

## Calendar No. 319

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R. 3005****[Report No. 107-139]**

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IN THE SENATE OF THE UNITED STATES

DECEMBER 6, 2001

Received; read twice and referred to the Committee on Finance

FEBRUARY 28, 2002

Reported by Mr. BAUCUS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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**AN ACT**

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the  
5 “Bipartisan Trade Promotion Authority Act of 2001”.

6 (b) ~~FINDINGS.~~—The Congress makes the following  
7 findings:

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

13          (2) The national security of the United States  
14          depends on its economic security, which in turn is  
15          founded upon a vibrant and growing industrial base.  
16          Trade expansion has been the engine of economic  
17          growth. Trade agreements maximize opportunities  
18          for the critical sectors and building blocks of the  
19          economy of the United States, such as information  
20          technology, telecommunications and other leading  
21          technologies, basic industries, capital equipment,  
22          medical equipment, services, agriculture, environ-  
23          mental technology, and intellectual property. Trade  
24          will create new opportunities for the United States  
25          and preserve the unparalleled strength of the United

1 States in economic, political, and military affairs.  
2 The United States, secured by expanding trade and  
3 economic opportunities, will meet the challenges of  
4 the twenty-first century.

5 **SEC. 2. TRADE NEGOTIATING OBJECTIVES.**

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

7 The overall trade negotiating objectives of the United  
8 States for agreements subject to the provisions of section  
9 3 are—

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

12 (2) to obtain the reduction or elimination of  
13 barriers and distortions that are directly related to  
14 trade and that decrease market opportunities for  
15 United States exports or otherwise distort United  
16 States trade;

17 (3) to further strengthen the system of inter-  
18 national trading disciplines and procedures, includ-  
19 ing dispute settlement;

20 (4) to foster economic growth, raise living  
21 standards, and promote full employment in the  
22 United States and to enhance the global economy;

23 (5) to ensure that trade and environmental poli-  
24 cies are mutually supportive and to seek to protect  
25 and preserve the environment and enhance the inter-

1 national means of doing so, while optimizing the use  
2 of the world's resources;

3 ~~(6) to promote respect for worker rights and~~  
4 ~~the rights of children consistent with core labor~~  
5 ~~standards of the International Labor Organization~~  
6 ~~(as defined in section 11(2)) and an understanding~~  
7 ~~of the relationship between trade and worker rights;~~  
8 ~~and~~

9 ~~(7) to seek provisions in trade agreements~~  
10 ~~under which parties to those agreements strive to~~  
11 ~~ensure that they do not weaken or reduce the protec-~~  
12 ~~tions afforded in domestic environmental and labor~~  
13 ~~laws as an encouragement for trade.~~

14 ~~(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—~~

15 ~~(1) TRADE BARRIERS AND DISTORTIONS.—The~~  
16 ~~principal negotiating objectives of the United States~~  
17 ~~regarding trade barriers and other trade distortions~~  
18 ~~are—~~

19 ~~(A) to expand competitive market opportu-~~  
20 ~~nities for United States exports and to obtain~~  
21 ~~fairer and more open conditions of trade by re-~~  
22 ~~ducing or eliminating tariff and nontariff bar-~~  
23 ~~riers and policies and practices of foreign gov-~~  
24 ~~ernments directly related to trade that decrease~~

1 market opportunities for United States exports  
2 or otherwise distort United States trade; and

3 ~~(B) to obtain reciprocal tariff and non-~~  
4 ~~tariff barrier elimination agreements, with par-~~  
5 ~~ticular attention to those tariff categories cov-~~  
6 ~~ered in section 111(b) of the Uruguay Round~~  
7 ~~Agreements Act (19 U.S.C. 3521(b)).~~

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

15 (3) FOREIGN INVESTMENT.—The principal ne-  
16 gotiating objective of the United States regarding  
17 foreign investment is to reduce or eliminate artificial  
18 or trade-distorting barriers to trade-related foreign  
19 investment and, recognizing that United States law  
20 on the whole provides a high level of protection for  
21 investment, consistent with or greater than the level  
22 required by international law, to secure for investors  
23 important rights comparable to those that would be  
24 available under United States legal principles and  
25 practice, by—

1           (A) reducing or eliminating exceptions to  
2 the principle of national treatment;

3           (B) freeing the transfer of funds relating  
4 to investments;

5           (C) reducing or eliminating performance  
6 requirements, forced technology transfers, and  
7 other unreasonable barriers to the establish-  
8 ment and operation of investments;

9           (D) seeking to establish standards for ex-  
10 propriation and compensation for expropriation,  
11 consistent with United States legal principles  
12 and practice;

13           (E) providing meaningful procedures for  
14 resolving investment disputes;

15           (F) seeking to improve mechanisms used  
16 to resolve disputes between an investor and a  
17 government through—

18                 (i) mechanisms to eliminate frivolous  
19 claims; and

20                 (ii) procedures to ensure the efficient  
21 selection of arbitrators and the expeditious  
22 disposition of claims;

23           (G) providing an appellate or similar re-  
24 view mechanism to correct manifestly erroneous  
25 interpretations of law; and

1           ~~(H)~~ ensuring the fullest measure of trans-  
2           parency in the dispute settlement mechanism;  
3           to the extent consistent with the need to protect  
4           information that is classified or business con-  
5           fidential, by—

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

8                   (ii) ensuring that—

9                           ~~(I)~~ all proceedings, submissions,  
10                           findings, and decisions are promptly  
11                           made public;

12                           ~~(H)~~ all hearings are open to the  
13                           public; and

14                           ~~(iii)~~ establishing a mechanism for ac-  
15                           ceptance of amicus curiae submissions  
16                           from businesses, unions, and nongovern-  
17                           mental organizations.

18           ~~(4)~~ INTELLECTUAL PROPERTY.—The principal  
19           negotiating objectives of the United States regarding  
20           trade-related intellectual property are—

21                   ~~(A)~~ to further promote adequate and effec-  
22                   tive protection of intellectual property rights,  
23                   including through—

24                           ~~(i)(I)~~ ensuring accelerated and full  
25                           implementation of the Agreement on

1 Trade-Related Aspects of Intellectual  
2 Property Rights referred to in section  
3 101(d)(15) of the Uruguay Round Agree-  
4 ments Act (19 U.S.C. 3511(d)(15)), par-  
5 ticularly with respect to meeting enforce-  
6 ment obligations under that agreement;  
7 and

8 (II) ensuring that the provisions of  
9 any multilateral or bilateral trade agree-  
10 ment governing intellectual property rights  
11 that is entered into by the United States  
12 reflect a standard of protection similar to  
13 that found in United States law;

14 (ii) providing strong protection for  
15 new and emerging technologies and new  
16 methods of transmitting and distributing  
17 products embodying intellectual property;

18 (iii) preventing or eliminating dis-  
19 crimination with respect to matters affect-  
20 ing the availability, acquisition, scope,  
21 maintenance, use, and enforcement of in-  
22 tellectual property rights;

23 (iv) ensuring that standards of protec-  
24 tion and enforcement keep pace with tech-  
25 nological developments, and in particular

1           ensuring that rightholders have the legal  
2           and technological means to control the use  
3           of their works through the Internet and  
4           other global communication media, and to  
5           prevent the unauthorized use of their  
6           works; and

7                   (v) providing strong enforcement of  
8           intellectual property rights, including  
9           through accessible, expeditious, and effec-  
10          tive civil, administrative, and criminal en-  
11          forcement mechanisms; and

12                   (B) to secure fair, equitable, and non-  
13          discriminatory market access opportunities for  
14          United States persons that rely upon intellec-  
15          tual property protection.

16           (5) TRANSPARENCY.—The principal negotiating  
17          objective of the United States with respect to trans-  
18          parency is to obtain wider and broader application  
19          of the principle of transparency through—

20                   (A) increased and more timely public ac-  
21          cess to information regarding trade issues and  
22          the activities of international trade institutions;

23                   (B) increased openness at the WTO and  
24          other international trade fora by increasing  
25          public access to appropriate meetings, pro-

1           ceedings, and submissions, including with re-  
2           gard to dispute settlement and investment; and

3           (C) increased and more timely public ac-  
4           cess to all notifications and supporting docu-  
5           mentation submitted by parties to the WTO.

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

12           (A) to obtain high standards and appro-  
13           priate domestic enforcement mechanisms appli-  
14           cable to persons from all countries participating  
15           in the applicable trade agreement that prohibit  
16           such attempts to influence acts, decisions, or  
17           omissions of foreign governments; and

18           (B) to ensure that such standards do not  
19           place United States persons at a competitive  
20           disadvantage in international trade.

21           (7) IMPROVEMENT OF THE WTO AND MULTI-  
22           LATERAL TRADE AGREEMENTS.—The principal ne-  
23           gotiating objectives of the United States regarding  
24           the improvement of the World Trade Organization,

1 the Uruguay Round Agreements, and other multilat-  
2 eral and bilateral trade agreements are—

3 (A) to achieve full implementation and ex-  
4 tend the coverage of the World Trade Organiza-  
5 tion and such agreements to products, sectors,  
6 and conditions of trade not adequately covered;  
7 and

8 (B) to expand country participation in and  
9 enhancement of the Information Technology  
10 Agreement and other trade agreements.

11 (8) REGULATORY PRACTICES.—The principal  
12 negotiating objectives of the United States regarding  
13 the use of government regulation or other practices  
14 by foreign governments to provide a competitive ad-  
15 vantage to their domestic producers, service pro-  
16 viders, or investors and thereby reduce market ac-  
17 cess for United States goods, services, and invest-  
18 ments are—

19 (A) to achieve increased transparency and  
20 opportunity for the participation of affected  
21 parties in the development of regulations;

22 (B) to require that proposed regulations be  
23 based on sound science, cost-benefit analysis,  
24 risk assessment, or other objective evidence;

1           (C) to establish consultative mechanisms  
2 among parties to trade agreements to promote  
3 increased transparency in developing guidelines,  
4 rules, regulations, and laws for government pro-  
5 curement and other regulatory regimes; and

6           (D) to achieve the elimination of govern-  
7 ment measures such as price controls and ref-  
8 erence pricing which deny full market access for  
9 United States products.

10           (9) ELECTRONIC COMMERCE.—The principal  
11 negotiating objectives of the United States with re-  
12 spect to electronic commerce are—

13           (A) to ensure that current obligations,  
14 rules, disciplines, and commitments under the  
15 World Trade Organization apply to electronic  
16 commerce;

17           (B) to ensure that—

18           (i) electronically delivered goods and  
19 services receive no less favorable treatment  
20 under trade rules and commitments than  
21 like products delivered in physical form;  
22 and

23           (ii) the classification of such goods  
24 and services ensures the most liberal trade  
25 treatment possible;

1           (C) to ensure that governments refrain  
2           from implementing trade-related measures that  
3           impede electronic commerce;

4           (D) where legitimate policy objectives re-  
5           quire domestic regulations that affect electronic  
6           commerce, to obtain commitments that any  
7           such regulations are the least restrictive on  
8           trade, nondiscriminatory, and transparent, and  
9           promote an open market environment; and

10          (E) to extend the moratorium of the World  
11          Trade Organization on duties on electronic  
12          transmissions.

13          (10) RECIPROCAL TRADE IN AGRICULTURE.—

14          (A) The principal negotiating objective of the United  
15          States with respect to agriculture is to obtain com-  
16          petitive opportunities for United States exports of  
17          agricultural commodities in foreign markets substan-  
18          tially equivalent to the competitive opportunities af-  
19          forded foreign exports in United States markets and  
20          to achieve fairer and more open conditions of trade  
21          in bulk, specialty crop, and value-added commodities  
22          by—

23                  (i) reducing or eliminating, by a date cer-  
24                  tain, tariffs or other charges that decrease mar-  
25                  ket opportunities for United States exports—

1 (I) giving priority to those products  
2 that are subject to significantly higher tar-  
3iffs or subsidy regimes of major producing  
4 countries; and

5 (II) providing reasonable adjustment  
6 periods for United States import-sensitive  
7 products; in close consultation with the  
8 Congress on such products before initiating  
9 tariff reduction negotiations;

10 (ii) reducing tariffs to levels that are the  
11 same as or lower than those in the United  
12 States;

13 (iii) reducing or eliminating subsidies that  
14 decrease market opportunities for United States  
15 exports or unfairly distort agriculture markets  
16 to the detriment of the United States;

17 (iv) allowing the preservation of programs  
18 that support family farms and rural commu-  
19 nities but do not distort trade;

20 (v) developing disciplines for domestic sup-  
21 port programs; so that production that is in ex-  
22 cess of domestic food security needs is sold at  
23 world prices;

24 (vi) eliminating Government policies that  
25 create price-depressing surpluses;

1           (vii) eliminating state trading enterprises  
2 whenever possible;

3           (viii) developing, strengthening, and clari-  
4 fying rules and effective dispute settlement  
5 mechanisms to eliminate practices that unfairly  
6 decrease United States market access opportu-  
7 nities or distort agricultural markets to the det-  
8 riment of the United States, particularly with  
9 respect to import-sensitive products,  
10 including—

11           (I) unfair or trade-distorting activities  
12 of state trading enterprises and other ad-  
13 ministrative mechanisms, with emphasis on  
14 requiring price transparency in the oper-  
15 ation of state trading enterprises and such  
16 other mechanisms in order to end cross  
17 subsidization, price discrimination, and  
18 price undercutting;

19           (II) unjustified trade restrictions or  
20 commercial requirements, such as labeling,  
21 that affect new technologies, including bio-  
22 technology;

23           (III) unjustified sanitary or  
24 phytosanitary restrictions, including those  
25 not based on scientific principles in con-

1                   travention of the Uruguay Round Agree-  
2                   ments;

3                   (IV) other unjustified technical bar-  
4                   riers to trade; and

5                   (V) restrictive rules in the administra-  
6                   tion of tariff rate quotas;

7                   (ix) eliminating practices that adversely af-  
8                   fect trade in perishable or cyclical products;  
9                   while improving import relief mechanisms to  
10                  recognize the unique characteristics of perish-  
11                  able and cyclical agriculture;

12                  (x) ensuring that the use of import relief  
13                  mechanisms for perishable and cyclical agri-  
14                  culture are as accessible and timely to growers  
15                  in the United States as those mechanisms that  
16                  are used by other countries;

17                  (xi) taking into account whether a party to  
18                  the negotiations has failed to adhere to the pro-  
19                  visions of already existing trade agreements  
20                  with the United States or has circumvented ob-  
21                  ligations under those agreements;

22                  (xii) taking into account whether a product  
23                  is subject to market distortions by reason of a  
24                  failure of a major producing country to adhere  
25                  to the provisions of already existing trade

1 agreements with the United States or by the  
2 circumvention by that country of its obligations  
3 under those agreements;

4 (xiii) otherwise ensuring that countries  
5 that accede to the World Trade Organization  
6 have made meaningful market liberalization  
7 commitments in agriculture;

8 (xiv) taking into account the impact that  
9 agreements covering agriculture to which the  
10 United States is a party, including the North  
11 American Free Trade Agreement, have on the  
12 United States agricultural industry; and

13 (xv) maintaining bona fide food assistance  
14 programs and preserving United States market  
15 development and export credit programs.

16 (B)(i) Before commencing negotiations with re-  
17 spect to agriculture, the United States Trade Rep-  
18 resentative, in consultation with the Congress, shall  
19 seek to develop a position on the treatment of sea-  
20 sonal and perishable agricultural products to be em-  
21 ployed in the negotiations in order to develop an  
22 international consensus on the treatment of seasonal  
23 or perishable agricultural products in investigations  
24 relating to dumping and safeguards and in any other  
25 relevant area.

1           (ii) During any negotiations on agricultural  
2           subsidies, the United States Trade Representative  
3           shall seek to establish the common base year for cal-  
4           culating the Aggregated Measurement of Support  
5           (as defined in the Agreement on Agriculture) as the  
6           end of each country's Uruguay Round implementa-  
7           tion period, as reported in each country's Uruguay  
8           Round market access schedule.

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

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

21               (A) to ensure that a party to a trade  
22               agreement with the United States does not fail  
23               to effectively enforce its environmental or labor  
24               laws, through a sustained or recurring course of  
25               action or inaction, in a manner affecting trade

1 between the United States and that party after  
2 entry into force of a trade agreement between  
3 those countries;

4 (B) to recognize that parties to a trade  
5 agreement retain the right to exercise discretion  
6 with respect to investigatory, prosecutorial, reg-  
7 ulatory, and compliance matters and to make  
8 decisions regarding the allocation of resources  
9 to enforcement with respect to other labor or  
10 environmental matters determined to have high-  
11 er priorities, and to recognize that a country is  
12 effectively enforcing its laws if a course of ac-  
13 tion or inaction reflects a reasonable exercise of  
14 such discretion, or results from a bona fide de-  
15 cision regarding the allocation of resources and  
16 no retaliation may be authorized based on the  
17 exercise of these rights or the right to establish  
18 domestic labor standards and levels of environ-  
19 mental protection;

20 (C) to strengthen the capacity of United  
21 States trading partners to promote respect for  
22 core labor standards (as defined in section  
23 11(2));

24 (D) to strengthen the capacity of United  
25 States trading partners to protect the environ-

1           ment through the promotion of sustainable de-  
2           velopment;

3           ~~(E)~~ to reduce or eliminate government  
4           practices or policies that unduly threaten sus-  
5           tainable development;

6           ~~(F)~~ to seek market access, through the  
7           elimination of tariffs and nontariff barriers, for  
8           United States environmental technologies,  
9           goods, and services; and

10          ~~(G)~~ to ensure that labor, environmental,  
11          health, or safety policies and practices of the  
12          parties to trade agreements with the United  
13          States do not arbitrarily or unjustifiably dis-  
14          criminate against United States exports or  
15          serve as disguised barriers to trade.

16          ~~(12)~~ DISPUTE SETTLEMENT AND ENFORCE-  
17          MENT.—The principal negotiating objectives of the  
18          United States with respect to dispute settlement and  
19          enforcement of trade agreements are—

20          (A) to seek provisions in trade agreements  
21          providing for resolution of disputes between  
22          governments under those trade agreements in  
23          an effective, timely, transparent, equitable, and  
24          reasoned manner, requiring determinations  
25          based on facts and the principles of the agree-

1           ments, with the goal of increasing compliance  
2           with the agreements;

3           (B) to seek to strengthen the capacity of  
4           the Trade Policy Review Mechanism of the  
5           World Trade Organization to review compliance  
6           with commitments;

7           (C) to seek provisions encouraging the  
8           early identification and settlement of disputes  
9           through consultation;

10          (D) to seek provisions to encourage the  
11          provision of trade-expanding compensation if a  
12          party to a dispute under the agreement does  
13          not come into compliance with its obligations  
14          under the agreement;

15          (E) to seek provisions to impose a penalty  
16          upon a party to a dispute under the agreement  
17          that—

18                 (i) encourages compliance with the ob-  
19                 ligations of the agreement;

20                 (ii) is appropriate to the parties, na-  
21                 ture, subject matter, and scope of the vio-  
22                 lation; and

23                 (iii) has the aim of not adversely af-  
24                 fecting parties or interests not party to the

1           dispute while maintaining the effectiveness  
2           of the enforcement mechanism; and

3           ~~(F)~~ to seek provisions that treat United  
4           States principal negotiating objectives equally  
5           with respect to—

6                   (i) the ability to resort to dispute set-  
7                   tlement under the applicable agreement;

8                   (ii) the availability of equivalent dis-  
9                   pute settlement procedures; and

10                   (iii) the availability of equivalent rem-  
11                   edies.

