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Fact Sheet

S. 1269

The Reciprocal Trade Agreements Act of 1997

Overview

S. 1269, "The Reciprocal Trade Agreements Act of 1997," renews a decades-old partnership between the Congress and the President in opening markets around the world for U.S. goods and services.

Specifically, the bill:

- Establishes strong trade negotiating objectives for the United States over the next seven years -- which will guide the President in opening markets around the world for America's dynamic workers, farmers, and firms, and in promoting worker rights and environmental protection;

- Ensures that Congress is a partner with the President in pursuing and obtaining those objectives by ensuring the closest possible consultation between the Administration and the Congress in our trade negotiations;

- Tells our trading partners that Congress will vote on -- rather than reopen -- the agreement the President negotiates.

  -- But the President must fulfill his part of the partnership by working with the Congress before, during, and after the negotiations.

- renews the President's longstanding authority to carry out reciprocal duty reduction agreements that will pry open markets in key sectors where the United States is a world leader.

- extends and funds the Trade Adjustment Assistance program for dislocated workers for two additional years.

Background

- The bill reactivates a partnership between the President and the Congress to ensure that the United States can effectively negotiate away foreign tariff barriers to U.S. products as well as non-tariff barriers -- such as quotas, protectionist product standards, and subsidies -- which foreign governments have increasingly substituted for tariffs to exclude U.S. products.

-- Fast track dates from 1974, but the close collaboration between the President and Congress has its roots in the bitter lessons our predecessors learned about protectionism during the Great Depression.

-- Every President since Gerald Ford has had fast track, but it lapsed along with most of the President's tariff reduction authority three years ago. S. 1269 would renew fast track for three years, with a possible extension for an additional four years.

The Need For Fast Track

- Today, America's economy, and its workers, farmers, and firms, are the envy of the world. Our economy is unmatched in productivity, size, and strength. The United States is now the world's greatest trading nation, its number one exporter.

- America's leadership on trade has helped create millions of jobs at home, raised our living standards, and helped promote prosperity, democracy, and stability around the world.

  -- Since 1993, more than a third of our economic growth has come directly from exports, while the number of U.S. export-related jobs has grown by 1.7 million. A total of some 11.5 million American jobs now depend on exports, and these jobs pay an average of 15% more than non-trade-related jobs. Since 1985, U.S. exports have roughly tripled from about $300 billion to an expected $900 billion this year.

- Our economic future increasingly lies with our ability to sell our goods and services around the globe.

  -- The United States represents just 4% of the world's population, yet our share of global income is over 20%. If we are going to maintain our prosperity and standard of living we must sell to the more than 96% of the consumers that live outside our borders -- which means we must further open foreign markets to our goods and services. We need fast track if our economy is to stay on the right track and if we are going to maximize job opportunities for Americans. ✓

- It makes good sense to push for greater access to foreign markets at a time when our market barriers are very low and other countries' barriers are much higher.

  -- Our average tariff level is now near 3%; many other countries with rapidly expanding middle classes eager to buy America products, especially in Asia and Latin America, block our products with much higher duties.

    -- For example:

Thailand	26.1%
Philippines	19.0%
China	17.0%
Uruguay	14.6%
Venezuela	12.4%
Brazil	11.7%
Chile	11.0%
Argentina	10.3%

(World Bank figures, based on effective average applied tariff rates on total merchandise imports. National rates are weighted by 1996 U.S. bilateral exports to compute the weighted average. Figure for China is based arithmetic average of Chinese global tariff rates effective 10/1/97.)

- Now is the time to reassert America's trade leadership, based on our unrivaled strength -- ensuring that we continue to set ground rules for international trade that serve this nation's interests.

  -- Our competitors around the world are seizing trade opportunities as they arise, cementing commercial relationships and forming new trade alliances that leave our workers and firms at a disadvantage.

  -- In Latin America and Asia, for example, the two fastest growing regions of the world with millions of new consumers, other governments are pursuing strategic trade policies and concluding preferential trade arrangements with each other and with countries outside their regions. Our competitors are not waiting for us to pass a bill. In Latin America and Asia, over 20 such agreements have been negotiated since 1992. The United States is party to only one.

  -- The United States can redress these growing trade inequalities only by concluding bilateral and regional agreements of our own, as well as by negotiating new multilateral agreements that level the global trade playing field. We need fast track for this task.

- Finally, fast track is about whether other countries will continue to look to the United States to lead the world towards a future of peace, freedom, and prosperity.

  -- American leadership has helped bring about an unprecedented movement towards democracy, stability, and economic security in our hemisphere and around the world. Our sustained efforts to bring about fair and open trade worldwide have been a major reason for our success.

  -- With this bill, we can both pursue more open markets and more open societies that encourage respect for core labor standards and for the environment. Failing to renew fast track will not promote any of these objectives. Fast track is vital if we want to continue our American leadership on these issues over the years to come.

S. 1269: Key Provisions

- The Reciprocal Trade Agreements Act of 1997 ensures that Congress is fully integrated into the formulation of U.S. goals, strategies, and decision-making for each trade negotiation subject to fast-track procedures.

  -- Because the Congress and the President work in unison under the bill, our trading partners confront a United States at the bargaining table that speaks with one voice.

Negotiating Objectives

- S. 1269 directs our negotiators to pursue three core objectives: (1) break down unfair foreign trade barriers and help create good American jobs; (2) promote and advance worker rights; and (3) promote responsible environmental protection.

  The negotiating objectives include:

  -- Securing fairer and more open trading conditions for U.S. agricultural commodities, produced by the world's most efficient, innovative, and productive farmers and ranchers and food products companies.

  -- Removing barriers to our dynamic financial, telecommunications, computer and other services companies.

  -- Protecting American-produced software, films, new technology, and other intellectual property sold around the world.

  -- Making the proceedings of international trade bodies more open to the public.

  -- Maintaining the strength and effectiveness of America's fair trade laws.

- The bill contains a fast track negotiating objective specifically directed at protecting the environment and promoting worker rights abroad.

  -- The bill directs U.S. negotiators to seek agreements to prevent foreign governments from lowering, or derogating from, their labor, environmental, health, and safety standards for the purpose of attracting foreign investment or inhibiting U.S. exports.

-- The bill also urges the President to pursue labor and environmental objectives through a variety of other means.

Trade Agreements Covered by the Bill

- The bill covers all trade agreements that need Congressional approval or implementing legislation.

  -- The bill would not apply to the Multilateral Agreement on Investment (MAI), negotiations for which are already underway.

- Under S. 1269 the President can negotiate agreements lowering or eliminating the full range of trade barriers blocking sales of American products and services around the world.

  -- Fast track can be used to carry out the Congressionally-approved international trade agenda of the World Trade Organization -- for example, to further reduce trade barriers that keep products from our farms, ranches, and food industry out of foreign markets.

  -- The President can negotiate lucrative trade agreements in key sectors, like the recent "Information Technology Agreement", which is currently reducing tariffs that foreign governments impose on billions of dollars of U.S. computer, electronic, and semiconductor products sold around the world.

  -- Finally, we can use fast track to conclude strategic bilateral or regional free-trade arrangements with growing markets or regions around the world where our products and services are now at a disadvantage.

Making the Congress a Partner in Trade Negotiations

- S. 1269 ensures more Congressional oversight and participation in our trade negotiations than ever before. Fast track is available only if the President complies with the bill's extensive notice and consultation provisions, which ensure that the Congress is a full partner with the President in our major trade negotiations.

  -- Through fast track, Congress can set priorities, provide advice, and exercise oversight at all stages of the negotiations. This means Congressional views will be fully reflected both in the final agreement and in how the agreement is implemented.

  -- Moreover, if the Congress concludes that the President has not adequately consulted with it regarding a proposed agreement, the bill creates an expedited procedure for the Congress to refuse to apply fast-track procedures.

- -- The President must provide written notice to the Congress before initiating negotiations and must spell out in writing his principal objectives for the negotiations.

- -- The President must consult with the Congress as negotiations progress and again before an agreement is concluded. To enhance these consultations, the bill calls on U.S. negotiators to keep official Congressional advisors fully informed regarding the negotiations.

