Case Number: 2010-1024-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:
China PNTR - Levin-Bereuter Discussions [9]

Staff Office-Individual:
National Economic Council-Lee, Malcolm

Original OA/ID Number:
CF 1177

Row:	Section:	Shelf:	Position:	Stack:
23	5	6	1	V

MEMORANDUM

TO: Gene Sperling/Lael Brainard

From: Malcolm Lee
Timothy Punke

Date: April 29, 2000

Re: Annual NTR Vote

Because we have no assurance China will accede to the WTO by August 31 --

Overview

We met with USTR, WH Leg, and NSC on Friday to discuss options for the annual NTR vote. This is an issue that the Principals may want to discuss briefly during the Tuesday Principals Meeting.

As you know, the House vote on China PNTR will be during the week of May 22. The timing of ~~a vote~~ on annual NTR would be sometime in June, July ~~or August~~ -- [but by August 31 at the latest.] Congress will likely be forced to vote on extending annual NTR again this year ~~because~~ ~~it~~ is unlikely that China will accede to the WTO -- and thus get permanent NTR -- by [August 31]. However, because the PNTR vote will come before the annual NTR vote, there is a feeling that the NTR vote will not raise problems or be particularly controversial for most Members. The group's suggestion was that we treat the NTR vote as a "non-issue" -- a necessary bridge between China's current status and its accession to the WTO.

Background

President's Legislation

The legislation we sent to the Hill provides that we will apply PNTR to China on the date of its accession to the WTO.

When we were drafting the legislation, State had suggested adding a provision that would have made our legislation both a vote on PNTR and annual NTR. [Because we wanted to send up clean legislation, that proposal was rejected.]

China's Accession Process

Once the EU and others complete multilateral negotiations (the EU and China are scheduled to meet on May 15), the Working Party and China will work to complete the protocol package. The Working Party Members must approve the protocol package before sending it forward to the WTO General Council for final approval. Once the General Council approves the package, China must complete all necessary domestic procedures required to ratify the WTO Agreement.

Once this is done, China can then file its notice of acceptance with the WTO -- but will not become a WTO member until 30 days later. It is very unlikely that this process would be completed prior to August 31, 2000.

NTR Process

As you know, the Trade Act of 1974 regulates extension of MFN/NTR treatment to non-market economies. Section 402 of that Act -- Jackson-Vanik -- allows a non-market economy to receive NTR status only if the President determines that it permits free and unrestricted emigration of its citizens. Jackson-Vanik authorizes the President to waive the requirements for full compliance, however, if he determines that such a waiver will substantially promote the objectives of the freedom of emigration provisions.

This annual renewal procedure requires the President to submit to Congress a recommendation for a 12-month extension of the waiver authority at least 30 days prior to its expiration -- i.e., by June 3 each year. The extension of the waiver authority for an additional 12-month period is automatic unless a joint resolution disapproving an extension is enacted into law within 60 days after the expiration of the previous waiver authority. [This year, that date falls on August 31.]

[If a Member of Congress submits a disapproval motion -- which is almost certain to happen -- that motion is privileged, i.e., it must be voted upon.] Assuming that we win PNTR, a vote on annual NTR should not be controversial, and the President's transmittal letter could include language suggesting that this is merely a bridge until China's accession. If we lose PNTR, a vote on annual NTR would obviously be more controversial -- likely forcing some Members to make inconsistent votes.

Options

[Malcolm -- I am a bit unclear on these:]

- Option 1: Proceed with annual NTR vote as usual. Assuming PNTR is passed, the President could submit a transmittal letter to Congress emphasizing the low-key nature of this vote -- noting that we are pleased that this will be the last vote necessary on China's annual NTR status and that this is effectively a stop-gap measure necessary only until China accedes.

- [Option 2: Amend our legislation to cover the annual NTR vote as well. Pros: this avoids two votes on China. Cons: we sent up clean legislation -- but now want to amend it.] [Is this really an option -- I am unclear.]

- [ML -- My understanding is that we cannot tack on NTR to, for example, any parallel legislation because NTR legislation is privileged. Is that correct?]

Talking Points

- We need to talk briefly about the annual NTR vote. There has been some concern about Members being forced to make 2 votes on China. Because of the timing of the House vote, however, I think this is less of an issue than it otherwise would be. My recommendation is that we simply proceed with the NTR vote as usual. If Congress passes PNTR, passing NTR as a bridge to PNTR should not be controversial.

- Timing: The President's legislation provides that China gets PNTR once China accedes to the WTO. The timing of this is unclear -- but likely to be after August 31.

- The President must submit to Congress a recommendation for a 12-month extension of the waiver under Jackson-Vanik by June 3 -- 30 days prior to its expiration.

- The extension of the waiver authority for an additional 12-month period is automatic unless a joint resolution disapproving an extension is enacted into law within 60 days after the expiration of the previous waiver authority. [This year, that date falls on August 31.]

- It is almost a certainty that some Member of Congress will introduce a privileged resolution disapproving an extension of NTR. If PNTR passes and China accedes to the WTO prior August 31, it would obviate the need for a vote on annual NTR. But because that is unlikely, there will almost certainly be a vote on annual NTR.

- Assuming PNTR passes, Members should be less concerned about an annual NTR vote, which will simply be a "stop-gap" or bridge to PNTR. The President's transmittal letter should emphasize the low-key nature of this vote by suggesting that this is merely a bridge until China's accession.

- If we lose PNTR, a vote on annual NTR would obviously be more controversial -- likely forcing some Members to make inconsistent votes.

- [The only other option would be to amend our legislation to make it a vote on both PNTR and NTR -- but by doing so, we only invite other amendments to our "clean" legislation.]

- We have prepared some guidance on this issue.

DRAFT OF April 29, 2000

Q&A -- Annual NTR

Q: Will the President still submit a recommendation to Congress for a 12-month extension of NTR? Will Congress actually have to make 2 votes on China?

- The President will of course meet his statutory obligations and submit to Congress a recommendation for a 12-month extension of the waiver authority by June 3.

- It is unclear precisely when China will acceded to the WTO. But, if Congress passes PNTR -- as we hope it will -- it will still be necessary to ensure that our current trade policies with China remain in place until it accedes to the WTO. We need to extend NTR this year -- just as we have for the last 20 years -- to ensure this.

- Passing NTR also avoids any time pressures on us in terms of China's accession. [We want to ensure that China accedes to the WTO on terms that are most beneficial to us -- and any time pressures on that would obviously not be to our advantage.]

"Maruyama, Warren H." <WHMaruyama@HHLAW.com>
04/27/2000 02:17:28 PM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP

cc:
Subject: RE: Business Coalition Enforcement.DOC

Malcolm,

Welcome back. I've been checking your WH site pretty regularly and I think I picked up most of the material on human rights and enforcement. It's good material. The Business Coalition can go a bit farther in its argumentation, since we aren't constrained by the need to balance with UN Human Rights process or future administration of Section 301.

My sense is that the "Annual NTR is WTO-legal" and "1979 Agreement" arguments are fading. Now, the big issues seem to be enforcement, potential job losses (EPI 800,000 lost jobs figure), and China's human rights record. President-elect Chen has put the brakes on TSEA, as reflected in Murkowski speech -- so I think that takes the legs out from under some of the conservatives.

We've getting ready to put out a paper on values -- with extensive quotes from independent validators. I think we're winning but the margin is razor-thin.

Warren

-----Original Message-----
From: Malcolm_R._Lee@opd.eop.gov [mailto:Malcolm_R._Lee@opd.eop.gov]
Sent: Thursday, April 27, 2000 1:19 PM
To: Maruyama, Warren H.
Subject: Re: Business Coalition Enforcement.DOC

As of two weeks ago, we posted a bunch of new fact sheets on the WH website. Did you see them? ML

(Embedded
image moved "Maruyama, Warren H." <WHMaruyama@HHLAW.com>
to file: 04/19/2000 05:50:03 PM
PIC12155.PCX)

Record Type: Record

To: Malcolm R. Lee/OPD/EOP, "'Punke Timothy (WH/OPD)'" <Timothy_e_Punke@opd.eop.gov>

cc:
Subject: Business Coalition Enforcement.DOC

Note: Some recipients have been dropped due to syntax errors.
Please refer to the "$AdditionalHeaders" item for the complete headers.

<<Business Coalition Enforcement.DOC>>
FYI, attached are some new talkers addressing the leverage/enforcement issues.

Warren

****
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****
(V1.5)

Paul Oetken

05/01/2000 01:23:45 PM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP@EOP

cc:
Subject: REQUEST FOR DOCUMENTS

Here's the document request that was sent out earlier.

April 19, 2000

MEMORANDUM FOR: China Trade Relations Working Group

FROM: J. Paul Oetken
Associate Counsel to the President

SUBJECT: REQUEST FOR DOCUMENTS

We have received a request for documents regarding the Administration's efforts to gain passage of permanent normal trade relations (PNTR) with China. Accordingly, please conduct a thorough and complete search of all your records for any of the following materials:

(1) Copies of agendas and minutes for principals' meetings, including a listing of all attendees and the department/agency represented.

(2) Copies of all speeches and press releases by the Working Group or its members and all communications, including letters, memoranda, and e-mail messages, between the Working Group or its members and any party outside the Executive Branch, such as trade groups, associations, individuals (including state and local government officials), regarding the China PNTR.

(3) Copies of information packets prepared by the Working Group or other federal employees, including any kit, pamphlet, booklet, publication, radio, television, film, or Internet presentation.

(4) Copies of any guidance provided to the Working Group to ensure compliance with 18 U.S.C. 1913 and applicable appropriations provisions.

(5) Copies of any and all planning documents/strategy papers relating to past, present, and future activities.

(6) Copies of any weekly or other reports/summaries on the activities and/or accomplishments of the Working Group

(7) Copies of any mailing lists used or developed by the Working Group.

