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1ST SESSION

S. 785

To withdraw normal trade relations treatment from, and apply certain provisions of title IV of the Trade Act of 1974 to, products of the People’s Republic of China, and to expand the eligibility requirements for products of the People’s Republic of China to receive normal trade relations treatment in the future, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 17 (legislative day, MARCH 16), 2021

Mr. COTTON (for himself, Mr. SCOTT of Florida, and Mr. INHOFE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To withdraw normal trade relations treatment from, and apply certain provisions of title IV of the Trade Act of 1974 to, products of the People’s Republic of China, and to expand the eligibility requirements for products of the People’s Republic of China to receive normal trade relations treatment in the future, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “China Trade Relations
5 Act of 2021”.

1 **SEC. 2. WITHDRAWAL OF NORMAL TRADE RELATIONS**
2 **TREATMENT FROM THE PEOPLE'S REPUBLIC**
3 **OF CHINA.**

4 Notwithstanding the provisions of title I of Public
5 Law 106–286 (114 Stat. 880) or any other provision of
6 law, effective on the date of the enactment of this Act—

7 (1) normal trade relations treatment shall not
8 apply pursuant to section 101 of that Act to the
9 products of the People's Republic of China;

10 (2) normal trade relations treatment may there-
11 after be extended to the products of the People's Re-
12 public of China only in accordance with the provi-
13 sions of chapter 1 of title IV of the Trade Act of
14 1974 (19 U.S.C. 2431 et seq.), as in effect with re-
15 spect to the products of the People's Republic of
16 China on the day before the effective date of the ac-
17 cession of the People's Republic of China to the
18 World Trade Organization; and

19 (3) the extension of waiver authority that was
20 in effect with respect to the People's Republic of
21 China under section 402(d)(1) of the Trade Act of
22 1974 (19 U.S.C. 2432(d)(1)) on the day before the
23 effective date of the accession of the People's Repub-
24 lic of China to the World Trade Organization shall,
25 upon the enactment of this Act, be deemed not to
26 have expired, and shall continue in effect until the

1 date that is 90 days after the date of such enact-
2 ment.

3 **SEC. 3. EXPANSION OF BASES OF INELIGIBILITY OF PEO-**
4 **PLE'S REPUBLIC OF CHINA FOR NORMAL**
5 **TRADE RELATIONS.**

6 (a) IN GENERAL.—Section 402 of the Trade Act of
7 1974 (19 U.S.C. 2432) is amended—

8 (1) in the section heading, by striking “**FREE-**
9 **DOM OF EMIGRATION IN EAST-WEST TRADE**”
10 and inserting “**EAST-WEST TRADE AND HUMAN**
11 **RIGHTS**”; and

12 (2) by adding at the end the following:

13 “(f) ADDITIONAL BASES OF INELIGIBILITY OF PEO-
14 PLE'S REPUBLIC OF CHINA FOR NORMAL TRADE RELA-
15 TIONS.—

16 “(1) IN GENERAL.—Products from the People's
17 Republic of China shall not be eligible to receive
18 nondiscriminatory treatment (normal trade rela-
19 tions), the People's Republic of China shall not par-
20 ticipate in any program of the Government of the
21 United States which extends credits or credit guar-
22 antees or investment guarantees, directly or indi-
23 rectly, and the President shall not conclude any
24 commercial agreement with the People's Republic of
25 China, during the period—

1 “(A) beginning with the date on which the
2 President determines that the People’s Republic
3 of China—

4 “(i) is in violation of paragraph (1),
5 (2), or (3) of subsection (a);

6 “(ii) uses or provides for the use of
7 slave labor;

8 “(iii) operates ‘vocational training and
9 education centers’ or other concentration
10 camps where people are held against their
11 will;

12 “(iv) performs or otherwise orders
13 forced abortion or sterilization procedures;

14 “(v) harvests the organs of prisoners
15 without their consent;

16 “(vi) hinders the free exercise of reli-
17 gion;

18 “(vii) intimidates or harasses nation-
19 als of the People’s Republic of China living
20 outside the People’s Republic of China; or

21 “(viii) engages in systematic economic
22 espionage against the United States, in-
23 cluding theft of the intellectual property of
24 United States persons; and

1 “(B) ending on the date on which the
2 President determines that the People’s Republic
3 of China is no longer in violation of any of
4 clauses (i) through (viii) of subparagraph (A).

5 “(2) REPORT REQUIRED.—

6 “(A) IN GENERAL.—After the date of the
7 enactment of this subsection, products of the
8 People’s Republic of China may be eligible to
9 receive nondiscriminatory treatment (normal
10 trade relations), the People’s Republic of China
11 may participate in any program of the Govern-
12 ment of the United States which extends credits
13 or credit guarantees or investment guarantees,
14 and the President may conclude a commercial
15 agreement with the People’s Republic of China,
16 only after the President has submitted to Con-
17 gress a report indicating that the People’s Re-
18 public of China is not in violation of any of
19 clauses (i) through (viii) of paragraph (1)(A).

20 “(B) ELEMENTS.—The report required by
21 subparagraph (A) shall include information as
22 to the nature and implementation of laws and
23 policies of the People’s Republic of China relat-
24 ing to the matters specified in clauses (i)
25 through (viii) of paragraph (1)(A).