- -- Before signing an agreement, the President must inform the Congress of any other agreements he has concluded or intends to conclude with the country or countries concerned. He must also state his plans for implementing the trade agreement and whether the agreement will require additional legislation beyond that subject to fast-track procedures.

- -- The bill requires the President to describe at the time he submits implementing legislation to the Congress how he intends to use existing regulatory and administrative authority to carry out the agreement. He must also explain in writing how the agreement meets Congressionally-mandated negotiating objectives and serves U.S. economic interests.

- -- Under well-established practice, the President collaborates with the Congress in drafting the implementing legislation, which then is reviewed in informal public hearings and "mark-ups" by all Congressional committees of jurisdiction before its introduction.

<u>Enhancing the Role of the Public and the Private Sector</u>

- The bill also ensures that the public is fully informed of the negotiations and that the President receives advice from both the private sector and the public concerning the negotiations.

  - -- The President must solicit views from the public, and the United States International Trade Commission, regarding any bill to change U.S. tariffs. In addition, under the bill, the President must notify the public of any agreement in advance of signing it.

  - -- The President must also seek the views of Congressionally-authorized advisory committees during the course of the negotiations. These groups include advisory committees on goods, services, agriculture, intellectual property, labor, investment, intergovernmental affairs, and the environment. The bill ensures that these committees will also examine and provide their views to the Congress and the President on any proposed agreement -- before it is signed.

<u>Fast Track Procedures</u>

- Provided the President observes each of the bill's notice, consultation, and other procedures in connection with the negotiation of a trade agreement, the agreement and its implementing legislation are subject to fast-track consideration in the Congress.

  -- Fast-track rules call for the Congress to vote on qualifying trade agreements and implementing legislation without amendment within 60 "legislative days" -- typically a period of several months or more.

- Under S. 1269, changes in U.S. law carried out under fast track must have a clear relationship to the trade agreement and to trade. That will prevent fast track from being used for purposes that are not germane. At the same time the bill gives Congress the flexibility to address important domestic concerns, such improvements in U.S. fair trade laws and assistance for dislocated workers.

<u>Tariff Cutting Authority</u>

- Under the renewed "proclamation authority," the President will be re-authorized to carry out agreements that reduce by up to 50 percent U.S. tariffs that currently exceed 5 percent *ad valorem*. The President would be able to eliminate duties of 5 percent or less.

- The bill adds a provision that will allow the President to implement new tariff harmonization or elimination agreements on a sectoral or regional basis, consistent with World Trade Organization rules.

KRISTEN E. PANERALI
10/31/97 05:27:40 PM

Record Type: Record

To: Eric R. Biel/WHO/EOP

cc:
Subject: Re: custom fees

see below - do i need to bump this up to vicki or dan? do you know?
---------------------- Forwarded by Kristen E. Panerali/OPD/EOP on 10/31/97 05:27 PM ---------------------------

Kimberly A. Maluski

10/31/97 05:24:31 PM

Record Type: Record

To: Kristen E. Panerali/OPD/EOP
cc:
bcc:
Subject: Re: custom fees

We are aware that the Customs fee is being proposed in the Senate Fast Track bill. However, we have been trying to determine whether OMB needs to come up with an Administration position on the proposal or whether a decision has already been made. Since the $5 fee is mentioned in the Oct. 13 NEC Fast Track document (page 1), we were thinking that the NEC and the WH may have already implicitly agreed to the fee. However, we wanted to confirm this with you.
KRISTEN E. PANERALI

KRISTEN E. PANERALI
10/31/97 04:59:12 PM

Record Type: Record

To: Kimberly A. Maluski/OMB/EOP@EOP

cc:
Subject: Re: custom fees

does this answer your question?
---------------------- Forwarded by Kristen E. Panerali/OPD/EOP on 10/31/97 04:33 PM ---------------------------

Eric R. Biel
10/31/97 04:27:07 PM

Record Type: Record

To: Kristen E. Panerali/OPD/EOP

cc: Victoria Radd/WHO/EOP

Subject: Re: custom fees

It is in the Senate's fast track bill as the means to pay for the 2-year extension of Trade Adjustment Assistance. House bill uses a completely different method to pay for TAA. So bills will have to be reconciled in conference (assuming we get there--might as well be optimistic and assume the best). Is that what you needed? EB

Eric R. Biel
10/21/97 08:14:09 PM

Record Type: Record

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

cc:
Subject: Fast track side-by-side

I am the proud possessor of a 22-page side-by-side analysis prepared by Hal Shapiro and Ken Freiberg at USTR comparing the Finance and Ways and Means bills and the 1988 Trade Act.. Hal still expects to work on it a bit more, including to make it more "user friendly," but if anyone would like a copy of the current version, please let me know.

Message Sent To:

Victoria Radd/WHO/EOP ✓ 10-23
Jake Siewert/OPD/EOP ✓ 10-21
Russell W. Horwitz/OPD/EOP
Jonathan Orszag/OPD/EOP
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Side-by-Side Analysis of the 1988 Fast-Track Law, and the Pending House and Senate Bills

I. Title.

1988	Senate	House
Omnibus Trade and Competitiveness Act of 1988.	Reciprocal Trade Agreements Act of 1997.	Reciprocal Trade Agreements Authorities Act of 1997.

II. Overall Objectives.[1]

1988	Senate	House
More open, equitable and reciprocal market access.	Same as 1988 act, but makes the objective explicitly related to goods, services and investment.	Same as 1988 act.
Reducing or eliminating barriers and other trade-distorting policies and practices.	Same as 1988 act.	Same as 1988 act, but limits the objective to barriers and distortions that are directly related to trade and that decrease market opportunities for U.S. exports or otherwise distort U.S. trade.
A more effective system of international trading disciplines and procedures.	Same as 1988 act.	Similar but slightly different language as 1988 act; adds specific reference to improved dispute settlement.
N/A	Economic growth, higher living standards, and full employment in the U.S., and economic growth and development among U.S. trading partners.	Same as Senate bill, but instead of economic growth and development among U.S. trading partners, aim is to enhance the global economy.

[1]While the 1988 act and the House bill refer to overall negotiating objectives, the Senate bill uses the term "Statement of Purposes."

III. Principal Objectives.

1988	Senate[2]	House
Dispute Settlement (DS) -- more effective and expeditious DS mechanisms; ensuring such mechanisms within GATT and GATT agreements provide for more effective/ expeditious resolution of disputes and better enforcement of U.S. rights.	Same as 1988 act, but GATT replaced by WTO; clarifies that more effective DS mechanisms are to be provided for in "any trade agreement entered into under this authority."	N/A
Improvement of GATT/Multilateral Agreements -- enhance status of GATT; improve/extend operation of GATT and such agreements; expand country participation in multilateral agreements.	Improvement of WTO/Multilateral Agreements -- similar to 1988 act, but updated by replacing GATT with WTO; no reference to enhancing status of WTO.	N/A
Transparency -- obtain broader application of transparency and clarification of costs/benefits of trade policy actions through observance of open and equitable procedures by GATT contracting parties.	Transparency -- obtain broader application of transparency through increased public access to information regarding trade issues, clarification of costs/benefits of trade policy actions and observance of open and equitable procedures by U.S. trading partners and within the WTO.	Transparency -- obtain broader application of transparency through increased and more timely public access to information regarding trade issues and the activities of international trade institutions, and increased openness of DS proceedings, including under the WTO.

[2]The principal objectives contained in the Senate bill explicitly apply to "agreements subject to provisions of section 3," which includes both fast-track agreements and presidential tariff proclamation agreements.

