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109TH CONGRESS
2^D SESSION

S. 2467

To enhance and improve the trade relations of the United States by strengthening United States trade enforcement efforts and encouraging United States trading partners to adhere to the rules and norms of international trade, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 28, 2006

Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. DEMINT, Ms. STABENOW, Mr. LUGAR, Mr. LEVIN, Mr. SANTORUM, Mr. CRAIG, Mr. CHAFEE, Mr. CRAPO, and Mrs. DOLE) introduced the following bill; which was read the first time

MARCH 29, 2006

Read the second time and placed on the calendar

A BILL

To enhance and improve the trade relations of the United States by strengthening United States trade enforcement efforts and encouraging United States trading partners to adhere to the rules and norms of international trade, and for other purposes.

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.**

2 This Act may be cited as the “United States Trade
3 Enhancement Act of 2006”.

4 **TITLE I—ENFORCEMENT**
5 **PROVISIONS**

6 **SEC. 101. SUSPENSION OF NEW SHIPPER REVIEW PROVI-**
7 **SION.**

8 (a) SUSPENSION OF THE AVAILABILITY OF BONDS
9 TO NEW SHIPPERS.—Clause (iii) of section 751(a)(2)(B)
10 of the Tariff Act of 1930 (19 U.S.C. 1675(a)(2)(B)(iii))
11 shall not be effective during the period beginning on April
12 1, 2006, and ending on June 30, 2009.

13 (b) REPORT ON THE IMPACT OF THE SUSPENSION.—
14 Not later than December 31, 2008, the Secretary of the
15 Treasury, in consultation with the Secretary of Commerce,
16 the United States Trade Representative, and the Sec-
17 retary of Homeland Security, shall submit to the Com-
18 mittee on Ways and Means of the House of Representa-
19 tives and the Committee on Finance of the Senate a report
20 containing—

21 (1) recommendations on whether the suspension
22 of section 751(a)(2)(B)(iii) of the Tariff Act of 1930
23 should be extended beyond the date provided in sub-
24 section (a); and

25 (2) an assessment of the effectiveness of any
26 administrative measure that was implemented to ad-

1 dress the difficulties that necessitated the suspension
2 under subsection (a), including—

3 (A) any problem in the collection of anti-
4 dumping duties on imports from new shippers;
5 and

6 (B) any burden imposed on legitimate
7 trade and commerce by the suspension of bonds
8 to new shippers.

9 (c) REPORT ON COLLECTION PROBLEMS AND ANAL-
10 YSIS OF PROPOSED SOLUTIONS.—

11 (1) REPORT.—Not later than 180 days after
12 the date of the enactment of this Act, the Secretary
13 of the Treasury, in consultation with the Secretary
14 of Homeland Security and the Secretary of Com-
15 merce, shall submit to the Committee on Ways and
16 Means of the House of Representatives and the
17 Committee on Finance of the Senate a report de-
18 scribing—

19 (A) any major problem experienced in the
20 collection of duties during the 4 most recent fis-
21 cal years for which data are available, including
22 any fraudulent activity intended to avoid pay-
23 ment of duties; and

24 (B) an estimate of the total amount of du-
25 ties that were uncollected during the most re-

1 cent fiscal year for which data are available, in-
 2 cluding, with respect to each product, a descrip-
 3 tion of why the duties were uncollected.

4 (2) RECOMMENDATIONS.—The report shall in-
 5 clude—

6 (A) recommendations on any additional ac-
 7 tion needed to address problems related to the
 8 collection of duties; and

9 (B) for each recommendation—

10 (i) an analysis of how the rec-
 11 ommendation would address the specific
 12 problem; and

13 (ii) an assessment of the impact that
 14 implementing the recommendation would
 15 have on international trade and commerce
 16 (including any additional costs imposed on
 17 United States businesses).