12           ~~(13) WTO EXTENDED NEGOTIATIONS.—~~The  
13           principal negotiating objectives of the United States  
14           regarding trade in civil aircraft are those set forth  
15           in section 135(e) of the Uruguay Round Agreements  
16           Act (19 U.S.C. 3355(e)) and regarding rules of ori-  
17           gin are the conclusion of an agreement described in  
18           section 132 of that Act (19 U.S.C. 3552).

19           ~~(e) PROMOTION OF CERTAIN PRIORITIES.—~~In order  
20           to address and maintain United States competitiveness in  
21           the global economy, the President shall—

22                   ~~(1)~~ seek greater cooperation between the WTO  
23                   and the ILO;

24                   ~~(2)~~ seek to establish consultative mechanisms  
25                   among parties to trade agreements to strengthen the

1 capacity of United States trading partners to pro-  
2 mote respect for core labor standards (as defined in  
3 section 11(2)), and report to the Committee on  
4 Ways and Means of the House of Representatives  
5 and the Committee on Finance of the Senate on the  
6 content and operation of such mechanisms;

7 (3) seek to establish consultative mechanisms  
8 among parties to trade agreements to strengthen the  
9 capacity of United States trading partners to de-  
10 velop and implement standards for the protection of  
11 the environment and human health based on sound  
12 science; and report to the Committee on Ways and  
13 Means of the House of Representatives and the  
14 Committee on Finance of the Senate on the content  
15 and operation of such mechanisms;

16 (4) conduct environmental reviews of future  
17 trade and investment agreements, consistent with  
18 Executive Order 13141 of November 16, 1999 and  
19 its relevant guidelines; and report to the Committee  
20 on Ways and Means of the House of Representatives  
21 and the Committee on Finance of the Senate on  
22 such reviews;

23 (5) review the impact of future trade agree-  
24 ments on United States employment, modeled after  
25 Executive Order 13141, and report to the Com-

1       committee on Ways and Means of the House of Rep-  
2       representatives and the Committee on Finance of the  
3       Senate on such review;

4           (6) take into account other legitimate United  
5       States domestic objectives including, but not limited  
6       to, the protection of legitimate health or safety, es-  
7       sential security, and consumer interests and the law  
8       and regulations related thereto;

9           (7) have the Secretary of Labor consult with  
10       any country seeking a trade agreement with the  
11       United States concerning that country's labor laws  
12       and provide technical assistance to that country if  
13       needed;

14          (8) with respect to any trade agreement which  
15       the President seeks to implement under trade au-  
16       thorities procedures, submit to the Congress a report  
17       describing the extent to which the country or coun-  
18       tries that are parties to the agreement have in effect  
19       laws governing exploitative child labor;

20          (9) preserve the ability of the United States to  
21       enforce rigorously its trade laws, including the anti-  
22       dumping and countervailing duty laws, and avoid  
23       agreements which lessen the effectiveness of domes-  
24       tic and international disciplines on unfair trade, es-  
25       pecially dumping and subsidies, in order to ensure

1 that United States workers, agricultural producers,  
2 and firms can compete fully on fair terms and enjoy  
3 the benefits of reciprocal trade concessions;

4 (10) continue to promote consideration of mul-  
5 tilateral environmental agreements and consult with  
6 parties to such agreements regarding the consistency  
7 of any such agreement that includes trade measures  
8 with existing environmental exceptions under Article  
9 ~~XX~~ of the GATT 1994;

10 (11) report to the Committee on Ways and  
11 Means of the House of Representatives and the  
12 Committee on Finance of the Senate, not later than  
13 12 months after the imposition of a penalty or reme-  
14 dy by the United States permitted by a trade agree-  
15 ment to which this Act applies, on the effectiveness  
16 of the penalty or remedy applied under United  
17 States law in enforcing United States rights under  
18 the trade agreement; and

19 (12) seek to establish consultative mechanisms  
20 among parties to trade agreements to examine the  
21 trade consequences of significant and unanticipated  
22 currency movements and to scrutinize whether a for-  
23 eign government engaged in a pattern of manipu-  
24 lating its currency to promote a competitive advan-  
25 tage in international trade.

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

6 (d) CONSULTATIONS.—

7 (1) CONSULTATIONS WITH CONGRESSIONAL AD-  
8 VISERS.—In the course of negotiations conducted  
9 under this Act, the United States Trade Representa-  
10 tive shall consult closely and on a timely basis with,  
11 and keep fully apprised of the negotiations, the Con-  
12 gressional Oversight Group convened under section 7  
13 and all committees of the House of Representatives  
14 and the Senate with jurisdiction over laws that  
15 would be affected by a trade agreement resulting  
16 from the negotiations.

17 (2) CONSULTATION BEFORE AGREEMENT INI-  
18 TIALED.—In the course of negotiations conducted  
19 under this Act, the United States Trade Representa-  
20 tive shall—

21 (A) consult closely and on a timely basis  
22 (including immediately before initialing an  
23 agreement) with, and keep fully apprised of the  
24 negotiations, the congressional advisers for  
25 trade policy and negotiations appointed under

1 section 161 of the Trade Act of 1974 (19  
2 U.S.C. 2211), the Committee on Ways and  
3 Means of the House of Representatives, the  
4 Committee on Finance of the Senate, and the  
5 Congressional Oversight Group convened under  
6 section 7; and

7 (B) with regard to any negotiations and  
8 agreement relating to agricultural trade, also  
9 consult closely and on a timely basis (including  
10 immediately before initialing an agreement)  
11 with, and keep fully apprised of the negotia-  
12 tions, the Committee on Agriculture of the  
13 House of Representatives and the Committee  
14 on Agriculture, Nutrition, and Forestry of the  
15 Senate.

16 (e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY  
17 ROUND AGREEMENTS.—In determining whether to enter  
18 into negotiations with a particular country, the President  
19 shall take into account the extent to which that country  
20 has implemented, or has accelerated the implementation  
21 of, its obligations under the Uruguay Round Agreements.

22 **SEC. 3. TRADE AGREEMENTS AUTHORITY.**

23 (a) AGREEMENTS REGARDING TARIFF BARRIERS.—

24 (1) IN GENERAL.—Whenever the President de-  
25 termines that one or more existing duties or other

1 import restrictions of any foreign country or the  
2 United States are unduly burdening and restricting  
3 the foreign trade of the United States and that the  
4 purposes, policies, priorities, and objectives of this  
5 Act will be promoted thereby, the President—

6 (A) may enter into trade agreements with  
7 foreign countries before—

8 (i) June 1, 2005; or

9 (ii) June 1, 2007, if trade authorities  
10 procedures are extended under subsection  
11 (e); and

12 (B) may, subject to paragraphs (2) and  
13 (3), proclaim—

14 (i) such modification or continuance  
15 of any existing duty;

16 (ii) such continuance of existing duty-  
17 free or excise treatment; or

18 (iii) such additional duties;

19 as the President determines to be required or  
20 appropriate to carry out any such trade agree-  
21 ment.

22 The President shall notify the Congress of the Presi-  
23 dent's intention to enter into an agreement under  
24 this subsection.

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

3           (A) reduces any rate of duty (other than a  
4 rate of duty that does not exceed 5 percent ad  
5 valorem on the date of the enactment of this  
6 Act) to a rate of duty which is less than 50 per-  
7 cent of the rate of such duty that applies on  
8 such date of enactment;

9           (B) notwithstanding paragraph (6), re-  
10 duces the rate of duty below that applicable  
11 under the Uruguay Round Agreements, on any  
12 agricultural product which was the subject of  
13 tariff reductions by the United States as a re-  
14 sult of the Uruguay Round Agreements, for  
15 which the rate of duty, pursuant to such Agree-  
16 ments, was reduced on January 1, 1995, to a  
17 rate which was not less than 97.5 percent of  
18 the rate of duty that applied to such article on  
19 December 31, 1994; or

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

23           (3) AGGREGATE REDUCTION; EXEMPTION FROM  
24 STAGING.—

1           (A) AGGREGATE REDUCTION.—Except as  
2 provided in subparagraph (B), the aggregate re-  
3 duction in the rate of duty on any article which  
4 is in effect on any day pursuant to a trade  
5 agreement entered into under paragraph (1)  
6 shall not exceed the aggregate reduction which  
7 would have been in effect on such day if—

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

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

19           (B) EXEMPTION FROM STAGING.—No  
20 staging is required under subparagraph (A)  
21 with respect to a duty reduction that is pro-  
22 claimed under paragraph (1) for an article of a  
23 kind that is not produced in the United States.  
24 The United States International Trade Com-  
25 mission shall advise the President of the iden-

1           tity of articles that may be exempted from stag-  
2           ing under this subparagraph.

3           (4) ~~ROUNDING.~~—If the President determines  
4           that such action will simplify the computation of re-  
5           ductions under paragraph (3), the President may  
6           round an annual reduction by an amount equal to  
7           the lesser of—

8                   (A) the difference between the reduction  
9                   without regard to this paragraph and the next  
10                  lower whole number; or

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

12           (5) ~~OTHER LIMITATIONS.~~—A rate of duty re-  
13           duction that may not be proclaimed by reason of  
14           paragraph (2) may take effect only if a provision au-  
15           thorizing such reduction is included within an imple-  
16           menting bill provided for under section 5 and that  
17           bill is enacted into law.

18           (6) ~~OTHER TARIFF MODIFICATIONS.~~—Notwith-  
19           standing paragraphs (1)(B), (2)(A), (2)(C), and (3)  
20           through (5), and subject to the consultation and lay-  
21           over requirements of section 115 of the Uruguay  
22           Round Agreements Act, the President may proclaim  
23           the modification of any duty or staged rate reduc-  
24           tion of any duty set forth in Schedule ~~XX~~, as de-  
25           fined in section 2(5) of that Act, if the United

1 States agrees to such modification or staged rate re-  
2 duction in a negotiation for the reciprocal elimi-  
3 nation or harmonization of duties under the auspices  
4 of the World Trade Organization.

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

10 (b) AGREEMENTS REGARDING TARIFF AND NON-  
11 TARIFF BARRIERS.—

12 (1) IN GENERAL.—(A) Whenever the President  
13 determines that—

14 (i) one or more existing duties or any other  
15 import restriction of any foreign country or the  
16 United States or any other barrier to, or other  
17 distortion of, international trade unduly bur-  
18 dens or restricts the foreign trade of the United  
19 States or adversely affects the United States  
20 economy; or

21 (ii) the imposition of any such barrier or  
22 distortion is likely to result in such a burden,  
23 restriction, or effect;

24 and that the purposes, policies, priorities, and objec-  
25 tives of this Act will be promoted thereby, the Presi-

1 dent may enter into a trade agreement described in  
2 subparagraph (B) during the period described in  
3 subparagraph (C).

4 (B) The President may enter into a trade  
5 agreement under subparagraph (A) with foreign  
6 countries providing for—

7 (i) the reduction or elimination of a duty,  
8 restriction, barrier, or other distortion described  
9 in subparagraph (A); or

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

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

14 (i) June 1, 2005; or

15 (ii) June 1, 2007, if trade authorities pro-  
16 ceedures are extended under subsection (c).

17 (2) CONDITIONS.—A trade agreement may be  
18 entered into under this subsection only if such  
19 agreement makes progress in meeting the applicable  
20 objectives described in section 2(a) and (b) and the  
21 President satisfies the conditions set forth in section  
22 4.

23 (3) BILLS QUALIFYING FOR TRADE AUTHORI-  
24 TIES PROCEDURES.—(A) The provisions of section  
25 151 of the Trade Act of 1974 (in this Act referred

1 to as “trade authorities procedures”) apply to a bill  
2 of either House of Congress which contains provi-  
3 sions described in subparagraph (B) to the same ex-  
4 tent as such section 151 applies to implementing  
5 bills under that section. A bill to which this para-  
6 graph applies shall hereafter in this Act be referred  
7 to as an “implementing bill”.

8 (B) The provisions referred to in subparagraph  
9 (A) are—

10 (i) a provision approving a trade agree-  
11 ment entered into under this subsection and ap-  
12 proving the statement of administrative action,  
13 if any, proposed to implement such trade agree-  
14 ment; and

15 (ii) if changes in existing laws or new statu-  
16 tory authority are required to implement such  
17 trade agreement or agreements, provisions, nec-  
18 essary or appropriate to implement such trade  
19 agreement or agreements, either repealing or  
20 amending existing laws or providing new statu-  
21 tory authority.

22 (c) EXTENSION DISAPPROVAL PROCESS FOR CON-  
23 GRESSIONAL TRADE AUTHORITIES PROCEDURES.—

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

1           (A) the trade authorities procedures apply  
2           to implementing bills submitted with respect to  
3           trade agreements entered into under subsection  
4           (b) before July 1, 2005; and

5           (B) the trade authorities procedures shall  
6           be extended to implementing bills submitted  
7           with respect to trade agreements entered into  
8           under subsection (b) after June 30, 2005; and  
9           before July 1, 2007, if (and only if)—

10           (i) the President requests such exten-  
11           sion under paragraph (2); and

12           (ii) neither House of the Congress  
13           adopts an extension disapproval resolution  
14           under paragraph (5) before June 1, 2005.

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

22           (A) a description of all trade agreements  
23           that have been negotiated under subsection (b)  
24           and the anticipated schedule for submitting  
25           such agreements to the Congress for approval;

1           (B) a description of the progress that has  
2           been made in negotiations to achieve the pur-  
3           poses, policies, priorities, and objectives of this  
4           Act, and a statement that such progress justi-  
5           fies the continuation of negotiations; and

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

8           (3) REPORT TO CONGRESS BY THE ADVISORY  
9           COMMITTEE.—The President shall promptly inform  
10          the Advisory Committee for Trade Policy and Nego-  
11          tiations established under section 135 of the Trade  
12          Act of 1974 (19 U.S.C. 2155) of the President’s de-  
13          cision to submit a report to the Congress under  
14          paragraph (2). The Advisory Committee shall submit  
15          to the Congress as soon as practicable, but not later  
16          than May 1, 2005, a written report that contains—

17                (A) its views regarding the progress that  
18                has been made in negotiations to achieve the  
19                purposes, policies, priorities, and objectives of  
20                this Act; and

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

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

5           (5) EXTENSION DISAPPROVAL RESOLUTIONS.—

6           (A) For purposes of paragraph (1), the term “exten-  
7           sion disapproval resolution” means a resolution of  
8           either House of the Congress, the sole matter after  
9           the resolving clause of which is as follows: “That the  
10          \_\_\_\_\_ disapproves the request of the President for  
11          the extension, under section 3(e)(1)(B)(i) of the Bi-  
12          partisan Trade Promotion Authority Act of 2001, of  
13          the trade authorities procedures under that Act to  
14          any implementing bill submitted with respect to any  
15          trade agreement entered into under section 3(b) of  
16          that Act after June 30, 2005.”, with the blank space  
17          being filled with the name of the resolving House of  
18          the Congress.

19          (B) Extension disapproval resolutions—

20                 (i) may be introduced in either House of  
21                 the Congress by any member of such House;  
22                 and

23                 (ii) shall be referred, in the House of Rep-  
24                 resentatives, to the Committee on Ways and

1 Means and, in addition, to the Committee on  
2 Rules.

3 (C) The provisions of section 152(d) and (e) of  
4 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))  
5 (relating to the floor consideration of certain resolu-  
6 tions in the House and Senate) apply to extension  
7 disapproval resolutions.

8 (D) It is not in order for—

9 (i) the Senate to consider any extension  
10 disapproval resolution not reported by the Com-  
11 mittee on Finance;

12 (ii) the House of Representatives to con-  
13 sider any extension disapproval resolution not  
14 reported by the Committee on Ways and Means  
15 and, in addition, by the Committee on Rules; or

16 (iii) either House of the Congress to con-  
17 sider an extension disapproval resolution after  
18 June 30, 2005.

19 (d) COMMENCEMENT OF NEGOTIATIONS.—In order  
20 to contribute to the continued economic expansion of the  
21 United States, the President shall commence negotiations  
22 covering tariff and nontariff barriers affecting any indus-  
23 try, product, or service sector, and expand existing sec-  
24 toral agreements to countries that are not parties to those  
25 agreements, in cases where the President determines that

1 such negotiations are feasible and timely and would ben-  
2 efit the United States. Such sectors include agriculture,  
3 commercial services, intellectual property rights, industrial  
4 and capital goods, government procurement, information  
5 technology products, environmental technology and serv-  
6 ices, medical equipment and services, civil aircraft, and in-  
7 frastructure products. In so doing, the President shall  
8 take into account all of the principal negotiating objectives  
9 set forth in section 2(b).

10 **SEC. 4. CONSULTATIONS AND ASSESSMENT.**

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

14 (1) provide, at least 90 calendar days before  
15 initiating negotiations, written notice to the Con-  
16 gress of the President's intention to enter into the  
17 negotiations and set forth therein the date the Presi-  
18 dent intends to initiate such negotiations, the spe-  
19 cific United States objectives for the negotiations,  
20 and whether the President intends to seek an agree-  
21 ment, or changes to an existing agreement;

22 (2) before and after submission of the notice,  
23 consult regarding the negotiations with the Com-  
24 mittee on Finance of the Senate and the Committee  
25 on Ways and Means of the House of Representa-

1       tives, such other committees of the House and Sen-  
2       ate as the President deems appropriate, and the  
3       Congressional Oversight group convened under sec-  
4       tion 7; and

5               (3) upon the request of a majority of the mem-  
6       bers of the Congressional Oversight Group under  
7       section 7(e), meet with the Congressional Oversight  
8       Group before initiating the negotiations or at any  
9       other time concerning the negotiations.