<u>Developing Countries</u> -- ensure developing countries promote economic development by assuming fullest possible measure of responsibility for an open trading system by providing reciprocal benefits, restoring account equilibrium and expediting implementation of agreements.	Same as 1988 act.	N/A
<u>Current Account Surpluses</u> -- develop rules to address large, persistent surpluses, which will encourage countries to change policies so as to address surpluses.	Same as 1988 act, but calls for promotion of policies to achieve stated goals, not development of rules.	N/A
<u>Trade and Monetary Coordination</u> -- develop mechanisms to assure greater coordination, consistency and cooperation between international trade and monetary systems and institutions.	N/A (but see section IV below).	N/A

Agriculture (Ag) -- achieve, on an expedited basis to the maximum extent feasible, more open/fairer trade by developing rules for trade in Ag commodities, including on restrictive or distorting practices; increasing U.S. Ag exports by eliminating barriers and subsidies consistent w/U.S. policy of Ag stabilization in cyclical/unpredictable markets; creating free/more open Ag trading system by resolving questions pertaining to export and other distorting subsidies, market pricing and market access and eliminating/reducing substantially other specific constraints, such as tariffs, quotas and other nontariff practices, including unjustified sanitary/phyto-sanitary restrictions; seeking agreements by which major Ag export nations agree to reduce excessive production of Ag commodities during periods of oversupply, with due regard for fact that U.S. already undertakes such policies and w/o recourse to arbitrary schemes to divide markets among major export countries.	Agriculture (Ag) -- in addition to objectives in section 1123(b) of the Food Security Act of 1985, achieve -- on an expedited basis to the maximum extent feasible -- more open/fairer trade in Ag commodities by: developing rules for Ag trade, including on restrictive or distorting practices such as those affecting perishable/cyclical products; increasing U.S. exports by eliminating barriers/subsidies consistent w/U.S. policy of Ag stabilization in cyclical/ unpredictable markets; creating free/more open Ag trading system by resolving questions pertaining to export and other distorting subsidies, market pricing and market access and eliminating/ reducing other constraints, such as tariffs, quotas and other nontariff practices; developing rules on practices decreasing U.S. market opportunities (including activities of state-trading enterprises and other administrative mechanisms), including lack of price transparency; unjustified restrictions or requirements affecting new technology, including biotechnology; unjustified sanitary/phyto-sanitary restrictions, other unjustified technical barriers to trade; and restrictive rules in administering TRQs.	Agriculture (Ag) -- obtain opportunities for U.S. exports equivalent to those afforded in the U.S. and more open trade in bulk and value-added commodities by: reducing/ eliminating tariffs and charges decreasing market access (giving priority to products subject to higher tariffs or subsidies by major producing countries and providing adjustment periods for import-sensitive products, in consultation with Congress in reducing tariffs); reducing/ eliminating foreign subsidies; developing rules against and DS mechanisms to prevent practices decreasing U.S. market access or distorting trade (particularly for import-sensitive products), including state-trading enterprises (with emphasis on requiring price transparency), unjustified restrictions affecting new technology (including bio-technology), unjustified sanitary/phytosanitary restrictions; other technical barriers to trade; and restrictive rules in admin-istering TRQs; improving import relief (especially for perishables); recognizing whether a party met prior obligations; ensure countries acceding to WTO make meaningful liberalization commitments.

Unfair Trade Practices -- improve agreements to deter persistent use of unfair practices having adverse effect on trade, including dumping, subsidies and other practices (such as resource input subsidies, diversionary dumping, dumped or subsidized inputs and export targeting practices); obtain application of similar rules to the treatment of primary/non-primary products in Agreement on Application of GATT Articles VI, XVI, and XXIII (on subsidies and CVD); and obtain enforcement of GATT rules against distorting practices of state-trading enterprises and unreasonable requirements for substantial direct investment in foreign countries, intellectual property to be licensed to a foreign country or firm therein, or other collateral concessions to be made.	Unfair Trade Practices -- enhance operation/ effectiveness of Uruguay Round Agreements and other agreements designed to deter persistent use of unfair practices having adverse effect on trade, including dumping, subsidies and other practices (such as resource input subsidies, diversionary dumping, dumped or subsidized inputs and export targeting practices); obtain enforcement of WTO rules against distorting practices of state-trading enterprises, and unreasonable requirements for substantial direct investment in foreign countries, intellectual property to be licensed to a foreign country or firm therein, or other collateral concessions to be made.	N/A

Services -- reduce/eliminate barriers/distortions including violation of national treatment and restrictions on establishing or operating services; and develop rules and DS procedures that are consistent w/U.S. commercial practices and that will reduce barriers/open markets. U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.	Same as 1988 act.	Similar to 1988 act, but deletes reference to distortions; clarifies that restrictions on establishing or operating services must be "unreasonable"; and strikes provision referring to U.S. domestic objectives.

Intellectual Property (IP) -- seek foreign laws protecting IP, including copyright, trademark, patents, semi-conductor chip layout designs, trade secrets, and unfair competition; establish GATT obligations based on existing agreements providing adequate protection or national laws if agreements are not effective; establish effective enforcement procedures; implement effective DS procedures; recognize that inclusion in GATT of IP provisions does not prejudice efforts in other international organizations; strengthen standards in other international organizations, including coverage of new/ emerging technology and preventing unreasonable exceptions to protection.	Intellectual Property (IP) -- further promote adequate and effective protection of IP rights by: seeking enactment and effective enforcement of laws protecting IP (including copyright, trademark, patents, semi-conductor chip layout designs, and trade secrets) and protecting against unfair competition; accelerating and ensuring full implementation of TRIPs Agreement and achieving improvement of standards in that agreement; providing strong protection for new/emerging technology and methods of transmitting/ distributing IP products; preventing/eliminating discrimination in IP protection; providing strong enforcement of IP rights (civil, administrative, criminal enforcement mechanisms). Also, secure fair market access opportunities for U.S. persons relying on IP protection; and recognize inclusion in WTO of adequate/effective norms and standards for IP protection and DS for IP (w/o prejudice to initiatives undertaken in other international organizations).	Intellectual Property (IP) -- - further promote adequate and effective protection of IP rights by: accelerating and ensuring full implementation of TRIPs Agreement, particularly with respect to lengthiest transition periods for developing countries; ensuring that agreements entered into by the U.S. provide protection at least as strong as that afforded by NAFTA Chapter 17; providing strong protection for new/emerging technology and methods of transmitting/ distributing IP products; preventing/eliminating discrimination in IP protection; providing strong enforcement of IP rights (civil, administrative, criminal enforcement mechanisms). Also, secure fair market access opportunities for U.S. persons relying on IP protection.

Foreign Direct Investment (FDI) -- reduce/eliminate artificial or distorting barriers to FDI; expand national treatment; develop rules (including DS) which will ensure free flow of FDI and reduce/eliminate distorting effects of certain trade-related investment measures. U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.	Foreign Investment -- same as 1988 act, except refers to foreign investment instead of foreign direct investment.[3]	Foreign Investment -- reduce/ eliminate artificial or distorting barriers to foreign investment by reducing/ eliminating exceptions to national treatment; freeing transfer of funds relating to investments; reducing/ eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments; seeking to establish standards for expropriation and compensation for expropriation consistent w/U.S. law and practice; and providing meaningful DS procedures.
Safeguards -- improve and expand rules/procedures; ensure safeguards are transparent, temporary, degressive, and subject to review and termination when no longer necessary; require notification of, and monitoring of, safeguards by GATT contracting parties.	Same as in 1988 act, but updated to refer to WTO instead of GATT.	N/A

[3]"Foreign direct investment" is a narrower term than "foreign investment." The main difference is that foreign direct investment would not include "portfolio" investment, which in some instances is defined as investment resulting in less than 10 percent ownership of a foreign entity.

Specific Barriers -- obtain competitive opportunities for U.S. exports in foreign markets substantially equivalent to opportunities afforded here; in particular, removal of barriers identified in annual report prepared under section 181 of the 1974 Trade Act and foreign tariff and nontariff barriers blocking U.S. exports when like products enter U.S. w/o such restrictions.	Reduction of Barriers to Trade in Goods -- obtain competitive opportunities for U.S. exports in foreign markets substantially equivalent to the opportunities afforded foreign exports to the U.S., including reduction/elimination of the following: tariff and nontariff disparities remaining from previous rounds of multilateral negotiations that put U.S. at a disadvantage; measures identified in the annual report prepared under section 181 of the Trade Act of 1974; tariff elimination for products identified in section 111(b) of the Uruguay Round Agreements Act and the accompanying Statement of Administrative Action.	Trade Barriers and Distortions -- expand competitive opportunities for U.S. exports and obtain fairer/more open conditions of trade by reducing/ eliminating tariff/nontariff barriers and policies/practices of foreign governments directly related to trade that decrease market opportunities for U.S. exports and otherwise distort U.S. trade; obtain reciprocal barrier elimination agreements, w/ particular attention to tariff categories covered in section 111(b) of the Uruguay Round Agreement Act.
Worker Rights --promote respect for worker rights; secure a review of relationship between worker rights to GATT articles and related instruments w/a view to ensuring that the benefits of the trading system are available to all workers; adopt as a GATT principle that the denial of worker rights should not be means of a country gaining a competitive advantage.	N/A (but see section IV below). ?	N/A ?