Each employee is responsible for searching his or her own files and records to ensure a comprehensive search. **All materials must be provided to Matt Schneider (EEOB Room 131) by 5:00 p.m. on Friday, April 21, 2000. If you have any questions or problems, please contact Paul Oetken at 6-6297 or Adam Greenstone at 5-1268.**

Sharon H. Yuan
05/01/2000 09:25:07 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Elaine M. Mitsler/OPD/EOP@EOP
Subject: Staff meeting

The staff meeting will now be at 4 pm today. Thanks.
---------------------- Forwarded by Sharon H. Yuan/OPD/EOP on 05/01/2000 09:24 AM ---------------------------

Sharon H. Yuan
04/27/2000 09:56:50 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Elaine M. Mitsler/OPD/EOP@EOP
Subject: On Monday

In addition to today's staff meeting, we will also be doing an international staff meeting on Monday at 11:00 am in Room 231.

Thanks.
Sharon

Message Sent To:

Robert F. Wescott/OPD/EOP@EOP
Richard M. Samans/OPD/EOP@EOP
Malcolm R. Lee/OPD/EOP@EOP
Timothy E. Punke/OPD/EOP@EOP
Judson L. Bruns/NSC/EOP@EOP
John D. Duncan Jr/NSC/EOP@EOP
Hal S. Shapiro/OPD/EOP@EOP

Message Sent To:

Patrick M. Dorton
05/01/2000 10:21:05 AM

Record Type: Record

To: Timothy E. Punke/OPD/EOP@EOP, Malcolm R. Lee/OPD/EOP@EOP

cc:
Subject: China Event (5/9) Mtg

---------------------- Forwarded by Patrick M. Dorton/OPD/EOP on 05/01/2000 10:20 AM ---------------------------

LINDSAY R. DREWEL
05/01/2000 10:11:15 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message
Subject: China Event (5/9) Mtg

REMINDER:
Please attend the China Event Message Mtg
TODAY (May 1st) at 3:00pm.
Location: Roosevelt Room
x62640

Message Sent To:

Charles M. Brain

04/29/2000 11:22:24 AM

Record Type: Record

To: Malcolm R. Lee/OPD/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Re: draft levin paragraph for inclusion in written testimony and as guidance for q and a

ML--I'd add the word "bipartisan" in first Q&A, at the 4th bullet--"that would garner broad, ***bipartisan*** support."

Message Copied To:

lisa m. kountoupes/who/eop@eop
charles m. brain/who/eop@eop
ted407@erols.com @ inet
ebeizer@ustr.gov @ inet
rebecca hunter/who/eop@eop

Malcolm R. Lee
05/01/2000 08:13:42 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Sharon H. Yuan/OPD/EOP@EOP, David Tseng/OPD/EOP@EOP, Timothy E. Punke/OPD/EOP@EOP, Jamie H. Ginott/OPD/EOP@EOP

Subject: Assessment of New Levin Draft based on Sunday 4/30 Interagency Conference Call

I believe this reflects the consensus from yesterday's conference call.

Revised Section by Section Comments

I. Commission:

- still have differences on the scope (overall aspects of U.S.-China economic relations) and recommendations on WTO-consistent action.

- want to make clear we can appoint non-Administration officials to the Commission as Presidential appointees.

- can accept adding rule of law to scope of Commission

  Administration Position: delete the language on'"monitoring overall aspects of U.S.-China economic relations" and delete the reference to WTO-consistent sanctions.

  Fallback: Change "overall aspects of economic relations" to "studying China's broad economic development." We should be explicit, however, that the Commission will not review issues related to our trade relationship with China.

II. China Safeguard Legislation:

- Need to see the legislative language on safeguard, trade diversion and provisional relief, but general approach outlined appears ok.

- Proposal's language on narrowing POTUS discretion appears to be consistent with our prior conversations with Levin and his staff. Need to see actual legislative languge.

III. Continuing Oversight of China's Compliance with WTO Obligations

A. Annual Report on China's Compliance with WTO Obligations

- Proposal would now have the President, not USTR, issue the annual report.

- Report would now include a review of the status of internationally recognized worker rights within the PRC.

Position: (1) The report should be done by USTR, not the President; (2) the report should not include a review of worker rights. This is redundant of current reports.

B. Annual WTO Reviw of China's Compliance with WTO Obligations

- now legislative language, previously non-legislative. Can accept this provision as legislated language.

IV. USTR Office of Trade and Labor:

- Should delete reference to "integrating and implementing worker rights concerns into trade agreements." Otherwise, generally OK. Can acccept 2 offices (AUSTR for Labor and AUSTR for Trade and Development) so long as funds are available.

V. Prison Labor Task Force

- [Treasury working on revised language.] Detailed responsibilities give task force operational responsibilities that currenly lie with Customs and should remain there.

- Language also states that task force will "be given the appropriations and legal authority to work exclusively on this issue". While the task force will have exclusive responsibilities, its members will not.

VI. New Resources for Trade Agreement Monitoring andEnforcement:

- New detail added. Appears generally consistent with President's budget initiative, but needs review. For example, China WTO compliance office would also examine prison labor import enforcement.

VII. Promotion of Adherence to Core Labor StandardsAbroad:

- Should be ok except for second to last paragraph. (DOL/ Samansneed to review new detail).

- Penultimate paragraph requires "a specific bilateral labor program with China to implement and enforceinternatinally recognized worker rights. This will be acompliished through joint seminars, workshops and exchange programs between DOL and its Chinese Ministry of Labor."

- Replace above paragraph on bilateral labor program with the following language: "The Administration, including the Secretary of Labor, will continue to pursue efforts to promote and advance core labor standards in China, including through a bilateral dialogue and programs with the China."

- Change the last paragraph by adding the ALL CAPS language included below:

  "In FY 2000, the Congress appropriated $30,000,000 to the DOL for bilateral and multilateral technical assistance programs to promote core labor standards and social safety nets. THis provision will expand upon that appropriation to carry out this mission, INCLUDING WITH RESPECT TO CHINA."

VIII. WTO's Working Group on Trade and Labor

- Proposal now includes this as legislation. Previsously non-legislated,. Should not be legislated.

IX. WTO Committee on the Environment

- Proposal now includes this as legislation. Previsously non-legislated,. Should not be legislated.

X. WTO Transparency Reform

- Proposal now includes this as legislation. Previsously non-legislated,. Should not be legislated.

XI. Accession of Taiwan to the WTO:

- The wording of the sense of Congress in first paragraph conforms with our agreement, but Levin's staff has added in second paragraph what appears tobe whereas language (e.g., Tawian has been eligiblefor two years to enter the WTO, Tawian has been asked to wait until China accedes) that is inaccurate and objectionable.

- Delete second paragraph.

Message Sent To:

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DRAFT

DRAFT – DRAFT -- DRAFT

US COMMISSION ON INTERNATIONAL
RELIGIOUS FREEDOM ANNUAL REPORT
May 1, 2000

BACKGROUND: The independent U.S. Commission on International Religious Freedom was established by the International Religious Freedom Act of 1998. The Commission is comprised of 9 American religious and civic leaders appointed by the Congress and the President, plus Ambassador at Large for International Religious Freedom Robert S. Seiple (ex officio and non-voting). The Commission is mandated by law to review violations of religious freedom, and to make policy recommendations to the President, the Secretary of State and the Congress. The Commission has met with Secretary Albright and the President.

Annual Report: The Commission is required to produce an annual report, due May 1 of each year. The Commission will roll out their first annual report on Monday, May 1, 2000 at 10am at the National Press Club. The report, like the Commission, is advisory only. The Commission does not have the authority to compel any particular action or policy on the part of the Administration. (This report is different from and independent of the Administration's Annual Report on International Religious Freedom that is issued in September.)

PNTR: The Commission will recommend that Congress make the passage of Permanent Normal Trade Relations with China conditional on China making substantial improvements with respect to the condition of religious freedom in China. As a practical matter, there is no reasonable chance that China will make these improvements by the time of the PNTR vote later this month and so the Committee's report could well be understood by most to be a de facto recommendation that Congress reject PNTR. The Commission may make an effort at their rollout press conference to explain that their recommendations were not intended to be taken as a rejection of PNTR. We will monitor their press conference and will be prepared to cite any such claims should they be forthcoming.

General Guidance:

What is your reaction to the first annual report of the U.S. Commission on International Religious Freedom?

- We have not yet had an opportunity for a thorough review of the Commission's report. The State Department's Office of International Religious Freedom will undertake a complete review of the report and its recommendations.

China PNTR:

What is your reaction to the Commission's recommendation that granting of PNTR be conditioned on progress on religious freedom issues on the part of the Government of China?

DRAFT

- We disagree with the recommendation that the Congress impose human rights conditionality on permanent normal trading relations (PNTR) with China.

- Conditionality - and even a vote by Congress to reject PNTR -- would not prevent Chinese entry into the World Trade Organization (WTO); nor would it deprive China of the ~~full~~ economic benefits of WTO membership.

- Rather, it would deprive the United States of the full economic benefits of China's market-opening commitments, and severely restrict our ability to positively influence the course of events in China - including our ability to promote religious freedom.

- Conditionality would reduce the role of American companies in bringing higher labor standards to China and in forcing local companies to compete in improving the live of their workers. And by sending a signal of U.S. disengagement, it would curtail our capacity to effectively press the government -- both bilaterally and multilaterally -- to observe basic human rights standards. In short, it would frustrate the very objectives of the Commission's important work.

- With unconditional Congressional approval of PNTR, China will enter the WTO bound by the full range of economic commitments contained in the U.S.-China bilateral trade agreement, commitments that will move China in the direction of openness, accountability and reform.

- Failure to approve PNTR would deprive the United States of the ability to hold China to all of these commitments.

But if you do not support conditionality, what are you doing to promote religious freedom in China?