18 **SEC. 102. TRADE ENFORCEMENT PERSONNEL.**

19 (a) DEPUTY UNITED STATES TRADE REPRESENTA-
 20 TIVES; GENERAL COUNSEL.—Section 141(b)(2) of the
 21 Trade Act of 1974 (19 U.S.C. 2171(b)(2)) is amended to
 22 read as follows:

23 “(2) There shall be in the Office three Deputy United
 24 States Trade Representatives, 1 Chief Agricultural Nego-
 25 tiator, and 1 General Counsel. The 3 Deputy United

1 States Trade Representatives, the Chief Agricultural Ne-
 2 gotiator, and the General Counsel, shall be appointed by
 3 the President, by and with the advice and consent of the
 4 Senate. As an exercise of the rulemaking authority of the
 5 Senate, any nomination of a Deputy United States Trade
 6 Representative, the Chief Agricultural Negotiator, or the
 7 General Counsel, submitted to the Senate for its advice
 8 and consent, and referred to a committee, shall be referred
 9 to the Committee on Finance. Each Deputy United States
 10 Trade Representative, the Chief Agricultural Negotiator,
 11 and the General Counsel, shall hold office at the pleasure
 12 of the President. Each Deputy United States Trade Rep-
 13 resentative and the Chief Agricultural Negotiator shall
 14 have the rank of Ambassador.”.

15 (b) FUNCTIONS OF POSITION.—Section 141(c) of the
 16 Trade Act of 1974 (19 U.S.C. 2171(c)) is amended—

17 (1) by moving paragraph (5) 2 ems to the left;

18 and

19 (2) by adding at the end the following new
 20 paragraph:

21 “(6) A principal function of the General Counsel shall
 22 be to ensure that United States trading partners comply
 23 with obligations assumed under trade agreements to which
 24 the United States is a party. The General Counsel shall
 25 assist the United States Trade Representative in inves-

1 tigating and prosecuting disputes pursuant to trade agree-
 2 ments to which the United States is a party, including
 3 before the World Trade Organization, and shall assist the
 4 United States Trade Representative in carrying out the
 5 Trade Representative’s functions under subsection (d).
 6 The General Counsel shall make recommendations with
 7 respect to the administration of United States trade laws
 8 relating to foreign government barriers to United States
 9 goods, services, investment, and intellectual property, and
 10 with respect to government procurement and other trade
 11 matters. The General Counsel shall perform such other
 12 functions as the Trade Representative may direct.”.

13 (c) COMPENSATION; EFFECTIVE DATE.—

14 (1) IN GENERAL.—Section 5315 of title 5,
 15 United States Code, is amended by adding at the
 16 end the following new item:

17 “General Counsel of the Office of the United
 18 States Trade Representative.”.

19 (2) EFFECTIVE DATE.—The amendment made
 20 by this subsection shall take effect on the date that
 21 an individual nominated by the President to the po-
 22 sition of General Counsel of the Office of the United
 23 States Trade Representative is confirmed by the
 24 United States Senate.

1 (d) CONTINUATION IN OFFICE.—The individual serv-
2 ing as General Counsel in the Office of the United States
3 Trade Representative on the day before the date of the
4 enactment of this Act may serve in the General Counsel
5 position established pursuant to subsection (a) as Acting
6 General Counsel until the date that an individual nomi-
7 nated to such position by the President is confirmed by
8 the United States Senate.

9 (e) TRADE ENFORCEMENT WORKING GROUP.—Not
10 later than 90 days after the date of the enactment of this
11 Act, the United States Trade Representative shall estab-
12 lish an interagency Trade Enforcement Working Group.

13 (1) CHAIRPERSON.—The Trade Enforcement
14 Working Group shall be chaired by the General
15 Counsel of the Office of the United States Trade
16 Representative and shall include the Assistant Sec-
17 retary for Market Access and Compliance in the De-
18 partment of Commerce, as well as other appropriate
19 representatives from the Department of Commerce,
20 and the Departments of State, Treasury, and Agri-
21 culture, and such other departments and agencies as
22 the Trade Representative considers appropriate.