Access to High Technology -- eliminate/reduce barriers to and policies or laws limiting equitable access by U.S. persons to foreign-developed technology; such barriers include restricting participation of U.S. persons in government-supported research, denying access by U.S. persons to government-held patents, requiring government approval or intervention as a condition for the granting of licenses to U.S. persons by foreign persons (except where national security/military involved), and otherwise denying U.S. persons access. U.S. negotiators shall take into account U.S. policies in licensing or otherwise making available to foreign persons technology and other information developed by U.S. laboratories.	Same as 1988 act.	N/A
Border Taxes -- obtain revision of GATT with respect to treatment of border adjustment for internal taxes to redress disadvantages to countries relying primarily on direct taxes rather than indirect taxes.	Same as 1988 act, but GATT has been replaced by WTO.	N/A

N/A	Regulatory Competition -- with respect to regulation or other practices by foreign governments to provide a competitive advantage to domestic producers, ensure such regulation and practices do not unfairly discriminate against U.S. goods, services and investment; prevent use of regulations or practices (including lowering of or derogation from existing labor [including child labor], health and safety, or environmental standards) for purpose of attracting investment or inhibiting U.S. exports. Nothing in this objective shall be construed to authorize in an implementing bill or an agreement inclusion of provisions restricting autonomy of the U.S. in these areas.	Labor, the Environment and Other Matters (LEOM) -- address the following aspects of foreign government practices regarding LEOM that are directly related to trade: ensure foreign labor, environmental, health or safety practices do not discriminate or serve as a disguised barrier; ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety or labor measures (including child labor) as an encouragement to gain competitive advantage in trade. Nothing in this objective is intended to address changes to a country's laws that are consistent with sound macroeconomic development.
N/A	N/A	WTO Extended Negotiations -- adopting objectives set forth in the Uruguay Round Agreements Act for financial services, civil aircraft and rules of origin.

IV. International Economic Policy Objectives.

1988	**Senate**	**House**
N/A	In General -- foster stability in international currency and develop mechanisms to assure greater coordination, consistency and cooperation between international trade and monetary systems and institutions to protect against unanticipated currency movements. Supplement standards for protecting IP under conventions administered by organizations other than the WTO; expand conventions to cover new/ emerging technologies; eliminate discrimination/ unreasonable exceptions. Promote respect for workers' rights (WR) by reviewing relationship of WR and the trading system; seek to establish ILO review mechanism of the extent to which ILO members promote/ enforce freedom of association, right to organize and bargain collectively, as well as prohibit forced labor, child labor and employment discrimination. Optimize use of world's resources while preserving environment and international means to do so. Doesn't authorize fast-track to change U.S. law.	In General -- take into account relationship between trade agreements and important U.S. priorities. U.S. priorities are: ensuring trade and environment are mutually supportive; optimize use of world's resources while preserving environment and international means to do so; promote respect for WR and rights of children by working with ILO to encourage observance of core labor standards (including child labor); supplement standards for protecting IP under conventions administered by organizations other than the WTO; expand conventions to cover new/ emerging technologies; eliminate discrimination/ unreasonable exceptions. Doesn't authorize fast-track to change U.S. law.

V. Guidance for Negotiators.

1988	Senate	House
N/A	N/A	Domestic Objectives -- U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.
N/A, but see discussion in section VIII below.	N/A, but see discussion in section VIII below.	Consultation with Congressional Advisers -- U.S. negotiators shall consult closely and on a timely basis with, and keep fully apprised, the congressional advisers established under section 161 of the 1974 Trade Act; negotiators shall take into account need for U.S. to rigorously enforce its trade laws.
N/A	N/A	Adherence to Uruguay Round Obligations -- in entering into agreements, President shall take into account whether trading partners have met or accelerated their Uruguay Round obligations.

VI. Presidential Tariff Proclamation Authority.

1988	Senate	House
Tariff Proclamation Agreements -- whenever the President determines that one or more duties or other restrictions are unduly burdening U.S. trade, he may enter into agreements and proclaim the modification or continuance of any duty, the continuance of existing duty-free or excise treatment, or additional duties as he determines to be required/ appropriate to carry out such agreements.	Same as 1988 act.	Same as 1988 act.
Limitations -- President can reduce a tariff above 5 percent *ad valorem* up to 50 percent; duties 5 percent or less may be eliminated. President can increase duties up to the amount that applied on effective date of the act.	Same as 1988 act.	Same as 1988 act, but President cannot raise duties above the level that applied on January 1, 1996.
Aggregate Reduction/Staging -- President can reduce duties up to 3 percent *ad valorem* or 1/10, whichever is greater. No reduction may take effect more than 10 years after effective date of first reduction. No such staging is required for goods not produced in the U.S.. President may round-off tariffs to compute the reduction.	Same as in 1988 act, but clarifies that staging calculation to be done in 1-year intervals.	Same as Senate bill.

Additional Modifications -- Tariff modifications beyond the delegated authority must be submitted to Congress for approval under fast-track procedures.	Same as in 1988 act.	Same as in 1988 act.
N/A	Expanded Tariff Proclamation Authority -- Subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act and pre-negotiation congressional notice and consultation, President may proclaim the modification of any duty if the U.S. agrees to such modification in a negotiation for reciprocal elimination or harmonization, within the same tariff categories, under the auspices of the WTO, or as part of an interim agreement leading to formation of a regional free trade area. This authority does not affect section 111(b) of the Uruguay Round Agreements Act.	Other Tariff Modifications -- Same as Senate bill, but does not have pre-negotiation congressional notice and consultation and does not refer to tariff categories.

VII. Fast-Track Agreements.

1988	Senate	House
Agreements on Nontariff Barriers -- Whenever the President determines that any barrier or distortion burdens or is likely to burden trade and the purposes, policies and objectives of the fast-track law are served, the President may enter into an agreement to reduce or eliminate such barrier or distortions. The agreement may be entered into only if it meets the objectives of the fast-track law.	Agreements on Tariff and Nontariff Barriers -- Whenever the President determines that any duty, barrier or distortion burdens or is likely to burden trade and the purposes, policies and objectives of the fast-track law are served, the President may enter into an agreement to reduce or eliminate such duty, barrier or distortion. An agreement may be entered into only if it makes progress in meeting applicable objectives of the fast-track law and the President meets the consultation requirements of the law.	Agreements on Tariff and Nontariff Barriers -- Essentially the same as Senate bill.
Bilateral Agreements on Tariff and Nontariff Barriers -- President may enter into agreements with foreign countries providing for the elimination or reduction of any U.S. duty; agreement also may address any barrier or distortion. No benefit of such agreement shall apply to any non-party. The agreement may be entered into only if it makes progress with respect to the objectives of the fast-track law and was requested by another country. This provision does not affect free trade agreements previously entered into.	N/A	N/A

Bills Qualifying for Fast-Track -- provisions may include: approval of an agreement; approval of the statement of administrative action, if any; and if changes in existing laws or new statutory authority is required to implement such agreements, provisions necessary or appropriate to implement such agreements.	Bills Qualifying for Fast-Track -- provisions may include: approval of a fast-track agreement that achieves one or more of the principal negotiating objectives and the statement of administrative action, if any. Also, implementing bills may include: provisions necessary to implement such agreements; or provisions otherwise related to the implementation, enforcement and adjustment to the effects of such agreement and are directly related to trade; and provisions necessary to meet PAY-GO.	Bills Qualifying for Fast-Track -- provisions may include: approval of a fast-track agreement and the statement of administrative action, if any. Implementing bills may also include: provisions directly related to the principal negotiating objectives achieved in such agreement, if those provisions are necessary for the operation/implementa-tion of U.S. rights/obligations under the agreement; provisions defining/clarifying or that are related to the operation or effect of the provisions of the agreement; provisions to provide adjustment assistance to workers and firms adversely affected by the agreement; and provisions necessary to meet PAY-GO.