- Despite our fundamental disagreement with the Commission on the issue of conditionality, we share the Commission's deep concern at abuses of religious freedom in China, and we remain committed to sustained U.S. Government efforts to promote religious freedom.

- President Clinton has made the promotion of religious freedom abroad a priority of his presidency and an integral part of our foreign policy.

- President Clinton created the first-ever Advisory Committee on Religious Freedom Abroad, and directed that we expand coverage of religious freedom in the State Department's annual human rights report.

- President Clinton supported and signed the International Religious Freedom Act of 1998, that brought the U.S. Commission on International Religious Freedom into being and codified into law many of the additional steps the Administration has taken to make religious freedom abroad an important part of our foreign policy, including the appointment Dr. Robert Seiple as our nation's first Ambassador-at-Large for International Religious Freedom.

DRAFT

- As demonstrated by our sponsorship of a recent resolution on China at the UN Commission on Human Rights in Geneva, we will continue to keep faith with those in China -- and those around the world -- who face persecution due to their religious practices.

The President's own Ambassador at Large for International Religious Freedom, Robert Seiple, is a member of the Commission that opposes PNTR. How troubled are you that one of the President's own Ambassadors disagrees with the Administration's policy on this question?

- Ambassador Seiple is an ex-officio member of the Commission and as such did not vote on any of the Commission's recommendations. As he has testified, Ambassador Seiple supports the Administration's view that PNTR is profoundly in the interest of the US, in the interest of US-China bilateral relations and is a better tool than confrontation for influencing conditions in China.

Sudan:

What is your reaction to the Commission's analysis and recommendations regarding Sudan, particularly their suggestion that the President needs to be more engaged and to take a higher profile in highlighting abuses of human rights and religious freedom as committed by the Government of Sudan?

- While we have not yet had an opportunity for a thorough review of the Commission's report and its recommendations, we share the Commission's general perspectives on the abysmal state of religious freedom in Sudan. In terms of policy, the U.S. has been in the lead internationally in seeking to bring pressure to bear against the regime.

- We are the only country with unilateral sanctions against the Government of Sudan and we have been the most outspoken voice in the international community in opposition to the on-going and very serious abuse of human rights, including religious persecution, in Sudan. The Administration has already enhanced our efforts on this issue and we will look for opportunities to do even more in the future.

What about the Commission's recommendation that the US deny the China National Petroleum Corporation (CNPC) access to US stock exchanges and capital markets in light of their efforts to use the money it raises to help finance Sudan's new oil pipeline?

- NOTE TO BRIEFER: Refer questions regarding sanctions, investments and access to capital markets to State or Treasury.

What is your reaction to the Commission's proposal that the US consider (non-lethal) aid to the opposition in Sudan providing they meet certain human rights standards within the next year, particularly if the Government of Sudan does not?

DRAFT

- We certainly share the Commission's view that, absent improvements in the Government of Sudan's record on human rights, we will need to explore other options for increasing pressure on the Khartoum regime. (Not prepared to say more than that.)

Russia:

What is your reaction to the Commission's recommendations regarding Russia, particularly their suggestion that the U.S. needs to maintain focus on the severe abuses of human rights and religious freedom by the Russian government in Chechnya?

- While we have not yet had an opportunity for a thorough review of the Commission's report and its recommendations, we welcome the Commission's efforts to focus attention on religious conditions in Russia. We share the Commission's concern regarding the abuses of human rights in Chechnya, which we have expressed in clearly and continually to Russian authorities -- most recently through our co-sponsorship of a successful resolution on Chechnya at the United National Commission on Human Rights in Geneva.

Iranian Jews:

Today was supposed to be the start of the trial of the 13 Iranian Jews charges with espionage on behalf of Israel. Do you have any comment on this matter?

- The President, the Secretary of State and many others have repeatedly and forcefully made clear that we believe the charges against the accused to be completely without merit.

- We are deeply concerned over steps the Iranian judiciary has apparently taken to deny independent counsel to the defendants.

- We call for due process for the defendants and insist that international monitors be permitted to observe the trial in accordance with international standards.

Sharon H. Yuan
05/01/2000 10:28:25 AM

Record Type: Record

To: Timothy E. Punke/OPD/EOP@EOP, Malcolm R. Lee/OPD/EOP@EOP
cc:
Subject: Reminder: China Principals Meetings for May

FYI

---------------------- Forwarded by Sharon H. Yuan/OPD/EOP on 05/01/2000 10:27 AM ---------------------------

Jennifer L. Dewitt
05/01/2000 10:25:59 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Reminder: China Principals Meetings for May

Reminder: China Principals Meeting tomorrow 11am in John Podesta's Office. Thanks!

---------------------- Forwarded by Jennifer L. Dewitt/WHO/EOP on 05/01/2000 10:25 AM ---------------------------

Jennifer L. Dewitt
04/28/2000 11:35:03 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: China Principals Meetings for May

Starting next Tuesday, May 2, we will be having 2 China Principals Meetings every week. All will be at 11am in the Roosevelt Room, EXCEPT for next Tuesdays meeting will be held in John Podesta's office.

So mark your calendars for 11am to 12pm every Tuesday and Thursday for May. Thanks!

Message Sent To:

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Message Sent To:

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WHY PNTR IS BEST HOPE FOR GREATER OPENNESS IN CHINA

By Gene Sperling and Samuel Berger

Many opponents of Permanent Normal Trade Relations (PNTR) for China argue we should not embrace China's membership in the WTO because of its abysmal record on human and labor rights. Their diagnosis is right. But their prescription is not. The question before the Congress is not whether China's record on human rights is good or whether PNTR by itself will provide a cure. The question is, in addition to the overwhelming economic benefits to America, will passage of PNTR increase the chance of positive change in China?

We believe it will. We base that belief not on faith that trade always brings freedom. We base it on the conviction that the specific concessions China is making to enter the WTO will strengthen reformers trying to move it in the right direction.

The divisions within China are clear. Those advocating WTO membership and closer ties with America are the same leaders pushing a more daring transition from command-and-control to the market. They realize that if they open China to global competition, they risk unleashing forces beyond their control -- temporary unemployment, social unrest, and greater demands for freedom. But they have concluded that without competition, China will not be able to build a modern, successful economy.

The opposition? The entrenched state-owned manufacturing sector and those Communist officials clinging desperately to one-party control over how people work and live. They know that if China slashes protective tariffs to get into the WTO, more of its state enterprises will go. The government's ability to control workers and their loyalty will diminish. There will be more pressure from within for political change.

Last year alone there more than 120,000 labor disputes across China. In some places, the government has cracked down. In others, it has responded by giving people a greater say, by holding local elections and allowing workers to take grievances to court. That is how real change can begin and we need to encourage it. How would we do that by handing a humiliating defeat to market-oriented reformers seeking normalized trade with the United States and a huge victory to the stalwarts of a state-dominated economy?

If China enters the WTO and we approve PNTR, the resulting greater participation of U.S. telecommunications companies will also make telephone and internet access more affordable and accessible for Chinese citizens. Right now only 12 percent of Chinese have phones; less than 1 percent have internet access. No matter how hard Chinese officials try to stuff the information genie back into the bottle, an explosion of telephone and internet access will lead to an explosion of idea sharing within China. But if we reject PNTR, our cutting edge information industries will be denied preferential access. How would that help Chinese citizens seeking new ideas – or new tools for political activism?

Finally, as Martin Lee, the courageous leader of Hong Kong's Democratic Party has said, participation in the WTO would "bolster those in China who understand that the country must embrace the rule of law...." Economic activity in China is usually based on vague, unwritten, unpublished rules that maximize the arbitrary power of Party officials. To join the WTO, China must publish key rules, making it easier for Chinese citizens to advance on the strength of their ideas, not their connections.

Two caveats: First, membership in the WTO does not guarantee China's leaders will choose political reform. But by accelerating the process of economic change, it will force them to confront that choice sooner, and it will make the imperative for the right choice stronger. By the same token, if we reject PNTR, and undercut the reform-minded leaders who have put their

United States Department of State

Washington, D.C. 20520

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TO:

Malcolm Lee
NEC

☐ PER DISCUSSION ☐ FOR CLEARENCE ☐ FYI

Per your request

CHINA MFN DETERMINATION--TIMING CONSIDERATIONS

SUMMARY

The President's Jackson-Vanik/MFN waiver authority under section 402 of the Trade Act on 1974 (Pub. L. No. 93-618), as amended (hereinafter "Act"), expires at midnight of July 2 each year. Such authority may be extended annually if the President determines and reports to Congress that extension of the waiver will substantially promote the freedom-of-emigration objectives of section 402. If such a report is made, the waiver authority continues in effect unless disapproved by Congress--either generally or with respect to a particular country--within "60 calendar days after the date the authority would expire but for the extension". H.R. Rep. No. 103-575, 103d Cong., 2nd Sess., p. 2 (June 30, 1994). Under amendments to title IV adopted as part of the Customs and Trade Act of 1990 (Pub. L. No. 101-382), disapproval shall take the form of a joint resolution disapproving the extension of the President's authority to waive the Act's freedom of emigration requirements. If the joint resolution is vetoed, Congress has until the later of 15 "legislative days" (as defined in section 154(b) of the Act) after receipt of the veto message or 60 calendar days after expiration of the existing authority to vote to override the veto.

DISCUSSION

- Under section 402(c)(2) of the Trade Act of 1974, 19 U.S.C. 2432(c)(2), the President may [during any period subsequent to the 18 month period beginning on the date of enactment of the Act, i.e., January 3, 1975] waive by executive order the application of the MFN trade restrictions of subsections 402(a) and (b) (the Jackson-Vanik provisions), if he reports to Congress: (i) his determination that the waiver will substantially promote the freedom of emigration objectives of section 402; and, (ii) his receipt of assurances that the emigration practices of the affected country will henceforth lead substantially to the achievement of the objectives of section 402. Such a waiver is in effect for China.

