

109TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

Mr. GRASSLEY (for himself and Mr. BAUCUS) introduced the following bill;  
which was read twice and referred to the Committee on

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**A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

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

1                   **TITLE I—ENFORCEMENT**  
2                                   **PROVISIONS**

3   **SEC. 101. SUSPENSION OF NEW SHIPPER REVIEW PROVI-**  
4                                   **SION.**

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

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

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

22           (2) an assessment of the effectiveness of any  
23 administrative measure that was implemented to ad-  
24 dress the difficulties that necessitated the suspension  
25 under subsection (a), including—

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

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

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

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

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

22               (B) an estimate of the total amount of du-  
23               ties that were uncollected during the most re-  
24               cent fiscal year for which data are available, in-

1 including, with respect to each product, a descrip-  
2 tion of why the duties were uncollected.

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

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

8 (B) for each recommendation—

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

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

17 **SEC. 102. TRADE ENFORCEMENT PERSONNEL.**

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

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

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

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

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

17 and

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

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

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

12 (c) COMPENSATION; EFFECTIVE DATE.—

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

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

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

24 (d) CONTINUATION IN OFFICE.—The individual serv-  
25 ing as General Counsel in the Office of the United States

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

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

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

21 (2) DUTIES.—The Trade Enforcement Working  
22 Group shall assist the General Counsel of the Office  
23 of the United States Trade Representative in car-  
24 rying out the principal functions described in section  
25 141(c)(6) of the Trade Act of 1974.

1 (f) IDENTIFICATION OF TRADE ENFORCEMENT PRI-  
2 ORITIES.—

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

6 **“SEC. 310. IDENTIFICATION OF TRADE ENFORCEMENT PRI-**  
7 **ORITIES.**

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

13 “(1) identify the trade enforcement priorities of  
14 the United States;

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

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

24 “(4) submit to the Committee on Finance of  
25 the Senate and the Committee on Ways and Means



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

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

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

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

19 “(3) the findings in other relevant reports ad-  
20 dressing international trade and investment pre-  
21 pared by the United States Trade Representative  
22 during the 12 months preceding the date on which  
23 the report required by subsection (a)(4) is due to be  
24 submitted;

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

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

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

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

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

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

24           “(d) CONSULTATION AFTER REPORT.—Not later  
25          than 30 days after the date on which the report required

1 by subsection (a)(4) is due to be submitted each calendar  
2 year, the General Counsel of the Office of the United  
3 States Trade Representative shall appear before closed  
4 sessions of the Committee on Finance of the Senate and  
5 the Committee on Ways and Means of the House of Rep-  
6 resentatives to brief each committee on the determination  
7 required by subsection (a)(3).”.

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

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

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

14 (1) in paragraph (1), by striking “5314” and  
15 inserting “5315”; and

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

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

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

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

7 **SEC. 202. FINDINGS.**

8 Congress finds as follows:

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

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

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

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

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

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

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

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

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

19 **SEC. 203. DEFINITIONS.**

20 In this title:

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

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

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

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

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

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

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

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

23       (a) **ESTABLISHMENT.**—

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

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

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

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



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

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

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

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

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

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

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

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

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

12       (a) REPORTS REQUIRED.—

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

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

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

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

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

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

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

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

20           (A) monetary and financial conditions;

21           (B) foreign exchange reserve accumulation;

22           (C) macroeconomic trends;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (b) ADDITIONAL ACTION.—

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

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

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

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

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

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

17 (c) FAILURE TO ADOPT CHANGES.—

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

19 (a) IN GENERAL.—

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

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

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

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

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

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

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

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

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