23 (2) DUTIES.—The Trade Enforcement Working
24 Group shall assist the General Counsel of the Office
25 of the United States Trade Representative in car-

1 rying out the principal functions described in section
2 141(c)(6) of the Trade Act of 1974.

3 (f) IDENTIFICATION OF TRADE ENFORCEMENT PRI-
4 ORITIES.—

5 (1) IN GENERAL.—Section 310 of the Trade
6 Act of 1974 (19 U.S.C. 2420) is amended to read
7 as follows:

8 **“SEC. 310. IDENTIFICATION OF TRADE ENFORCEMENT PRI-**
9 **ORITIES.**

10 “(a) IDENTIFICATION AND ANNUAL REPORT.—On or
11 before the date that is 90 days after the date that the
12 report required by section 181(b) is due to be submitted
13 each calendar year, the United States Trade Representa-
14 tive shall—

15 “(1) identify the trade enforcement priorities of
16 the United States;

17 “(2) identify trade enforcement actions under-
18 taken by the United States during the preceding
19 year and provide an assessment of the impact such
20 trade enforcement actions have had in addressing
21 foreign trade barriers;

22 “(3) determine the priority foreign country
23 trade practices on which the Trade Representative
24 will focus the trade enforcement efforts of the
25 United States; and

1 “(4) submit to the Committee on Finance of
2 the Senate and the Committee on Ways and Means
3 of the House of Representatives a written report on
4 the priorities, actions, and assessments required by
5 paragraphs (1) and (2), as well as a nonconfidential
6 summary of the determination required by para-
7 graph (3), and cause such report and summary to
8 be published in the Federal Register.

9 “(b) FACTORS TO CONSIDER.—In reaching the de-
10 termination required by subsection (a)(3), the Trade Rep-
11 resentative shall take into account all relevant factors, in-
12 cluding—

13 “(1) the economic significance of any potential
14 inconsistency between an obligation assumed by a
15 foreign government pursuant to a trade agreement
16 to which the United States is a party, and the poli-
17 cies or practices of such foreign government;

18 “(2) the major barriers and trade distorting
19 practices described in the National Trade Estimate
20 Report required under section 181(b);

21 “(3) the findings in other relevant reports ad-
22 dressing international trade and investment pre-
23 pared by the United States Trade Representative
24 during the 12 months preceding the date on which

1 the report required by subsection (a)(4) is due to be
2 submitted;

3 “(4) the implications of a foreign government’s
4 procurement plans and policies;

5 “(5) the international competitive position and
6 export potential of United States products and serv-
7 ices; and

8 “(6) the extent to which United States intellec-
9 tual property rights are being infringed upon.

10 “(c) CONSULTATION PRIOR TO REPORT.—Not later
11 than 45 days before the date on which the report required
12 by subsection (a)(4) is due to be submitted, the General
13 Counsel of the Office of the United States Trade Rep-
14 resentative shall—

15 “(1) appear before an open session of the Com-
16 mittee on Finance of the Senate and the Committee
17 on Ways and Means of the House of Representatives
18 to receive congressional input on the determination
19 and assessment required by subsection (a)(3); and

20 “(2) provide an opportunity (after giving not
21 less than 30 days notice) for the presentation of
22 views by interested persons with respect to the deter-
23 mination and assessment required by subsection
24 (a)(3), including a public hearing if requested by
25 any interested person.

1 “(d) CONSULTATION AFTER REPORT.—Not later
 2 than 30 days after the date on which the report required
 3 by subsection (a)(4) is due to be submitted each calendar
 4 year, the General Counsel of the Office of the United
 5 States Trade Representative shall appear before closed
 6 sessions of the Committee on Finance of the Senate and
 7 the Committee on Ways and Means of the House of Rep-
 8 resentatives to brief each committee on the determination
 9 required by subsection (a)(3).”.

10 (2) CONFORMING AMENDMENT.—The table of
 11 contents for the Trade Act of 1974 is amended by
 12 striking the item relating to section 310, and insert-
 13 ing the following new item:

“Sec. 310. Identification of trade enforcement priorities.”.

