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H. R. 735

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2025

Mr. MOORE of West Virginia (for himself, Ms. GREENE of Georgia, Mr. COLLINS, Mr. MCDOWELL, Mr. HAMADEH of Arizona, Mr. LOUDERMILK, Mr. JACK, Mr. BEGICH, and Mr. RULLI) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Reciprocal Trade Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) The United States maintains an open market for goods, with relatively low tariffs, and has long encouraged trading partners, both bilaterally and in multilateral fora, to liberalize their markets.

(2) The United States is the world's largest importer of goods.

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

(4) Europeans have continued to protect their auto markets from United States automotive companies through high tariffs while dumping cheap European cars into the United States, undermining our automotive industry.

(5) Canadian and Mexican authorities have flooded American markets with cheap goods while simultaneously allowing for illegal migrants and poisonous fentanyl to pour into the United States.

(6) United States trading partners in many instances impose significant nontariff barriers that greatly undermine the value of negotiated tariff concessions.

(7) The lack of reciprocity in tariff levels and disproportionate use of nontariff barriers by United States trading partners facilitates foreign imports, discourages United States exports, and puts United States producers, farmers, and workers at a competitive disadvantage.

(8) The lack of reciprocity in tariff levels and nontariff barriers contributes to the large and growing United States trade deficit in goods, which is a drag on economic growth and undermines economic prosperity.

(9) Tariffs under the Trump presidency substantially shrank the trade deficit with China.

(10) The President must be able to levy tariffs on our global competitors. Preferential treatment of adversaries, such as China's Most Favored Nation trading status, undermines American national security interests domestically and around the world.

(11) To date a number of United States trading partners have been unwilling, including in multilateral negotiations, to reduce tariffs and eliminate nontariff barriers applied to United States exports.

(12) The United States should seek action by United States trading partners to lower tariffs and eliminate nontariff barriers, to promote efficiency in

those markets and enhance opportunities for United States producers, farmers, and workers.

(13) For the United States to maintain its economic dominance globally, the President must have the authority to levy reciprocal tariffs against unfair trading partners.

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

SEC. 3. AUTHORITY TO TAKE CERTAIN ACTIONS RELATING TO RECIPROCAL TRADE.

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

(1) the rate of duty imposed by a foreign country with respect to a particular good, when imported from the United States, is significantly higher than the rate of duty imposed by the United States on that good, when imported from that country, or

(2) the nontariff barriers applied by a foreign country with respect to a particular good, when imported from the United States, impose significantly higher burdens, alone or in combination with any

tariffs imposed by that country on that good, than the burdens of the nontariff barriers applied by the United States with respect to that good, alone or in combination with any tariffs imposed by the United States on that good, when imported from that country,

the President may take one or more of the actions authorized under subsection (b).

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

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

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

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

(B) the effective rate of duty of the nontariff barriers applied by the foreign country with respect to the good, alone or in combination with any tariffs imposed by that country on that good, in the case of a determination described in subsection (a)(2).

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

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

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

(3) The physical characteristics of the good.

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

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

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

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

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

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

(A) the extent of the nontariff barriers applied by the foreign country with respect to the good and the extent of the nontariff barriers applied by the United States with respect to the good;

(B) the extent to which the nontariff barriers applied by the country with respect to the good, alone or in combination with any tariffs imposed by that country on that good, are impeding or distorting trade;

(C) the identified purpose of the nontariff barriers applied by the country with respect to the good, if any, and the extent to which the nontariff barriers are more restrictive than necessary to meet that purpose; and

(D) the degree of transparency of the process by which the country adopted the nontariff barriers.

(8) Other factors, as the President determines appropriate.

(d) ROLE OF USTR.—The United States Trade Representative, in consultation with the Secretary of Treasury, the Secretary of Commerce, and the heads of other relevant Federal agencies, shall advise the President in determining the effective rate of duty imposed by the non-tariff barriers applied by a foreign country with respect to a good, alone or in combination with any tariffs imposed by that country on that good, in the case of a determination described in subsection (a)(2).

(e) LOWER RATE OF DUTY.—The President may impose a rate of duty on imports of a good from a foreign country that is lower than the rate of duty described in subsection (b)(2)(A) or lower than the effective rate of duty described in subsection (b)(2)(B), as the case may be, if the President determines that application of such lower rate of duty is necessary and appropriate.

(f) HIGHER RATE OF DUTY.—If the President imposes a rate of duty on imports of a good from a foreign country under subsection (b)(2), and the country further increases its rate of duty on imports of the good from the United States, the President may further increase the rate of duty on imports of the good from the country to a rate that is equal to the rate of duty applied by that country.

(g) TERMINATION.—The President shall terminate the imposition of any increase in the rate of duty on imports of a good from a foreign country under subsection (b)(2) effective on the date on which the President determines that—

(1) the foreign country is no longer—

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

(B) applying nontariff barriers with respect to the good, as described in subsection (a)(2); or

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

SEC. 4. NOTICE AND CONSULTATION.

(a) IN GENERAL.—Before taking any action authorized under section 3(b)(1), the President shall provide notice to and consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the proposed action.

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

(1) not less than 30 days before the date on which imposition of an increased rate of duty on imports of a good from a foreign country is to take effect, publish notice in the Federal Register of, and allow for public comment on, the proposed imposition and level of such increased rate of duty; and

(2) seek advice regarding the proposed action from the advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155).