- Under section 402(c)(3), a waiver with respect to any country terminates automatically on the day after the waiver authority ceases to be effective, i.e., the waiver terminates on July 3 of each year.

- However, under section 402(d)(1) of the Act, the President may recommend to Congress the extension of the waiver authority, and the extension of waivers currently in force for specific countries, if he determines that this will "substantially promote the objectives" of section 402. Any such extension recommendation shall be made "not later than

30 days before the expiration of such authority," (i.e., not later than June 3 of each year); shall be made in a document transmitted to both the House and Senate, setting forth the rationale for recommending extension of the waiver authority; and, shall include both a determination that such extension will "substantially promote the objectives of" section 402 and the rationale for such a determination.

o If the President makes such a recommendation, the waiver shall continue for an additional 12 calendar months, (i.e., until midnight of July 2 of the following year), "unless a joint resolution described in section 153(a) is enacted into law pursuant to the provisions of paragraph [402(d)](2)." Under section 402(d)(2), Congress has 60 days beginning on the date the waiver authority would expire (i.e., midnight, July 2) to adopt the joint resolution of disapproval. If the President vetoes the joint resolution, Congress has until the later of either the last day of the 60 day period or "the last day of the 15-[legislative] day period...beginning on the date Congress receives the veto message from the President" to override the veto.

o If the joint resolution of disapproval is enacted into law, the waiver authority applicable to any country subject to the joint resolution ceases to be effective the day after the 60-day period beginning on the date of enactment of the joint resolution.

Recap of Relevant Dates

June 3: If the President wishes to extend the waiver of the Trade Act's Jackson-Vanik provision for another 12-month period, he should do so by transmitting the necessary determination and report to both houses of Congress on or before Monday, June 3.

July 2: Absent presidential action to extend the waiver, the extension (and with it, MFN treatment) expires by force of law on midnight, Tuesday, July 2. In the absence of an extension of the waiver, China would no longer be eligible for MFN tariff treatment for its goods. [Note: this could result in a suspension, in whole or in part, of the 1979 U.S.-PRC bilateral Agreement on Trade Relatuons, 31 UST 4651, Art. II of which provides for reciprocal MFN treatment.] If this were to occur, it appears that the President could only restore MFN treatment for China (pursuant to sections 404(a) and 405(c) of the Act) by issuing a proclamation and obtaining congressional approval in the form of a joint resolution as described in section 151(b)(3).

August 31: If the President timely exercises his 402(d) authority to extend the waiver, Congress would have 60 days from the date the existing authority would have expired within which to adopt a joint resolution of disapproval, i.e., until August 31.

Related Timing Issues

- The time limits for waiver extension under section 402(d) are fixed by statute and are, therefore, not variable by Executive action. The 60-day period is keyed to the date of expiration of the current waiver authority, and not the date of submission of a recommendation that the waiver be extended. The President thus could not legally "advance the hands of the waiver extension clock" (thereby making earlier the date by which Congress would have to issue its joint resolution of disapproval) by making his extension recommendation prior to June 3. The point is that the dates when the waiver extension takes effect and when Congress must act are not variable absent a change in the law.

- Because the language of the relevant provisions of the Trade Act is so clear and unambiguous with respect to the 12-month extension recommendation limitation, it is also legally impossible for the Executive to move to multi-year waiver extensions absent a change in the law.

Draft

Subtitle –RELIEF FROM MARKET DISRUPTION TO INDUSTRIES AND DIVERSION OF TRADE TO THE U.S. MARKET

SEC. 001. ACTION TO ADDRESS MARKET DISRUPTION.

(a) PRESIDENTIAL ACTION. – If a product of the People's Republic of China (China) is being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of a like or directly competitive product, the President shall, in accordance with the provisions of this section, proclaim increased duties or other import restrictions, to the extent, at such time, and for such period as he deems necessary or appropriate to prevent or remedy the market disruption.

(b)(1) INITIATION OF AN INVESTIGATION--Upon the filing of a petition by an entity described in section 19 U.S.C. 2252(a), upon the request of the President or the United States Trade Representative (hereinafter the "Trade Representative"), upon resolution of either the Committee on Ways and Means of the House of Representatives, or the Committee on Finance of the Senate (hereinafter the "Committees") or on its own motion, the U.S. International Trade Commission (hereinafter the "Commission") shall promptly make an investigation to determine whether products of Chinese origin are being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of like or directly competitive products.

(2) The limitations on investigations set forth in 19 U.S.C. 2252 (h)(1) shall apply to investigations conducted under this section.

(3) The provisions of 19 U.S.C. 2252(a)(8) and (i) concerning treatment of confidential business information shall apply to investigations conducted under this section.

(4) Whenever a petition, request or resolution is filed under this subsection, the Commission shall transmit a copy thereof to the President, Trade Representative and Committees.

(c)(1) MARKET DISRUPTION--Market disruption shall exist whenever imports of an article, like or directly competitive with an article produced by the domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat of material injury, to the domestic industry.

(2) For purposes of subsection (c)(1), the term "significant cause" refers to a cause which contributes significantly to the material injury of the domestic industry, but need not be equal to or greater than any other cause.

(d) Further to determining whether market disruption exists, the Commission shall consider objective factors, including

(1) the volume of imports of the product which is the subject of the investigation;

(2) the effect of imports of the product on prices in the United States for like or directly competitive articles; and

(3) the effect of imports of such product on the domestic industry producing like or directly competitive articles.

(e) TIME FOR COMMISSION DETERMINATIONS, REPORTING.–The Commission shall report to the President and the Committees, its determination with respect to market disruption and the basis therefor and shall include in each report any dissenting or separate views. Such report shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed or the date on which the request or resolution is received or the motion adopted, unless a request for relief under subsection (g) is included in the petition. In such cases, the Commission shall report its determination on market disruption no later than 90 days after the filing of the petition.

(f) (1) OPPORTUNITY TO PRESENT VIEWS AND EVIDENCE ON PROPOSED REMEDY AND RECOMMENDATION TO THE PRESIDENT– Within 30 days after receipt of the Commission's report under subsection (e), the Trade Representative shall publish in the *Federal Register* notice of any proposed measure to be taken pursuant to subsection (a) and of the opportunity, including a public hearing, if requested, for importers, exporters and other interested parties to submit their views and evidence on the appropriateness of the proposed measure and whether it would be in the public interest. In an investigation including a claim of critical circumstances, publication of such notice shall be within 15 days of receipt of the report under subsection (e).

<domestic industry

(2) Within 70 days after receipt of the report of the Commission under subsection (e) and taking into account the views

and evidence received on the proposed measure, the Trade Representative shall make a recommendation to the President concerning what action, if any, to take to prevent or remedy the market disruption. In an investigation including a claim of critical circumstances, the Trade Representative's recommendation shall be made within 40 days after receipt of the Commission's report under subsection (e).

(g)(1) CRITICAL CIRCUMSTANCES --When a petition filed under subsection (b) alleges that critical circumstances exist and requests that provisional relief be provided under this section, the Commission shall, not later than 30 days after the petition containing the request was filed, make a preliminary determination whether:

(A) Imports of the product which is the subject of the investigation have caused or threatened to cause market disruption; and

(B) Delay in taking action under this section would cause damage which it would be difficult to repair.

(2) The Commission shall transmit a report on its determinations under subparagraph (1) to the President and the Committees including the reasons for its determinations.

(3) If the determinations under subparagraphs (A) and (B) are affirmative, the Trade Representative shall, within 10 days, determine the amount or extent of provisional relief that is necessary to prevent or remedy the market disruption and shall provide a recommendation to the President on what provisional action, if any, to take.

(4) The President shall determine whether to provide provisional relief and proclaim such relief, if any, within 10 days of receipt of the recommendation from the Trade Representative.

(A) Such relief may take the form of:

(i) the imposition of or increase in any duty;

(ii) any modification, or imposition of any quantitative restriction on the importation of an article into the United States; or

(iii) any combination of actions under clauses (i) and (ii).

(B) The duration of any provisional action proclaimed by the President pursuant to a determination of critical circumstances shall not exceed 200 days.

(C) Provisional relief shall cease to apply upon the effective date of relief proclaimed under subsection (a) or a decision by the President not to provide such relief.

(h)(1) CONSULTATIONS WITH CHINA Within 60 days after an investigation is initiated under subsection (b), the Trade Representative shall request, on behalf of the United States, consultations with China regarding the issues involved in the investigation.

(2) The Trade Representative is authorized to enter into binding agreements for China to take such action as necessary to prevent or remedy market disruption.

(3) If the President determines that an agreement under

subsection (h)(2) does not continue to be effective to prevent or remedy market disruption, the President may provide import relief under subsection (a).

(i) (1) STANDARD FOR PRESIDENTIAL ACTION.– Within 20 days after receipt of a recommendation from the Trade Representative on the appropriate action, if any, the President shall provide import relief for such industry pursuant to subsection (a), unless he determines that provision of such relief is not in the national economic interest of the United States or, in extraordinary cases, that the taking of action pursuant to subsection (a) would cause serious harm to the national security of the United States.

(2) The President shall determine that providing import relief is not in the national economic interest of the United States if the President finds that the taking of such action would have an adverse impact on the United States economy substantially out of proportion to the benefits of such action, taking into account the impact of not taking such action on the credibility of the provisions of this section.

(j) (1) PUBLICATION OF DECISION AND REPORTS.-- The President's decision, including the reasons for his decision and the scope and duration of any action taken, shall be published in the *Federal Register*.

(2) The Commission shall promptly make public any report transmitted under this section, with the exception of information which the Commission determines to be confidential, and shall publish notice of such report in the *Federal Register*.

(k) EFFECTIVE DATE OF RELIEF.--Import relief under this section shall take effect within 15 days after the President's determination to provide such relief.