14 (g) TECHNICAL AMENDMENTS.—Section 141(e) of
 15 the Trade Act of 1974 (19 U.S.C. 2171(e)) is amended—

16 (1) in paragraph (1), by striking “5314” and
 17 inserting “5315”; and

18 (2) in paragraph (2), by striking “the max-
 19 imum rate of pay for grade GS–18, as provided in
 20 section 5332” and inserting “the maximum rate of
 21 pay for level IV of the Executive Schedule, as pro-
 22 vided in section 5315”.

1 **TITLE II—INTERNATIONAL MON-**
2 **ETARY AND FINANCIAL POL-**
3 **ICY**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “International Mone-
6 tary and Financial Policy Cooperation Act of 2006”.

7 **SEC. 202. FINDINGS.**

8 Congress finds as follows:

9 (1) Section 3004 of the Omnibus Trade and
10 Competitiveness Act of 1988 (22 U.S.C. 5304) re-
11 quires the Secretary of the Treasury to undertake
12 multilateral or bilateral negotiations with countries
13 that have material global current account surpluses
14 and have significant bilateral trade surpluses with
15 the United States if the Secretary considers that
16 such a country is manipulating its currency for pur-
17 poses of preventing effective balance of payments ad-
18 justment or gaining unfair competitive advantage in
19 international trade.

20 (2) The global economy has changed dramati-
21 cally since 1988, with increased capital account
22 openness, a sharp increase in the flow of funds
23 internationally, and an ever growing number of
24 emerging market economies becoming systemically
25 important to the global flow of goods, services, and

1 capital. In addition, practices such as the mainte-
2 nance of multiple currency regimes have become
3 rare.

4 (3) As a result of the evolutionary changes in
5 the international monetary and financial system, the
6 1988 concept of currency manipulation appears in-
7 creasingly dated.

8 (4) While some degree of surpluses and deficits
9 in payments balances may be expected, particularly
10 in response to increasing economic globalization,
11 large and growing imbalances raise concerns of pos-
12 sible disruption to financial markets. In part, such
13 imbalances often reflect exchange rate policies that
14 foster fundamental misalignment of currencies.

15 (5) Currencies in fundamental misalignment
16 can seriously impair the ability of international mar-
17 kets to adjust appropriately to global capital and
18 trade flows, threatening trade flows and causing eco-
19 nomic harm to the United States.

20 (6) The effects of a fundamentally misaligned
21 currency may be so harmful that it is essential to
22 correct the fundamental misalignment without re-
23 gard to the purpose of any policy that contributed
24 to the misalignment.

1 (7) Article IV of the International Monetary
2 Fund Articles of Agreement states that in order to
3 facilitate the exchange of goods, services, and capital
4 among countries, to sustain sound economic growth,
5 and to foster financial and economic stability, each
6 member of the International Monetary Fund shall
7 avoid manipulating exchange rates in order to pre-
8 vent effective balance of payments adjustment or to
9 gain an unfair competitive advantage over other
10 members.

11 (8) The failure of a government to acknowledge
12 a fundamental misalignment of its currency or to
13 take steps to correct such a fundamental misalign-
14 ment, either through inaction or mere token action,
15 is a form of exchange rate manipulation and is in-
16 consistent with that government's obligations under
17 Article IV of the International Monetary Fund Arti-
18 cles of Agreement.

19 **SEC. 203. DEFINITIONS.**

20 In this title:

21 (1) SECRETARY.—The term “Secretary” means
22 the Secretary of the Treasury.

23 (2) FUNDAMENTAL MISALIGNMENT.—The term
24 “fundamental misalignment” means a material sus-
25 tained disparity between the observed levels of an ef-

1 fective exchange rate for a currency and the cor-
 2 responding levels of an effective exchange rate for
 3 that currency that would be consistent with funda-
 4 mental macroeconomic conditions based on a gen-
 5 erally accepted economic rationale.

6 (3) EFFECTIVE EXCHANGE RATE.—The term
 7 “effective exchange rate” means a weighted average
 8 of bilateral exchange rates, expressed in either nomi-
 9 nal or real terms.