VIII. Duration and Extension Disapproval Resolutions.

1988	**Senate**	**House**
Duration -- Proclamation authority and fast-track procedures originally were to last until June 1, 1991. They were extended until June 1, 1993. With respect to the Uruguay Round, they were extended until April 16, 1994.	Duration -- Proclamation authority and fast-track procedures last until October 1, 2001. Possible extension until October 1, 2005.	Same as Senate bill.

Extension Disapproval Procedures -- As long as Congress did not disapprove, extension was automatic to June 1, 1993, if President submitted request by March 1, 1991, along with report on progress made in meeting objectives of fast-track law, on status of ongoing negotiations and explaining why an extension was needed; and the ACTPN submitted its views by March 1, 1991. These reports may be classified. A disapproval resolution need only be passed by one House before June 1, 1991. It may be introduced by any Member. In the House, it must be referred to and reported out of the Ways and Means Committee as well as the Rules Committee. In the Senate, it must be reported out of the Finance Committee. It is subject to expedited treatment, no amendments and limited debate.	Extension Disapproval Procedures -- As long as Congress does not disapprove, extension is automatic if President submits request by July 1, 2001, along with report on progress made in meeting objectives of fast-track law and on status of ongoing negotiations; and the ACTPN submits its views by August 1, 2001. These reports may be classified. A disapproval resolution need only be passed by one House before October 1, 2001. It may be introduced by any Member. In the House, it must be reported out by the Ways and Means Committee as well as the Rules Committee. In the Senate, it shall be referred to the Finance Committee. It is subject to expedited treatment, no amendments and limited debate.	Extension Disapproval Procedures -- Same as Senate bill, though the House version does not explicitly state that resolutions must be referred in the Senate to the Finance Committee (it does state that the resolution must be reported out of the Finance Committee).

VIII. Notice and Consultation Requirements.

1988	**Senate**	**House**
The President must provide 60 day advance notice of intent to enter into bilateral FT agreement and consult with Congress.	N/A	N/A

Before entering into FT agreement, President shall consult with Finance, W&M, and other committees with jurisdiction.	Similar provision.	Similar provision.
90 day advance notice of intent to enter into FT agreement.	Similar provision.	Similar provision.
ISAC report due 30 days after President gives notice of intent to enter into FT agreement. [Limited to Uruguay Round negotiations.]	Similar provision. [Not limited to any kind of negotiations.]	Similar provision. [Not limited to any kind of negotiations.]
Congress may withdraw FT for failure to consult under the act generally.	Similar provision [limited to consultations under section 4.]	Similar provision.
Congress may withdraw FT within 60 days of President's notice that he intends to enter into bilateral negotiations.	Congress may withdraw FT within 90 days of President's notice that he intends to enter into negotiations. [Not limited to bilateral agreements.].	N/A
President must hold a public hearing for any negotiations before making a formal offer.	Similar provision.	Similar provision.
President must get advice from ITC for tariff negotiations before making a formal offer.	Similar provision.	Similar provision.

The President must consult with congressional advisers.	In the course of negotiations, the President shall consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers appointed under section 161 of the 1974 Trade Act.	Same as Senate bill.
N/A	90 day advance notice of intent to enter into negotiations for a FT agreement. Within 60 days of entering into agreement, President must submit to Congress a description of changes in U.S. law necessary to bring U.S. into compliance with the agreement.	Similar provision.
N/A	N/A	For traditional proclamation authority, President must notify Congress of intention to enter into agreement.
N/A	For sectoral and interim free trade area agreements, President must meet notice and consultation requirements of section 115 of the Uruguay Round Agreements Act and pre-negotiation notice and consultation requirements described above.	Only the requirements of section 115 of the Uruguay Round Agreements Act applies.

IX. Disapproval Resolutions.

1988	**Senate**	**House**
For Lack of Consultations -- fast-track procedures will not apply if both Houses pass a resolution within a 60-day period. In the House, the resolution must be introduced by the Chair or ranking Member of Ways and Means Committee or Rules Committee. It shall be referred to and reported out of both of those committees. In the Senate, the original resolution shall be from the Finance Committee. It is subject to expedited treatment, no amendments and limited debate. Fast-track is a rule of each House and may be amended as any other rule of each House.	For Lack of Consultations -- Essentially the same as the 1988 act. Adds the requirement that the resolution must be reported out of the Finance Committee.	For Lack of Consultations -- Essentially the same as the 1988 act.

<u>Disapproval of Negotiations</u> -- Within the 60 days following the President's notice of his intention to enter into negotiations, either Ways and Means or Finance may disapprove of bilateral negotiations if procedural requirements not met (60-day advance notice and consultation with Congress; negotiations would make progress in meeting applicable objectives; negotiations requested by foreign country).	<u>Disapproval of Negotiations</u> -- Similar provision as in the 1988 act, but: applies to all fast-track agreements, not just bilaterals; applies time period of 90 day pre-negotiation notice, not 60 days as in the 1988 act; and requires both Committees to disapprove, not just 1.	N/A

IX. Grandfathered Agreements.

1988	**Senate**	**House**
N/A	Pre-negotiation notice and consultation does not apply to negotiations regarding: an agreement on information technology products under the WTO; work programs initiated under the Uruguay Round Agreement; and an agreement with Chile.	Same as Senate bill, but instead of Uruguay Round work programs, refers to negotiations on financial services and rules of origin.

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Side-by-Side Analysis of the 1988 Fast-Track Law, and the Pending House and Senate Bills

I. Title.

1988	Senate	House
Omnibus Trade and Competitiveness Act of 1988.	Reciprocal Trade Agreements Act of 1997.	Reciprocal Trade Agreements Authorities Act of 1997.

II. Overall Objectives.1

1988	Senate	House
More open, equitable and reciprocal market access.	Same as 1988 act, but makes the objective explicitly related to goods, services and investment.	Same as 1988 act.
Reducing or eliminating barriers and other trade-distorting policies and practices.	Same as 1988 act.	Same as 1988 act, but limits the objective to barriers and distortions that are directly related to trade and that decrease market opportunities for U.S. exports or otherwise distort U.S. trade.
A more effective system of international trading disciplines and procedures.	Same as 1988 act.	Similar but slightly different language than 1988 act; adds specific reference to improved dispute settlement.
N/A	Economic growth, higher living standards, and full employment in the U.S., and economic growth and development among U.S. trading partners.	Same as Senate bill, but instead of economic growth and development among U.S. trading partners, aim is to enhance the global economy.

III. Principal Objectives.2

1988	Senate	House

Dispute Settlement (DS) -- More effective and expeditious DS mechanisms; ensuring such mechanisms within GATT and GATT agreements provide for more effective/expeditious resolution of disputes and better enforcement of U.S. rights.	Dispute Settlement (DS) -- Same as 1988 act, but GATT replaced by WTO; clarifies that more effective DS mechanisms are to be provided for in "any trade agreement entered into under this authority."	Dispute Settlement (DS) -- N/A
Improvement of GATT/Multilateral Agreements -- Enhance status of GATT; improve/extend operation of GATT and such agreements; expand country participation in multilateral agreements.	Improvement of WTO/Multilateral Agreements -- Similar to 1988 act, but updated by replacing GATT with WTO; no reference to enhancing status of WTO.	Improvement of WTO/Multilateral Agreements -- N/A
Transparency -- Obtain broader application of transparency and clarification of costs/benefits of trade policy actions through observance of open and equitable procedures by GATT contracting parties.	Transparency -- Obtain broader application of transparency through increased public access to information regarding trade issues, clarification of costs/benefits of trade policy actions and observance of open and equitable procedures by U.S. trading partners and within the WTO.	Transparency -- Obtain broader application of transparency through increased and more timely public access to information regarding trade issues and the activities of international trade institutions, and increased openness of DS proceedings, including under the WTO.
Developing Countries -- Ensure developing countries promote economic development by assuming fullest possible measure of responsibility for an open trading system by providing reciprocal benefits, restoring account equilibrium and expediting implementation of agreements.	Developing Countries -- Same as 1988 act.	Developing Countries -- N/A

Current Account Surpluses -- Develop rules to address large, persistent surpluses, which will encourage countries to change policies so as to address surpluses.	Current Account Surpluses -- Same as 1988 act, but calls for promotion of policies to achieve stated goals, not development of rules.	Current Account Surpluses -- N/A
Trade and Monetary Coordination -- Develop mechanisms to assure greater coordination, consistency and cooperation between international trade and monetary systems and institutions.	Trade and Monetary Coordination -- N/A (included in International Economic Policy Objectives).	Trade and Monetary Coordination -- N/A (included in International Economic Policy Objectives).