(l) MODIFICATIONS OF RELIEF.–The President may, after receiving a report from the Commission on the probable effect of the modification, reduction or termination of relief provided pursuant to this section on the relevant industry, take such action to modify, reduce or terminate relief that he determines is in the national economic interest.

SEC. 002. Action to Combat Trade Diversion

(a) If another WTO member requests consultations with China under the Product-Specific Safeguard provision of China's Protocol of Accession to the World Trade Organization, the Trade Representative shall inform the U.S. Customs Service, which shall monitor imports of those products of Chinese origin that are the subject of the consultation request.

(b)(1) If, on the basis of such monitoring or another credible basis, the Trade Representative considers that an action taken by another WTO member under the Product-Specific Safeguard provision causes or threatens to cause significant diversions of trade into the U.S. market, the Trade Representative may request consultations with China and/or the WTO member concerned.

(2) The Trade Representative is authorized to enter into a binding agreement with China and/or the WTO member concerned to prevent or remedy the trade diversion.

(c) If such consultations fail to lead to an agreement with China and/or the WTO member concerned within 60 days, the Trade Representative shall promptly publish notice of a proposed action in the *Federal Register* and provide an opportunity for interested persons to present views and evidence on whether the proposed action is in the public interest.

(d) Within 20 days of the end of consultations pursuant to subsection (c), the USTR shall make a recommendation to the President on what action, if any, should be taken to prevent or remedy the trade diversion.

(e) PRESIDENTIAL ACTION.– Within 20 days after receipt of the recommendation from the Trade Representative, the President shall determine what action to take to prevent or remedy the trade diversion. In taking such action, the President shall not restrict imports below that existing during the 12-month period prior to the other WTO Member's request for consultations.

Sec. 003. Regulations; Termination of Provision.

(a) The President shall by regulations provide for the efficient and fair administration of any restriction proclaimed pursuant to the subtitle and to provide for effective monitoring of imports under section 002 (a).

(b) To carry out an agreement concluded under sections 001(h)(2) or 002(b)(2) the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement.

(c) This subtitle and any rules and regulations done under its authority shall cease to be effective 12 years after entry into force of China's Protocol of Accession to the WTO.

Sec. 004. AMENDMENT TO SECTION 123 OF THE TRADE ACT OF 1974–COMPENSATION AUTHORITY

(a) Section 123 (a)(1) is amended by inserting the following; or subtitle X of [this Act].

Draft

Time Lines For Anti-Surge Safeguard

Day	Event
0	Petition filed with the International Trade Commission (ITC) and transmitted to President, USTR, Senate Finance and House Ways and Means Committees.
60	ITC makes determination on Market Disruption; USTR requests consultations –Request consultations with China.
90	ITC Recommendation USTR publishes proposed action in the *Federal Register* and notice of opportunity to provide view and evidence on proposed action; hearing provided if requested.
110	TPSC hearing on proposed action
120	Consultations with China End
130	USTR/interagency recommendation on relief transmitted to the President
150	Presidential Decision: Any relief proclaimed becomes effective in 15 days

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Time Line If Petition Alleges Critical Circumstances

Day	Event
0	Petition filed with the International Trade Commission (ITC) and transmitted to President, USTR, Senate Finance and House Ways and Means Committees.
30	ITC makes preliminary determination on existence of critical circumstances based on statutory standard and transmits a report to President/USTR/Committees.
40	USTR/interagency recommendation on provisional relief transmitted to the President
50	Presidential Decision: Any relief proclaimed becomes effective in 15 days
60	USTR requests consultations with China
90	ITC final determination is transmitted to the President/USTR/Committees

Day	Event
105	USTR publishes proposed action in the *Federal Register* and notice of opportunity to provide view and evidence on proposed action; hearing provided if requested.
120	TPSC hearing on proposed action/Consultations with China End
130	USTR/interagency recommendation on relief transmitted to the President
150	Presidential Decision: Any relief proclaimed becomes effective in 15 days

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Trade Diversion Action

Day	Event
0	Another WTO Member requests consultations with China under the product-specific safeguard–USTR notifies Customs which begins monitoring imports of the relevant product.
–	Based on Customs monitoring or other credible basis, USTR requests consultations with China and/or the other WTO member.
60	Consultations End–If no agreement, USTR promptly publishes notice of a proposed action and provides interested parties an opportunity to provide views on whether it is in the public interest.
80	USTR/Interagency group makes recommendation to the President on action.
100	President decides what action to take to prevent or remedy trade diversion.

[DISCUSSION DRAFT]

106TH CONGRESS
2D SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. LEVIN introduced the following bill; which was referred to the Committee on ____________________

A BILL

To establish a framework for relations between the United States and the People's Republic of China.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "U.S.-China Relations Act of 2000".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In 1979, the United States opened trade relations with the People's Republic of China by entering into a bilateral trade agreement, which was approved by joint resolution enacted pursuant to section 405(c) of the Trade Act of 1974.

(2) Since 1979, the President has consistently extended nondiscriminatory treatment to products of the People's Republic of China, pursuant to his authority under section 404 of the Trade Act of 1974.

(3) Since 1979, the United States has entered into several additional trade-related agreements with the People's Republic of China, including a memorandum of understanding on market access in 1992, 2 agreements on intellectual property rights protection in 1995 and 1996, and an agreement on agricultural cooperation in 1999.

(4) Trade in goods and services between the People's Republic of China and the United States totaled almost $95,000,000,000 in 1999, compared

with approximately $18,000,000,000 in 1989, representing growth of approximately 428 percent over 10 years.

(5) The United States trade deficit with the People's Republic of China has grown from approximately $6,000,000,000 in 1989 to over $68,000,000,000 in 1999, a growth of over 1,000 percent.

(6) The People's Republic of China currently restricts imports through relatively high tariffs and nontariff barriers, including import licensing, technology transfer, and local content requirements.

(7) United States businesses attempting to sell goods to markets in the People's Republic of China have complained of uneven application of tariffs, customs procedures, and other laws, rules, and administrative measures affecting their ability to sell their products in the Chinese market.

(8) On November 15, 1999, the United States and the People's Republic of China concluded a bilateral agreement concerning terms of the People's Republic of China's eventual accession to the World Trade Organization.

(9) The commitments that the People's Republic of China made in its November 15, 1999, agree-

ment with the United States promise to eliminate or greatly reduce the principal barriers to trade with and investment in the People's Republic of China, if those commitments are effectively enforced.

(10) The record of the People's Republic of China in implementing trade-related commitments has been mixed. While the People's Republic of China has generally met the requirements of the 1992 market access memorandum of understanding and the 1995 and 1996 agreements on intellectual property rights protection, other measures remain in place or have been put into place which tend to diminish the benefit to United States businesses, farmers, and workers from the People's Republic of China's implementation of those earlier commitments. Notably, administration of tariff-rate quotas and other trade-related laws remains opaque, new local content requirements have proliferated, restrictions on importation of animal and plant products are not always supported by sound science, and licensing requirements for importation and distribution of goods remain common.

(11) The human rights record of the People's Republic of China is a matter of very serious concern to the Congress. The Congress notes that the

Department of State's 1999 Country Reports on Human Rights Practices for the People's Republic of China finds that "[t]he Government's poor human rights record deteriorated markedly throughout the year, as the Government intensified efforts to suppress dissent, particularly organized dissent.".

(12) The Congress deplores violations by the Government of the People's Republic of China of basic human and worker rights that are referred to in the Department of State's 1999 Country Reports on Human Rights Practices for the People's Republic of China, including the banning of the Falun Gong spiritual movement, denial to criminal defendants of effective representation by counsel and public trials, extrajudicial killings and torture, forced abortion and sterilization, restriction of access to Tibet and Xinjiang, perpetuation of "reeducation through labor", and denial of the right of workers to organize labor unions or bargain collectively with their employers.

SEC. 3. POLICY.

It is the policy of the United States—

(1) to develop trade relations that broaden the benefits of trade, and lead to a leveling up, rather

than a leveling down, of labor, environmental, and other standards across national borders;

(2) to pursue effective enforcement of trade-related and other international commitments by foreign governments through enforcement mechanisms of international organizations and through the application of United States law as appropriate;

(3) to encourage foreign governments to conduct both commercial and noncommercial affairs according to the rule of law developed through democratic processes;

(4) to encourage the Government of the People's Republic of China to afford its workers internationally recognized worker rights;

(5) to encourage the Government of the People's Republic of China to protect the basic human rights of people within the territory of the People's Republic of China, and to take steps toward protecting such rights, including, but not limited to—

(A) ratifying the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;

(B) allowing freedom of movement within the territory of the People's Republic of China, including the territory of Tibet and Xinjiang; and

(C) affording criminal defendants the rights to effective assistance of counsel, public trials, and freedom from unduly long detention prior to trial; and

(6) to condemn in the United Nations Human Rights Commission and in other appropriate fora violations of human rights by foreign governments and to seek the support of other governments for such condemnations.

SEC. 4. DEFINITIONS.

In this Act:

(1) DISPUTE SETTLEMENT UNDERSTANDING.—The term "Dispute Settlement Understanding" means the Understanding on Rules and Procedures Governing the Settlement of Disputes referred to in section 101(d)(16) of the Uruguay Round Agreements Act (19 U.S.C. 3511(16)).

(2) GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA.—The term "Government of the People's Republic of China" means the central Government of the People's Republic of China and any other governmental entity, including any provincial, prefectural, or local entity and any enterprise that is con-

trolled by the central Government or any such governmental entity or as to which the central Government or any such governmental entity is entitled to receive a majority of the profits.

(3) INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—The term "internationally recognized worker rights" has the meaning given that term in section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)).

(4) WORST FORMS OF CHILD LABOR.—The term "worst forms of child labor" has the meaning given that term in Convention Number 182 of the International Labor Organization.