10 (4) GENERALLY ACCEPTED ECONOMIC RATION-
 11 ALE.—The term “generally accepted economic ra-
 12 tionale” means an explanation drawn on widely rec-
 13 ognized macroeconomic theory for which there is a
 14 significant degree of empirical support.

15 **SEC. 204. REPEAL OF THE EXCHANGE RATES AND INTER-**
 16 **NATIONAL ECONOMIC POLICY COORDINA-**
 17 **TION ACT OF 1988.**

18 Subtitle A of title III of the Omnibus Trade and
 19 Competitiveness Act of 1988 (22 U.S.C. 5301–5306) is
 20 repealed.

21 **SEC. 205. ADVISORY COMMITTEE ON INTERNATIONAL MON-**
 22 **ETARY AND FINANCIAL POLICY.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The President shall establish
 25 an Advisory Committee on International Monetary

1 and Financial Policy (in this title referred to as the
2 “Committee”) to advise the Secretary in the prepa-
3 ration of an annual report to Congress on Inter-
4 national Economic Policy and Currency Exchange
5 Rates (described in section 206) and to otherwise
6 advise the President with respect to international
7 monetary and financial policy and the impact of the
8 policy on the economy of the United States.

9 (2) MEMBERSHIP.—The Committee shall be
10 comprised of no more than 7 individuals drawn from
11 outside of the Federal Government. Members of the
12 Committee shall be recommended by the Secretary
13 on the basis of their objectivity and demonstrated
14 expertise in finance, economics, or currency ex-
15 change, and appointed by the President for a term
16 of 4 years or until the Committee expires. An indi-
17 vidual may be reappointed to the Committee for ad-
18 ditional terms. Appointments to the Committee shall
19 be made without regard to political affiliation.

20 (b) DURATION OF COMMITTEE.—The Committee
21 shall terminate on the date that is 4 years after the date
22 of the enactment of this Act unless renewed by the Presi-
23 dent pursuant to section 14 of the Federal Advisory Com-
24 mittee Act (5 U.S.C. App.) for a subsequent 4-year period.
25 The President may continue to renew the Committee for

1 successive 4-year periods by taking appropriate action
2 prior to the date on which the Committee would otherwise
3 terminate.

4 (c) PUBLIC MEETINGS.—The Committee shall hold
5 at least 1 public meeting each year for the purpose of ac-
6 cepting public comments. The Committee shall also meet
7 as needed at the call of the Secretary or at the call of
8 two-thirds of the members of the Committee.

9 (d) CHAIRPERSON.—The Committee shall elect from
10 among its members a chairperson for a term of 4 years
11 or until the Committee terminates. A chairperson of the
12 Committee may be reelected chairperson but is ineligible
13 to serve consecutive terms as chairperson.

14 (e) STAFF.—The Secretary shall make available to
15 the Committee such staff, information, personnel, admin-
16 istrative services, and assistance as the Committee may
17 reasonably require to carry out its activities.

18 (f) APPLICATION OF FEDERAL ADVISORY COM-
19 MITTEE ACT.—

20 (1) IN GENERAL.—The provisions of the Fed-
21 eral Advisory Committee Act (5 U.S.C. App.) apply
22 to the Committee.

23 (2) EXCEPTION.—Except for the annual public
24 meeting required under subsection (c), meetings of
25 the Committee shall be exempt from the require-

1 ments of subsections (a) and (b) of sections 10 and
2 11 of the Federal Advisory Committee Act (relating
3 to open meetings, public notice, public participation,
4 and public availability of documents), whenever and
5 to the extent it is determined by the President or the
6 Secretary that such meetings will be concerned with
7 matters the disclosure of which would seriously com-
8 promise the development by the United States Gov-
9 ernment of international monetary and financial pol-
10 icy.

