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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R.

To authorize the President to take certain actions relating to reciprocal trade, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. DUFFY introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize the President to take certain actions relating to reciprocal 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Recip-
5 rocal Trade Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The United States maintains an open mar-
9 ket for goods, with relatively low tariffs, and has

1 long encouraged trading partners, both bilaterally
2 and in multilateral fora, to liberalize their markets.

3 (2) The United States is the world's largest im-
4 porter of goods.

5 (3) Trading partners of the United States in
6 many instances impose significantly higher tariffs on
7 United States goods than the United States imposes
8 on the same or similar goods imported from those
9 same countries.

10 (4) United States trading partners in many in-
11 stances impose significant nontariff barriers that
12 greatly undermine the value of negotiated tariff con-
13 cessions.

14 (5) The lack of reciprocity in tariff levels and
15 disproportionate use of nontariff barriers by United
16 States trading partners facilitates foreign imports,
17 discourages United States exports, and puts United
18 States producers, farmers, and workers at a com-
19 petitive disadvantage.

20 (6) The lack of reciprocity in tariff levels and
21 nontariff barriers contributes to the large and grow-
22 ing United States trade deficit in goods, which is a
23 drag on economic growth and undermines economic
24 prosperity.

1 (7) To date a number of United States trading
2 partners have been unwilling, including in multilat-
3 eral negotiations, to reduce tariffs and eliminate
4 nontariff barriers applied to United States exports.

5 (8) The United States should seek action by
6 United States trading partners to lower tariffs and
7 eliminate nontariff barriers, to promote efficiency in
8 those markets and enhance opportunities for United
9 States producers, farmers, and workers.

10 (9) The President should have a wide array of
11 tools to open the markets of United States trading
12 partners and encourage participation in negotiations
13 to liberalize trade in goods on a fair and reciprocal
14 basis, including the authority to adjust tariff rates
15 to reciprocal levels.

16 **SEC. 3. AUTHORITY TO TAKE CERTAIN ACTIONS RELATING**
17 **TO RECIPROCAL TRADE.**

18 (a) **IN GENERAL.**—If the President determines
19 that—

20 (1) the rate of duty imposed by a foreign coun-
21 try with respect to a particular good, when imported
22 from the United States, is significantly higher than
23 the rate of duty imposed by the United States on
24 that good, when imported from that country, or

1 (2) the nontariff barriers applied by a foreign
2 country with respect to a particular good, when im-
3 ported from the United States, impose significantly
4 higher burdens, alone or in combination with any
5 tariffs imposed by that country on that good, than
6 the burdens of the nontariff barriers applied by the
7 United States with respect to that good, alone or in
8 combination with any tariffs imposed by the United
9 States on that good, when imported from that coun-
10 try,

11 the President may take one or more of the actions author-
12 ized under subsection (b).

13 (b) ACTIONS AUTHORIZED.—The actions authorized
14 under this subsection are the following:

15 (1) To negotiate and seek to enter into an
16 agreement with the foreign country that commits the
17 country to reduce the rate of duty or reduce or
18 eliminate nontariff barriers on the good that is the
19 subject of the determination under subsection (a).

20 (2) To impose a rate of duty on imports of the
21 good that is equal to—

22 (A) the rate of duty imposed by the foreign
23 country with respect to the good, in the case of
24 a determination described in subsection (a)(1);

25 or

1 (B) the effective rate of duty of the non-
2 tariff barriers applied by the foreign country
3 with respect to the good, alone or in combina-
4 tion with any tariffs imposed by that country
5 on that good, in the case of a determination de-
6 scribed in subsection (a)(2).

7 (c) FACTORS.—In taking an action authorized under
8 subsection (b), the President shall consider the following
9 factors:

10 (1) The tariff classification of the good by the
11 United States and the tariff classification of the
12 good by the foreign country.

13 (2) The rate of duty applied by the United
14 States with respect to the good and the rate of duty
15 applied by the foreign country with respect to the
16 good.

17 (3) The physical characteristics of the good.

18 (4) The end uses and existence of a competitive
19 relationship between the good—

20 (A) as exported from the United States to
21 the foreign country; and

22 (B) as imported from the country to the
23 United States.

24 (5) The level of exports of the good by the
25 country to the United States and to other countries.

1 (6) In the case of a determination described in
2 subsection (a)(1), the extent to which the rate of
3 duty applied by the foreign country with respect to
4 the good is impeding or distorting trade.

