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(Original Signature of Member)

116TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

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IN THE HOUSE OF REPRESENTATIVES

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

\_\_\_\_\_

**A BILL**

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

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

3       **SECTION 1. SHORT TITLE.**

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

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (3) The physical characteristics of the good.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (1) the foreign country is no longer—

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

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

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

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

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

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

24 (1) not less than 30 days before the date on  
25 which imposition of an increased rate of duty on im-

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

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

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

12 **SEC. 5. REPORT.**

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

17 (1) the implementation of the agreement, in-  
18 cluding how it is consistent with and does not mate-  
19 rially differ from or otherwise affect Federal or  
20 State laws or regulations;

21 (2) the impact on the competitiveness of United  
22 States businesses; and

23 (3) the impact on United States consumers.

24 **SEC. 6. DEFINITIONS.**

25 In this Act:

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

4           (A) the Committee on Ways and Means of  
5       the House of Representatives and the Com-  
6       mittee on Finance of the Senate; and

7           (B) the Speaker of the House of Rep-  
8       resentatives, the minority leader of the House  
9       of Representatives, the majority leader of the  
10      Senate, and the minority leader of the Senate.

11       (2) NONTARIFF BARRIER.—The term “nontariff  
12      barrier” includes any government-imposed measure  
13      or policy, other than a customs duty, that restricts,  
14      prevents, or impedes international trade in goods, in-  
15      cluding import policies, sanitary and phytosanitary  
16      measures, technical barriers to trade, government  
17      procurement, export subsidies, lack of intellectual  
18      property protection, digital trade barriers, and gov-  
19      ernment-tolerated anticompetitive conduct of state-  
20      owned or private firms.

21       (3) RATE OF DUTY.—The term “rate of duty”  
22      means the rate of customs duty applied on imports  
23      of a good, but does not include an antidumping or  
24      countervailing duty or a duty applied under a pref-  
25      erential tariff arrangement.