11 **SEC. 206. REPORTING REQUIREMENTS.**

12 (a) REPORTS REQUIRED.—

13 (1) IN GENERAL.—The Secretary, after con-
14 sulting with the Chairman of the Board of Gov-
15 ernors of the Federal Reserve System and the Com-
16 mittee, shall submit to Congress, on or before Octo-
17 ber 15 of each year, a written report on inter-
18 national economic policy and currency exchange
19 rates.

20 (2) INTERIM REPORT.—The Secretary, after
21 consulting with the Chairman of the Board of Gov-
22 ernors of the Federal Reserve System and the Com-
23 mittee, shall submit to Congress, on or before April
24 15 of each year, a written report on interim develop-

1 ments with respect to international economic policy
2 and currency exchange rates.

3 (b) CONTENTS OF REPORT.—Each report submitted
4 under subsection (a) shall contain—

5 (1) an analysis of currency market develop-
6 ments and the relationship between the United
7 States dollar and the currencies of major economies
8 and United States trading partners;

9 (2) a review of the economic and financial poli-
10 cies of major economies and United States trading
11 partners and an evaluation of how such policies im-
12 pact currency exchange rates;

13 (3) a description of any currency intervention
14 by the United States or other major economies or
15 United States trading partners, or other actions un-
16 dertaken to adjust the actual exchange rate of the
17 dollar;

18 (4) an evaluation of the factors that underlie
19 conditions in the currency markets, including—

20 (A) monetary and financial conditions;

21 (B) foreign exchange reserve accumulation;

22 (C) macroeconomic trends;

23 (D) trends in current and financial ac-
24 count balances;

1 (E) the size, composition, and growth of
2 international capital flows;

3 (F) the impact of the external sector on
4 economic growth;

5 (G) the size and growth of external indebt-
6 edness;

7 (H) trends in the net level of international
8 investment; and

9 (I) capital controls, trade, and exchange
10 restrictions;

11 (5) a list of currencies of the major economies
12 or economic areas that are in fundamental misalign-
13 ment (as defined in section 203(2)), and a descrip-
14 tion of any economic models or methodologies used
15 to establish the list;

16 (6) a description of any reason or circumstance
17 that accounts for why each currency identified under
18 paragraph (5) is in fundamental misalignment based
19 on a generally accepted economic rationale;

20 (7) a list of each currency identified under
21 paragraph (5) for which the fundamental misalign-
22 ment causes, or contributes to, a material adverse
23 impact on the economy of the United States, includ-
24 ing a description of any reason or circumstance that

1 explains why the fundamental misalignment is not
2 accounted for under paragraph (6); and

3 (8) the results of any prior consultations con-
4 ducted or other steps taken pursuant to section 207.

5 (c) DEVELOPMENT OF REPORT.—The Secretary shall
6 consult with the Chairman of the Board of Governors of
7 the Federal Reserve System and the Committee with re-
8 spect to the preparation of each report required under
9 subsection (a). Any comments provided by the Chairman
10 of the Board of Governors of the Federal Reserve System
11 and the Committee shall be submitted to the Secretary
12 not later than the date that is 15 days before the date
13 each report is due under subsection (a). The Secretary
14 shall submit the report after taking into account all com-
15 ments received.

16 **SEC. 207. SUBSEQUENT ACTIONS.**

17 (a) NEGOTIATIONS AND CONSULTATIONS.—With re-
18 spect to each currency identified under section 206(b)(7),
19 the Secretary shall—

20 (1) seek to enter into bilateral consultations
21 with the government responsible for the currency in
22 order to facilitate the adoption of appropriate poli-
23 cies to eliminate the fundamental misalignment;

24 (2) seek the advice of the International Mone-
25 tary Fund with respect to the Secretary's findings in

1 the report submitted to Congress under section 206;
2 and

3 (3) encourage other governments, whether bilat-
4 erally or in appropriate multinational fora, to join
5 the United States in seeking the adoption of appro-
6 priate policies by such government to eliminate the
7 fundamental misalignment.