10       (b) NEGOTIATIONS REGARDING AGRICULTURE.—

11               (1) IN GENERAL.—Before initiating or con-  
12       tinuing negotiations the subject matter of which is  
13       directly related to the subject matter under section  
14       2(b)(10)(A)(i) with any country, the President shall  
15       assess whether United States tariffs on agricultural  
16       products that were bound under the Uruguay Round  
17       Agreements are lower than the tariffs bound by that  
18       country. In addition, the President shall consider  
19       whether the tariff levels bound and applied through-  
20       out the world with respect to imports from the  
21       United States are higher than United States tariffs  
22       and whether the negotiation provides an opportunity  
23       to address any such disparity. The President shall  
24       consult with the Committee on Ways and Means and  
25       the Committee on Agriculture of the House of Rep-

1 representatives and the Committee on Finance and the  
2 Committee on Agriculture, Nutrition, and Forestry  
3 of the Senate concerning the results of the assess-  
4 ment, whether it is appropriate for the United  
5 States to agree to further tariff reductions based on  
6 the conclusions reached in the assessment, and how  
7 all applicable negotiating objectives will be met.

8 (2) SPECIAL CONSULTATIONS ON IMPORT SEN-  
9 SITIVE PRODUCTS.—(A) Before initiating negotia-  
10 tions with regard to agriculture, and, with respect to  
11 the Free Trade Area for the Americas and negotia-  
12 tions with regard to agriculture under the auspices  
13 of the World Trade Organization, as soon as prac-  
14 ticable after the enactment of this Act, the United  
15 States Trade Representative shall—

16 (i) identify those agricultural products sub-  
17 ject to tariff reductions by the United States as  
18 a result of the Uruguay Round Agreements, for  
19 which the rate of duty was reduced on January  
20 1, 1995, to a rate which was not less than 97.5  
21 percent of the rate of duty that applied to such  
22 article on December 31, 1994;

23 (ii) consult with the Committee on Ways  
24 and Means and the Committee on Agriculture  
25 of the House of Representatives and the Com-

1           committee on Finance and the Committee on Agri-  
2           culture, Nutrition, and Forestry of the Senate  
3           concerning—

4                   (I) whether any further tariff reduc-  
5                   tions on the products identified under  
6                   clause (i) should be appropriate, taking  
7                   into account the impact of any such tariff  
8                   reduction on the United States industry  
9                   producing the product concerned; and

10                   (II) whether the products so identified  
11                   face unjustified sanitary or phytosanitary  
12                   restrictions, including those not based on  
13                   scientific principles in contravention of the  
14                   Uruguay Round Agreements;

15                   (iii) request that the International Trade  
16                   Commission prepare an assessment of the prob-  
17                   able economic effects of any such tariff reduc-  
18                   tion on the United States industry producing  
19                   the product concerned and on the United States  
20                   economy as a whole; and

21                   (iv) upon complying with clauses (i), (ii),  
22                   and (iii), notify the Committee on Ways and  
23                   Means and the Committee on Agriculture of the  
24                   House of Representatives and the Committee  
25                   on Finance and the Committee on Agriculture,

1 Nutrition, and Forestry of the Senate of those  
2 products identified under clause (i) for which  
3 the Trade Representative intends to seek tariff  
4 liberalization in the negotiations and the rea-  
5 sons for seeking such tariff liberalization.

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

8 (i) the United States Trade Representative  
9 identifies any additional agricultural product  
10 described in subparagraph (A)(i) for tariff re-  
11 ductions which were not the subject of a notifi-  
12 cation under subparagraph (A)(iv), or

13 (ii) any additional agricultural product de-  
14 scribed in subparagraph (A)(i) is the subject of  
15 a request for tariff reductions by a party to the  
16 negotiations,

17 the Trade Representative shall, as soon as prac-  
18 ticable, notify the committees referred to in subpara-  
19 graph (A)(iv) of those products and the reasons for  
20 seeking such tariff reductions.

21 (c) NEGOTIATIONS REGARDING TEXTILES.—Before  
22 initiating or continuing negotiations the subject matter of  
23 which is directly related to textiles and apparel products  
24 with any country, the President shall assess whether  
25 United States tariffs on textile and apparel products that

1 were bound under the Uruguay Round Agreements are  
2 lower than the tariffs bound by that country and whether  
3 the negotiation provides an opportunity to address any  
4 such disparity. The President shall consult with the Com-  
5 mittee on Ways and Means of the House of Representa-  
6 tives and the Committee on Finance of the Senate con-  
7 cerning the results of the assessment, whether it is appro-  
8 priate for the United States to agree to further tariff re-  
9 ductions based on the conclusions reached in the assess-  
10 ment, and how all applicable negotiating objectives will be  
11 met.

12 (d) CONSULTATION WITH CONGRESS BEFORE  
13 AGREEMENTS ENTERED INTO.—

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

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

20 (B) each other committee of the House  
21 and the Senate, and each joint committee of the  
22 Congress, which has jurisdiction over legislation  
23 involving subject matters which would be af-  
24 fected by the trade agreement; and

1           (C) the Congressional Oversight Group  
2           convened under section 7.

3           (2) SCOPE.—The consultation described in  
4           paragraph (1) shall include consultation with respect  
5           to—

6                   (A) the nature of the agreement;

7                   (B) how and to what extent the agreement  
8           will achieve the applicable purposes, policies,  
9           priorities, and objectives of this Act; and

10                  (C) the implementation of the agreement  
11           under section 5, including the general effect of  
12           the agreement on existing laws.

13           (e) 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(a) or (b) of this Act shall be provided to the President,  
17           the Congress, and the United States Trade Representative  
18           not later than 30 days after the date on which the Presi-  
19           dent notifies the Congress under section 3(a)(1) or  
20           5(a)(1)(A) of the President's intention to enter into the  
21           agreement.

22           (f) ITC ASSESSMENT.—

23                  (1) IN GENERAL.—The President, at least 90  
24           calendar days before the day on which the President  
25           enters into a trade agreement under section 3(b);

1 shall provide the International Trade Commission  
2 (referred to in this subsection as “the Commission”)  
3 with the details of the agreement as it exists at that  
4 time and request the Commission to prepare and  
5 submit an assessment of the agreement as described  
6 in paragraph (2). Between the time the President  
7 makes the request under this paragraph and the  
8 time the Commission submits the assessment, the  
9 President shall keep the Commission current with  
10 respect to the details of the agreement.

11 (2) ITC ASSESSMENT.—Not later than 90 cal-  
12 endar days after the President enters into the agree-  
13 ment, the Commission shall submit to the President  
14 and the Congress a report assessing the likely im-  
15 pact of the agreement on the United States economy  
16 as a whole and on specific industry sectors, includ-  
17 ing the impact the agreement will have on the gross  
18 domestic product, exports and imports, aggregate  
19 employment and employment opportunities, the pro-  
20 duction, employment, and competitive position of in-  
21 dustries likely to be significantly affected by the  
22 agreement, and the interests of United States con-  
23 sumers.

24 (3) REVIEW OF EMPIRICAL LITERATURE.—In  
25 preparing the assessment, the Commission shall re-

1 view available economic assessments regarding the  
2 agreement, including literature regarding any sub-  
3 stantially equivalent proposed agreement, and shall  
4 provide in its assessment a description of the anal-  
5 yses used and conclusions drawn in such literature,  
6 and a discussion of areas of consensus and diver-  
7 gence between the various analyses and conclusions,  
8 including those of the Commission regarding the  
9 agreement.

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

11 (a) IN GENERAL.—

12 (1) NOTIFICATION AND SUBMISSION.—Any  
13 agreement entered into under section 3(b) shall  
14 enter into force with respect to the United States if  
15 (and only if)—

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

23 (B) within 60 days after entering into the  
24 agreement, the President submits to the Con-  
25 gress a description of those changes to existing

1 laws that the President considers would be re-  
2 quired in order to bring the United States into  
3 compliance with the agreement;

4 (C) after entering into the agreement, the  
5 President submits to the Congress, on a day on  
6 which both Houses of Congress are in session,  
7 a copy of the final legal text of the agreement,  
8 together with—

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

11 (ii) a statement of any administrative  
12 action proposed to implement the trade  
13 agreement; and

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

16 (D) the implementing bill is enacted into  
17 law.

18 (2) SUPPORTING INFORMATION.—The sup-  
19 porting information required under paragraph  
20 (1)(C)(iii) consists of—

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

24 (B) a statement—

1           (i) asserting that the agreement  
2 makes progress in achieving the applicable  
3 purposes, policies, priorities, and objectives  
4 of this Act; and

5           (ii) setting forth the reasons of the  
6 President regarding—

7                 (I) how and to what extent the  
8 agreement makes progress in achiev-  
9 ing the applicable purposes, policies,  
10 and objectives referred to in clause (i);

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

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

17                 (IV) how the implementing bill  
18 meets the standards set forth in sec-  
19 tion 3(b)(3); and

20                 (V) how and to what extent the  
21 agreement makes progress in achiev-  
22 ing the applicable purposes, policies,  
23 and objectives referred to in section  
24 2(e) regarding the promotion of cer-  
25 tain priorities.

1           (3) RECIPROCAL BENEFITS.—In order to en-  
2           sure that a foreign country that is not a party to a  
3           trade agreement entered into under section 3(b)  
4           does not receive benefits under the agreement unless  
5           the country is also subject to the obligations under  
6           the agreement, the implementing bill submitted with  
7           respect to the agreement shall provide that the bene-  
8           fits and obligations under the agreement apply only  
9           to the parties to the agreement, if such application  
10          is consistent with the terms of the agreement. The  
11          implementing bill may also provide that the benefits  
12          and obligations under the agreement do not apply  
13          uniformly to all parties to the agreement, if such ap-  
14          plication is consistent with the terms of the agree-  
15          ment.

16          (b) LIMITATIONS ON TRADE AUTHORITIES PROCE-  
17          DURES.—

18                 (1) FOR LACK OF NOTICE OR CONSULTA-  
19                 TIONS.—

20                         (A) IN GENERAL.—The trade authorities  
21                         procedures shall not apply to any implementing  
22                         bill submitted with respect to a trade agreement  
23                         or trade agreements entered into under section  
24                         3(b) if during the 60-day period beginning on  
25                         the date that one House of Congress agrees to

1 a procedural disapproval resolution for lack of  
2 notice or consultations with respect to such  
3 trade agreement or agreements; the other  
4 House separately agrees to a procedural dis-  
5 approval resolution with respect to such trade  
6 agreement or agreements.

7 (B) PROCEDURAL DISAPPROVAL RESOLU-  
8 TION.—(i) For purposes of this paragraph, the  
9 term “procedural disapproval resolution” means  
10 a resolution of either House of Congress, the  
11 sole matter after the resolving clause of which  
12 is as follows: “That the President has failed or  
13 refused to notify or consult in accordance with  
14 the Bipartisan Trade Promotion Authority Act  
15 of 2001 on negotiations with respect to  
16 \_\_\_\_\_ and, therefore, the trade au-  
17 thorities procedures under that Act shall not  
18 apply to any implementing bill submitted with  
19 respect to such trade agreement or agree-  
20 ments.”, with the blank space being filled with  
21 a description of the trade agreement or agree-  
22 ments with respect to which the President is  
23 considered to have failed or refused to notify or  
24 consult.

1           (ii) For purposes of clause (i), the Presi-  
2           dent has “failed or refused to notify or consult  
3           in accordance with the Bipartisan Trade Pro-  
4           motion Authority Act of 2001” on negotiations  
5           with respect to a trade agreement or trade  
6           agreements if—

7                   (I) the President has failed or refused  
8                   to consult (as the case may be) in accord-  
9                   ance with section 4 or 5 with respect to the  
10                  negotiations, agreement, or agreements;

11                  (II) guidelines under section 7(b) have  
12                  not been developed or met with respect to  
13                  the negotiations, agreement, or agree-  
14                  ments;

15                  (III) the President has not met with  
16                  the Congressional Oversight Group pursu-  
17                  ant to a request made under section 7(e)  
18                  with respect to the negotiations, agree-  
19                  ment, or agreements; or

20                  (IV) the agreement or agreements fail  
21                  to make progress in achieving the pur-  
22                  poses, policies, priorities, and objectives of  
23                  this Act.

24           (2) PROCEDURES FOR CONSIDERING RESOLU-  
25           TIONS.—(A) Procedural disapproval resolutions—

1 (i) in the House of Representatives—

2 (I) may be introduced by any Member  
3 of the House;

4 (II) shall be referred to the Com-  
5 mittee on Ways and Means and, in addi-  
6 tion, to the Committee on Rules; and

7 (III) may not be amended by either  
8 Committee; and

9 (ii) in the Senate may be introduced by  
10 any Member of the Senate.

11 (B) The provisions of section 152(d) and (e) of  
12 the Trade Act of 1974 (19 U.S.C. 2192(d) and (e))  
13 (relating to the floor consideration of certain resolu-  
14 tions in the House and Senate) apply to a proce-  
15 dural disapproval resolution introduced with respect  
16 to a trade agreement if no other procedural dis-  
17 approval resolution with respect to that trade agree-  
18 ment has previously been considered under such pro-  
19 visions of section 152 of the Trade Act of 1974 in  
20 that House of Congress during that Congress.

21 (C) It is not in order for the House of Rep-  
22 resentatives to consider any procedural disapproval  
23 resolution not reported by the Committee on Ways  
24 and Means and, in addition, by the Committee on  
25 Rules.

1 (e) RULES OF HOUSE OF REPRESENTATIVES AND  
2 SENATE.—Subsection (b) of this section and section 3(e)  
3 are enacted by the Congress—

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

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

15 **SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR**  
16 **WHICH NEGOTIATIONS HAVE ALREADY**  
17 **BEGUN.**

18 (a) CERTAIN AGREEMENTS.—Notwithstanding sec-  
19 tion 3(b)(2), if an agreement to which section 3(b)  
20 applies—

21 (1) is entered into under the auspices of the  
22 World Trade Organization;

23 (2) is entered into with Chile;

24 (3) is entered into with Singapore, or

1           (4) establishes a Free Trade Area for the  
2       Americas,  
3 and results from negotiations that were commenced before  
4 the date of the enactment of this Act, subsection (b) shall  
5 apply.

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

8           (1) the applicability of the trade authorities  
9       procedures to implementing bills shall be determined  
10       without regard to the requirements of section 4(a)  
11       (relating only to 90 days notice prior to initiating  
12       negotiations); and any procedural disapproval resolu-  
13       tion under section 5(b)(1)(B) shall not be in order  
14       on the basis of a failure or refusal to comply with  
15       the provisions of section 4(a); and

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

18           (A) notify the Congress of the negotiations  
19       described in subsection (a), the specific United  
20       States objectives in the negotiations, and  
21       whether the President is seeking a new agree-  
22       ment or changes to an existing agreement; and

23           (B) before and after submission of the no-  
24       tice, consult regarding the negotiations with the

1 committees referred to in section 4(a)(2) and  
2 the Congressional Oversight Group.

3 **SEC. 7. CONGRESSIONAL OVERSIGHT GROUP.**

4 (a) MEMBERS AND FUNCTIONS.—

5 (1) IN GENERAL.—By not later than 60 days  
6 after the date of the enactment of this Act, and not  
7 later than 30 days after the convening of each Con-  
8 gress, the chairman of the Committee on Ways and  
9 Means of the House of Representatives and the  
10 chairman of the Committee on Finance of the Sen-  
11 ate shall convene the Congressional Oversight  
12 Group.

13 (2) MEMBERSHIP FROM THE HOUSE.—In each  
14 Congress, the Congressional Oversight Group shall  
15 be comprised of the following Members of the House  
16 of Representatives:

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

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

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

5           ~~(3) MEMBERSHIP FROM THE SENATE.~~—In each  
6           Congress, the Congressional Oversight Group shall  
7           also be comprised of the following members of the  
8           Senate:

9                   (A) The chairman and ranking Member of  
10           the Committee on Finance and 3 additional  
11           members of such Committee (not more than 2  
12           of whom are members of the same political  
13           party).

14                   (B) The chairman and ranking member, or  
15           their designees, of the committees of the Senate  
16           which would have, under the Rules of the Sen-  
17           ate, jurisdiction over provisions of law affected  
18           by a trade agreement negotiations for which are  
19           conducted at any time during that Congress  
20           and to which this Act would apply.

21           ~~(4) ACCREDITATION.~~—Each member of the  
22           Congressional Oversight Group described in para-  
23           graph ~~(2)(A)~~ and ~~(3)(A)~~ shall be accredited by the  
24           United States Trade Representative on behalf of the  
25           President as official advisers to the United States

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

16 (5) CHAIR.—The Congressional Oversight  
17 Group shall be chaired by the Chairman of the Com-  
18 mittee on Ways and Means of the House of Rep-  
19 resentatives and the Chairman of the Committee on  
20 Finance of the Senate.

21 (b) GUIDELINES.—

22 (1) PURPOSE AND REVISION.—The United  
23 States Trade Representative, in consultation with  
24 the chairmen and ranking minority members of the  
25 Committee on Ways and Means of the House of

1 Representatives and the Committee on Finance of  
2 the Senate—

3 (A) shall, within 120 days after the date of  
4 the enactment of this Act, develop written  
5 guidelines to facilitate the useful and timely ex-  
6 change of information between the Trade Rep-  
7 resentative and the Congressional Oversight  
8 Group established under this section; and

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

11 (2) CONTENT.—The guidelines developed under  
12 paragraph (1) shall provide for, among other  
13 things—

14 (A) regular, detailed briefings of the Con-  
15 gressional Oversight Group regarding negoti-  
16 ating objectives, including the promotion of cer-  
17 tain priorities referred to in section 2(e), and  
18 positions and the status of the applicable nego-  
19 tiations, beginning as soon as practicable after  
20 the Congressional Oversight Group is convened,  
21 with more frequent briefings as trade negotia-  
22 tions enter the final stage;

23 (B) access by members of the Congres-  
24 sional Oversight Group, and staff with proper  
25 security clearances, to pertinent documents re-

1 relating to the negotiations, including classified  
2 materials;

3 (C) the closest practicable coordination be-  
4 tween the Trade Representative and the Con-  
5 gressional Oversight Group at all critical peri-  
6 ods during the negotiations, including at nego-  
7 tiation sites; and

8 (D) after the applicable trade agreement is  
9 concluded, consultation regarding ongoing com-  
10 pliance and enforcement of negotiated commit-  
11 ments under the trade agreement.

12 (e) REQUEST FOR MEETING.—Upon the request of  
13 a majority of the Congressional Oversight Group, the  
14 President shall meet with the Congressional Oversight  
15 Group before initiating negotiations with respect to a  
16 trade agreement, or at any other time concerning the ne-  
17 gotiations.

18 **SEC. 8. ADDITIONAL IMPLEMENTATION AND ENFORCE-**  
19 **MENT REQUIREMENTS.**

20 (a) IN GENERAL.—At the time the President submits  
21 to the Congress the final text of an agreement pursuant  
22 to section 5(a)(1)(C), the President shall also submit a  
23 plan for implementing and enforcing the agreement. The  
24 implementation and enforcement plan shall include the fol-  
25 lowing:

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

5           (2) AGENCY STAFFING REQUIREMENTS.—A de-  
6 scription of additional personnel required by Federal  
7 agencies responsible for monitoring and imple-  
8 menting the trade agreement, including personnel  
9 required by the Office of the United States Trade  
10 Representative, the Department of Commerce, the  
11 Department of Agriculture (including additional per-  
12 sonnel required to implement sanitary and  
13 phytosanitary measures in order to obtain market  
14 access for United States exports), the Department of  
15 the Treasury, and such other agencies as may be  
16 necessary.

