1997”.

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

8 (A) in subsection (a)(1)(A), by striking
 9 “section 1102 of the Omnibus Trade and Com-
 10 petitiveness Act of 1988” and inserting “section
 11 3 of the Reciprocal Trade Agreements Act of
 12 1997”;

13 (B) in subsection (e)(1)—

14 (i) by striking “section 1102 of the
 15 Omnibus Trade and Competitiveness Act
 16 of 1988” each place it appears and insert-
 17 ing “section 3 of the Reciprocal Trade
 18 Agreements Act of 1997”; and

19 (ii) by striking “section 1103(a)(1)(A)
 20 of such Act of 1988” and inserting “sec-
 21 tion 5(a)(1)(A) of the Reciprocal Trade
 22 Agreements Act of 1997”; and

23 (C) in subsection (e)(2), by striking “the
 24 applicable overall and principal negotiating ob-
 25 jectives set forth in section 1101 of the Omni-

1 bus Trade and Competitiveness Act of 1988”
 2 and inserting “the purposes, policies, and objec-
 3 tives set forth in section 2 (a) and (b) of the
 4 Reciprocal Trade Agreements Act of 1997”.

5 (6) TRANSMISSION OF AGREEMENTS TO CON-
 6 GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is
 7 amended by striking “or under section 1102 of the
 8 Omnibus Trade and Competitiveness Act of 1988”
 9 and inserting “or under section 3 of the Reciprocal
 10 Trade Agreements Act of 1997”.

11 (b) APPLICATION OF CERTAIN PROVISIONS.—For
 12 purposes of applying sections 125, 126, and 127 of the
 13 Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and
 14 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
 21 section 3 shall be treated as a proclamation or Exec-
 22 utive order issued pursuant to a trade agreement en-
 23 tered into under section 102 of the Trade Act of
 24 1974.

1 **SEC. 8. TRADE ADJUSTMENT ASSISTANCE.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—

3 (1) IN GENERAL.—Section 245 of the Trade
4 Act of 1974 (19 U.S.C. 2317) is amended—

5 (A) in subsection (a), by striking “1993,
6 1994, 1995, 1996, 1997, and” and inserting
7 “1999, and 2000,” after “1998,”; and

8 (B) in subsection (b), by striking “1994,
9 1995, 1996, 1997, and” and inserting “1999,
10 and 2000,” after “1998.”.

11 (2) ASSISTANCE FOR FIRMS.—Section 256(b) of
12 the Trade Act of 1974 (19 U.S.C. 2346(b)) is
13 amended by striking “1993, 1994, 1995, 1996,
14 1997, and” and inserting “, 1999, and 2000,” after
15 “1998”.

16 (b) TERMINATION.—Section 285(c) of the Trade Act
17 of 1974 (19 U.S.C. 2271 note preceding) is amended—

18 (1) in paragraph (1), by striking “1998” and
19 inserting “2000”; and

20 (2) in paragraph (2)(A), by striking “the day
21 that is” and all that follows through “effective” and
22 inserting “September 30, 2000”.

23 **SEC. 9. FEES FOR CERTAIN CUSTOMS SERVICES.**

24 Section 13031(b)(1)(C) of the Consolidated Omnibus
25 Budget Reconciliation Act of 1985 (19 U.S.C.
26 58c(b)(1)(C)) is amended by striking “to fiscal years” and

1 all that follows through “1997” and inserting “before Sep-
 2 tember 1, 1998”.

3 **SEC. 10. DEFINITIONS.**

4 In this Act:

5 (1) **DISTORTION.**—The term “distortion” in-
 6 cludes, but is not limited to, a subsidy.

7 (2) **TRADE.**—The term “trade” includes, but is
 8 not limited to—

9 (A) trade in both goods and services; and

10 (B) foreign investment by United States
 11 persons, especially if such investment has impli-
 12 cations for trade in goods and services.

13 (3) **URUGUAY ROUND AGREEMENTS.**— The
 14 term “Uruguay Round Agreements” has the mean-
 15 ing given such term in section 2(7) of the Uruguay
 16 Round Agreements Act (19 U.S.C. 3501(7)).

17 (4) **WORLD TRADE ORGANIZATION.**—The term
 18 “World Trade Organization” means the organization
 19 established pursuant to the WTO Agreement.

20 (5) **WTO AGREEMENT.**—The term “WTO
 21 Agreement” means the Agreement Establishing the
 22 World Trade Organization entered into on April 15,
 23 1994.

24 (6) **WTO AND WTO MEMBER.**—The terms
 25 “WTO” and “WTO member” have the meanings

- 1 given those terms in section 2 of the Uruguay
- 2 Round Agreements Act (19 U.S.C. 3501).