8 (b) ADDITIONAL ACTION.—

9 (1) IN GENERAL.—If, not later than 60 days
10 after the date on which a currency is identified
11 under section 206(b)(7), the government responsible
12 for such currency fails to enter into bilateral con-
13 sultations with the United States in order to facili-
14 tate the adoption of appropriate policies to eliminate
15 the fundamental misalignment, the following shall
16 apply until a notification described in paragraph (2)
17 is provided to Congress:

18 (A) The Overseas Private Investment Cor-
19 poration shall not approve any new financing
20 (including insurance, reinsurance, or guarantee)
21 with respect to a project located within the ter-
22 ritory governed by such government.

23 (B) The Secretary shall instruct the
24 United States Executive Director at each multi-
25 lateral bank to oppose the approval of any new

1 financing (including loans, other credits, insur-
2 ance, reinsurance, or guarantee) to such gov-
3 ernment or for a project within the territory
4 governed by such government.

5 (C) The United States shall request that
6 the International Monetary Fund engage in dis-
7 cussions with such government, including
8 through special consultations, if appropriate, in
9 order to facilitate the adoption of appropriate
10 policies to eliminate the fundamental misalign-
11 ment.

12 (2) NOTIFICATION.—The Secretary shall
13 promptly notify Congress when bilateral consulta-
14 tions are initiated with a government pursuant to
15 this subsection, and shall cause such notice to be
16 published in the Federal Register.

17 (c) FAILURE TO ADOPT CHANGES.—

18 (1) IN GENERAL.—Not later than 180 days
19 after the date on which a currency is identified
20 under section 206(b)(7), the Secretary shall deter-
21 mine whether the government responsible for such
22 currency has failed to adopt appropriate policies to
23 eliminate the fundamental misalignment, and shall
24 promptly report such determination to Congress. If
25 the Secretary determines that the government re-

1 sponsible for such currency has failed to adopt ap-
2 propriate policies to eliminate the fundamental mis-
3 alignment, the following shall apply until a notifica-
4 tion described in paragraph (2) is provided to Con-
5 gress:

6 (A) The Overseas Private Investment Cor-
7 poration shall not approve any new financing
8 (including insurance, reinsurance, or guarantee)
9 with respect to a project located within the ter-
10 ritory governed by such government.

11 (B) The Secretary shall instruct the
12 United States Executive Director at each multi-
13 lateral bank to oppose the approval of any new
14 financing (including loans, other credits, insur-
15 ance, reinsurance, or guarantee) to such gov-
16 ernment or for a project within the territory
17 governed by such government.

18 (C) The United States shall inform the
19 Managing Director of the International Mone-
20 tary Fund of the failure of such government to
21 address a fundamental misalignment of its cur-
22 rency that is causing a material adverse impact
23 on the economy of the United States, and shall
24 request that the Managing Director of the
25 International Monetary Fund consult with such

1 government regarding the observance of the
2 government's obligations under Article IV of
3 the International Monetary Fund Articles of
4 Agreement, including through special consulta-
5 tions, if necessary, and formally report the re-
6 sults of such consultations to the Executive
7 Board of the International Monetary Fund
8 within 180 days of the date of such request.

9 (2) NOTIFICATION.—The Secretary shall
10 promptly notify Congress when such government
11 adopts appropriate policies to eliminate the funda-
12 mental misalignment, and shall cause such notice to
13 be published in the Federal Register.

14 (3) WAIVER.—The President may waive any ac-
15 tion provided for under this subsection if the Presi-
16 dent determines that it is in the vital economic inter-
17 est of the United States to do so. The President
18 shall promptly notify Congress of such determination
19 (and the reasons for the determination) and shall
20 cause such notice to be published in the Federal
21 Register.