17           (3) CUSTOMS INFRASTRUCTURE REQUIRE-  
18 MENTS.—A description of the additional equipment  
19 and facilities needed by the United States Customs  
20 Service.

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

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

4           (b) **BUDGET SUBMISSION.**—The President shall in-  
5           clude a request for the resources necessary to support the  
6           plan described in subsection (a) in the first budget that  
7           the President submits to the Congress after the submis-  
8           sion of the plan.

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

10          The grant of trade promotion authority under this  
11          Act is likely to increase the activities of the primary com-  
12          mittees of jurisdiction in the area of international trade.  
13          In addition, the creation of the Congressional Oversight  
14          Group under section 7 will increase the participation of  
15          a broader number of Members of Congress in the formula-  
16          tion of United States trade policy and oversight of the  
17          international trade agenda for the United States. The pri-  
18          mary committees of jurisdiction should have adequate  
19          staff to accommodate these increases in activities.

20          **SEC. 10. CONFORMING AMENDMENTS.**

21          (a) **IN GENERAL.**—Title I of the Trade Act of 1974  
22          (19 U.S.C. 2111 et seq.) is amended as follows:

23                 (1) **IMPLEMENTING BILL.**—

24                         (A) Section 151(b)(1) (19 U.S.C.  
25                         2191(b)(1)) is amended by striking “section

1           ~~1102(a)(1)~~ of the Omnibus Trade and Competi-  
 2           tiveness Act of 1988, or section 282 of the Uru-  
 3           guay Round Agreements Act” and inserting  
 4           “section 282 of the Uruguay Round Agree-  
 5           ments Act, or section 5(a)(1) of the Bipartisan  
 6           Trade Promotion Authority Act of 2001”.

7           (B) Section 151(e)(1) (19 U.S.C.  
 8           2191(e)(1)) is amended by striking “or section  
 9           282 of the Uruguay Round Agreements Act”  
 10          and inserting “, section 282 of the Uruguay  
 11          Round Agreements Act, or section 5(a)(1) of  
 12          the Bipartisan Trade Promotion Authority Act  
 13          of 2001”.

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

17                 (A) in subsection (a)—

18                         (i) in paragraph (1), by striking “see-  
 19                         tion ~~123~~ of this Act or section 1102 (a) or  
 20                         (e) of the Omnibus Trade and Competitive-  
 21                         ness Act of 1988,” and inserting “section  
 22                         123 of this Act or section 3(a) or (b) of  
 23                         the Bipartisan Trade Promotion Authority  
 24                         Act of 2001,”; and

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

6           (B) in subsection (b), by striking “section  
7           1102(a)(3)(A)” and inserting “section  
8           3(a)(3)(A) of the Bipartisan Trade Promotion  
9           Authority Act of 2001”; and

10          (C) in subsection (c), by striking “section  
11          1102 of the Omnibus Trade and Competitive-  
12          ness Act of 1988,” and inserting “section 3 of  
13          the Bipartisan Trade Promotion Authority Act  
14          of 2001.”.

15          (3) HEARINGS AND ADVICE.—Sections 132,  
16          133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and  
17          2154(a)) are each amended by striking “section  
18          1102 of the Omnibus Trade and Competitiveness  
19          Act of 1988,” each place it appears and inserting  
20          “section 3 of the Bipartisan Trade Promotion Au-  
21          thority Act of 2001.”.

22          (4) PREREQUISITES FOR OFFERS.—Section  
23          134(b) (19 U.S.C. 2154(b)) is amended by striking  
24          “section 1102 of the Omnibus Trade and Competi-  
25          tiveness Act of 1988” and inserting “section 3 of the

1 Bipartisan Trade Promotion Authority Act of  
2 2001”.

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

5 (A) in subsection (a)(1)(A), by striking  
6 “section 1102 of the Omnibus Trade and Com-  
7 petitiveness Act of 1988” and inserting “section  
8 3 of the Bipartisan Trade Promotion Authority  
9 Act of 2001”;

10 (B) in subsection (c)(1)—

11 (i) by striking “section 1102 of the  
12 Omnibus Trade and Competitiveness Act  
13 of 1988” each place it appears and insert-  
14 ing “section 3 of the Bipartisan Trade  
15 Promotion Authority Act of 2001”; and

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

20 (C) in subsection (c)(2), by striking “sec-  
21 tion 1101 of the Omnibus Trade and Competi-  
22 tiveness Act of 1988” and inserting “section 2  
23 of the Bipartisan Trade Promotion Authority  
24 Act of 2001”.

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

7           (b) APPLICATION OF CERTAIN PROVISIONS.—For  
8           purposes of applying sections 125, 126, and 127 of the  
9           Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and  
10          2137)—

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

15           (2) any proclamation or Executive order issued  
16          pursuant to a trade agreement entered into under  
17          section 3 shall be treated as a proclamation or Exec-  
18          utive order issued pursuant to a trade agreement en-  
19          tered into under section 102 of the Trade Act of  
20          1974.

21 **SEC. 11. DEFINITIONS.**

22          In this Act:

23           (1) AGREEMENT ON AGRICULTURE.—The term  
24          “Agreement on Agriculture” means the agreement

1 referred to in section 101(d)(2) of the Uruguay  
2 Round Agreements Act (19 U.S.C. 3511(d)(2)).

3 ~~(2) CORE LABOR STANDARDS.~~—The term “core  
4 labor standards” means—

5 (A) the right of association;

6 (B) the right to organize and bargain col-  
7 lectively;

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

10 (D) a minimum age for the employment of  
11 children; and

12 (E) acceptable conditions of work with re-  
13 spect to minimum wages, hours of work, and  
14 occupational safety and health.

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

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

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

22 (A) a United States citizen;

23 (B) a partnership, corporation, or other  
24 legal entity organized under the laws of the  
25 United States; and

1           (C) a partnership, corporation, or other  
2           legal entity that is organized under the laws of  
3           a foreign country and is controlled by entities  
4           described in subparagraph (B) or United States  
5           citizens, or both.

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

10          (7) WORLD TRADE ORGANIZATION; WTO.—The  
11          terms “World Trade Organization” and “WTO”  
12          mean the organization established pursuant to the  
13          WTO Agreement.

14          (8) WTO AGREEMENT.—The term “WTO  
15          Agreement” means the Agreement Establishing the  
16          World Trade Organization entered into on April 15,  
17          1994.

18       **SECTION 1. SHORT TITLE; FINDINGS.**

19          (a) *SHORT TITLE.*—This Act may be cited as the “Bi-  
20          partisan Trade Promotion Authority Act of 2002”.

21          (b) *FINDINGS.*—The Congress makes the following  
22          findings:

23               (1) *The expansion of international trade is vital*  
24               *to the national security of the United States. Trade*  
25               *is critical to the economic growth and strength of the*

1        *United States and to its leadership in the world. Sta-*  
2        *ble trading relationships promote security and pros-*  
3        *perity. Trade agreements today serve the same pur-*  
4        *poses that security pacts played during the Cold War,*  
5        *binding nations together through a series of mutual*  
6        *rights and obligations. Leadership by the United*  
7        *States in international trade fosters open markets, de-*  
8        *mocracy, and peace throughout the world.*

9                *(2) The national security of the United States*  
10        *depends on its economic security, which in turn is*  
11        *founded upon a vibrant and growing industrial base.*  
12        *Trade expansion has been the engine of economic*  
13        *growth. Trade agreements maximize opportunities for*  
14        *the critical sectors and building blocks of the economy*  
15        *of the United States, such as information technology,*  
16        *telecommunications and other leading technologies,*  
17        *basic industries, capital equipment, medical equip-*  
18        *ment, services, agriculture, environmental technology,*  
19        *and intellectual property. Trade will create new op-*  
20        *portunities for the United States and preserve the un-*  
21        *paralleled strength of the United States in economic,*  
22        *political, and military affairs. The United States, se-*  
23        *cured by expanding trade and economic opportuni-*  
24        *ties, will meet the challenges of the twenty-first cen-*  
25        *tury.*

1           (3) *Support for continued trade expansion re-*  
2           *quires that dispute settlement procedures under inter-*  
3           *national trade agreements not add to or diminish the*  
4           *rights and obligations provided in such agreements.*  
5           *Nevertheless, in several cases, dispute settlement pan-*  
6           *els and the WTO Appellate Body have added to obli-*  
7           *gations and diminished rights of the United States*  
8           *under WTO Agreements. In particular, dispute settle-*  
9           *ment panels and the Appellate Body have—*

10                   (A) *given insufficient deference to the exper-*  
11                   *tise and fact-finding of the Department of Com-*  
12                   *merce and the United States International Trade*  
13                   *Commission;*

14                   (B) *imposed an obligation concerning the*  
15                   *causal relationship between increased imports*  
16                   *into the United States and serious injury to do-*  
17                   *mestic industry necessary to support a safeguard*  
18                   *measure that is different from the obligation set*  
19                   *forth in the applicable WTO Agreements;*

20                   (C) *imposed an obligation concerning the*  
21                   *exclusion from safeguards measures of products*  
22                   *imported from countries party to a free trade*  
23                   *agreement that is different from the obligation*  
24                   *set forth in the applicable WTO Agreements;*

1           (D) imposed obligations on the Department  
2 of Commerce with respect to the use of facts  
3 available in antidumping investigations that are  
4 different from the obligations set forth in the ap-  
5 plicable WTO Agreements; and

6           (E) accorded insufficient deference to the  
7 Department of Commerce's methodology for ad-  
8 justing countervailing duties following the pri-  
9 vatization of a subsidized foreign producer.

10 **SEC. 2. TRADE NEGOTIATING OBJECTIVES.**

11       (a) *OVERALL TRADE NEGOTIATING OBJECTIVES.*—The  
12 overall trade negotiating objectives of the United States for  
13 agreements subject to the provisions of section 3 are—

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

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

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

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

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

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

14          (7) to seek provisions in trade agreements under  
15          which parties to those agreements strive to ensure that  
16          they do not weaken or reduce the protections afforded  
17          in domestic environmental and labor laws as an en-  
18          couragement for trade; and

19          (8) to ensure that trade agreements afford small  
20          businesses equal access to international markets, equi-  
21          table trade benefits, expanded export market opportu-  
22          nities, and provide for the reduction or elimination of  
23          trade barriers that disproportionately impact small  
24          business.

25          (b) *PRINCIPAL TRADE NEGOTIATING OBJECTIVES.*—

1           (1) *TRADE BARRIERS AND DISTORTIONS.*—*The*  
2           *principal negotiating objectives of the United States*  
3           *regarding trade barriers and other trade distortions*  
4           *are—*

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

13                   (B) *to obtain reciprocal tariff and nontariff*  
14                   *barrier elimination agreements, with particular*  
15                   *attention to those tariff categories covered in sec-*  
16                   *tion 111(b) of the Uruguay Round Agreements*  
17                   *Act (19 U.S.C. 3521(b)).*

18           (2) *TRADE IN SERVICES.*—*The principal negoti-*  
19           *ating objective of the United States regarding trade in*  
20           *services is to reduce or eliminate barriers to inter-*  
21           *national trade in services, including regulatory and*  
22           *other barriers that deny national treatment and mar-*  
23           *ket access or unreasonably restrict the establishment*  
24           *or operations of service suppliers.*

1           (3) *FOREIGN INVESTMENT.*—*Recognizing that*  
2           *United States law on the whole provides a high level*  
3           *of protection for investment, consistent with or great-*  
4           *er than the level required by international law, the*  
5           *principal negotiating objectives of the United States*  
6           *regarding foreign investment are to reduce or elimi-*  
7           *nate artificial or trade-distorting barriers to trade-re-*  
8           *lated foreign investment, while ensuring that United*  
9           *States investors in the United States are not accorded*  
10          *lesser rights than foreign investors in the United*  
11          *States, and to secure for investors important rights*  
12          *comparable to those that would be available under*  
13          *United States legal principles and practice, by—*

14                   (A) *reducing or eliminating exceptions to*  
15                   *the principle of national treatment;*

16                   (B) *freeing the transfer of funds relating to*  
17                   *investments;*

18                   (C) *reducing or eliminating performance re-*  
19                   *quirements, forced technology transfers, and*  
20                   *other unreasonable barriers to the establishment*  
21                   *and operation of investments;*

22                   (D) *seeking to establish standards for expro-*  
23                   *priation and compensation for expropriation,*  
24                   *consistent with United States legal principles*  
25                   *and practice;*

1           (E) seeking to establish standards for fair  
2 and equitable treatment consistent with United  
3 States legal principles and practice, including  
4 the principle of due process;

5           (F) providing meaningful procedures for re-  
6 solving investment disputes;

7           (G) seeking to improve mechanisms used to  
8 resolve disputes between an investor and a gov-  
9 ernment through—

10           (i) mechanisms to eliminate frivolous  
11 claims and to deter the filing of frivolous  
12 claims;

13           (ii) procedures to ensure the efficient  
14 selection of arbitrators and the expeditious  
15 disposition of claims;

16           (iii) procedures to enhance opportuni-  
17 ties for public input into the formulation of  
18 government positions; and

19           (iv) establishment of a single appellate  
20 body to review decisions in investor-to-gov-  
21 ernment disputes and thereby provide coher-  
22 ence to the interpretations of investment  
23 provisions in trade agreements; and

24           (H) ensuring the fullest measure of trans-  
25 parency in the dispute settlement mechanism, to

1           *the extent consistent with the need to protect in-*  
2           *formation that is classified or business confiden-*  
3           *tial, by—*

4                   *(i) ensuring that all requests for dis-*  
5                   *pute settlement are promptly made public;*

6                   *(ii) ensuring that—*

7                           *(I) all proceedings, submissions,*  
8                           *findings, and decisions are promptly*  
9                           *made public;*

10                           *(II) all hearings are open to the*  
11                           *public; and*

12                           *(iii) establishing a mechanism for ac-*  
13                           *ceptance of amicus curiae submissions from*  
14                           *businesses, unions, and nongovernmental or-*  
15                           *ganizations.*

16           (4) *INTELLECTUAL PROPERTY.—The principal*  
17           *negotiating objectives of the United States regarding*  
18           *trade-related intellectual property are—*

19                   *(A) to further promote adequate and effec-*  
20                   *tive protection of intellectual property rights, in-*  
21                   *cluding through—*

22                           *(i)(I) ensuring accelerated and full im-*  
23                           *plementation of the Agreement on Trade-Re-*  
24                           *lated Aspects of Intellectual Property Rights*  
25                           *referred to in section 101(d)(15) of the Uru-*

1            *guay Round Agreements Act (19 U.S.C.*  
2            *3511(d)(15)), particularly with respect to*  
3            *meeting enforcement obligations under that*  
4            *agreement; and*

5            *(II) ensuring that the provisions of*  
6            *any multilateral or bilateral trade agree-*  
7            *ment governing intellectual property rights*  
8            *that is entered into by the United States re-*  
9            *fect a standard of protection similar to*  
10           *that found in United States law;*

11           *(ii) providing strong protection for*  
12           *new and emerging technologies and new*  
13           *methods of transmitting and distributing*  
14           *products embodying intellectual property;*

15           *(iii) preventing or eliminating dis-*  
16           *crimination with respect to matters affect-*  
17           *ing the availability, acquisition, scope,*  
18           *maintenance, use, and enforcement of intel-*  
19           *lectual property rights;*

20           *(iv) ensuring that standards of protec-*  
21           *tion and enforcement keep pace with techno-*  
22           *logical developments, and in particular en-*  
23           *suring that rightholders have the legal and*  
24           *technological means to control the use of*  
25           *their works through the Internet and other*

1           *global communication media, and to pre-*  
2           *vent the unauthorized use of their works;*  
3           *and*

4                   *(v) providing strong enforcement of in-*  
5           *tellectual property rights, including through*  
6           *accessible, expeditious, and effective civil,*  
7           *administrative, and criminal enforcement*  
8           *mechanisms; and*

9                   *(B) to secure fair, equitable, and non-*  
10          *discriminatory market access opportunities for*  
11          *United States persons that rely upon intellectual*  
12          *property protection.*

13          (5) *TRANSPARENCY.*—*The principal negotiating*  
14          *objective of the United States with respect to trans-*  
15          *parency is to obtain wider and broader application*  
16          *of the principle of transparency through—*

17                   *(A) increased and more timely public access*  
18          *to information regarding trade issues and the ac-*  
19          *tivities of international trade institutions;*

20                   *(B) increased openness at the WTO and*  
21          *other international trade fora by increasing pub-*  
22          *lic access to appropriate meetings, proceedings,*  
23          *and submissions, including with regard to dis-*  
24          *pute settlement and investment; and*

1           (C) increased and more timely public access  
2           to all notifications and supporting documenta-  
3           tion submitted by parties to the WTO.

4           (6) *ANTI-CORRUPTION.*—*The principal negoti-*  
5           *ating objectives of the United States with respect to*  
6           *the use of money or other things of value to influence*  
7           *acts, decisions, or omissions of foreign governments or*  
8           *officials or to secure any improper advantage in a*  
9           *manner affecting trade are—*

10           (A) to obtain high standards and appro-  
11           priate domestic enforcement mechanisms appli-  
12           cable to persons from all countries participating  
13           in the applicable trade agreement that prohibit  
14           such attempts to influence acts, decisions, or  
15           omissions of foreign governments; and

16           (B) to ensure that such standards do not  
17           place United States persons at a competitive dis-  
18           advantage in international trade.

19           (7) *IMPROVEMENT OF THE WTO AND MULTILAT-*  
20           *ERAL TRADE AGREEMENTS.*—*The principal negoti-*  
21           *ating objectives of the United States regarding the im-*  
22           *provement of the World Trade Organization, the Uru-*  
23           *guay Round Agreements, and other multilateral and*  
24           *bilateral trade agreements are—*

1           (A) to achieve full implementation and ex-  
2           tend the coverage of the World Trade Organiza-  
3           tion and such agreements to products, sectors,  
4           and conditions of trade not adequately covered;  
5           and

6           (B) to expand country participation in and  
7           enhancement of the Information Technology  
8           Agreement and other trade agreements.