(5) NAFTA.—The term "NAFTA" means the North American Free Trade Agreement approved by the Congress under section 101(a) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3311(a)).

(6) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(7) WTO.—The terms "WTO" and "World Trade Organization" mean the organization established pursuant to the WTO Agreement.

(8) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

(9) WTO MEMBER COUNTRY.—The term "WTO member country" has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act (19 U.S.C. 3501(10)).

TITLE I—CONGRESSIONAL-EXECUTIVE COMMISSION ON THE PEOPLE'S REPUBLIC OF CHINA

SEC. 101. ESTABLISHMENT OF CONGRESSIONAL-EXECUTIVE COMMISSION ON THE PEOPLE'S REPUBLIC OF CHINA.

There is established a Congressional-Executive Commission on the People's Republic of China (in this title referred to as the "Commission").

SEC. 102. FUNCTIONS OF THE COMMISSION.

(a) MONITORING COMPLIANCE WITH HUMAN RIGHTS.—The Commission shall monitor the acts of the People's Republic of China which reflect compliance with or violation of basic human rights, including, but not limited to, effectively affording—

(1) the right to associate freely without having to register with any government entity;

(2) the right to engage in free expression (including free religious expression) without fear of any prior restraints;

(3) the right to assemble freely without having to register with any government entity;

(4) the right to travel freely, within the People's Republic of China (including the provinces of Tibet and Xinjiang) and to foreign countries;

(5) the right of criminal defendants to counsel, to open trials, to a presumption of innocence prior to trial, and to be free from unduly lengthy detention before trial;

(6) the right to be free from compulsory labor;

(7) the right to be free from the worst forms of child labor;

(8) the right to be free from torture and other forms of cruel or unusual punishment; and

(9) the right to a physical environment that does not harm or threaten to harm the health or safety of human, animal, or plant life.

(b) VICTIMS LISTS.—The Commission shall compile and maintain lists of persons believed to be imprisoned, detained, or placed under house arrest, tortured, or otherwise persecuted by the Government of the People's Republic of China due to their pursuit of the rights described in subsection (a). In compiling such lists, the Commission shall exercise appropriate discretion, including concerns regarding the safety and security of, and benefit to, the persons who may be included on the lists.

§ 102(c) (c) MONITORING STATUS OF LABOR MARKET ~~INTERNATIONALLY RECOGNIZED WORKER RIGHTS~~ Issues.—The Commission shall monitor the overall aspects of labor market issues ~~status of internationally recognized worker rights~~ in the People's Republic of China.

(d) MONITORING DEVELOPMENT OF RULE OF LAW.—The Commission shall monitor the development of the rule of law in the Peoples's Republic of China, including, but not limited to—

(1) progress toward the development of institutions of democratic governance;

(2) processes by which statutes, regulations, rules, and other legal acts of the Government of the People's Republic of China are developed and become binding within the People's Republic of China;

(3) the extent to which statutes, regulations, rules, administrative and judicial decisions, and other legal acts of the Government of the People's Republic of China are published and are made accessible to the public;

(4) the extent to which administrative and judicial decisions are supported by statements of reasons that are based upon written statutes, regulations, rules and other legal acts of the Government

(5) the extent to which laws of the of the People's Republic of China are applied to non-citizens in a manner different from the manner in which they are applied to citizens; and

(6) the extent to which administrative and judicial decisions are reviewed by entities of appellate jurisdiction.

(e) BILATERAL COOPERATION.—The Commission shall monitor and encourage the development of programs and activities of the United States Government and private organizations with a view toward increasing the interchange of people and ideas between the United States and the People's Republic of China and expanding cooperation in areas that include, but are not limited to—

(1) developing the rule of law in the People's Republic of China;

[(2) increasing enforcement of internationally recognized worker rights; and] Ok?

(3) increasing enforcement of human rights described in subsection (a).

(f) CONTACTS WITH NONGOVERNMENTAL ORGANIZATIONS.—In performing the functions described in subsections (a) through (e), the Commission shall, as appropriate, seek out and maintain contacts with nongovernmental organizations, including receiving reports and updates from such organizations and, when appropriate, investigating such reports.

(g) ANNUAL REPORTS.—The Commission shall issue a report to the President and the Congress not later than 12 months after the date of the enactment of this Act, and not later than the end of each 12-month period thereafter, setting forth the findings of the Commission during the preceding 12-month period, pursuant to the monitoring required by subsections (a) through (d). The Commission's report may contain recommendations for legislative or executive action.

(h) SUPPLEMENTAL REPORTS.—The Commission may submit to the President and the Congress reports that supplement the reports described in subsection (g), as appropriate, based upon developments which, in the judgment of the Commission, are likely to have an important impact on relations between the United States and the People's Republic of China.

(i) INFORMATION TO CONGRESS.—The Commission shall, upon request, provide information to Members of the House of Representatives and Senate.

SEC. 103. MEMBERSHIP OF THE COMMISSION.

(a) SELECTION AND APPOINTMENT OF MEMBERS.—The Commission shall be composed of 23 members as follows:

(1) Nine Members of the House of Representatives appointed by the Speaker of the House of Representatives. Five members shall be selected from the majority party and four members shall be selected, after consultation with the minority leader of the House, from the minority party.

(2) Nine Members of the Senate appointed by the President of the Senate. Five members shall be selected, after consultation with the majority leader of the Senate, from the majority party, and four members shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(3) One representative of the Department of State, appointed by the President of the United States from among officers and employees of that Department.

(4) One representative of the Department of Commerce, appointed by the President of the United States from among officers and employees of that Department.

(5) One representative of the Department of Labor, appointed by the President of the United States from among officers and employees of that Department.

(6) Two at-large representatives, appointed by the President of the United States from among the officers and employees of the executive branch.

(b) CHAIRMAN AND COCHAIRMAN.—

(1) DESIGNATION OF CHAIRMAN.—At the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the members of the Commission from the Senate as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the members of the Commission from the House as Chairman of the Commission.

(2) DESIGNATION OF COCHAIRMAN.—At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate

one of the members of the Commission from the House as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the members of the Commission from the Senate as Cochairman of the Commission.

SEC. 104. VOTES OF THE COMMISSION.

Decisions of the Commission, including adoption of reports and recommendations to the executive branch or to the Congress, shall be made by a majority vote of the members of the Commission present and voting.

SEC. 105. EXPENDITURE OF APPROPRIATIONS.

For each fiscal year for which an appropriation is made to the Commission, the Commission shall issue a report to the Congress on its expenditures under that appropriation.

SEC. 106. TESTIMONY OF WITNESSES, PRODUCTION OF EVIDENCE; ISSUANCE OF SUBPOENAS; ADMINISTRATION OF OATHS.

In carrying out this title, the Commission may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and electronically recorded data as it considers necessary.

Subpoenas may be issued over the signature of the Chairman of the Commission or any member designated by the Chairman, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by the Chairman, may administer oaths to any witness.

SEC. 107. APPROPRIATIONS FOR THE COMMISSION.

(a) AUTHORIZATION; DISBURSEMENTS.—

(1) AUTHORIZATION.—There are authorized to be appropriated to the Commission for each fiscal year such sums as may be necessary to enable it to carry out its functions. Appropriations to the Commission are authorized to remain available until expended.

(2) DISBURSEMENTS.—Appropriations to the Commission shall be disbursed on vouchers approved—

(A) jointly by the Chairman and the Cochairman; or

(B) by a majority of the members of the personnel and administration committee established pursuant to section 108.

(b) OFFICIAL RECEPTION AND REPRESENTATIONAL EXPENSES.—Not to exceed $____ of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(c) FOREIGN TRAVEL FOR OFFICIAL PURPOSES.—Foreign travel for official purposes by members and staff of the Commission may be authorized by either the Chairman or the Cochairman.

SEC. 108. STAFF OF THE COMMISSION.

(a) PERSONNEL AND ADMINISTRATION COMMITTEE.—The Commission shall have a personnel and administration committee composed of the Chairman, the Cochairman, the senior member of the Commission from the minority party of the House of Representatives, and the senior member of the Commission from the minority party of the Senate.

(b) COMMITTEE FUNCTIONS.—All decisions pertaining to the hiring, firing, and fixing of pay of personnel of the Commission shall be by a majority vote of the personnel and administration committee, except that—

(1) the Chairman shall be entitled to appoint and fix the pay of the staff director, and the Cochairman shall be entitled to appoint and fix the pay of the Cochairman's senior staff member; and

(2) the Chairman and Cochairman shall each have the authority to appoint, with the approval of the personnel and administration committee, at least

4 professional staff members who shall be responsible to the Chairman or the Cochairman (as the case may be) who appointed them.

Subject to subsection (d), the personnel and administration committee may appoint and fix the pay of such other personnel as it considers desirable.

(c) STAFF APPOINTMENTS.—All staff appointments shall be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

(d) QUALIFICATIONS OF PROFESSIONAL STAFF.—The personnel and administration committee shall ensure that the professional staff of the Commission consists of persons with expertise in areas including human rights, internationally recognized worker rights, international trade and economics, law (including international law), Chinese politics, economy and culture, and Chinese language.

(e) COMMISSION EMPLOYEES AS CONGRESSIONAL EMPLOYEES.—

(1) IN GENERAL.—For purposes of pay and other employment benefits, rights, and privileges, and for all other purposes, any employee of the

Commission shall be considered to be a congressional employee as defined in section 2107 of title 5, United States Code.

(2) COMPETITIVE STATUS.—For purposes of section 3304(c)(1) of title 5, United States Code, employees of the Commission shall be considered as if they are in positions in which they are paid by the Secretary of the Senate or the Clerk of the House of Representatives.

SEC. 109. PRINTING AND BINDING COSTS.

For purposes of costs relating to printing and binding, including the costs of personnel detailed from the Government Printing Office, the Commission shall be deemed to be a committee of the Congress.