Agriculture (Ag) -- Achieve, on an expedited basis to the maximum extent feasible, more open/fairer trade by developing rules for trade in Ag commodities, including on restrictive or distorting practices; increasing U.S. Ag exports by eliminating barriers and subsidies consistent w/U.S. policy of Ag stabilization in cyclical/unpredictable markets; creating free/more open Ag trading system by resolving questions pertaining to export and other distorting subsidies, market pricing and market access and eliminating/reducing substantially other specific constraints, such as tariffs, quotas and other nontariff practices, including unjustified sanitary/phyto-sanitary restrictions; seeking agreements by which major Ag export nations agree to reduce excessive production of Ag commodities during periods of oversupply, with due regard for fact that U.S. already undertakes such policies and w/o recourse to arbitrary schemes to divide markets among major export countries.	Agriculture (Ag) -- In addition to objectives in sec. 1123(b) of the 1985 Food Security Act, achieve -- on an expedited basis to the maximum extent feasible -- more open/fairer Ag trade by: developing rules for Ag trade, including on restrictive or distorting practices such as those affecting perishable/ cyclical products; increasing U.S. exports by eliminating barriers/subsidies consistent w/U.S. policy of Ag stabiliza-tion in cyclical/ unpredictable markets; creating more open Ag trading system by resolv-ing questions pertaining to subsidies, market pricing and market access and eliminating /reducing other constraints, such as tariffs, quotas and other nontariff practices; developing rules on practices decreasing U.S. market opportunities (including activities of state-trading enterprises and other admini-strative mechanisms), including lack of price transparency; unjustified restrictions or requirements affecting new technology, including biotechnology; unjustified sanitary/phyto-sanitary restrictions, other unjustified technical barriers to trade; and restrictive rules in administering TRQs.	Agriculture (Ag) -- Obtain opportunities for U.S. exports equivalent to those afforded in the U.S. and more open trade in bulk and value-added commodities by: reducing/ eliminating tariffs and charges decreasing market access (giving priority to products subject to higher tariffs or subsidies by major producing countries and providing adjustment periods for import-sensitive products, in consultation with Congress in reducing tariffs); reducing/ eliminating foreign subsidies; developing rules against and DS mechanisms to prevent practices decreasing U.S. market access or distorting trade (particularly for import-sensitive products), including state-trading enterprises (with emphasis on requiring price transparency), unjustified restrictions affecting new technology (including bio-technology), unjustified sanitary/phytosanitary restrictions; other technical barriers to trade; and restrictive rules in admin-istering TRQs; improving import relief (especially for perishables); recognizing whether a party met prior obligations; ensure countries acceding to WTO make meaningful liberalization commitments.

Unfair Trade Practices -- Improve agreements to deter persistent use of unfair practices having adverse effect on trade, including dumping, subsidies and other practices (such as resource input subsidies, diversionary dumping, dumped or subsidized inputs and export targeting practices); obtain application of similar rules to the treatment of primary/non-primary products in Agreement on Application of GATT Articles VI, XVI, and XXIII (on subsidies and CVD); and obtain enforcement of GATT rules against distorting practices of state-trading enterprises and unreasonable requirements for substantial direct investment in foreign countries, intellectual property to be licensed to a foreign country or firm therein, or other collateral concessions to be made.	Unfair Trade Practices -- Enhance operation/ effectiveness of Uruguay Round Agreements and other agreements designed to deter persistent use of unfair practices having adverse effect on trade, including dumping, subsidies and other practices (such as resource input subsidies, diversionary dumping, dumped or subsidized inputs and export targeting practices); obtain enforcement of WTO rules against distorting practices of state-trading enterprises, and unreasonable requirements for substantial direct investment in foreign countries, intellectual property to be licensed to a foreign country or firm therein, or other collateral concessions to be made.	Unfair Trade Practices -- See "Guidance to Negotiators" below.
Services -- Reduce/eliminate barriers/distortions including violation of national treatment and restrictions on establishing or operating services; and develop rules and DS procedures that are consistent w/U.S. commercial practices and that will reduce barriers/open markets. U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.	Services -- Same as 1988 act.	Services -- Similar to 1988 act, but deletes reference to distortions; clarifies that restrictions on establishing or operating services, which the President should seek to eliminate through negotiations, must be "unreasonable." The 1988 act provision referring to U.S. domestic objectives has been included in "Guidance to Negotiators" section below.

Intellectual Property (IP) -- Seek foreign laws protecting IP, including copyright, trademark, patents, semi-conductor chip layout designs, trade secrets, and unfair competition; establish GATT obligations based on existing agreements providing adequate protection or national laws if agreements are not effective; establish effective enforcement procedures; implement effective DS procedures; recognize that inclusion in GATT of IP provisions does not prejudice efforts in other international organizations; strengthen standards in other international organizations, including coverage of new/ emerging technology and preventing unreasonable exceptions to protection.	Intellectual Property (IP) --Further promote adequate and effective protection of IP rights by: seeking enactment and effective enforcement of laws protecting IP (including copyright, trademark, patents, semi-conductor chip layout designs, and trade secrets) and protecting against unfair competition; accelerating and ensuring full implementation of TRIPs Agreement and achieving improvement of standards in that agreement; providing strong protection for new/emerging technology and methods of transmitting/ distributing IP products; preventing/eliminating discrimination in IP protection; providing strong enforcement of IP rights (civil, administrative, criminal enforcement mechanisms). Also, secure fair market access opportunities for U.S. persons relying on IP protection; and recognize that inclusion in WTO of adequate/effective norms and standards for IP protection and DS for IP is w/o prejudice to initiatives undertaken in other international organizations.	Intellectual Property (IP) -- Further promote adequate and effective protection of IP rights by: accelerating and ensuring full implementation of TRIPs Agreement, particularly with respect to lengthiest transition periods for developing countries; ensuring that agreements entered into by the U.S. provide protection at least as strong as that afforded by NAFTA Chapter 17; providing strong protection for new/emerging technology and methods of transmitting/ distributing IP products; preventing/eliminating discrimination in IP protection; providing strong enforcement of IP rights (civil, administrative, criminal enforcement mechanisms). Also, secure fair market access opportunities for U.S. persons relying on IP protection.