9           (8) *REGULATORY PRACTICES.*—*The principal ne-*  
10          *gotiating objectives of the United States regarding the*  
11          *use of government regulation or other practices by for-*  
12          *eign governments to provide a competitive advantage*  
13          *to their domestic producers, service providers, or in-*  
14          *vestors and thereby reduce market access for United*  
15          *States goods, services, and investments are—*

16                (A) to achieve increased transparency and  
17                opportunity for the participation of affected par-  
18                ties in the development of regulations;

19                (B) to require that proposed regulations be  
20                based on sound science, cost-benefit analysis, risk  
21                assessment, or other objective evidence;

22                (C) to establish consultative mechanisms  
23                among parties to trade agreements to promote  
24                increased transparency in developing guidelines,

1           *rules, regulations, and laws for government pro-*  
2           *curement and other regulatory regimes; and*

3           *(D) to achieve the elimination of govern-*  
4           *ment measures such as price controls and ref-*  
5           *erence pricing which deny full market access for*  
6           *United States products.*

7           *(9) ELECTRONIC COMMERCE.—The principal ne-*  
8           *gotiating objectives of the United States with respect*  
9           *to electronic commerce are—*

10           *(A) to ensure that current obligations, rules,*  
11           *disciplines, and commitments under the World*  
12           *Trade Organization apply to electronic com-*  
13           *merce;*

14           *(B) to ensure that—*

15           *(i) electronically delivered goods and*  
16           *services receive no less favorable treatment*  
17           *under trade rules and commitments than*  
18           *like products delivered in physical form;*  
19           *and*

20           *(ii) the classification of such goods and*  
21           *services ensures the most liberal trade treat-*  
22           *ment possible;*

23           *(C) to ensure that governments refrain from*  
24           *implementing trade-related measures that im-*  
25           *pede electronic commerce;*

1           (D) where legitimate policy objectives re-  
2           quire domestic regulations that affect electronic  
3           commerce, to obtain commitments that any such  
4           regulations are the least restrictive on trade,  
5           nondiscriminatory, and transparent, and pro-  
6           mote an open market environment; and

7           (E) to extend the moratorium of the World  
8           Trade Organization on duties on electronic  
9           transmissions.

10          (10) *RECIPROCAL TRADE IN AGRICULTURE.*—

11           (A) *IN GENERAL.*—*The principal negoti-*  
12           *ating objective of the United States with respect*  
13           *to agriculture is to obtain competitive opportuni-*  
14           *ties for United States exports of agricultural*  
15           *commodities in foreign markets substantially*  
16           *equivalent to the competitive opportunities af-*  
17           *forded foreign exports in United States markets*  
18           *and to achieve fairer and more open conditions*  
19           *of trade in bulk, specialty crop, and value-added*  
20           *commodities by—*

21                   (i) *reducing or eliminating, by a date*  
22                   *certain, tariffs or other charges that de-*  
23                   *crease market opportunities for United*  
24                   *States exports—*

1           (I) giving priority to those prod-  
2           ucts that are subject to significantly  
3           higher tariffs or subsidy regimes of  
4           major producing countries; and

5           (II) providing reasonable adjust-  
6           ment periods for United States import-  
7           sensitive products, in close consultation  
8           with the Congress on such products be-  
9           fore initiating tariff reduction negotia-  
10          tions;

11          (ii) reducing tariffs to levels that are  
12          the same as or lower than those in the  
13          United States;

14          (iii) seeking to eliminate all export  
15          subsidies on agricultural commodities while  
16          maintaining bona fide food aid and pre-  
17          serving United States agricultural market  
18          development and export credit programs  
19          that allow the United States to compete  
20          with other foreign export promotion efforts;

21          (iv) allowing the preservation of pro-  
22          grams that support family farms and rural  
23          communities but do not distort trade;

24          (v) developing disciplines for domestic  
25          support programs, so that production that

1            *is in excess of domestic food security needs*  
2            *is sold at world prices;*

3            *(vi) eliminating Government policies*  
4            *that create price-depressing surpluses;*

5            *(vii) eliminating state trading enter-*  
6            *prises whenever possible;*

7            *(viii) developing, strengthening, and*  
8            *clarifying rules and effective dispute settle-*  
9            *ment mechanisms to eliminate practices*  
10           *that unfairly decrease United States market*  
11           *access opportunities or distort agricultural*  
12           *markets to the detriment of the United*  
13           *States, particularly with respect to import-*  
14           *sensitive products, including—*

15           *(I) unfair or trade-distorting ac-*  
16           *tivities of state trading enterprises and*  
17           *other administrative mechanisms, with*  
18           *emphasis on requiring price trans-*  
19           *parency in the operation of state trad-*  
20           *ing enterprises and such other mecha-*  
21           *nisms in order to end cross subsidiza-*  
22           *tion, price discrimination, and price*  
23           *undercutting;*

24           *(II) unjustified trade restrictions*  
25           *or commercial requirements, such as*

1                    *labeling, that affect new technologies,*  
2                    *including biotechnology;*

3                    *(III) unjustified sanitary or*  
4                    *phytosanitary restrictions, including*  
5                    *those not based on scientific principles*  
6                    *in contravention of the Uruguay*  
7                    *Round Agreements;*

8                    *(IV) other unjustified technical*  
9                    *barriers to trade; and*

10                    *(V) restrictive rules in the admin-*  
11                    *istration of tariff rate quotas;*

12                    *(ix) eliminating practices that ad-*  
13                    *versely affect trade in perishable or cyclical*  
14                    *products, while improving import relief*  
15                    *mechanisms to recognize the unique charac-*  
16                    *teristics of perishable and cyclical agri-*  
17                    *culture;*

18                    *(x) ensuring that the use of import re-*  
19                    *lief mechanisms for perishable and cyclical*  
20                    *agriculture are as accessible and timely to*  
21                    *growers in the United States as those mech-*  
22                    *anisms that are used by other countries;*

23                    *(xi) taking into account whether a*  
24                    *party to the negotiations has failed to ad-*  
25                    *here to the provisions of already existing*

1           *trade agreements with the United States or*  
2           *has circumvented obligations under those*  
3           *agreements;*

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

12          *(xiii) otherwise ensuring that countries*  
13          *that accede to the World Trade Organiza-*  
14          *tion have made meaningful market liberal-*  
15          *ization commitments in agriculture;*

16          *(xiv) taking into account the impact*  
17          *that agreements covering agriculture to*  
18          *which the United States is a party, includ-*  
19          *ing the North American Free Trade Agree-*  
20          *ment, have on the United States agricul-*  
21          *tural industry;*

22          *(xv) maintaining bona fide food assist-*  
23          *ance programs and preserving United*  
24          *States market development and export cred-*  
25          *it programs; and*

1           *(xvi) strive to complete a general mul-*  
2           *tilateral round in the World Trade Organi-*  
3           *zation by January 1, 2005, and seek the*  
4           *broadest market access possible in multilat-*  
5           *eral, regional, and bilateral negotiations,*  
6           *recognizing the effect that simultaneous sets*  
7           *of negotiations may have on United States*  
8           *import-sensitive commodities (including*  
9           *those subject to tariff-rate quotas).*

10           *(B) CONSULTATION.—*

11           *(i) BEFORE COMMENCING NEGOTIA-*  
12           *TIONS.—Before commencing negotiations*  
13           *with respect to agriculture, the United*  
14           *States Trade Representative, in consulta-*  
15           *tion with the Congress, shall seek to develop*  
16           *a position on the treatment of seasonal and*  
17           *perishable agricultural products to be em-*  
18           *ployed in the negotiations in order to de-*  
19           *velop an international consensus on the*  
20           *treatment of seasonal or perishable agricul-*  
21           *tural products in investigations relating to*  
22           *dumping and safeguards and in any other*  
23           *relevant area.*

24           *(ii) DURING NEGOTIATIONS.—During*  
25           *any negotiations on agricultural subsidies,*

1           *the United States Trade Representative*  
2           *shall seek to establish the common base year*  
3           *for calculating the Aggregated Measurement*  
4           *of Support (as defined in the Agreement on*  
5           *Agriculture) as the end of each country's*  
6           *Uruguay Round implementation period, as*  
7           *reported in each country's Uruguay Round*  
8           *market access schedule.*

9                   *(iii) SCOPE OF OBJECTIVE.—The nego-*  
10           *tiating objective provided in subparagraph*  
11           *(A) applies with respect to agricultural*  
12           *matters to be addressed in any trade agree-*  
13           *ment entered into under section 3(a) or (b),*  
14           *including any trade agreement entered into*  
15           *under section 3(a) or (b) that provides for*  
16           *accession to a trade agreement to which the*  
17           *United States is already a party, such as*  
18           *the North American Free Trade Agreement*  
19           *and the United States-Canada Free Trade*  
20           *Agreement.*

21                   *(11) LABOR AND THE ENVIRONMENT.—The prin-*  
22           *cipal negotiating objectives of the United States with*  
23           *respect to labor and the environment are—*

24                   *(A) to ensure that a party to a trade agree-*  
25           *ment with the United States does not fail to ef-*

1 *fectively enforce its environmental or labor laws,*  
2 *through a sustained or recurring course of action*  
3 *or inaction, in a manner affecting trade between*  
4 *the United States and that party after entry into*  
5 *force of a trade agreement between those coun-*  
6 *tries;*

7 *(B) to recognize that parties to a trade*  
8 *agreement retain the right to exercise discretion*  
9 *with respect to investigatory, prosecutorial, regu-*  
10 *latory, and compliance matters and to make de-*  
11 *isions regarding the allocation of resources to*  
12 *enforcement with respect to other labor or envi-*  
13 *ronmental matters determined to have higher*  
14 *priorities, and to recognize that a country is ef-*  
15 *fectively enforcing its laws if a course of action*  
16 *or inaction reflects a reasonable exercise of such*  
17 *discretion, or results from a bona fide decision*  
18 *regarding the allocation of resources and no re-*  
19 *taliation may be authorized based on the exercise*  
20 *of these rights or the right to establish domestic*  
21 *labor standards and levels of environmental pro-*  
22 *tection;*

23 *(C) to strengthen the capacity of United*  
24 *States trading partners to promote respect for*

1           *core labor standards (as defined in section*  
2           *13(2));*

3           *(D) to strengthen the capacity of United*  
4           *States trading partners to protect the environ-*  
5           *ment through the promotion of sustainable devel-*  
6           *opment;*

7           *(E) to reduce or eliminate government prac-*  
8           *tices or policies that unduly threaten sustainable*  
9           *development;*

10           *(F) to seek market access, through the elimi-*  
11           *nation of tariffs and nontariff barriers, for*  
12           *United States environmental technologies, goods,*  
13           *and services; and*

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

20           *(12) DISPUTE SETTLEMENT AND ENFORCE-*  
21           *MENT.—The principal negotiating objectives of the*  
22           *United States with respect to dispute settlement and*  
23           *enforcement of trade agreements are—*

24           *(A) to seek provisions in trade agreements*  
25           *providing for resolution of disputes between gov-*

1            *ernments under those trade agreements in an ef-*  
2            *fective, timely, transparent, equitable, and rea-*  
3            *soned manner, requiring determinations based*  
4            *on facts and the principles of the agreements,*  
5            *with the goal of increasing compliance with the*  
6            *agreements;*

7            *(B) to seek to strengthen the capacity of the*  
8            *Trade Policy Review Mechanism of the World*  
9            *Trade Organization to review compliance with*  
10           *commitments;*

11           *(C) to seek improved adherence by panels*  
12           *convened under the WTO Understanding on*  
13           *Rules and Procedures Governing the Settlement*  
14           *of Disputes and by the WTO Appellate Body to*  
15           *the standard of review applicable under the*  
16           *WTO Agreement involved in the dispute, includ-*  
17           *ing greater deference, where appropriate, to the*  
18           *fact finding and technical expertise of national*  
19           *investigating authorities;*

20           *(D) to seek provisions encouraging the early*  
21           *identification and settlement of disputes through*  
22           *consultation;*

23           *(E) to seek provisions to encourage the pro-*  
24           *vision of trade-expanding compensation if a*  
25           *party to a dispute under the agreement does not*

1           *come into compliance with its obligations under*  
2           *the agreement;*

3           *(F) to seek provisions to impose a penalty*  
4           *upon a party to a dispute under the agreement*  
5           *that—*

6                     *(i) encourages compliance with the ob-*  
7                     *ligations of the agreement;*

8                     *(ii) is appropriate to the parties, na-*  
9                     *ture, subject matter, and scope of the viola-*  
10                    *tion; and*

11                    *(iii) has the aim of not adversely af-*  
12                    *fecting parties or interests not party to the*  
13                    *dispute while maintaining the effectiveness*  
14                    *of the enforcement mechanism; and*

15           *(G) to seek provisions that treat United*  
16           *States principal negotiating objectives equally*  
17           *with respect to—*

18                    *(i) the ability to resort to dispute set-*  
19                    *tlement under the applicable agreement;*

20                    *(ii) the availability of equivalent dis-*  
21                    *pute settlement procedures; and*

22                    *(iii) the availability of equivalent rem-*  
23                    *edies.*

24           *(13) BORDER TAXES.—The principal negotiating*  
25           *objective of the United States regarding border taxes*

1        *is to obtain a revision of the WTO rules with respect*  
2        *to the treatment of border adjustments for internal*  
3        *taxes to redress the disadvantage to countries relying*  
4        *primarily on direct taxes for revenue rather than in-*  
5        *direct taxes.*

6            (14) *WTO EXTENDED NEGOTIATIONS.—The*  
7        *principal negotiating objectives of the United States*  
8        *regarding trade in civil aircraft are those set forth in*  
9        *section 135(c) of the Uruguay Round Agreements Act*  
10       *(19 U.S.C. 3355(c)) and regarding rules of origin are*  
11       *the conclusion of an agreement described in section*  
12       *132 of that Act (19 U.S.C. 3552).*

13        (c) *PROMOTION OF CERTAIN PRIORITIES.—In order to*  
14       *address and maintain United States competitiveness in the*  
15       *global economy, the President shall—*

16            (1) *seek greater cooperation between the WTO*  
17        *and the ILO;*

18            (2) *seek to establish consultative mechanisms*  
19        *among parties to trade agreements to strengthen the*  
20        *capacity of United States trading partners to promote*  
21        *respect for core labor standards (as defined in section*  
22        *13(2)), and report to the Committee on Ways and*  
23        *Means of the House of Representatives and the Com-*  
24        *mittee on Finance of the Senate on the content and*  
25        *operation of such mechanisms;*

1           (3) seek to establish consultative mechanisms  
2 among parties to trade agreements to strengthen the  
3 capacity of United States trading partners to develop  
4 and implement standards for the protection of the en-  
5 vironment and human health based on sound science,  
6 and report to the Committee on Ways and Means of  
7 the House of Representatives and the Committee on  
8 Finance of the Senate on the content and operation  
9 of such mechanisms;

10           (4) conduct environmental reviews of future  
11 trade and investment agreements, consistent with Ex-  
12 ecutive Order 13141 of November 16, 1999 and the  
13 relevant guidelines, and report to the Committee on  
14 Ways and Means of the House of Representatives and  
15 the Committee on Finance of the Senate on such re-  
16 views;

17           (5) review the impact of future trade agreements  
18 on United States employment, modeled after Execu-  
19 tive Order 13141, and report to the Committee on  
20 Ways and Means of the House of Representatives and  
21 the Committee on Finance of the Senate on such re-  
22 view;

23           (6) take into account other legitimate United  
24 States domestic objectives including, but not limited  
25 to, the protection of legitimate health or safety, essen-

1        *tial security, and consumer interests and the law and*  
2        *regulations related thereto;*

3            *(7) have the Secretary of Labor consult with any*  
4        *country seeking a trade agreement with the United*  
5        *States concerning that country's labor laws and pro-*  
6        *vide technical assistance to that country if needed;*

7            *(8) in connection with any trade negotiations*  
8        *entered into under this Act, the President shall submit*  
9        *to the Committee on Ways and Means of the House*  
10       *of Representatives and the Committee on Finance of*  
11       *the Senate a meaningful labor rights report of the*  
12       *country, or countries, with respect to which the Presi-*  
13       *dent is negotiating, on a time frame determined in*  
14       *accordance with section 7(b)(2)(E);*

15           *(9)(A) preserve the ability of the United States*  
16       *to enforce rigorously its trade laws, including the*  
17       *antidumping, countervailing duty, and safeguard*  
18       *laws, and avoid agreements that lessen the effective-*  
19       *ness of domestic and international disciplines on un-*  
20       *fair trade, especially dumping and subsidies, or that*  
21       *lessen the effectiveness of domestic and international*  
22       *safeguard provisions, in order to ensure that United*  
23       *States workers, agricultural producers, and firms can*  
24       *compete fully on fair terms and enjoy the benefits of*  
25       *reciprocal trade concessions; and*

1           (B) address and remedy market distortions that  
2           lead to dumping and subsidization, including over-  
3           capacity, cartelization, and market-access barriers.

4           (10) continue to promote consideration of multi-  
5           lateral environmental agreements and consult with  
6           parties to such agreements regarding the consistency  
7           of any such agreement that includes trade measures  
8           with existing environmental exceptions under Article  
9           XX of the GATT 1994;

10          (11) report to the Committee on Ways and  
11          Means of the House of Representatives and the Com-  
12          mittee on Finance of the Senate, not later than 12  
13          months after the imposition of a penalty or remedy  
14          by the United States permitted by a trade agreement  
15          to which this Act applies, on the effectiveness of the  
16          penalty or remedy applied under United States law  
17          in enforcing United States rights under the trade  
18          agreement; and

19          (12) seek to establish consultative mechanisms  
20          among parties to trade agreements to examine the  
21          trade consequences of significant and unanticipated  
22          currency movements and to scrutinize whether a for-  
23          eign government engaged in a pattern of manipu-  
24          lating its currency to promote a competitive advan-  
25          tage in international trade.

1 *The report required under paragraph (11) shall address*  
2 *whether the penalty or remedy was effective in changing*  
3 *the behavior of the targeted party and whether the penalty*  
4 *or remedy had any adverse impact on parties or interests*  
5 *not party to the dispute.*

6 (d) *CONSULTATIONS.—*

7 (1) *CONSULTATIONS WITH CONGRESSIONAL AD-*  
8 *VISERS.—In the course of negotiations conducted*  
9 *under this Act, the United States Trade Representa-*  
10 *tive shall consult closely and on a timely basis with,*  
11 *and keep fully apprised of the negotiations, the Con-*  
12 *gressional Oversight Group convened under section 7*  
13 *and all committees of the House of Representatives*  
14 *and the Senate with jurisdiction over laws that would*  
15 *be affected by a trade agreement resulting from the*  
16 *negotiations.*

17 (2) *CONSULTATION BEFORE AGREEMENT INI-*  
18 *TIALED.—In the course of negotiations conducted*  
19 *under this Act, the United States Trade Representa-*  
20 *tive shall—*

21 (A) *consult closely and on a timely basis*  
22 *(including immediately before initialing an*  
23 *agreement) with, and keep fully apprised of the*  
24 *negotiations, the congressional advisers for trade*  
25 *policy and negotiations appointed under section*

1           161 of the Trade Act of 1974 (19 U.S.C. 2211),  
2           the Committee on Ways and Means of the House  
3           of Representatives, the Committee on Finance of  
4           the Senate, and the Congressional Oversight  
5           Group convened under section 7; and

6           (B) with regard to any negotiations and  
7           agreement relating to agricultural trade, also  
8           consult closely and on a timely basis (including  
9           immediately before initialing an agreement)  
10          with, and keep fully apprised of the negotiations,  
11          the Committee on Agriculture of the House of  
12          Representatives and the Committee on Agri-  
13          culture, Nutrition, and Forestry of the Senate.