(c) ADDITIONAL NOTICE.—The President shall promptly publish in the Federal Register notice of any action taken pursuant to section 3(f) or 3(g).

SEC. 5. CONGRESSIONAL DISAPPROVAL OF PRESIDENTIAL IMPOSITION OF RATES OF DUTY ON IMPORTS OF GOODS FROM FOREIGN COUNTRIES UNDER SECTION 3(b)(2); DISAPPROVAL RESOLUTION.

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

(b) CONGRESSIONAL RULEMAKING POWER; DISAPPROVAL RESOLUTION.—

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

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedures to be followed in that House in the case of disapproval resolutions and such procedures supersede other rules only to the extent that they are inconsistent therewith; and

(B) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

(2) DISAPPROVAL RESOLUTION.—For purposes of this section, the term ''disapproval resolution'' means only a joint resolution of either House of Congress the matter after the resolving clause of which is as follows: ''That the Congress disapproves the action taken under section 3(b)(2) of the United States Reciprocal Trade Act with respect to the imposition of a rate of duty on imports of ____ from ____ under such section 3(b)(2).'', the first blank space being filled with a description of the good with respect to which the duty is imposed under section 3(b)(2) and the second blank being filled with the name of the foreign country from which the good is imported into the United States.

(3) CONSIDERATION.—

(A) INTRODUCTION.—All disapproval resolutions introduced in the House of Representatives shall be referred to the Committee on Ways and Means and all disapproval resolutions introduced in the Senate shall be referred to the Committee on Finance.

(B) AMENDMENTS PROHIBITED; MOTIONS TO SUSPEND APPLICATION OF THIS SUBPARAGRAPH PROHIBITED.—No amendment to a disapproval resolution shall be in order in either the House of Representatives or the Senate, and no motion to suspend the application of this subparagraph shall be in order in either House nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subparagraph by unanimous consent.

(C) MAJORITY REQUIRED FOR ADOPTION.—A disapproval resolution considered under this subsection shall require an affirmative vote of two-thirds of the Members, duly chosen and sworn, for adoption.

SEC. 6. REPORT.

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

(1) the implementation of the agreement, including how it is consistent with and does not materially differ from or otherwise affect Federal or State laws or regulations;

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

(3) the impact on United States consumers.

SEC. 7. SUNSET OF PRESIDENTIAL IMPOSITION OF RATES OF DUTY ON IMPORTS OF GOODS FROM FOREIGN COUNTRIES UNDER SECTION 3(b)(2) BY DISAPPROVAL RESOLUTION.

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

(1) shall be effective for the period ending on the date that is three years after the date of the enactment of this Act; and

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

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

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

(b) REPORT TO CONGRESS.—If the President is of the opinion that the authority of the President to take an action under section 3(b)(2) to impose a rate of duty on imports of a good from a foreign country should be extended for the additional period described in subsection (a)(2), the President shall submit to Congress, not later than the date that is three months before the end of the period described in subsection (a)(1), a written report that contains a request for such extension, together with a description of all actions taken under section 3(b)(2) to date.

(c) DISAPPROVAL RESOLUTION.—

(1) CONGRESSIONAL RULEMAKING POWER.—This section is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedures to be followed in that House in the case of disapproval resolutions and such procedures supersede other rules only to the extent that they are inconsistent therewith; and

(B) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

(2) DISAPPROVAL RESOLUTION.—For purposes of subsection (a), the term ''disapproval resolution'' means only a joint resolution of either House of Congress the matter after the resolving clause of which is as follows: ''That the Congress disapproves the request of the President for the extension, under section 7(a)(2)(A) of the United States Reciprocal Trade Act, of the authority of the President to take an action under section 3(b)(2) of such Act to impose a rate of duty on imports of a good from a foreign country after the period ending on the date that is three years after the date of the enactment of such Act.''.

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

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

(B) shall be referred, in the House of Representatives, to the Committee on Ways and

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

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

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

(A) the House of Representatives to consider any disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules;

(B) the Senate to consider any disapproval resolution not reported by the Committee on Finance; or

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

(d) RULES OF CONSTRUCTION.—

(1) IN GENERAL.—An action authorized under section 3(b)(2) to impose a rate of duty on imports of a good from a foreign country that is taken before the end of the period described in subsection (a)(1)

or the end of the period described in subsection (a)(2) shall remain in effect after the end of such respective period.

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

SEC. 8. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES AND LEADERSHIP.—The term ''appropriate congressional committees and leadership'' means—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) the Speaker of the House of Representatives, the minority leader of the House of Representatives, the majority leader of the Senate, and the minority leader of the Senate.

(2) NONTARIFF BARRIER.—The term ''nontariff barrier'' includes any government-imposed measure or policy, other than a customs duty, that restricts, prevents, or impedes international trade in goods, in-

cluding import policies, sanitary and phytosanitary measures, technical barriers to trade, government procurement, export subsidies, lack of intellectual property protection, digital trade barriers, and government-tolerated anticompetitive conduct of state-owned or private firms.

(3) RATE OF DUTY.—The term ''rate of duty'' means the rate of customs duty applied on imports of a good, but does not include an antidumping or countervailing duty or a duty applied under a preferential tariff arrangement.

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