Foreign Direct Investment (FDI) -- Reduce/eliminate artificial or distorting barriers to FDI; expand national treatment; develop rules (including DS) which will ensure free flow of FDI and reduce/eliminate distorting effects of certain trade-related investment measures. U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.	Foreign Investment -- Same as 1988 act, except refers to foreign investment instead of foreign direct investment.	Foreign Investment -- Similar to 1988 act; contains language relating to free transfer of funds relating to investments; reduction/ elimination of performance requirements and other unreasonable barriers to the establishment and operation of investments; establishment of standards for expropriation and compensation for expropriation consistent w/U.S. law and practice; and establishment of meaningful DS procedures. (Provision from 1988 act referring to U.S. domestic objectives included in "Guidance to Negotiators" section below.)
Safeguards -- Improve and expand rules/procedures; ensure safeguards are transparent, temporary, degressive, and subject to review and termination when no longer necessary; require notification of, and monitoring of, safeguards by GATT contracting parties.	Safeguards -- Same as in 1988 act, but updated to refer to WTO instead of GATT.	Safeguards -- N/A

Specific Barriers -- Obtain competitive opportunities for U.S. exports in foreign markets substantially equivalent to opportunities afforded here; in particular, removal of barriers identified in annual report prepared under section 181 of the 1974 Trade Act and foreign tariff and non-tariff barriers blocking U.S. exports when like products enter U.S. w/o such restrictions.	Reduction of Barriers to Trade in Goods -- Obtain competitive opportunities for U.S. exports in foreign markets substantially equivalent to the opportunities afforded here, including reduction/ elimination of the following: tariff and non-tariff disparities remaining from previous rounds of multilateral negotiations that put U.S. at a disadvantage; measures identified in the annual report prepared under section 181 of the Trade Act of 1974; tariffs categories identified in section 111(b) of the Uruguay Round Agreements Act and the accompanying Statement of Administrative Action.	Trade Barriers and Distortions -- Expand competitive opportunities for U.S. exports and obtain fairer/more open conditions of trade by reducing/ eliminating tariff/non-tariff barriers and policies/practices of foreign governments directly related to trade that decrease market opportunities for U.S. exports or otherwise distort U.S. trade; obtain reciprocal barrier elimination agreements, w/particular attention to tariff categories covered in section 111(b) of the Uruguay Round Agreement Act.
Worker Rights -- Promote respect for worker rights; secure a review of relationship between worker rights and GATT articles and related instruments w/a view to ensuring that the benefits of the trading system are available to all workers; adopt as a GATT principle that the denial of worker rights should not be means for a country to gain a competitive advantage.	Worker Rights -- Worker rights are addressed in "Regulatory Competition" objective described in the "International Economic Policy" section below.	Worker Rights -- Worker rights are addressed in the "Labor and Environment" objective and the "International Economic Policy" section below.

Access to High Technology -- Eliminate/reduce barriers to and policies or laws limiting equitable access by U.S. persons to foreign-developed technology; such barriers include restricting participation of U.S. persons in government-supported research, denying access by U.S. persons to government-held patents, requiring government approval or intervention as a condition for the granting of licenses to U.S. persons by foreign persons (except where national security/military involved), and otherwise denying U.S. persons access. U.S. negotiators shall take into account U.S. policies in licensing or otherwise making available to foreign persons technology and other information developed by U.S. laboratories.	Access to High Technology -- Same as 1988 act.	Access to High Technology -- N/A
Border Taxes -- Obtain revision of GATT with respect to treatment of border adjustment for internal taxes to redress disadvantages to countries relying primarily on direct taxes rather than indirect taxes.	Border Taxes -- Same as 1988 act, but GATT replaced by WTO.	Border Taxes -- N/A

N/A (Labor issues addressed in "Worker Rights" objective. No objective for environment, health or safety.)	Regulatory Competition -- With respect to regulation or other practices by foreign governments to provide a competitive advantage to domestic producers, ensure regulation and practices do not unfairly discriminate against U.S. goods, services and investment; prevent use of regulations or practices (including lowering of or derogation from existing labor, including child labor, health and safety, or environmental standards) for purpose of attracting investment or inhibiting U.S. exports. This latter objective does not authorize inclusion of provisions in an implementing bill or an agreement restricting autonomy of the U.S. in these areas.	Labor, the Environment and Other Matters (LEOM) -- Address the following aspects of foreign government practices regarding LEOM that are directly related to trade: ensure foreign labor, environmental, health or safety practices do not discriminate or serve as a disguised barrier; ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety or labor measures (including those deterring exploitative child labor) as an encouragement to gain competitive advantage in trade or investment. Nothing in the latter objective addresses changes to a country's laws that are consistent with sound macroeconomic development.
WTO Extended Negotiations -- N/A	WTO Extended Negotiations -- N/A	WTO Extended Negotiations -- Incorporates objectives set forth in the Uruguay Round Agreements Act for financial services, civil aircraft and rules of origin negotiations.

IV. International Economic Policy Objectives.

1988	Senate	House
Trade and Monetary Coordination -- N/A	Trade and Monetary Coordination -- Foster stability in international currency and develop mechanisms to assure greater coordination, consistency and cooperation between international trade and monetary systems and institutions to protect against unanticipated currency movements.	Trade and Monetary Coordination -- N/A
Intellectual Property Protection Outside the WTO -- N/A	Intellectual Property Protection Outside the WTO -- Supplement standards for protecting IP under conventions administered by organizations other than the WTO; expand conventions to cover new/emerging technologies; eliminate discrimination/ unreasonable exceptions.	Intellectual Property Protection Outside the WTO -- Same as the Senate bill.
Worker Rights -- N/A	Worker Rights -- Promote respect for worker rights by reviewing relationship of worker rights and the trading system; seek to establish ILO review mechanism of the extent to which ILO members promote/enforce freedom of association, right to organize and bargain collectively, as well as prohibit forced labor, child labor and employment discrimination.	Worker Rights -- Promote respect for worker rights and rights of children by working with ILO to encourage observance of core labor standards (including restrictions on use of child labor).

<u>Trade and Environment</u> -- N/A	<u>Trade and Environment</u> -- Optimize use of world's resources while preserving environment and international means to do so. Doesn't authorize fast-track to change U.S. law.	<u>Trade and Environment</u> --Ensure trade and environment are mutually supportive; optimize use of world's resources while preserving environment and international means to do so.
<u>Application to Fast Track</u> -- N/A	<u>Application to Fast Track</u> -- The International Economic Policy Objectives do not authorize use of fast track to change U.S. law.	<u>Application to Fast Track</u> -- Same as Senate bill.

V. Guidance for Negotiators.

1988	Senate	House
N/A (Language on this subject included only in principal negotiating objectives for Services and Investment.)	N/A (Same as the 1988 act.)	Domestic Objectives -- U.S. negotiators shall take into account U.S. domestic objectives, including health, safety, the environment and employment opportunities.
N/A	N/A (Similar provision included in Notice and Consultation section below.)	Consultation with Congressional Advisers and Enforcement of U.S. Trade Laws -- U.S. negotiators shall consult closely and on a timely basis with, and keep fully apprised, the congressional advisers established under section 161 of the 1974 Trade Act; negotiators shall take into account need for U.S. to rigorously enforce its trade laws.
N/A	N/A	Adherence to Uruguay Round Obligations -- in entering into agreements, President shall take into account whether trading partners have met or accelerated their Uruguay Round obligations.

VI. Presidential Tariff Proclamation Authority.

1988	**Senate**	**House**
Tariff Proclamation Agreements -- Whenever the President determines that one or more duties or other restrictions are unduly burdening U.S. trade, he may enter into agreements and proclaim the modification or continuance of any duty, the continuance of existing duty-free or excise treatment, or additional duties as he determines to be required/ appropriate to carry out such agreements.	Tariff Proclamation Agreements -- Same as 1988 act.	Tariff Proclamation Agreements -- Same as 1988 act.
Limitations -- President can reduce a tariff above 5 percent *ad valorem* up to 50 percent; duties 5 percent or less may be eliminated. President can increase duties up to the amount that applied on effective date of the act.	Limitations -- Same as 1988 act, except that President cannot raise duties above the level that applies on the date of enactment.	Limitations -- Same as 1988 act, but President cannot raise duties above the level that applied on January 1, 1996.
Aggregate Reduction/Staging -- President can reduce duties up to 3 percent *ad valorem* or 1/10, whichever is greater. No reduction may take effect more than 10 years after effective date of first reduction. No staging is required for goods not produced in the U.S.. President may round-off tariffs to compute the reduction.	Aggregate Reduction/Staging -- Same as in 1988 act, but clarifies that staging calculation to be done in 1-year intervals.	Aggregate Reduction/Staging -- Same as Senate bill.

Additional Modifications -- Tariff modifications beyond the delegated authority must be submitted to Congress for approval under fast-track procedures.	Additional Modifications -- Same as in 1988 act.	Additional Modifications -- Same as in 1988 act.
N/A	Expanded Tariff Proclamation Authority -- Subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act and pre-negotiation congressional notice, President may proclaim the modification of any duty if the U.S. agrees to such modification in a negotiation for reciprocal elimination or harmonization, within the same tariff categories, under the auspices of the WTO, or as part of an interim agreement leading to formation of a regional free trade area. This authority does not affect section 111(b) of the Uruguay Round Agreements Act.	Other Tariff Modifications -- Largely the same as Senate bill, but does not require pre-negotiation congressional notice.