14          (e) *ADHERENCE TO OBLIGATIONS UNDER URUGUAY*  
15          *ROUND AGREEMENTS.*—In determining whether to enter  
16          into negotiations with a particular country, the President  
17          shall take into account the extent to which that country has  
18          implemented, or has accelerated the implementation of, its  
19          obligations under the Uruguay Round Agreements.

20          **SEC. 3. TRADE AGREEMENTS AUTHORITY.**

21          (a) *AGREEMENTS REGARDING TARIFF BARRIERS.*—

22                  (1) *IN GENERAL.*—Whenever the President deter-  
23          mines that one or more existing duties or other im-  
24          port restrictions of any foreign country or the United  
25          States are unduly burdening and restricting the for-

1 *eign trade of the United States and that the purposes,*  
2 *policies, priorities, and objectives of this Act will be*  
3 *promoted thereby, the President—*

4 *(A) may enter into trade agreements with*  
5 *foreign countries before—*

6 *(i) June 1, 2005; or*

7 *(ii) June 1, 2007, if trade authorities*  
8 *procedures are extended under subsection*  
9 *(c); and*

10 *(B) may, subject to paragraphs (2) and (3),*  
11 *proclaim—*

12 *(i) such modification or continuance of*  
13 *any existing duty,*

14 *(ii) such continuance of existing duty-*  
15 *free or excise treatment, or*

16 *(iii) such additional duties,*

17 *as the President determines to be required or ap-*  
18 *propriate to carry out any such trade agreement.*

19 *The President shall notify the Congress of the Presi-*  
20 *dent's intention to enter into an agreement under this*  
21 *subsection.*

22 *(2) LIMITATIONS.—No proclamation may be*  
23 *made under paragraph (1) that—*

24 *(A) reduces any rate of duty (other than a*  
25 *rate of duty that does not exceed 5 percent ad va-*

1 *lorem on the date of the enactment of this Act)*  
2 *to a rate of duty which is less than 50 percent*  
3 *of the rate of such duty that applies on such date*  
4 *of enactment;*

5 *(B) reduces the rate of duty below that ap-*  
6 *plicable under the Uruguay Round Agreements,*  
7 *on any agricultural product which was the sub-*  
8 *ject of tariff reductions by the United States as*  
9 *a result of the Uruguay Round Agreements, for*  
10 *which the rate of duty, pursuant to such Agree-*  
11 *ments, was reduced on January 1, 1995, to a*  
12 *rate which was not less than 97.5 percent of the*  
13 *rate of duty that applied to such article on De-*  
14 *cember 31, 1994; or*

15 *(C) increases any rate of duty above the*  
16 *rate that applied on the date of the enactment of*  
17 *this Act.*

18 *(3) AGGREGATE REDUCTION; EXEMPTION FROM*  
19 *STAGING.—*

20 *(A) AGGREGATE REDUCTION.—Except as*  
21 *provided in subparagraph (B), the aggregate re-*  
22 *duction in the rate of duty on any article which*  
23 *is in effect on any day pursuant to a trade*  
24 *agreement entered into under paragraph (1)*

1 shall not exceed the aggregate reduction which  
2 would have been in effect on such day if—

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

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

14 (B) *EXEMPTION FROM STAGING.*—No stag-  
15 ing is required under subparagraph (A) with re-  
16 spect to a duty reduction that is proclaimed  
17 under paragraph (1) for an article of a kind  
18 that is not produced in the United States. The  
19 United States International Trade Commission  
20 shall advise the President of the identity of arti-  
21 cles that may be exempted from staging under  
22 this subparagraph.

23 (4) *ROUNDING.*—If the President determines that  
24 such action will simplify the computation of reduc-  
25 tions under paragraph (3), the President may round

1        *an annual reduction by an amount equal to the lesser*  
2        *of—*

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

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

7                *(5) OTHER LIMITATIONS.—A rate of duty reduc-*  
8                *tion that may not be proclaimed by reason of para-*  
9                *graph (2) may take effect only if a provision author-*  
10               *izing such reduction is included within an imple-*  
11               *menting bill provided for under section 5 and that*  
12               *bill is enacted into law.*

13               *(6) OTHER TARIFF MODIFICATIONS.—Notwith-*  
14               *standing paragraphs (1)(B), (2)(A), (2)(C), and (3)*  
15               *through (5), and subject to the consultation and lay-*  
16               *over requirements of section 115 of the Uruguay*  
17               *Round Agreements Act, the President may proclaim*  
18               *the modification of any duty or staged rate reduction*  
19               *of any duty set forth in Schedule XX, as defined in*  
20               *section 2(5) of that Act, if the United States agrees*  
21               *to such modification or staged rate reduction in a ne-*  
22               *gotiation for the reciprocal elimination or harmoni-*  
23               *zation of duties under the auspices of the World Trade*  
24               *Organization.*

1           (7) *AUTHORITY UNDER URUGUAY ROUND AGREE-*  
2           *MENTS ACT NOT AFFECTED.*—*Nothing in this sub-*  
3           *section shall limit the authority provided to the Presi-*  
4           *dent under section 111(b) of the Uruguay Round*  
5           *Agreements Act (19 U.S.C. 3521(b)).*

6           (b) *AGREEMENTS REGARDING TARIFF AND NONTARIFF*  
7           *BARRIERS.*—

8           (1) *IN GENERAL.*—

9           (A) *DETERMINATION BY PRESIDENT.*—

10          *Whenever the President determines that—*

11                 (i) *one or more existing duties or any*  
12                 *other import restriction of any foreign*  
13                 *country or the United States or any other*  
14                 *barrier to, or other distortion of, inter-*  
15                 *national trade unduly burdens or restricts*  
16                 *the foreign trade of the United States or ad-*  
17                 *versely affects the United States economy; or*

18                 (ii) *the imposition of any such barrier*  
19                 *or distortion is likely to result in such a*  
20                 *burden, restriction, or effect;*

21          *and that the purposes, policies, priorities, and*  
22          *objectives of this Act will be promoted thereby,*  
23          *the President may enter into a trade agreement*  
24          *described in subparagraph (B) during the period*  
25          *described in subparagraph (C).*

1           (B) *AGREEMENT TO REDUCE OR ELIMINATE*  
2           *CERTAIN DISTORTION.*—*The President may enter*  
3           *into a trade agreement under subparagraph (A)*  
4           *with foreign countries providing for—*

5                   (i) *the reduction or elimination of a*  
6                   *duty, restriction, barrier, or other distortion*  
7                   *described in subparagraph (A), or*

8                   (ii) *the prohibition of, or limitation on*  
9                   *the imposition of, such barrier or other dis-*  
10                  *tortion.*

11           (C) *TIME PERIOD.*—*The President may enter*  
12           *into a trade agreement under this paragraph before—*

13                   (i) *June 1, 2005; or*

14                   (ii) *June 1, 2007, if trade authorities*  
15                   *procedures are extended under subsection*  
16                   (i).

17           (2) *CONDITIONS.*—*A trade agreement may be en-*  
18           *tered into under this subsection only if such agree-*  
19           *ment makes progress in meeting the applicable objec-*  
20           *tives described in section 2(a) and (b) and the Presi-*  
21           *dent satisfies the conditions set forth in section 4.*

22           (3) *BILLS QUALIFYING FOR TRADE AUTHORITIES*  
23           *PROCEDURES.*—

24                   (A) *APPLICATION OF EXPEDITED PROCE-*  
25                   *DURES.*—*The provisions of section 151 of the*

1           *Trade Act of 1974 (in this Act referred to as*  
2           *“trade authorities procedures”)* apply to a bill of  
3           *either House of Congress which contains provi-*  
4           *sions described in subparagraph (B) to the same*  
5           *extent as such section 151 applies to imple-*  
6           *menting bills under that section. A bill to which*  
7           *this paragraph applies shall hereafter in this Act*  
8           *be referred to as an “implementing bill”.*

9                   *(B) PROVISIONS DESCRIBED.—The provi-*  
10            *sions referred to in subparagraph (A) are—*

11                    *(i) a provision approving a trade*  
12                    *agreement entered into under this subsection*  
13                    *and approving the statement of administra-*  
14                    *tive action, if any, proposed to implement*  
15                    *such trade agreement; and*

16                    *(ii) if changes in existing laws or new*  
17                    *statutory authority are required to imple-*  
18                    *ment such trade agreement or agreements,*  
19                    *provisions, necessary or appropriate to im-*  
20                    *plement such trade agreement or agree-*  
21                    *ments, either repealing or amending exist-*  
22                    *ing laws or providing new statutory author-*  
23                    *ity.*

24                    *(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRES-*  
25            *SIONAL TRADE AUTHORITIES PROCEDURES.—*

1           (1) *IN GENERAL.*—*Except as provided in section*  
2 *5(b)*—

3                   (A) *the trade authorities procedures apply*  
4 *to implementing bills submitted with respect to*  
5 *trade agreements entered into under subsection*  
6 *(b) before July 1, 2005; and*

7                   (B) *the trade authorities procedures shall be*  
8 *extended to implementing bills submitted with*  
9 *respect to trade agreements entered into under*  
10 *subsection (b) after June 30, 2005, and before*  
11 *July 1, 2007, if (and only if)—*

12                           (i) *the President requests such exten-*  
13 *sion under paragraph (2); and*

14                           (ii) *neither House of the Congress*  
15 *adopts an extension disapproval resolution*  
16 *under paragraph (5) before June 1, 2005.*

17           (2) *REPORT TO CONGRESS BY THE PRESI-*  
18 *DENT.*—*If the President is of the opinion that the*  
19 *trade authorities procedures should be extended to im-*  
20 *plementing bills described in paragraph (1)(B), the*  
21 *President shall submit to the Congress, not later than*  
22 *March 1, 2005, a written report that contains a re-*  
23 *quest for such extension, together with—*

24                   (A) *a description of all trade agreements*  
25 *that have been negotiated under subsection (b)*

1           *and the anticipated schedule for submitting such*  
2           *agreements to the Congress for approval;*

3           *(B) a description of the progress that has*  
4           *been made in negotiations to achieve the pur-*  
5           *poses, policies, priorities, and objectives of this*  
6           *Act, and a statement that such progress justifies*  
7           *the continuation of negotiations; and*

8           *(C) a statement of the reasons why the ex-*  
9           *tension is needed to complete the negotiations.*

10          (3) *OTHER REPORTS TO CONGRESS.—*

11           *(A) REPORT BY THE ADVISORY COM-*  
12           *MITTEE.—The President shall promptly inform*  
13           *the Advisory Committee for Trade Policy and*  
14           *Negotiations established under section 135 of the*  
15           *Trade Act of 1974 (19 U.S.C. 2155) of the Presi-*  
16           *dent's decision to submit a report to the Congress*  
17           *under paragraph (2). The Advisory Committee*  
18           *shall submit to the Congress as soon as prac-*  
19           *ticable, but not later than May 1, 2005, a writ-*  
20           *ten report that contains—*

21                   *(i) its views regarding the progress*  
22                   *that has been made in negotiations to*  
23                   *achieve the purposes, policies, priorities,*  
24                   *and objectives of this Act; and*

1           (ii) a statement of its views, and the  
2           reasons therefor, regarding whether the ex-  
3           tension requested under paragraph (2)  
4           should be approved or disapproved.

5           (B) *REPORT BY ITC.*—The President shall  
6           promptly inform the International Trade Com-  
7           mission of the President’s decision to submit a  
8           report to the Congress under paragraph (2). The  
9           International Trade Commission shall submit to  
10          the Congress as soon as practicable, but not later  
11          than May 1, 2005, a written report that contains  
12          a review and analysis of the economic impact on  
13          the United States of all trade agreements imple-  
14          mented between the date of enactment of this Act  
15          and the date on which the President decides to  
16          seek an extension requested under paragraph (2).

17          (4) *STATUS OF REPORTS.*—The reports sub-  
18          mitted to the Congress under paragraphs (2) and (3),  
19          or any portion of such reports, may be classified to  
20          the extent the President determines appropriate.

21          (5) *EXTENSION DISAPPROVAL RESOLUTIONS.*—

22                (A) *DEFINITION.*—For purposes of para-  
23                graph (1), the term “extension disapproval reso-  
24                lution” means a resolution of either House of the  
25                Congress, the sole matter after the resolving

1 clause of which is as follows: “That the \_\_\_\_ dis-  
2 approves the request of the President for the ex-  
3 tension, under section 3(c)(1)(B)(i) of the Bipar-  
4 tisan Trade Promotion Authority Act of 2002, of  
5 the trade authorities procedures under that Act  
6 to any implementing bill submitted with respect  
7 to any trade agreement entered into under sec-  
8 tion 3(b) of that Act after June 30, 2005.”, with  
9 the blank space being filled with the name of the  
10 resolving House of the Congress.

11 (B) INTRODUCTION.—*Extension dis-*  
12 *approval resolutions—*

13 (i) *may be introduced in either House*  
14 *of the Congress by any member of such*  
15 *House; and*

16 (ii) *shall be referred, in the House of*  
17 *Representatives, to the Committee on Ways*  
18 *and Means and, in addition, to the Com-*  
19 *mittee on Rules.*

20 (C) APPLICATION OF SECTION 152 OF THE  
21 TRADE ACT OF 1974.—*The provisions of section*  
22 *152 (d) and (e) of the Trade Act of 1974 (19*  
23 *U.S.C. 2192 (d) and (e)) (relating to the floor*  
24 *consideration of certain resolutions in the House*

1           *and Senate) apply to extension disapproval reso-*  
2           *lutions.*

3           (D) *LIMITATIONS.—It is not in order for—*

4                     *(i) the Senate to consider any exten-*  
5                     *sion disapproval resolution not reported by*  
6                     *the Committee on Finance;*

7                     *(ii) the House of Representatives to*  
8                     *consider any extension disapproval resolu-*  
9                     *tion not reported by the Committee on Ways*  
10                    *and Means and, in addition, by the Com-*  
11                    *mittee on Rules; or*

12                    *(iii) either House of the Congress to*  
13                    *consider an extension disapproval resolution*  
14                    *after June 30, 2005.*

15           (d) *COMMENCEMENT OF NEGOTIATIONS.—In order to*  
16           *contribute to the continued economic expansion of the*  
17           *United States, the President shall commence negotiations*  
18           *covering tariff and nontariff barriers affecting any indus-*  
19           *try, product, or service sector, and expand existing sectoral*  
20           *agreements to countries that are not parties to those agree-*  
21           *ments, in cases where the President determines that such*  
22           *negotiations are feasible and timely and would benefit the*  
23           *United States. Such sectors include agriculture, commercial*  
24           *services, intellectual property rights, industrial and capital*  
25           *goods, government procurement, information technology*

1 *products, environmental technology and services, medical*  
2 *equipment and services, civil aircraft, and infrastructure*  
3 *products. In so doing, the President shall take into account*  
4 *all of the principal negotiating objectives set forth in section*  
5 *2(b).*

6 **SEC. 4. CONSULTATIONS AND ASSESSMENT.**

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

10 *(1) provide, at least 90 calendar days before ini-*  
11 *tiating negotiations, written notice to the Congress of*  
12 *the President’s intention to enter into the negotiations*  
13 *and set forth therein the date the President intends to*  
14 *initiate such negotiations, the specific United States*  
15 *objectives for the negotiations, and whether the Presi-*  
16 *dent intends to seek an agreement, or changes to an*  
17 *existing agreement;*

18 *(2) before and after submission of the notice, con-*  
19 *sult regarding the negotiations with the Committee on*  
20 *Finance of the Senate and the Committee on Ways*  
21 *and Means of the House of Representatives, such other*  
22 *committees of the House and Senate as the President*  
23 *deems appropriate, and the Congressional Oversight*  
24 *group convened under section 7; and*

1           (3) upon the request of a majority of the mem-  
2           bers of the Congressional Oversight Group under sec-  
3           tion 7(c), meet with the Congressional Oversight  
4           Group before initiating the negotiations or at any  
5           other time concerning the negotiations.