5 (7) In the case of a determination described in
6 subsection (a)(2)—

7 (A) the extent of the nontariff barriers ap-
8 plied by the foreign country with respect to the
9 good and the extent of the nontariff barriers
10 applied by the United States with respect to the
11 good;

12 (B) the extent to which the nontariff bar-
13 riers applied by the country with respect to the
14 good, alone or in combination with any tariffs
15 imposed by that country on that good, are im-
16 peding or distorting trade;

17 (C) the identified purpose of the nontariff
18 barriers applied by the country with respect to
19 the good, if any, and the extent to which the
20 nontariff barriers are more restrictive than nec-
21 essary to meet that purpose; and

22 (D) the degree of transparency of the proc-
23 ess by which the country adopted the nontariff
24 barriers; and

1 (8) other factors, as the President determines
2 appropriate.

3 (d) **ROLE OF USTR.**—The United States Trade Rep-
4 resentative, in consultation with the Secretary of Treas-
5 ury, the Secretary of Commerce, and the heads of other
6 relevant Federal agencies, shall advise the President in de-
7 termining the effective rate of duty imposed by the non-
8 tariff barriers applied by a foreign country with respect
9 to a good, alone or in combination with any tariffs imposed
10 by that country on that good, in the case of a determina-
11 tion described in subsection (a)(2).

12 (e) **LOWER RATE OF DUTY.**—The President may im-
13 pose a rate of duty on imports of a good from a foreign
14 country that is lower than the rate of duty described in
15 subsection (b)(2)(A) or lower than the effective rate of
16 duty described in subsection (b)(2)(B), as the case may
17 be, if the President determines that application of such
18 lower rate of duty is necessary and appropriate.

19 (f) **HIGHER RATE OF DUTY.**—If the President im-
20 poses a rate of duty on imports of a good from a foreign
21 country under subsection (b)(2), and the country further
22 increases its rate of duty on imports of the good from the
23 United States, the President may further increase the rate
24 of duty on imports of the good from the country to a rate
25 that is equal to the rate of duty applied by that country.

1 (g) **TERMINATION.**—The President shall terminate
2 the imposition of any increase in the rate of duty on im-
3 ports of a good from a foreign country under subsection
4 (b)(2) effective on the date on which the President deter-
5 mines that—

6 (1) the foreign country is no longer—

7 (A) imposing a rate of duty with respect to
8 the good, as described in subsection (a)(1); or

9 (B) applying nontariff barriers with re-
10 spect to the good, as described in subsection
11 (a)(2); or

12 (2) continued imposition of the increased rate
13 of duty on imports of the good from the foreign
14 country is not in the economic or public interest of
15 the United States.

16 **SEC. 4. NOTICE AND CONSULTATION.**

17 (a) **IN GENERAL.**—Before taking any action author-
18 ized under section 3(b)(1), the President shall provide no-
19 tice to and consult with the Committee on Ways and
20 Means of the House of Representatives and the Committee
21 on Finance of the Senate regarding the proposed action.

22 (b) **NOTICE.**—Before taking any action authorized
23 under section 3(b)(2), the President shall—

24 (1) not less than 45 days before the date on
25 which imposition of an increased rate of duty on im-

1 ports of a good from a foreign country is to take ef-
2 fect, publish notice in the Federal Register of, and
3 allow for public comment on, the proposed imposi-
4 tion and level of such increased rate of duty; and

5 (2) seek advice regarding the proposed action
6 from the advisory committees established under sec-
7 tion 135 of the Trade Act of 1974 (19 U.S.C.
8 2155).

9 (c) **ADDITIONAL NOTICE.**—The President shall
10 promptly publish in the Federal Register notice of any ac-
11 tion taken pursuant to section 3(f) or 3(g).

12 **SEC. 5. CONGRESSIONAL DISAPPROVAL OF PRESIDENTIAL**
13 **IMPOSITION OF RATES OF DUTY ON IMPORTS**
14 **OF GOODS FROM FOREIGN COUNTRIES**
15 **UNDER SECTION 3(b)(2); DISAPPROVAL RESO-**
16 **LUTION.**

17 (a) **IN GENERAL.**—An action taken by the President
18 under section 3(b)(2) to impose a rate of duty on imports
19 of a good from a foreign country shall cease to have force
20 and effect upon the enactment of a disapproval resolution,
21 provided for in subsection (b), relating to that action.