VII. Fast-Track Agreements and Implementing Bills.

1988	**Senate**	**House**
Agreements on Nontariff Barriers -- Whenever the President determines that any barrier or distortion burdens or is likely to burden trade and the purposes, policies and objectives of the fast-track law are served, the President may enter into an agreement to reduce or eliminate such barrier or distortion. The agreement may be entered into only if it makes progress in meeting applicable overall and principal trade negotiating objectives.	Agreements on Tariff and Nontariff Barriers --Whenever the President determines that any duty, barrier or distortion burdens or is likely to burden trade and the purposes, policies and objectives of the fast-track law are served, the President may enter into an agreement to reduce or eliminate such duty, barrier or distortion. An agreement may be entered into only if it makes progress in meeting applicable principal negotiating objectives and the President notifies and consults with Congress as required.	Agreements on Tariff and Nontariff Barriers -- Essentially the same as Senate bill.
Bilateral Agreements on Tariff and Nontariff Barriers -- President may enter into agreements with foreign countries providing for the elimination or reduction of any U.S. duty; agreement also may address any barrier or distortion. No benefit of such agreement shall apply to any non-party. The agreement may be entered into only if it makes progress with respect to the objectives of the fast-track law and was requested by another country. This provision does not affect free trade agreements previously entered into.	N/A (Subsumed by the above.)	N/A (Subsumed by the above.)

Fast Track Implementing Bills -- Provisions may include: approval of a trade agreement; approval of the statement of administrative action, if any; and those necessary or appropriate to implement such agreements.	Fast Track Implementing Bills -- Provisions may include: approval of a trade agreement that achieves one or more of the principal negotiating objectives; approval of the statement of administrative action, if any; provisions necessary to implement such agreements; or provisions otherwise related to the implementation, enforcement and adjustment to the effects of such agreement that are directly related to trade; and provisions necessary to meet PAY-GO requirements.	Fast Track Implementing Bills -- Provisions may include: approval of a trade agreement; approval of the statement of administrative action, if any; provisions directly related to the principal negotiating objectives achieved in such agreement, if those provisions are necessary for the operation/implementation of U.S. rights/obligations under the agreement; provisions defining/clarifying or that are related to the operation or effect of the provisions of the agreement; provisions to provide adjustment assistance to workers and firms adversely affected by the agreement; and provisions necessary to meet PAY-GO requirements.

VIII. Duration and Extension Disapproval Resolutions.

1988	**Senate**	**House**
Duration -- Proclamation authority and fast-track procedures expired April 16, 1994.	Duration -- Proclamation authority and fast-track procedures in effect until October 1, 2001. Possible extension until October 1, 2005.	Duration -- Same as Senate bill.

Extension Disapproval Procedures -- Extension applies unless either House of Congress disapproves before June 1, 1991, if President submits request by March 1, 1991, along with report on progress made in meeting negotiating objectives, on status of ongoing negotiations and explaining why an extension is needed; and the ACTPN submits its views by March 1, 1991. These reports may be classified. A disapproval resolution may be introduced by any Member. In the House, it must be referred to and reported out of the Ways and Means Committee as well as the Rules Committee. In the Senate, it must be reported out of the Finance Committee. Resolution is subject to expedited treatment, no amendments and limited debate.	Extension Disapproval Procedures -- Essentially same as 1988 act. Extension applies unless either House of Congress disapproves, if President submits request by July 1, 2001, along with report on progress made in meeting objectives of fast-track law and on status of ongoing negotiations; and the ACTPN submits its views by August 1, 2001. These reports may be classified.	Extension Disapproval Procedures -- Essentially same as Senate bill.

IX. Notice and Consultation Requirements.

1988	**Senate**	**House**
The President must provide 60 day advance notice of intent to enter into bilateral FT agreement and consult with Congress.	Similar provision (extended to 90 days and not limited to bilateral agreements; see below).	Same as Senate bill.

Before entering into FT agreement, President shall consult with Finance, W&M, and other committees of jurisdiction. The consultations shall include discussion of the nature of the agreement, how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of the law; and implementation of the agreement.	Similar provision (**also requires the President to consult on whether he intends to enter into other agreements with the countries in question**).	Similar provision to the 1988 act.
90 day advance notice to Congress of intent to enter into FT agreement.	Similar provision.	Similar provision.
ISAC report due 30 days after President gives notice of intent to enter into FT agreement.	Similar provision.	Similar provision.
President must hold a public hearing for any negotiations before making a formal offer.	Similar provision.	Similar provision.
President must obtain advice from ITC for tariff negotiations before making a formal offer.	Similar provision.	Similar provision.
President must consult with congressional advisers regarding the negotiation.	In the course of negotiations, the President shall consult closely and on a timely basis (**including immediately before initialing an agreement**) with, and keep fully apprised of the negotiations, the congressional advisers appointed under section 161 of the 1974 Trade Act.	N/A (Similar provision included in "Guidance to Negotiators" section above).
President must give 90 day advance notice to Congress of intent to enter into agreement.	Same.	Same.

N/A	President must give 90 day advance notice to Congress of intent to enter into negotiations. Before and after this notice, the President must consult with House Ways and Means, Senate Finance and other committees the President deems appropriate, and the appropriate advisory committees.	Similar provision (the House bill does not contain an explicit reference to preliminary consultations with advisory committees, but this is essentially covered by the conforming amendments incorporating previous provisions of law on consultations with advisory committees).
N/A	Within 60 days of entering into agreement, President must submit to Congress a description of changes in U.S. law necessary to bring U.S. into compliance with the agreement.	Similar provision.
N/A	For sectoral and interim free trade area agreements, President must meet consultation and layover requirements of section 115 of the Uruguay Round Agreements Act and pre-negotiation notice and consultation requirements described above.	Same, but pre-negotiation notice and consultations not required.
N/A	N/A	Before initiating negotiations under the principal objective relating to trade barriers and distortions, as well as the one on labor, the environment and other matters -- the President shall consult with the Ways and Means Committee, the Finance Committee and the appropriate advisory committees.

N/A	N/A	Before initiating negotiations under the principal objective relating to agriculture, the President shall assess whether U.S. tariffs are lower than the other countries involved in the negotiations and whether tariff levels around the world are higher than U.S. tariffs. The President shall consult with Ways and Means, Finance and Senate Agriculture concerning the results of this assessment, and on whether it is appropriate for the United States to agree to further tariff reductions based on the results of this assessment.

X. Disapproval Resolutions.

1988	**Senate**	**House**

For Lack of Consultations -- Fast-track procedures will not apply if both Houses pass a resolution within a 60-day period. In the House, the resolution must be introduced by the Chair or ranking Member of Ways and Means Committee or Rules Committee. It shall be referred to and reported out of both of those committees. In the Senate, the original resolution shall be from the Finance Committee. It is subject to expedited treatment, no amendments and limited debate. Fast-track is a rule of each House and may be amended as any other rule of each House.	For Lack of Consultations -- Essentially the same as the 1988 act. Adds the requirement that the resolution must be reported out of the Finance Committee.	For Lack of Consultations -- Essentially the same as the 1988 act.
Congress may withdraw FT for failure to consult under the act.	Similar provision.	Similar provision.
Disapproval of Negotiations -- Ways & Means or Finance may disapprove application of fast track within 60 days of President's notice of intent to enter into bilateral negotiations.	Disapproval of Negotiations -- Ways & Means or Finance may disapprove application of fast track within 90 days of President's notice that he intends to enter into trade negotiations.	Disapproval of Negotiations -- N/A

XI. Negotiations in Progress.

1988	**Senate**	**House**

N/A	Pre-negotiation notice and consultation does not apply to negotiations regarding: an agreement on information technology products under the WTO; work programs initiated under the Uruguay Round Agreement; and an agreement with Chile.	Same as Senate bill, but instead of Uruguay Round work programs, refers to negotiations on financial services and rules of origin.