

115TH CONGRESS 1ST SESSION

S. 2036

To make necessary changes to the competitive need limitations provision of the Generalized System of Preferences, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 31, 2017

Mr. Donnelly (for himself, Mrs. Ernst, and Mr. Portman) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To make necessary changes to the competitive need limitations provision of the Generalized System of Preferences, 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.
- This Act may be cited as the "Competitive Need Lim-
- 5 itations Modernization Act of 2017".
- 6 SEC. 2. FINDINGS.
- 7 Congress finds the following:
- 8 (1) The Generalized System of Preferences, es-
- 9 tablished under title V of the Trade Act of 1974 (19
- 10 U.S.C. 2461 et seq.), was created to promote eco-

- nomic development by expanding trade opportunities.
 - (2) Congress imposed limits on the amount of trade that could qualify for duty-free treatment under the Generalized System of Preferences, referred to as the "competitive need limitation". This limitation may be waived in the national economic interest.
 - (3) The competitive need limitation and waiver processes must be carried out in a manner that accurately accounts for current domestic production and must be based on evidence from trade data.
 - (4) The present competitive need limitation review process is flawed because the timing of the reviews prevent the use of full-year trade data, which can be solved by shifting the deadline of the review process.
 - (5) The exclusion of products from the competitive need limitation is determined based on the levels of domestic production that existed in 1995. This does not reflect the realities of the current economy and should be updated.

1	SEC. 3. MODIFICATION TO PROCEDURES FOR COMPETI-
2	TIVE NEED LIMITATION AND WAIVERS.
3	Section 503 of the Trade Act of 1974 (19 U.S.C.
4	2463) is amended as follows:
5	(1) Modifications to competitive need
6	LIMITATION CONSIDERATION.—In subsection
7	(e)(2)—
8	(A) in the matter following subparagraph
9	(A)(i)(II), by striking "July 1" and inserting
10	"October 15"; and
11	(B) in subparagraph (E), by striking "on
12	January 1, 1995" and inserting "in any of the
13	preceding three calendar years".
14	(2) Modifications to waiver consider-
15	ATION.—In subsection (d), by striking "July 1" in
16	each place it appears and inserting "October 15".

 \bigcirc