6           (b) *NEGOTIATIONS REGARDING AGRICULTURE AND*  
7 *FISHING INDUSTRY.—*

8           (1) *IN GENERAL.—*Before initiating or con-  
9           tinuing negotiations the subject matter of which is di-  
10          rectly related to the subject matter under section  
11          2(b)(10)(A)(i) with any country, the President shall  
12          assess whether United States tariffs on agricultural  
13          products that were bound under the Uruguay Round  
14          Agreements are lower than the tariffs bound by that  
15          country. In addition, the President shall consider  
16          whether the tariff levels bound and applied throughout  
17          the world with respect to imports from the United  
18          States are higher than United States tariffs and  
19          whether the negotiation provides an opportunity to  
20          address any such disparity. The President shall con-  
21          sult with the Committee on Ways and Means and the  
22          Committee on Agriculture of the House of Representa-  
23          tives and the Committee on Finance and the Com-  
24          mittee on Agriculture, Nutrition, and Forestry of the  
25          Senate concerning the results of the assessment,

1       *whether it is appropriate for the United States to*  
2       *agree to further tariff reductions based on the conclu-*  
3       *sions reached in the assessment, and how all applica-*  
4       *ble negotiating objectives will be met.*

5               (2) *SPECIAL CONSULTATIONS ON IMPORT SEN-*  
6       *SITIVE PRODUCTS.—*

7                       (A) *IN GENERAL.—Before initiating nego-*  
8       *tiations with regard to agriculture, and, with re-*  
9       *spect to the Free Trade Area for the Americas*  
10      *and negotiations with regard to agriculture*  
11      *under the auspices of the World Trade Organiza-*  
12      *tion, as soon as practicable after the enactment*  
13      *of this Act, the United States Trade Representa-*  
14      *tive shall—*

15                               (i) *identify those agricultural products*  
16      *subject to tariff-rate quotas on the date of*  
17      *enactment of this Act, and agricultural*  
18      *products subject to tariff reductions by the*  
19      *United States as a result of the Uruguay*  
20      *Round Agreements, for which the rate of*  
21      *duty was reduced on January 1, 1995, to a*  
22      *rate which was not less than 97.5 percent of*  
23      *the rate of duty that applied to such article*  
24      *on December 31, 1994;*

1           (ii) consult with the Committee on  
2 Ways and Means and the Committee on Ag-  
3 riculture of the House of Representatives  
4 and the Committee on Finance and the  
5 Committee on Agriculture, Nutrition, and  
6 Forestry of the Senate concerning—

7           (I) whether any further tariff re-  
8 ductions on the products identified  
9 under clause (i) should be appropriate,  
10 taking into account the impact of any  
11 such tariff reduction on the United  
12 States industry producing the product  
13 concerned;

14           (II) whether the products so iden-  
15 tified face unjustified sanitary or  
16 phytosanitary restrictions, including  
17 those not based on scientific principles  
18 in contravention of the Uruguay  
19 Round Agreements; and

20           (III) whether the countries par-  
21 ticipating in the negotiations maintain  
22 export subsidies or other programs,  
23 policies, or practices that distort world  
24 trade in such products and the impact  
25 of such programs, policies, and prac-

1                    *tices on United States producers of the*  
2                    *products;*

3                    *(iii) request that the International*  
4                    *Trade Commission prepare an assessment of*  
5                    *the probable economic effects of any such*  
6                    *tariff reduction on the United States indus-*  
7                    *try producing the product concerned and on*  
8                    *the United States economy as a whole; and*  
9                    *(iv) upon complying with clauses (i),*  
10                   *(ii), and (iii), notify the Committee on*  
11                   *Ways and Means and the Committee on Ag-*  
12                   *riculture of the House of Representatives*  
13                   *and the Committee on Finance and the*  
14                   *Committee on Agriculture, Nutrition, and*  
15                   *Forestry of the Senate of those products*  
16                   *identified under clause (i) for which the*  
17                   *Trade Representative intends to seek tariff*  
18                   *liberalization in the negotiations and the*  
19                   *reasons for seeking such tariff liberalization.*

20                   *(B) IDENTIFICATION OF ADDITIONAL AGRI-*  
21                   *CULTURAL PRODUCTS.—If, after negotiations de-*  
22                   *scribed in subparagraph (A) are commenced—*

23                   *(i) the United States Trade Represent-*  
24                   *ative identifies any additional agricultural*  
25                   *product described in subparagraph (A)(i)*

1           *for tariff reductions which were not the sub-*  
2           *ject of a notification under subparagraph*  
3           *(A)(iv), or*

4                     *(ii) any additional agricultural prod-*  
5                     *uct described in subparagraph (A)(i) is the*  
6                     *subject of a request for tariff reductions by*  
7                     *a party to the negotiations,*

8           *the Trade Representative shall, as soon as prac-*  
9           *ticable, notify the committees referred to in sub-*  
10           *paragraph (A)(iv) of those products and the rea-*  
11           *sons for seeking such tariff reductions.*

12           (3) *NEGOTIATIONS REGARDING THE FISHING IN-*  
13           *DUSTRY.—Before initiating, or continuing, negotia-*  
14           *tions which directly relate to fish or shellfish trade*  
15           *with any country, the President shall consult with the*  
16           *Committee on Ways and Means and the Committee*  
17           *on Resources of the House of Representatives, and the*  
18           *Committee on Finance and the Committee on Com-*  
19           *merce, Science, and Transportation of the Senate,*  
20           *and shall keep the Committees apprised of negotia-*  
21           *tions on an ongoing and timely basis.*

22           (c) *NEGOTIATIONS REGARDING TEXTILES.—Before*  
23           *initiating or continuing negotiations the subject matter of*  
24           *which is directly related to textiles and apparel products*  
25           *with any country, the President shall assess whether United*

1 *States tariffs on textile and apparel products that were*  
2 *bound under the Uruguay Round Agreements are lower*  
3 *than the tariffs bound by that country and whether the ne-*  
4 *gotiation provides an opportunity to address any such dis-*  
5 *parity. The President shall consult with the Committee on*  
6 *Ways and Means of the House of Representatives and the*  
7 *Committee on Finance of the Senate concerning the results*  
8 *of the assessment, whether it is appropriate for the United*  
9 *States to agree to further tariff reductions based on the con-*  
10 *clusions reached in the assessment, and how all applicable*  
11 *negotiating objectives will be met.*

12 *(d) CONSULTATION WITH CONGRESS BEFORE AGREE-*  
13 *MENTS ENTERED INTO.—*

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

17 *(A) the Committee on Ways and Means of*  
18 *the House of Representatives and the Committee*  
19 *on Finance of the Senate;*

20 *(B) each other committee of the House and*  
21 *the Senate, and each joint committee of the Con-*  
22 *gress, which has jurisdiction over legislation in-*  
23 *volving subject matters which would be affected*  
24 *by the trade agreement; and*

1           (C) the Congressional Oversight Group con-  
2           vened under section 7.

3           (2) *SCOPE.*—The consultation described in para-  
4           graph (1) shall include consultation with respect to—

5                   (A) the nature of the agreement;

6                   (B) how and to what extent the agreement  
7           will achieve the applicable purposes, policies,  
8           priorities, and objectives of this Act; and

9                   (C) the implementation of the agreement  
10          under section 5, including the general effect of  
11          the agreement on existing laws.

12          (3) *REPORT REGARDING UNITED STATES TRADE*  
13          *REMEDY LAWS.*—

14                   (A) *CHANGES IN CERTAIN TRADE LAWS.*—  
15          The President, at least 90 calendar days before  
16          the day on which the President enters into a  
17          trade agreement, shall notify the Committee on  
18          Ways and Means of the House of Representatives  
19          and the Committee on Finance of the Senate in  
20          writing of any amendments to title VII of the  
21          Tariff Act of 1930 or chapter 1 of title II of the  
22          Trade Act of 1974 that the President proposes to  
23          include in a bill implementing such trade agree-  
24          ment.

1           (B) *EXPLANATION.*—On the date that the  
2           President transmits the notification, the Presi-  
3           dent also shall transmit to the Committees a re-  
4           port explaining—

5                   (i) the President's reasons for believing  
6                   that amendments to title VII of the Tariff  
7                   Act of 1930 or to chapter 1 of title II of the  
8                   Trade Act of 1974 are necessary to imple-  
9                   ment the trade agreement; and

10                   (ii) the President's reasons for believ-  
11                   ing that such amendments are consistent  
12                   with the purposes, policies, and objectives  
13                   described in section 2(c)(9).

14           (C) *REPORT TO HOUSE.*—Not later than 60  
15           calendar days after the date on which the Presi-  
16           dent transmits the notification described in sub-  
17           paragraph (A), the Chairman and ranking mem-  
18           ber of the Ways and Means Committee of the  
19           House of Representatives, based on consultations  
20           with the members of that Committee, shall issue  
21           to the House of Representatives a report stating  
22           whether the proposed amendments described in  
23           the President's notification are consistent with  
24           the purposes, policies, and objectives described in  
25           section 2(c)(9). In the event that the Chairman

1           *and ranking member disagree with respect to one*  
2           *or more conclusions, the report shall contain the*  
3           *separate views of the Chairman and ranking*  
4           *member.*

5           *(D) REPORT TO SENATE.—Not later than*  
6           *60 calendar days after the date on which the*  
7           *President transmits the notification described in*  
8           *subparagraph (A), the Chairman and ranking*  
9           *member of the Finance Committee of the Senate,*  
10          *based on consultations with the members of that*  
11          *Committee, shall issue to the Senate a report*  
12          *stating whether the proposed amendments de-*  
13          *scribed in the President’s report are consistent*  
14          *with the purposes, policies, and objectives de-*  
15          *scribed in section 2(c)(9). In the event that the*  
16          *Chairman and ranking member disagree with re-*  
17          *spect to one or more conclusions, the report shall*  
18          *contain the separate views of the Chairman and*  
19          *ranking member.*

20          *(e) ADVISORY COMMITTEE REPORTS.—The report re-*  
21          *quired under section 135(e)(1) of the Trade Act of 1974 re-*  
22          *garding any trade agreement entered into under section*  
23          *3(a) or (b) of this Act shall be provided to the President,*  
24          *the Congress, and the United States Trade Representative*  
25          *not later than 30 days after the date on which the President*

1 *notifies the Congress under section 3(a)(1) or 5(a)(1)(A) of*  
2 *the President's intention to enter into the agreement.*

3 *(f) ITC ASSESSMENT.—*

4 *(1) IN GENERAL.—The President, at least 90 cal-*  
5 *endar days before the day on which the President en-*  
6 *ters into a trade agreement under section 3(b), shall*  
7 *provide the International Trade Commission (referred*  
8 *to in this subsection as “the Commission”) with the*  
9 *details of the agreement as it exists at that time and*  
10 *request the Commission to prepare and submit an as-*  
11 *essment of the agreement as described in paragraph*  
12 *(2). Between the time the President makes the request*  
13 *under this paragraph and the time the Commission*  
14 *submits the assessment, the President shall keep the*  
15 *Commission current with respect to the details of the*  
16 *agreement.*

17 *(2) ITC ASSESSMENT.—Not later than 90 cal-*  
18 *endar days after the President enters into the agree-*  
19 *ment, the Commission shall submit to the President*  
20 *and the Congress a report assessing the likely impact*  
21 *of the agreement on the United States economy as a*  
22 *whole and on specific industry sectors, including the*  
23 *impact the agreement will have on the gross domestic*  
24 *product, exports and imports, aggregate employment*  
25 *and employment opportunities, the production, em-*

1 *ployment, and competitive position of industries like-*  
2 *ly to be significantly affected by the agreement, and*  
3 *the interests of United States consumers.*

4 (3) *REVIEW OF EMPIRICAL LITERATURE.—In*  
5 *preparing the assessment, the Commission shall re-*  
6 *view available economic assessments regarding the*  
7 *agreement, including literature regarding any sub-*  
8 *stantially equivalent proposed agreement, and shall*  
9 *provide in its assessment a description of the analyses*  
10 *used and conclusions drawn in such literature, and a*  
11 *discussion of areas of consensus and divergence be-*  
12 *tween the various analyses and conclusions, including*  
13 *those of the Commission regarding the agreement.*

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

15 (a) *IN GENERAL.—*

16 (1) *NOTIFICATION AND SUBMISSION.—Any agree-*  
17 *ment entered into under section 3(b) shall enter into*  
18 *force with respect to the United States if (and only*  
19 *if)—*

20 (A) *the President, at least 90 calendar days*  
21 *before the day on which the President enters into*  
22 *an agreement—*

23 (i) *notifies the House of Representa-*  
24 *tives and the Senate of the President’s in-*  
25 *tention to enter into the agreement, and*

1                   *promptly thereafter publishes notice of such*  
2                   *intention in the Federal Register; and*

3                   *(ii) transmits to the Committee on*  
4                   *Ways and Means of the House of Represent-*  
5                   *atives and the Committee on Finance of the*  
6                   *Senate the notification and report described*  
7                   *in section 4(d)(3) (A) and (B);*

8                   *(B) within 60 days after entering into the*  
9                   *agreement, the President submits to the Congress*  
10                  *a description of those changes to existing laws*  
11                  *that the President considers would be required in*  
12                  *order to bring the United States into compliance*  
13                  *with the agreement;*

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

19                    *(i) a draft of an implementing bill de-*  
20                    *scribed in section 3(b)(3);*

21                    *(ii) a statement of any administrative*  
22                    *action proposed to implement the trade*  
23                    *agreement; and*

24                    *(iii) the supporting information de-*  
25                    *scribed in paragraph (2); and*

1           (D) the implementing bill is enacted into  
2 law.

3           (2) SUPPORTING INFORMATION.—The supporting  
4 information required under paragraph (1)(C)(iii)  
5 consists of—

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

9           (B) a statement—

10           (i) asserting that the agreement makes  
11 progress in achieving the applicable pur-  
12 poses, policies, priorities, and objectives of  
13 this Act; and

14           (ii) setting forth the reasons of the  
15 President regarding—

16           (I) how and to what extent the  
17 agreement makes progress in achieving  
18 the applicable purposes, policies, and  
19 objectives referred to in clause (i);

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

23           (III) how the agreement serves the  
24 interests of United States commerce;

1                   (IV) *how the implementing bill*  
2                   *meets the standards set forth in section*  
3                   *3(b)(3);*

4                   (V) *how and to what extent the*  
5                   *agreement makes progress in achieving*  
6                   *the applicable purposes, policies, and*  
7                   *objectives referred to in section 2(c) re-*  
8                   *garding the promotion of certain prior-*  
9                   *ities; and*

10                  (VI) *in the event that the reports*  
11                  *described in section 4(b)(3) (C) and*  
12                  *(D) contain any findings that the pro-*  
13                  *posed amendments are inconsistent*  
14                  *with the purposes, policies, and objec-*  
15                  *tives described in section 2(c)(9), an*  
16                  *explanation as to why the President*  
17                  *believes such findings to be incorrect.*

18                  (3) *RECIPROCAL BENEFITS.—In order to ensure*  
19                  *that a foreign country that is not a party to a trade*  
20                  *agreement entered into under section 3(b) does not re-*  
21                  *ceive benefits under the agreement unless the country*  
22                  *is also subject to the obligations under the agreement,*  
23                  *the implementing bill submitted with respect to the*  
24                  *agreement shall provide that the benefits and obliga-*  
25                  *tions under the agreement apply only to the parties*

1 to the agreement, if such application is consistent  
2 with the terms of the agreement. The implementing  
3 bill may also provide that the benefits and obligations  
4 under the agreement do not apply uniformly to all  
5 parties to the agreement, if such application is con-  
6 sistent with the terms of the agreement.

7 (4) *DISCLOSURE OF COMMITMENTS.*—Any agree-  
8 ment or other understanding with a foreign govern-  
9 ment or governments (whether oral or in writing)  
10 that—

11 (A) relates to a trade agreement with re-  
12 spect to which Congress enacts implementing leg-  
13 islation under trade authorities procedures, and

14 (B) is not disclosed to Congress before legis-  
15 lation implementing that agreement is intro-  
16 duced in either House of Congress,

17 shall not be considered to be part of the agreement ap-  
18 proved by Congress and shall have no force and effect  
19 under United States law or in any dispute settlement  
20 body.

21 (b) *LIMITATIONS ON TRADE AUTHORITIES PROCE-*  
22 *DURES.*—

23 (1) *FOR LACK OF NOTICE OR CONSULTATIONS.*—

24 (A) *IN GENERAL.*—The trade authorities  
25 procedures shall not apply to any implementing

1 *bill submitted with respect to a trade agreement*  
2 *or trade agreements entered into under section*  
3 *3(b) if during the 60-day period beginning on*  
4 *the date that one House of Congress agrees to a*  
5 *procedural disapproval resolution for lack of no-*  
6 *tice or consultations with respect to such trade*  
7 *agreement or agreements, the other House sepa-*  
8 *rately agrees to a procedural disapproval resolu-*  
9 *tion with respect to such trade agreement or*  
10 *agreements.*

11 *(B) PROCEDURAL DISAPPROVAL RESOLU-*  
12 *TION.—(i) For purposes of this paragraph, the*  
13 *term “procedural disapproval resolution” means*  
14 *a resolution of either House of Congress, the sole*  
15 *matter after the resolving clause of which is as*  
16 *follows: “That the President has failed or refused*  
17 *to notify or consult in accordance with the Bi-*  
18 *partisan Trade Promotion Authority Act of 2002*  
19 *on negotiations with respect to \_\_\_\_\_*  
20 *and, therefore, the trade authorities procedures*  
21 *under that Act shall not apply to any imple-*  
22 *menting bill submitted with respect to such trade*  
23 *agreement or agreements.”, with the blank space*  
24 *being filled with a description of the trade agree-*  
25 *ment or agreements with respect to which the*

1           *President is considered to have failed or refused*  
2           *to notify or consult.*

3                     *(ii) For purposes of clause (i), the President*  
4           *has “failed or refused to notify or consult in ac-*  
5           *cordance with the Bipartisan Trade Promotion*  
6           *Authority Act of 2002” on negotiations with re-*  
7           *spect to a trade agreement or trade agreements*  
8           *if—*

9                             *(I) the President has failed or refused*  
10           *to consult (as the case may be) in accord-*  
11           *ance with section 4 or 5 with respect to the*  
12           *negotiations, agreement, or agreements;*

13                            *(II) guidelines under section 7(b) have*  
14           *not been developed or met with respect to*  
15           *the negotiations, agreement, or agreements;*

16                            *(III) the President has not met with*  
17           *the Congressional Oversight Group pursu-*  
18           *ant to a request made under section 7(c)*  
19           *with respect to the negotiations, agreement,*  
20           *or agreements; or*

21                            *(IV) the agreement or agreements fail*  
22           *to make progress in achieving the purposes,*  
23           *policies, priorities, and objectives of this*  
24           *Act.*

1                   (C) *PROCEDURES FOR CONSIDERING RESO-*  
2                   *LUTIONS.—(i)       Procedural       disapproval*  
3                   *resolutions—*

4                   (I) *in the House of Representatives—*

5                   (i) *(aa) may be introduced by any*  
6                   *Member of the House;*

7                   (ii) *(bb) shall be referred to the Com-*  
8                   *mittee on Ways and Means and, in ad-*  
9                   *dition, to the Committee on Rules; and*

10                   (iii) *(cc) may not be amended by ei-*  
11                   *ther Committee; and*

12                   (II) *in the Senate—*

13                   (i) *(aa) may be introduced by any*  
14                   *Member of the Senate.*

15                   (ii) *(bb) shall be referred to the Com-*  
16                   *mittee on Finance; and*

17                   (iii) *(cc) may not be amended.*

18                   (ii) *The provisions of section 152(d) and (e)*  
19                   *of the Trade Act of 1974 (19 U.S.C. 2192(d) and*  
20                   *(e)) (relating to the floor consideration of certain*  
21                   *resolutions in the House and Senate) apply to a*  
22                   *procedural disapproval resolution introduced*  
23                   *with respect to a trade agreement if no other*  
24                   *procedural disapproval resolution with respect to*  
25                   *that trade agreement has previously been consid-*

1            *ered under such provisions of section 152 of the*  
2            *Trade Act of 1974 in that House of Congress*  
3            *during that Congress.*

4            *(iii) It is not in order for the House of Rep-*  
5            *resentatives to consider any procedural dis-*  
6            *approval resolution not reported by the Com-*  
7            *mittee on Ways and Means and, in addition, by*  
8            *the Committee on Rules.*

9            *(iv) It is not in order for the Senate to con-*  
10           *sider any procedural disapproval resolution not*  
11           *reported by the Committee on Finance.*

12           *(2) FOR FAILURE TO MEET OTHER REQUIRE-*  
13           *MENTS.—Prior to December 31, 2002, the Secretary of*  
14           *Commerce shall transmit to Congress a report setting*  
15           *forth the strategy of the United States for correcting*  
16           *instances in which dispute settlement panels and the*  
17           *Appellate Body of the WTO have added to obligations*  
18           *or diminished rights of the United States, as de-*  
19           *scribed in section 1(b)(3). Trade authorities proce-*  
20           *dures shall not apply to any implementing bill with*  
21           *respect to an agreement negotiated under the auspices*  
22           *of the WTO, unless the Secretary of Commerce has*  
23           *issued such report in a timely manner.*

1           (c) *RULES OF HOUSE OF REPRESENTATIVES AND SEN-*  
2 *ATE.*—Subsection (b) of this section and section 3(c) are  
3 *enacted by the Congress—*

4           (1) *as an exercise of the rulemaking power of the*  
5 *House of Representatives and the Senate, respectively,*  
6 *and as such are deemed a part of the rules of each*  
7 *House, respectively, and such procedures supersede*  
8 *other rules only to the extent that they are incon-*  
9 *sistent with such other rules; and*

10          (2) *with the full recognition of the constitutional*  
11 *right of either House to change the rules (so far as re-*  
12 *lating to the procedures of that House) at any time,*  
13 *in the same manner, and to the same extent as any*  
14 *other rule of that House.*

15 **SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR**  
16                   **WHICH NEGOTIATIONS HAVE ALREADY**  
17                   **BEGUN.**

18          (a) *CERTAIN AGREEMENTS.*—Notwithstanding the  
19 *prenegotiation notification and consultation requirement*  
20 *described in section 4(a), if an agreement to which section*  
21 *3(b) applies—*

22           (1) *is entered into under the auspices of the*  
23 *World Trade Organization,*

24           (2) *is entered into with Chile,*

25           (3) *is entered into with Singapore, or*

1           (4) *establishes a Free Trade Area for the Amer-*  
2       *icas,*  
3       *and results from negotiations that were commenced before*  
4       *the date of the enactment of this Act, subsection (b) shall*  
5       *apply.*

6       (b) *TREATMENT OF AGREEMENTS.—In the case of any*  
7       *agreement to which subsection (a) applies—*

8           (1) *the applicability of the trade authorities pro-*  
9       *cedures to implementing bills shall be determined*  
10       *without regard to the requirements of section 4(a) (re-*  
11       *lating only to 90 days notice prior to initiating nego-*  
12       *tiations), and any procedural disapproval resolution*  
13       *under section 5(b)(1)(B) shall not be in order on the*  
14       *basis of a failure or refusal to comply with the provi-*  
15       *sions of section 4(a); and*

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

18           (A) *notify the Congress of the negotiations*  
19       *described in subsection (a), the specific United*  
20       *States objectives in the negotiations, and whether*  
21       *the President is seeking a new agreement or*  
22       *changes to an existing agreement; and*

23           (B) *before and after submission of the no-*  
24       *tice, consult regarding the negotiations with the*

1           committees referred to in section 4(a)(2) and the  
2           Congressional Oversight Group.