22 **SEC. 208. INTERNATIONAL FINANCIAL INSTITUTION GOV-**
23 **ERNANCE ARRANGEMENTS.**

24 (a) INITIAL REVIEW.—Notwithstanding any other
25 provision of law, before the United States approves a pro-

1 posed change in the governance arrangement of any inter-
2 national financial institution, as defined in section
3 1701(c)(2) of the International Financial Institutions Act
4 (22 U.S.C. 262r(c)(2)), the Secretary shall determine
5 whether any member of the international financial institu-
6 tion that would benefit from the proposed change, in the
7 form of increased voting shares or representation, has a
8 currency that is in fundamental misalignment, and if so,
9 whether the fundamental misalignment causes or contrib-
10 utes to a material adverse impact on the economy of the
11 United States. The determination shall be reported to
12 Congress.

13 (b) SUBSEQUENT ACTION.—The United States shall
14 oppose any proposed change in the governance arrange-
15 ment of any international financial institution (as defined
16 in subsection (a)), if the Secretary renders an affirmative
17 determination pursuant to subsection (a).

18 (c) FURTHER ACTION.—The United States shall con-
19 tinue to oppose any proposed change in the governance
20 arrangement of an international financial institution, pur-
21 suant to subsection (b), until the Secretary determines
22 and reports to Congress that the currency of each member
23 of the international financial institution that would benefit
24 from the proposed change, in the form of increased voting

1 shares or representation, is not in fundamental misalign-
 2 ment.

3 **SEC. 209. NONMARKET ECONOMY STATUS.**

4 (a) IN GENERAL.—Paragraph (18)(B)(vi) of section
 5 771 of the Tariff Act of 1930 (19 U.S.C. 1677(18)(B)(vi))
 6 is amended by inserting before the end period the fol-
 7 lowing: “, including whether the currency of the foreign
 8 country has been identified pursuant to section 206(b)(7)
 9 of the International Monetary and Financial Policy Co-
 10 operation Act of 2006 in any written report required by
 11 section 206(a) of such Act during the 24-month period
 12 immediately preceding the month during which the admin-
 13 istering authority seeks to revoke a determination that
 14 such foreign country is a nonmarket economy country”.

15 (b) TERMINATION.—The amendment made by this
 16 section shall be in effect during the 10-year period begin-
 17 ning on the date of the enactment of this Act.

18 **SEC. 210. ADDITIONAL ASSISTANT SECRETARY.**

19 (a) IN GENERAL.—

20 (1) ADDITIONAL ASSISTANT SECRETARY.—Sec-
 21 tion 5315 of title 5, United States Code, is amended
 22 by striking “(8)” in the item relating to Assistant
 23 Secretaries of the Treasury, and inserting “(9)”.

24 (2) DUTIES AND RESPONSIBILITIES.—In design-
 25 ating the duties, responsibilities, and title of the

1 Assistant Secretary of the Treasury established pur-
 2 suant to paragraph (1), the Secretary may redesign-
 3 nate, in whole or in part, the duties, responsibilities,
 4 and title of any position of Assistant Secretary of
 5 the Treasury in existence on the day before the date
 6 of the enactment of this Act.

7 (b) CONTINUATION IN OFFICE.—The individual serv-
 8 ing as Assistant Secretary for International Affairs in the
 9 Office of International Affairs of the Department of the
 10 Treasury on the day before the date of the enactment of
 11 this Act may serve in any position designated or redesign-
 12 nated pursuant to subsection (a) until the date a person
 13 nominated to such position by the President is confirmed
 14 by the United States Senate.

15 **TITLE III—AUTHORIZATION OF** 16 **APPROPRIATIONS**

17 **SEC. 301. OFFICE OF THE UNITED STATES TRADE REP-** 18 **RESENTATIVE.**

19 Section 141(g)(1)(A) of the Trade Act of 1974 (19
 20 U.S.C. 2171(g)(1)(A)) is amended by striking clauses (i)
 21 and (ii) and inserting the following:

22 “(i) \$47,800,000 for fiscal year 2007.

23 “(ii) \$49,700,000 for fiscal year 2008.”.

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2D Session
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A BILL

To enhance and improve the trade relations of the United States by strengthening United States trade enforcement efforts and encouraging United States trading partners to adhere to the rules and norms of international trade, and for other purposes.

MARCH 29, 2006

Read the second time and placed on the calendar