TITLE II—MONITORING AND ENFORCEMENT OF THE PEOPLE'S REPUBLIC OF CHINA'S WTO COMMITMENTS

Subtitle A—Review of China's Membership in WTO

SEC. 201. REVIEW WITHIN THE WTO.

The President shall seek within the World Trade Organization an annual review of the compliance by the People's Republic of China's with its terms of accession to the WTO.

Subtitle B—Authorization To Promote Compliance With Trade Agreements

SEC. 211. FINDINGS.

The Congress finds as follows:

(1) The opening of world markets through the elimination of tariff and nontariff barriers has contributed to a 55-percent increase in exports of United States goods and services since 1992.

(2) Such export expansion has helped fuel the longest economic expansion in United States history.

(3) The United States Government must continue to be vigilant in monitoring and enforcing the compliance by our trading partners with trade agreements in order for United States businesses, workers, and farmers to continue to benefit from the opportunities created by market-opening trade agreements.

(4) The People's Republic of China, as part of its accession to the World Trade Organization, has committed to eliminating significant trade barriers in the agricultural, services, and manufacturing sectors that, if realized, would provide considerable opportunities for United States farmers, businesses, and workers.

(5) For these opportunities to be fully realized, the United States Government must effectively monitor and enforce its rights under the agreements on the accession of the People's Republic of China to the WTO.

SEC. 212. PURPOSE.

The purpose of this subtitle is to authorize additional resources for the agencies and departments engaged in monitoring and enforcement of United States trade agreements and trade laws.

SEC. 213. AUTHORIZATION OF APPROPRIATIONS.

(a) DEPARTMENT OF COMMERCE.—There is authorized to be appropriated to the Department of Commerce, in addition to amounts otherwise available for such purposes, the sum of ____ for fiscal year 2001 for additional staff for—

(1) activities involving the WTO, including monitoring compliance by the trading partners of the United States with their commitments under the WTO, assisting United States negotiators with ongoing negotiations in the WTO, and defending United States safeguard, antidumping, and countervailing duty measures;

(2) enforcement of United States trade laws, including conducting import monitoring, subsidy en-

forcement, and prompt antidumping and countervailing duty investigations under title VII of the Tariff Act of 1930;

(3) monitoring the compliance by the People's Republic of China with commitments made pursuant to its accession to the WTO; and

(4) creation of a Trade Law Technical Assistance Center to assist small- and medium-sized businesses, workers, and unions with preparation of petitions to be brought to remedy alleged violations of trade laws.

(b) OVERSEAS COMPLIANCE PROGRAM.—

(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Department of Commerce ____ for fiscal year 2001, and the Department of State, ____for fiscal year 2001, in addition to amounts otherwise available, to create and provide staff for an Overseas Compliance Program. The function of the Overseas Compliance Program shall be to monitor abroad compliance by the trading partners of the United States with international trade obligations and to support the enforcement of United States trade laws.

(2) REPORTING.—On October 1, 2001, and on October 1 of each year thereafter, the Secretaries of

State and Commerce shall submit to the Congress a report setting forth the findings of the Overseas Compliance Program created under paragraph (1) regarding compliance by the trading partners of the United States with international trade obligations.

(c) USTR.—There is authorized to be appropriated to the Office of the United States Trade Representative, in addition to amounts otherwise available for such purposes, the sum of ____ for fiscal year 2001 for additional staff in—

(1) the Office of General Counsel, to investigate, prosecute, and defend cases before the WTO and under NAFTA, and to administer United States trade laws, including trade laws relating to intellectual property, government procurement, and telecommunications;

(2) the Office of Economic Affairs, to analyze the impact on the economy of the United States, including United States exports, of acts of foreign governments affecting access to foreign markets and to support the Office of the General Counsel in presenting cases to the WTO and other dispute settlement bodies provided for under trade agreements to which the United States is a party;

(3) geographic offices for the Peoples Republic of China and Japan, and sub-Saharan Africa; and

(4) offices relating to different sectors of the economy, including the Office of the Assistant United States Trade Representative for Trade and Development.

(d) DEPARTMENT OF AGRICULTURE.—There is authorized to be appropriated to the Department of Agriculture, in addition to amounts otherwise available for such purposes, the sum of ____ for fiscal year 2001 for additional staff to increase legal and technical expertise in areas covered by trade agreements and United States trade law, including food safety and biotechnology.

Subtitle C—Relief From Market Disruption and Trade Diversion Caused by Exports From the People's Republic of China

SEC. 221. MARKET DISRUPTION.

(a) APPLICATION OF SECTION 406 OF TRADE ACT OF 1974.—Notwithstanding any other provision of law, and subject to subsection (b) of this section, subsections (a), (b), (c), and (e) of section 406 of the Trade Act of 1974 shall continue to apply to imports of articles which are the products of the People's Republic of China for a period of 12 years from the date on which the Protocol of Accession of the People's Republic of China to the World Trade Organization enters into force.

(b) SPECIAL RULES.—In applying subsections (a), (b), (c), and (e) of section 406 of the Trade Act of 1974 to imports of articles which are products of the People's Republic of China, the following shall apply:

(1) PRELIMINARY DETERMINATION.—(A) Not later than 30 days after a petition is filed, or other action triggering the initiation of an investigation is taken, under section 406(a)(1) of the Trade Act of 1974, the International Trade Commission (hereafter in this subtitle referred to as the "Commission") shall make a preliminary determination of whether market disruption described in that section exists.

(B) The Commission shall promptly report its preliminary determination referred to in subparagraph (A) to the President and make such report public in the manner described in paragraphs (3) and (4) of section 406(a) of the Trade Act of 1974, except that the Commission need not make findings with respect to import restrictions necessary to prevent or remedy the market disruption at issue.

(C) If the determination referred to in subparagraph (A) is affirmative, and if the petition or other action triggering the initiation of an investigation under section 406(a)(1) of the Trade Act of 1974 alleges that critical circumstances exist, the Commission shall, not later than 45 days after such petition is filed or such triggering action is taken, determine whether delay in taking action would cause damage which it would be difficult to repair. If such determination is affirmative, the Commission shall find the amount or extent of provisional relief that is necessary to prevent or remedy the market disruption at issue.

(D) The Commission shall promptly report its determination and finding referred to in subparagraph (C) to the President and make such report public in the manner described in paragraphs (3) and (4) of section 406(a) of the Trade Act of 1974.

(2) REQUEST FOR CONSULTATIONS.—If the preliminary determination referred to in paragraph (1) is affirmative, immediately upon receipt of the report referred to in that paragraph, the President shall transmit a request for consultations to the People's Republic of China, with a view to seeking a mutually satisfactory solution to the market disruption at issue. The President shall promptly notify the WTO Committee on Safeguards of the trans-

mittal of a request for consultations to the People's Republic of China.

(3) STANDARD FOR PRESIDENTIAL ACTION.—Insofar as—

(A) section 406(b)(2) of the Trade Act of 1974 provides that sections 202 and 203 of that Act (as in effect on the day before the date of the enactment of the Omnibus Trade and Competitiveness Act of 1988) shall apply with respect to the taking of action by the President following an affirmative determination by the Commission under section 406(a) of that Act, and

(B) section 202(a)(1)(A) of the Trade Act of 1974 (as in effect on the day before the date of the enactment of the Omnibus Trade and Competitiveness Act of 1988) provides that upon an affirmative determination by the Commission with respect to an industry the President shall provide import relief for such industry pursuant to section 203, unless the President determines that provision of such relief is not in the national economic interest of the United States, the President shall determine that providing import relief is not in the national economic interest of the United States if and only if the President finds that the taking of such action would have an adverse impact on the United States economy substantially out of proportion to the benefits of such action, taking into account the impact of not taking such action on the credibility of the provisions of this subtitle, or that the taking of such action would cause serious harm to the national security of the United States.

(4) BASIS FOR EMERGENCY ACTION.—The President may take emergency action under section 406(c) of the Trade Act of 1974 only if the determination of the Commission under paragraph (1)(C) is affirmative. If the President takes such emergency action, the President shall promptly notify the WTO Committee on Safeguards of such action. Such action shall remain in effect for a period not to exceed 200 days.

(5) PROPOSED ACTION AND PUBLIC COMMENT.—The President shall—

(A) propose action to be taken pursuant to a petition, request, resolution, or motion under section 406(a)(1) of the Trade Act of 1974, not later than 7 days after the later of the date on which—

(i) consultations under paragraph (2) have ended; or

(ii) the Commission has made a final affirmative determination under section 406(a) of the Trade Act of 1974 pursuant to the petition, request, resolution, or motion; and

(B) cause a summary of the proposed action to be published in the Federal Register, and provide to importers, exporters, and other interested parties a period of 30 days within which to submit comments on the proposed action.

(6) CONSIDERATION OF COMMENTS.—The President shall consider the comments submitted under paragraph (5)(B) on the proposed action and, not later than 60 days after publication of the summary described in that paragraph, cause to be published in the Federal Register the President's reasons for the action to be implemented, addressing the relevant issues raised in the public comments.

(7) PROCLAMATION AND IMPLEMENTATION OF ACTION.—Not later than 45 days after publication

of the summary referred to in paragraph (5)(B), the President shall proclaim action to be taken to prevent or remedy the market disruption at issue. Such action shall take effect within 7 days of the date of such proclamation. The President shall promptly notify the WTO Committee on Safeguards of such action.

(8) COMMUNIST COUNTRY.—This section shall apply to imports of articles which are the products of the People's Republic of China, regardless of whether the People's Republic of China is a communist country as defined in section 406(e)(1) of the Trade Act of 1974.

(9) PERIOD OF EFFECTIVENESS OF ACTION IMPLEMENTED.—For purposes of this section, the 5-year period described in section 203(h)(1) of the Trade Act of 1974 (as in effect on the day before the date of the enactment of the Omnibus Trade and Competitiveness Act of 1988) shall include the period, if any, in which emergency action under such section 406(c) was in effect.