“(C) DEADLINES.—The report required by subparagraph (A) shall be submitted on or before each June 30 and December 31 of each year for as long as products of the People’s Republic of China receive nondiscriminatory treatment (normal trade relations), the People’s Republic of China participates in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, or a commercial agreement with the People’s Republic of China is in effect.

“(3) WAIVER.—

“(A) IN GENERAL.—The President is authorized to waive by Executive order the application of paragraphs (1) and (2) for a 12-month period if the President submits to Congress a report that the President—

“(i) has determined that such waiver will substantially promote the objectives of this subsection; and

“(ii) has received assurances that the practices of the People’s Republic of China relating to the matters specified in clauses (i) through (viii) of paragraph (1)(A) will in the future lead substantially to the

1 achievement of the objectives of this sub-
2 section.

3 “(B) TERMINATION OF WAIVER.—A waiver
4 under subparagraph (A) shall terminate on the
5 earlier of—

6 “(i) the day after the waiver authority
7 granted by this paragraph ceases to be ef-
8 fective under paragraph (4); or

9 “(ii) the effective date of an Executive
10 order providing for termination of the
11 waiver.

12 “(4) EXTENSION OF WAIVER AUTHORITY.—

13 “(A) RECOMMENDATIONS.—If the Presi-
14 dent determines that the further extension of
15 the waiver authority granted under paragraph
16 (3) will substantially promote the objectives of
17 this subsection, the President may recommend
18 further extensions of such authority for succes-
19 sive 12-month periods. Any such recommenda-
20 tions shall—

21 “(i) be made not later than 30 days
22 before the expiration of such authority;

23 “(ii) be made in a document sub-
24 mitted to the House of Representatives
25 and the Senate setting forth the reasons of

1 the President for recommending the exten-
2 sion of such authority; and

3 “(iii) include—

4 “(I) a determination that con-
5 tinuation of the waiver will substan-
6 tially promote the objectives of this
7 subsection; and

8 “(II) a statement setting forth
9 the reasons of the President for such
10 determination.

11 “(B) CONTINUATION IN EFFECT OF WAIV-
12 ER.—If the President recommends under sub-
13 paragraph (A) the further extension of the
14 waiver authority granted under paragraph (3),
15 such authority shall continue in effect until the
16 end of the 12-month period following the end of
17 the previous 12-month extension, unless—

18 “(i) Congress adopts and transmits to
19 the President a joint resolution of dis-
20 approval under paragraph (5) before the
21 end of the 60-day period beginning on the
22 date the waiver authority would expire but
23 for an extension under subparagraph (A);
24 and

“(ii) if the President vetoes the joint resolution, each House of Congress votes to override the veto on or before the later of—

“(I) the last day of the 60-day period referred to in clause (i); or

“(II) the last day of the 15-day period (excluding any day described in section 154(b)) beginning on the date on which Congress receives the veto message from the President.

“(C) TERMINATION OF WAIVER PURSUANT TO JOINT RESOLUTION OF DISAPPROVAL.—If a joint resolution of disapproval is enacted into law pursuant to paragraph (5), the waiver authority granted under paragraph (3) shall cease to be effective as of the day after the 60-day period beginning on the date of the enactment of the joint resolution.

“(5) JOINT RESOLUTION OF DISAPPROVAL.—

“(A) JOINT RESOLUTION OF DISAPPROVAL DEFINED.—In this paragraph, the term ‘joint resolution of disapproval’ means a joint resolution the matter after the resolving clause of which is as follows: ‘That Congress does not ap-

1 prove the extension of the authority contained
2 in paragraph (3) of section 402(f) of the Trade
3 Act of 1974 with respect to the People’s Repub-
4 lic of China recommended by the President to
5 Congress under paragraph (4) of that section
6 on _____.’, with the blank space being filled
7 with the appropriate date.

8 “(B) PROCEDURES IN HOUSE AND SEN-
9 ATE.—The provisions of subsections (b)
10 through (f) of section 152 shall apply with re-
11 spect to a joint resolution of approval to the
12 same extent and in the same manner as such
13 provisions apply with respect to a resolution de-
14 scribed in subsection (a) of that section, except
15 that subsection (e)(2) of that section shall be
16 applied and administered by substituting ‘Con-
17 sideration’ for ‘Debate’.

18 “(C) RULES OF THE HOUSE OF REP-
19 RESENTATIVES AND SENATE.—This paragraph
20 is enacted by Congress—

21 “(i) as an exercise of the rulemaking
22 power of the House of Representatives and
23 the Senate, respectively, and as such is
24 deemed a part of the rules of each House,
25 respectively, and supersedes other rules

1 only to the extent that it is inconsistent
2 with such other rules; and

3 “(ii) with full recognition of the con-
4 stitutional right of either House to change
5 the rules (so far as relating to the proce-
6 dure of that House) at any time, in the
7 same manner and to the same extent as in
8 the case of any other rule of that House.”.

9 (b) CLERICAL AMENDMENT.—The table of contents
10 for the Trade Act of 1974 is amended by striking the item
11 relating to section 402 and inserting the following:

“Sec. 402. East-West trade and human rights.”.

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