22 (b) **CONGRESSIONAL RULEMAKING POWER; DIS-**
23 **APPROVAL RESOLUTION.**—

24 (1) **IN GENERAL.**—This section is enacted by
25 the Congress—

1 (A) as an exercise of the rulemaking power
2 of the House of Representatives and the Sen-
3 ate, respectively, and as such is deemed a part
4 of the rules of each House, respectively, but ap-
5 plicable only with respect to the procedures to
6 be followed in that House in the case of dis-
7 approval resolutions and such procedures super-
8 sede other rules only to the extent that they are
9 inconsistent therewith; and

10 (B) with the full recognition of the con-
11 stitutional right of either House to change the
12 rules (so far as relating to the procedure of that
13 House) at any time, in the same manner, and
14 to the same extent as any other rule of that
15 House.

16 (2) DISAPPROVAL RESOLUTION.—For purposes
17 of this section, the term “disapproval resolution”
18 means only a joint resolution of either House of
19 Congress the matter after the resolving clause of
20 which is as follows: “That the Congress disapproves
21 the action taken under section 3(b)(2) of the United
22 States Reciprocal Trade Act with respect to the im-
23 position of a rate of duty on imports of ____ from
24 ____ under such section 3(b)(2).”, the first blank
25 space being filled with a description of the good with

1 respect to which the duty is imposed under section
2 3(b)(2) and the second blank being filled with the
3 name of the foreign country from which the good is
4 imported into the United States.

5 (3) CONSIDERATION.—

6 (A) INTRODUCTION.—All disapproval reso-
7 lutions introduced in the House of Representa-
8 tives shall be referred to the Committee on
9 Ways and Means and all disapproval resolutions
10 introduced in the Senate shall be referred to the
11 Committee on Finance.

12 (B) AMENDMENTS PROHIBITED; MOTIONS
13 TO SUSPEND APPLICATION OF THIS SUBPARA-
14 GRAPH PROHIBITED.—No amendment to a dis-
15 approval resolution shall be in order in either
16 the House of Representatives or the Senate,
17 and no motion to suspend the application of
18 this subparagraph shall be in order in either
19 House nor shall it be in order in either House
20 for the Presiding Officer to entertain a request
21 to suspend the application of this subparagraph
22 by unanimous consent.

23 (C) MAJORITY REQUIRED FOR ADOPT-
24 TION.—A disapproval resolution considered
25 under this subsection shall require an affirma-

1 tive vote of two-thirds of the Members, duly
2 chosen and sworn, for adoption.

3 **SEC. 6. REPORT.**

4 Before entering into an agreement with a foreign
5 country under section 3(b)(1), the United States Trade
6 Representative shall submit to the appropriate congres-
7 sional committees and leadership a report that describes—

8 (1) the implementation of the agreement, in-
9 cluding how it is consistent with and does not mate-
10 rially differ from or otherwise affect Federal or
11 State laws or regulations;

12 (2) the impact on the competitiveness of United
13 States businesses; and

14 (3) the impact on United States consumers.

15 **SEC. 7. SUNSET OF PRESIDENTIAL IMPOSITION OF RATES**
16 **OF DUTY ON IMPORTS OF GOODS FROM FOR-**
17 **EIGN COUNTRIES UNDER SECTION 3(b)(2) BY**
18 **DISAPPROVAL RESOLUTION.**

19 (a) IN GENERAL.—The authority of the President to
20 take an action under section 3(b)(2) to impose a rate of
21 duty on imports of a good from a foreign country—

22 (1) shall be effective for the period ending on
23 the date that is three years after the date of the en-
24 actment of this Act; and

1 (2) shall be extended for an additional period of
2 three years if (and only if)—

3 (A) the President requests such extension
4 under subsection (b); and

5 (B) a disapproval resolution is not enacted
6 into law as provided for under subsection (c).

7 (b) REPORT TO CONGRESS.—If the President is of
8 the opinion that the authority of the President to take an
9 action under section 3(b)(2) to impose a rate of duty on
10 imports of a good from a foreign country should be ex-
11 tended for the additional period described in subsection
12 (a)(2), the President shall submit to Congress, not later
13 than the date that is three months before the end of the
14 period described in subsection (a)(1), a written report that
15 contains a request for such extension, together with a de-
16 scription of all actions taken under section 3(b)(2) to date.