SEC. 222. SIGNIFICANT TRADE DIVERSION.

(a) INITIATION OF CONSULTATIONS AND INVESTIGATION.—Upon the filing of a petition by an entity described in section 202(a), upon request of the President or the

United States Trade Representative, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or on its own motion, the "Commission" shall promptly make an investigation to determine whether an action described in subsection (b) has caused, or threatens to cause, significant diversions of trade into the domestic market in the United States.

(b) ACTIONS DESCRIBED.—An action is described in this subsection if it is—

(1) an orderly marketing agreement entered into between a WTO member (other than the United States) and the People's Republic of China pursuant to consultations, or

(2) an action taken unilaterally by such WTO member,

on account of the importation into the territory of that WTO member of products of the People's Republic of China in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers within the territory of the WTO member.

(c) SIGNIFICANT DIVERSION DESCRIBED.—For purposes of this section, a significant diversion of trade into the domestic market in the United States exists if imports into the United States of products of the People's Republic of China that are like or directly competitive with products of a domestic industry in the United States have increased rapidly and significantly.

(d) APPLICABILITY OF SECTION 221.—The provisions of section 221 of this Act, including the provisions of section 406 of the Trade Act of 1974 that apply to that section, shall apply with respect to each investigation commenced under subsection (a) of this section relating to significant diversions of trade, to the same extent as that section applies to market disruption.

Subtitle D—Report on Compliance by the People's Republic of China With WTO Obligations

SEC. 231. REPORT ON COMPLIANCE.

(a) IN GENERAL.—Not later than 1 year after the entry into force of the WTO Agreement with respect to the People's Republic of China, and annually thereafter, the Trade Representative shall submit a report to Congress on compliance by the People's Republic of China with commitments made in connection with its accession to the World Trade Organization, including both multilateral commitments and any bilateral commitments made to the United States.

(b) PUBLIC PARTICIPATION.—In preparing the report described in subsection (a), the Trade Representative shall seek public participation by publishing a notice in the Federal Register and holding a public hearing.

TITLE III—TRADE AND LABOR MARKET ISSUES

Subtitle A—Assistant United States Trade Representative for Trade and Labor

SEC. 301. ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR TRADE AND LABOR.

(a) ESTABLISHMENT.—The President shall establish within the Office of the United States Trade Representative a position of Assistant United States Trade Representative for Trade and Labor.

(b) FUNCTIONS.—The Assistant United States Trade Representative for Trade and Labor shall have responsibility for all matters relating to the relationship between the labor market policies and practices of foreign governments and trade with the United States.

(c) FUNDING AND STAFF.—The President shall ensure that the Assistant United States Trade Representative appointed pursuant to subsection (a) has adequate funding and staff to carry out the duties described in subsection (b), subject to availability of appropriations.

Subtitle B—Task Force on Prohibition of Importation of Products of Forced or Prison Labor

SEC. 311. ESTABLISHMENT OF TASK FORCE.

There is hereby established a task force on prohibition of importation of products of forced or prison labor (hereafter in this subtitle referred to as the "Task Force").

SEC. 312. FUNCTIONS OF TASK FORCE.

The Task Force shall perform the following functions:

(1) Oversee investigations by the United States Customs Service of allegations that goods are being entered into the United States, or that such entry is being attempted, in violation of the prohibition in section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) on entry into the United States of goods mined, produced, or manufactured wholly or in part in any foreign country by convict labor, forced labor, or indentured labor under penal sanctions. Such investigations may include visits to foreign sites where goods allegedly are being mined, produced, or manufactured in a manner that would lead to prohibition of their importation into the United States under section 307 of the Tariff Act of 1930.

(2) Assist the Customs Service in seeking agreements with foreign governments to allow members of the Task Force to visit sites where goods may be mined, produced, or manufactured by convict labor, forced labor, or indentured labor under penal sanctions.

(3) Work with the Customs Service to assist foreign governments in monitoring the sale of goods mined, produced, or manufactured by convict labor, forced labor, or indentured labor under penal sanctions to ensure that such goods are not exported to the United States.

(4) Oversee the Customs Service's monitoring of ports of the United States to ensure that goods mined, produced, or manufactured wholly or in part in any foreign country by convict labor, forced labor, or indentured labor under penal sanctions are not imported into the United States.

(5) Assist the Customs Service in performing such other functions, consistent with existing authority, to ensure the effective enforcement of section 307 of the Tariff Act of 1930.

SEC. 313. COMPOSITION OF TASK FORCE.

(a) TASK FORCE MANAGEMENT COMMITTEE.—The Secretary of the Treasury, the Secretary of Commerce, the

Secretary of Labor, and the Commissioner of Customs, acting through their respective designees at or above the level of Deputy Assistant Secretary, shall jointly manage the Task Force. Such designees shall constitute the Task Force Management Committee.

(b) DESIGNATION OF OTHER PERSONS.—The Task Force Management Committee shall designate, from among officers and employees of their respective departments who have investigative, law enforcement, and other skills necessary to perform the functions described in section 312, 20 persons to carry out those functions.

SEC. 314. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for the Task Force to carry out the functions described in section 312.

SEC. 315. REPORTS TO CONGRESS.

(a) FREQUENCY OF REPORTS.—Not later than the date that is one year after the date of the enactment of this Act, and not later than the end of each 1-year period thereafter, the Task Force Management Committee shall submit to the Congress a report on the work of the Task Force during the preceding 1-year period.

(b) CONTENTS OF REPORTS.—Each report under subsection (a) shall set forth, at a minimum—

(1) the number of allegations of violations of section 307 of the Tariff Act of 1930 that were investigated during the preceding 1-year period;

(2) the number of actual violations of section 307 of the Tariff Act of 1930 that were discovered during the preceding 1-year period;

(3) in the case of each attempted entry in violation of such section 307 discovered during the preceding 1-year period—

(A) the country of origin of the goods involved;

(B) the identity of the exporter of the goods; and

(C) the identity of the person or persons who attempted to sell the goods for export; and

(4) such other information as the Task Force Management Committee considers useful in monitoring and enforcing compliance with section 307 of the Tariff Act of 1930.

Subtitle C—Assistance To Promote Compliance With Internationally Recognized Worker Rights

SEC. 321. MULTILATERAL TECHNICAL ASSISTANCE PROGRAMS.

(a) AUTHORIZATION.—The Secretary of Labor is authorized to establish, conduct, and support multilateral technical assistance programs to assist foreign countries in implementing and enforcing compliance with internationally recognized worker rights.

(b) USE OF AMOUNTS.—In carrying out subsection (a), the Secretary of Labor shall establish, conduct, and support multilateral technical assistance programs (including programs coordinated, administered, or otherwise authorized by the International Labor Organization (ILO)) that focus on—

(1) developing, laws, regulations, and other measures to implement internationally recognized worker rights;

(2) establishing national mechanisms for the enforcement of national labor laws and regulations;

(3) training government officials concerned with implementation and enforcement of national labor laws and regulations; and

(4) developing an educational infrastructure to educate workers about their legal rights and protections under national labor laws and regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Labor such sums as may be necessary for fiscal year 2001 to carry out this section.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

SEC. 322. BILATERAL TECHNICAL ASSISTANCE PROGRAMS.

(a) AUTHORIZATION.—The Secretary of Labor is authorized to establish, conduct, and support bilateral efforts to assist foreign countries in implementing and enforcing internationally recognized worker rights.

(b) USE OF AMOUNTS.—

(1) TARGETED TECHNICAL ASSISTANCE.—In carrying out subsection (a)—

(A) the Secretary of Labor shall use [$________________] to develop and implement programs to assist countries designated as beneficiary developing countries for purposes of title V of the Trade Act of 1974 (19 U.S.C.

2461 et seq.; relating to the Generalized System of Preferences), countries designated as beneficiary countries under the Caribbean Basin Economic Recovery Act, countries designated as beneficiary countries under the Andean Trade Preference Act, and countries designated as eligible countries under any provision of law providing United States trade and related benefits with respect to sub-Saharan African countries, to implement and adhere to internationally recognized worker rights; and

(B) the Secretary of Labor, in consultation with the United States Trade Representative and the Secretary of State, shall develop programs designed to increase compliance with internationally recognized worker rights among countries eligible for benefits under the provisions of law described in subparagraph (A).

(2) LABOR PROGRAM WITH PEOPLE'S REPUBLIC OF CHINA.—

(A) IN GENERAL.—In carrying out subsection (a), the Secretary of Labor shall use such sums as may be necessary to establish and administer a bilateral technical assistance program with the People's Republic of China to implement and enforce internationally recognized worker rights in China.

(B) ADDITIONAL REQUIREMENTS.—The program described in subparagraph (A) shall focus on promoting internationally recognized worker rights in the People's Republic of China through joint seminars, workshops, and exchange programs between the United States Department of Labor and the body charged with administration of labor laws in the People's Republic of China, including developing and implementing programs to educate workers in China with respect to internationally recognized worker rights.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Labor such sums as may be necessary for fiscal year 2001 to carry out this section.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

SEC. 323. DEFINITION.

In this subtitle, the term "internationally recognized worker rights" has the meaning given the term in section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)), and also includes elimination of the worst forms of child labor.

TITLE IV—ACCESSION OF TAIWAN TO THE WTO

SEC. 401. ACCESSION OF TAIWAN TO THE WTO.

It is the sense of Congress that—

(1) immediately upon approval of the accession of the People's Republic of China to the WTO, the United States representative to the WTO should request that the General Council of the WTO consider Taiwan's accession to the WTO as the next order of business of the Council during the same session on the same calendar day; and

(2) the United States should be prepared to aggressively counter any effort by any WTO member country, upon the accession of the People's Republic of China to the WTO, to block the accession of Taiwan to the WTO.