3 **SEC. 7. CONGRESSIONAL OVERSIGHT GROUP.**

4           (a) *MEMBERS AND FUNCTIONS.*—

5           (1) *IN GENERAL.*—By not later than 60 days  
6           after the date of the enactment of this Act, and not  
7           later than 30 days after the convening of each Con-  
8           gress, the chairman of the Committee on Ways and  
9           Means of the House of Representatives and the chair-  
10          man of the Committee on Finance of the Senate shall  
11          convene the Congressional Oversight Group.

12          (2) *MEMBERSHIP FROM THE HOUSE.*—In each  
13          Congress, the Congressional Oversight Group shall be  
14          comprised of the following Members of the House of  
15          Representatives:

16                (A) *The chairman and ranking member of*  
17                *the Committee on Ways and Means, and 3 addi-*  
18                *tional members of such Committee (not more*  
19                *than 2 of whom are members of the same polit-*  
20                *ical party).*

21                (B) *The chairman and ranking member, or*  
22                *their designees, of the committees of the House of*  
23                *Representatives which would have, under the*  
24                *Rules of the House of Representatives, jurisdic-*  
25                *tion over provisions of law affected by a trade*

1           *agreement negotiations for which are conducted*  
2           *at any time during that Congress and to which*  
3           *this Act would apply.*

4           (3) *MEMBERSHIP FROM THE SENATE.—In each*  
5           *Congress, the Congressional Oversight Group shall*  
6           *also be comprised of the following members of the Sen-*  
7           *ate:*

8                   (A) *The chairman and ranking Member of*  
9                   *the Committee on Finance and 3 additional*  
10                  *members of such Committee (not more than 2 of*  
11                  *whom are members of the same political party).*

12                  (B) *The chairman and ranking member, or*  
13                  *their designees, of the committees of the Senate*  
14                  *which would have, under the Rules of the Senate,*  
15                  *jurisdiction over provisions of law affected by a*  
16                  *trade agreement negotiations for which are con-*  
17                  *ducted at any time during that Congress and to*  
18                  *which this Act would apply.*

19           (4) *ACCREDITATION.—Each member of the Con-*  
20           *gressional Oversight Group described in paragraph*  
21           *(2)(A) and (3)(A) shall be accredited by the United*  
22           *States Trade Representative on behalf of the President*  
23           *as official advisers to the United States delegation in*  
24           *negotiations for any trade agreement to which this*  
25           *Act applies. Each member of the Congressional Over-*

1 *sight Group described in paragraph (2)(B) and*  
2 *(3)(B) shall be accredited by the United States Trade*  
3 *Representative on behalf of the President as official*  
4 *advisers to the United States delegation in the nego-*  
5 *tiations by reason of which the member is in the Con-*  
6 *gressional Oversight Group. The Congressional Over-*  
7 *sight Group shall consult with and provide advice to*  
8 *the Trade Representative regarding the formulation of*  
9 *specific objectives, negotiating strategies and posi-*  
10 *tions, the development of the applicable trade agree-*  
11 *ment, and compliance and enforcement of the nego-*  
12 *tiated commitments under the trade agreement.*

13 (5) *CHAIR.—The Congressional Oversight Group*  
14 *shall be chaired by the Chairman of the Committee on*  
15 *Ways and Means of the House of Representatives and*  
16 *the Chairman of the Committee on Finance of the*  
17 *Senate.*

18 (b) *GUIDELINES.—*

19 (1) *PURPOSE AND REVISION.—The United States*  
20 *Trade Representative, in consultation with the chair-*  
21 *men and ranking minority members of the Committee*  
22 *on Ways and Means of the House of Representatives*  
23 *and the Committee on Finance of the Senate—*

24 (A) *shall, within 120 days after the date of*  
25 *the enactment of this Act, develop written guide-*

1 *lines to facilitate the useful and timely exchange*  
2 *of information between the Trade Representative*  
3 *and the Congressional Oversight Group estab-*  
4 *lished under this section; and*

5 *(B) may make such revisions to the guide-*  
6 *lines as may be necessary from time to time.*

7 *(2) CONTENT.—The guidelines developed under*  
8 *paragraph (1) shall provide for, among other*  
9 *things—*

10 *(A) regular, detailed briefings of the Con-*  
11 *gressional Oversight Group regarding negoti-*  
12 *ating objectives, including the promotion of cer-*  
13 *tain priorities referred to in section 2(c), and*  
14 *positions and the status of the applicable nego-*  
15 *tiations, beginning as soon as practicable after*  
16 *the Congressional Oversight Group is convened,*  
17 *with more frequent briefings as trade negotia-*  
18 *tions enter the final stage;*

19 *(B) access by members of the Congressional*  
20 *Oversight Group, and staff with proper security*  
21 *clearances, to pertinent documents relating to the*  
22 *negotiations, including classified materials;*

23 *(C) the closest practicable coordination be-*  
24 *tween the Trade Representative and the Congres-*  
25 *sional Oversight Group at all critical periods*



1           (2) *AGENCY STAFFING REQUIREMENTS.*—A de-  
2           scription of additional personnel required by Federal  
3           agencies responsible for monitoring and implementing  
4           the trade agreement, including personnel required by  
5           the Office of the United States Trade Representative,  
6           the Department of Commerce, the Department of Ag-  
7           riculture (including additional personnel required to  
8           implement sanitary and phytosanitary measures in  
9           order to obtain market access for United States ex-  
10          ports), the Department of the Treasury, and such  
11          other agencies as may be necessary.

12          (3) *CUSTOMS INFRASTRUCTURE REQUIRE-*  
13          *MENTS.*—A description of the additional equipment  
14          and facilities needed by the United States Customs  
15          Service.

16          (4) *IMPACT ON STATE AND LOCAL GOVERN-*  
17          *MENTS.*—A description of the impact the trade agree-  
18          ment will have on State and local governments as a  
19          result of increases in trade.

20          (5) *COST ANALYSIS.*—An analysis of the costs as-  
21          sociated with each of the items listed in paragraphs  
22          (1) through (4).

23          (b) *BUDGET SUBMISSION.*—The President shall in-  
24          clude a request for the resources necessary to support the  
25          plan described in subsection (a) in the first budget that the

1 *President submits to the Congress after the submission of*  
2 *the plan.*

3 **SEC. 9. COMMITTEE STAFF.**

4 *The grant of trade promotion authority under this Act*  
5 *is likely to increase the activities of the primary committees*  
6 *of jurisdiction in the area of international trade. In addi-*  
7 *tion, the creation of the Congressional Oversight Group*  
8 *under section 7 will increase the participation of a broader*  
9 *number of Members of Congress in the formulation of*  
10 *United States trade policy and oversight of the inter-*  
11 *national trade agenda for the United States. The primary*  
12 *committees of jurisdiction should have adequate staff to ac-*  
13 *commodate these increases in activities.*

14 **SEC. 10. CONFORMING AMENDMENTS.**

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

17 *(1) IMPLEMENTING BILL.—*

18 *(A) Section 151(b)(1) (19 U.S.C.*  
19 *2191(b)(1)) is amended by striking “section*  
20 *1103(a)(1) of the Omnibus Trade and Competi-*  
21 *tiveness Act of 1988, or section 282 of the Uru-*  
22 *guay Round Agreements Act” and inserting “sec-*  
23 *tion 282 of the Uruguay Round Agreements Act,*  
24 *or section 5(a)(1) of the Bipartisan Trade Pro-*  
25 *motion Authority Act of 2002”.*

1           (B) Section 151(c)(1) (19 U.S.C.  
2           2191(c)(1)) is amended by striking “or section  
3           282 of the Uruguay Round Agreements Act” and  
4           inserting “, section 282 of the Uruguay Round  
5           Agreements Act, or section 5(a)(1) of the Bipar-  
6           tisan Trade Promotion Authority Act of 2002”.

7           (2) *ADVICE FROM INTERNATIONAL TRADE COM-*  
8           *MISSION.*—Section 131 (19 U.S.C. 2151) is  
9           amended—

10           (A) in subsection (a)—

11           (i) in paragraph (1), by striking “sec-  
12           tion 123 of this Act or section 1102 (a) or  
13           (c) of the Omnibus Trade and Competitive-  
14           ness Act of 1988,” and inserting “section  
15           123 of this Act or section 3(a) or (b) of the  
16           Bipartisan Trade Promotion Authority Act  
17           of 2002,”; and

18           (ii) in paragraph (2), by striking “sec-  
19           tion 1102 (b) or (c) of the Omnibus Trade  
20           and Competitiveness Act of 1988” and in-  
21           serting “section 3(b) of the Bipartisan  
22           Trade Promotion Authority Act of 2002”;

23           (B) in subsection (b), by striking “section  
24           1102(a)(3)(A)” and inserting “section 3(a)(3)(A)

1           *of the Bipartisan Trade Promotion Authority*  
2           *Act of 2002*”; and

3                   (C) *in subsection (c), by striking “section*  
4                   *1102 of the Omnibus Trade and Competitiveness*  
5                   *Act of 1988,” and inserting “section 3 of the Bi-*  
6                   *partisan Trade Promotion Authority Act of*  
7                   *2002,”.*

8           (3) *HEARINGS AND ADVICE.—Sections 132,*  
9           *133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and*  
10           *2154(a)) are each amended by striking “section 1102*  
11           *of the Omnibus Trade and Competitiveness Act of*  
12           *1988,” each place it appears and inserting “section 3*  
13           *of the Bipartisan Trade Promotion Authority Act of*  
14           *2002,”.*

15           (4) *PREREQUISITES FOR OFFERS.—Section*  
16           *134(b) (19 U.S.C. 2154(b)) is amended by striking*  
17           *“section 1102 of the Omnibus Trade and Competitive-*  
18           *ness Act of 1988” and inserting “section 3 of the Bi-*  
19           *partisan Trade Promotion Authority Act of 2002”.*

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

22                   (A) *in subsection (a)(1)(A), by striking*  
23                   *“section 1102 of the Omnibus Trade and Com-*  
24                   *petitiveness Act of 1988” and inserting “section*

1           *3 of the Bipartisan Trade Promotion Authority*  
2           *Act of 2002”;*

3           *(B) in subsection (e)(1)—*

4                   *(i) by striking “section 1102 of the*  
5                   *Omnibus Trade and Competitiveness Act of*  
6                   *1988” each place it appears and inserting*  
7                   *“section 3 of the Bipartisan Trade Pro-*  
8                   *motion Authority Act of 2002”;* and

9                   *(ii) by striking “not later than the*  
10                   *date on which the President notifies the*  
11                   *Congress under section 1103(a)(1)(A) of*  
12                   *such Act of 1988 of his intention to enter*  
13                   *into that agreement” and inserting “not*  
14                   *later than the date that is 30 days after the*  
15                   *date on which the President notifies the*  
16                   *Congress under section 5(a)(1)(A) of the Bi-*  
17                   *partisan Trade Promotion Authority Act of*  
18                   *2002 of the President’s intention to enter*  
19                   *into that agreement”;* and

20           *(C) in subsection (e)(2), by striking “section*  
21           *1101 of the Omnibus Trade and Competitiveness*  
22           *Act of 1988” and inserting “section 2 of the Bi-*  
23           *partisan Trade Promotion Authority Act of*  
24           *2002”.*

1           (6) *TRANSMISSION OF AGREEMENTS TO CON-*  
2           *GRESS.—Section 162(a) (19 U.S.C. 2212(a)) is*  
3           *amended by striking “or under section 1102 of the*  
4           *Omnibus Trade and Competitiveness Act of 1988”*  
5           *and inserting “or under section 3 of the Bipartisan*  
6           *Trade Promotion Authority Act of 2002”.*

7           (b) *APPLICATION OF CERTAIN PROVISIONS.—For pur-*  
8           *poses of applying sections 125, 126, and 127 of the Trade*  
9           *Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—*

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

14           (2) *any proclamation or Executive order issued*  
15           *pursuant to a trade agreement entered into under sec-*  
16           *tion 3 shall be treated as a proclamation or Executive*  
17           *order issued pursuant to a trade agreement entered*  
18           *into under section 102 of the Trade Act of 1974.*

19           **SEC. 11. REPORT ON IMPACT OF TRADE PROMOTION AU-**  
20           **THORITY.**

21           (a) *IN GENERAL.—Not later than 1 year after the date*  
22           *of enactment of this Act, the International Trade Commis-*  
23           *sion shall report to the Committee on Finance of the Senate*  
24           *and the Committee on Ways and Means of the House of*  
25           *Representatives regarding the economic impact on the*

1 *United States of the trade agreements described in sub-*  
2 *section (b).*

3 (b) *AGREEMENTS.*—*The trade agreements described in*  
4 *this subsection are:*

5 (1) *The United States-Israel Free Trade Agree-*  
6 *ment.*

7 (2) *The United States-Canada Free Trade Agree-*  
8 *ment.*

9 (3) *The North American Free Trade Agreement.*

10 (4) *The Uruguay Round Agreements.*

11 (5) *The Tokyo Round of Multilateral Trade Ne-*  
12 *gotiations.*

13 **SEC. 12. IDENTIFICATION OF SMALL BUSINESS ADVOCATE**  
14 **AT WTO.**

15 (a) *IN GENERAL.*—*The United States Trade Rep-*  
16 *resentative shall pursue the identification of a small busi-*  
17 *ness advocate at the World Trade Organization Secretariat*  
18 *to examine the impact of WTO agreements on the interests*  
19 *of small- and medium-sized enterprises, address the con-*  
20 *cerns of small- and medium-sized enterprises, and rec-*  
21 *ommend ways to address those interests in trade negotia-*  
22 *tions involving the World Trade Organization.*

23 (b) *ASSISTANT TRADE REPRESENTATIVE.*—*The Assist-*  
24 *ant United States Trade Representative for Industry and*  
25 *Telecommunications shall be responsible for ensuring that*

1 *the interests of small business are considered in all trade*  
2 *negotiations in accordance with the objective described in*  
3 *section 2(a)(8). It is the sense of Congress that the small*  
4 *business functions should be reflected in the title of the As-*  
5 *sistant United States Trade Representative assigned the re-*  
6 *sponsibility for small business.*

7       (c) *REPORT.—Not later than 1 year after the date of*  
8 *enactment of this Act, and annually thereafter, the United*  
9 *States Trade Representative shall prepare and submit a re-*  
10 *port to the Committee on Finance of the Senate and the*  
11 *Committee on Ways and Means of the House of Representa-*  
12 *tives on the steps taken by the United States Trade Rep-*  
13 *resentative to pursue the identification of a small business*  
14 *advocate at the World Trade Organization.*

15 **SEC. 13. DEFINITIONS.**

16       *In this Act:*

17           (1) *AGREEMENT ON AGRICULTURE.—The term*  
18       *“Agreement on Agriculture” means the agreement re-*  
19       *ferred to in section 101(d)(2) of the Uruguay Round*  
20       *Agreements Act (19 U.S.C. 3511(d)(2)).*

21           (2) *CORE LABOR STANDARDS.—The term “core*  
22       *labor standards” means—*  
23            (A) *the right of association;*  
24            (B) *the right to organize and bargain collec-*  
25        *tively;*

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

3           (D) a minimum age for the employment of  
4           children; and

5           (E) acceptable conditions of work with re-  
6           spect to minimum wages, hours of work, and oc-  
7           cupational safety and health.

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

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

13          (5) *UNITED STATES PERSON*.—The term “*United*  
14          *States person*” means—

15               (A) a *United States citizen*;

16               (B) a *partnership, corporation, or other*  
17               *legal entity organized under the laws of the*  
18               *United States; and*

19               (C) a *partnership, corporation, or other*  
20               *legal entity that is organized under the laws of*  
21               *a foreign country and is controlled by entities*  
22               *described in subparagraph (B) or United States*  
23               *citizens, or both.*

24          (6) *URUGUAY ROUND AGREEMENTS*.—The term  
25          “*Uruguay Round Agreements*” has the meaning given

1       *that term in section 2(7) of the Uruguay Round*  
2       *Agreements Act (19 U.S.C. 3501(7)).*

3               (7) *WORLD TRADE ORGANIZATION; WTO.—The*  
4       *terms “World Trade Organization” and “WTO”*  
5       *mean the organization established pursuant to the*  
6       *WTO Agreement.*

7               (8) *WTO AGREEMENT.—The term “WTO Agree-*  
8       *ment” means the Agreement Establishing the World*  
9       *Trade Organization entered into on April 15, 1994.*

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**AN ACT**

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

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FEBRUARY 28, 2002

Reported with an amendment