17 (c) DISAPPROVAL RESOLUTION.—

18 (1) CONGRESSIONAL RULEMAKING POWER.—

19 This section is enacted by the Congress—

20 (A) as an exercise of the rulemaking power
21 of the House of Representatives and the Sen-
22 ate, respectively, and as such is deemed a part
23 of the rules of each House, respectively, but ap-
24 plicable only with respect to the procedures to
25 be followed in that House in the case of dis-

1 approval resolutions and such procedures super-
2 sede other rules only to the extent that they are
3 inconsistent therewith; and

4 (B) with the full recognition of the con-
5 stitutional right of either House to change the
6 rules (so far as relating to the procedure of that
7 House) at any time, in the same manner, and
8 to the same extent as any other rule of that
9 House.

10 (2) DISAPPROVAL RESOLUTION.—For purposes
11 of subsection (a), the term “disapproval resolution”
12 means only a joint resolution of either House of
13 Congress the matter after the resolving clause of
14 which is as follows: “That the Congress disapproves
15 the request of the President for the extension, under
16 section 7(a)(2)(A) of the United States Reciprocal
17 Trade Act, of the authority of the President to take
18 an action under section 3(b)(2) of such Act to im-
19 pose a rate of duty on imports of a good from a for-
20 eign country after the period ending on the date that
21 is three years after the date of the enactment of
22 such Act.”.

23 (3) INTRODUCTION; REFERRAL.—A disapproval
24 resolution—

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

3 (B) shall be referred, in the House of Rep-
4 resentatives, to the Committee on Ways and
5 Means and, in addition, to the Committee on
6 Rules.

7 (4) FLOOR CONSIDERATION.—The provisions of
8 subsections (d) and (e) of section 152 of the Trade
9 Act of 1974 (19 U.S.C. 2192) (relating to the floor
10 consideration of certain resolutions in the House and
11 Senate) apply to a disapproval resolution.

12 (5) LIMITATIONS ON CONSIDERATION.—It is
13 not in order for—

14 (A) the House of Representatives to con-
15 sider any disapproval resolution not reported by
16 the Committee on Ways and Means and, in ad-
17 dition, by the Committee on Rules;

18 (B) the Senate to consider any disapproval
19 resolution not reported by the Committee on Fi-
20 nance; or

21 (C) either House of Congress to consider a
22 disapproval resolution after the date that is
23 three years after the date of the enactment of
24 this Act.

25 (d) RULES OF CONSTRUCTION.—

1 (1) IN GENERAL.—An action authorized under
2 section 3(b)(2) to impose a rate of duty on imports
3 of a good from a foreign country that is taken before
4 the end of the period described in subsection (a)(1)
5 or the end of the period described in subsection
6 (a)(2) shall remain in effect after the end of such re-
7 spective period.

8 (2) ADDITIONAL AUTHORITIES.—The President
9 may exercise the authorities of subsections (e), (f),
10 and (g) of section 3 with respect to an action de-
11 scribed in paragraph (1) after the end of the period
12 described in such paragraph that is applicable to
13 such action.

14 **SEC. 8. DEFINITIONS.**

15 In this Act:

16 (1) APPROPRIATE CONGRESSIONAL COMMIT-
17 TEES AND LEADERSHIP.—The term “appropriate
18 congressional committees and leadership” means—

19 (A) the Committee on Ways and Means of
20 the House of Representatives and the Com-
21 mittee on Finance of the Senate; and

22 (B) the Speaker of the House of Rep-
23 resentatives, the minority leader of the House
24 of Representatives, the majority leader of the
25 Senate, and the minority leader of the Senate.

1 (2) NONTARIFF BARRIER.—The term “nontariff
2 barrier” includes any government-imposed measure
3 or policy, other than a customs duty, that restricts,
4 prevents, or impedes international trade in goods, in-
5 cluding import policies, sanitary and phytosanitary
6 measures, technical barriers to trade, government
7 procurement, export subsidies, lack of intellectual
8 property protection, digital trade barriers, and gov-
9 ernment-tolerated anticompetitive conduct of state-
10 owned or private firms.

11 (3) RATE OF DUTY.—The term “rate of duty”
12 means the rate of customs duty applied on imports
13 of a good, but does not include an antidumping or
14 countervailing duty or a duty applied under a pref-
15 erential tariff arrangement.