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COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

OVERVIEW AND COMPILATION OF U.S. TRADE STATUTES

PART II OF II

2005 EDITION

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COMMITTEE ON WAYS AND MEANS
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ONE HUNDRED NINTH CONGRESS

WILLIAM M. THOMAS, CALIFORNIA, *Chairman*

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LETTER OF TRANSMITTAL

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 2005

Hon. William M. Thomas, Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In 1987, the Committee first published a resource document entitled "Overview and Compilation of U.S. Trade Statutes" for use by Committee Members and interested parties in the international trade community. This document was unique in that it contained not only an overview of U.S. trade statutes but also an up-to-date statutory text of such laws, integrating numerous separate acts of Congress into a single statutory compilation.

This document was so well received by Members of Congress, congressional staff, government officials, the international trade community, and the general public that staff has updated the book after nearly every Congress. This addition incorporates all statutory provisions enacted through the 108th Congress.

As was the case with the earlier versions, the statutory authorities selected are the major provisions of Federal law directly related to the conduct of U.S. international trade. The compilation is not meant to be a comprehensive treatise of every trade-related law or program, nor does it cover provisions to regulate domestic commerce. The laws and programs within the jurisdiction of the Committee on Ways and Means are the main focus and are discussed in the greatest detail. In addition, some of the laws and programs described may be within the jurisdiction of other committees of the U.S. House of Representatives and are included to provide a complete survey of the principal trade authorities.

The document has been prepared by the Committee's trade staff with assistance from the Office of the Legislative Counsel, the Congressional Research Service and various government agencies, to which the staff extends its most sincere thanks.

Sincerely,
ANGELA PAOLINI ELLARD
Staff Director and Counsel, Subcommittee on Trade

PREFACE

The role of Congress in formulating international economic policy and regulating international trade is based on a specific constitutional grant of power. Article I of the U.S. Constitution sets forth the various powers and responsibilities of the legislature. Article I, section 8 lists certain specific express powers of the Congress. Among these express powers are the powers:

> "to lay and collect taxes, duties, imposts and excises . . . [and] to regulate commerce with foreign nations, and among the several states. . . ."

The Congress therefore is the fundamental authority responsible for Federal Government regulation of international transactions. Within the U.S. House of Representatives, jurisdiction over trade legislation lies in the Committee on Ways and Means, based on its jurisdiction over taxes, tariffs, and trade agreements. Throughout the history of U.S. trade law and policy, the Committee on Ways and Means has been at the forefront. The Committee's jurisdiction ranges from regulation of tariff affairs to regulation of non-tariff trade barriers such as quotas and standards, regulation of unfair trade practices such as dumping or subsidization, provisions of temporary relief from import competition and adjustment assistance, bilateral and multilateral trade agreements with foreign trading partners, and authorization and oversight of the departments and agencies charged with implementation of the trade laws and programs.

The difficulties of retaining and exercising full control over international trade matters within the legislative branch were recognized by Congress shortly after enactment of the Smoot-Hawley Tariff Act of 1930. In 1934, Congress enacted the Reciprocal Trade Agreements Act, which delegated to the President authority to negotiate international trade agreements for the reduction of tariffs. This Act, which marked the beginning of the trade agreements program for the United States, represented the first significant delegation of authority from Congress to the President with respect to international trade policy.

Since 1934, the delegation of authority from Congress to the President has varied in scope and degree, reflecting congressional concern over maintaining careful control of international trade policy. When the trade agreement negotiating authority granted to the President expired in 1967, for example, it was not renewed again until 1974. In the Trade Act of 1974, presidential negotiating authority was substantially revised, extended to non-tariff as well as tariff negotiations, and made subject to specific consultation and notification requirements both prior to and during the course of negotiation. The Omnibus Trade and Competitiveness Act of 1988, in addition to providing negotiating authority and explicit negotiating objectives for the Uruguay Round, expanded the consultation requirements between

USTR and Congress and required the formulation of an annual trade policy agenda. Both the Uruguay Round Agreements Act and the North American Free Trade Agreement Implementation Act provide for the involvement of Congress in a number of key trade policy areas.

After a lapse of 8 years, the Trade Act of 2002, which includes the Bipartisan Trade Promotion Authorities Act of 2002, grants Trade Promotion Authority (formally called fast track) to the President through July 1, 2007. The Act also establishes a new Congressional Oversight Group to provide an opportunity for consultation with the Administration by all committees of jurisdiction over laws that might be affected by a trade agreement. The Trade Act of 2002 both restores American leadership in the international trading system and incorporates other key initiatives including the Trade and Adjustment Assistance Reform Act of 2002, the Andean Trade Promotion and Drug Eradication Act, and the Customs Border Security Act of 2002.

Due to the central role of Congress in formulating international economic policy, an understanding of U.S. international trade law and policy must begin with the statutory authorities and programs that provide the foundation for our trade policy. This document provides two essential tools for those interested in obtaining a better understanding of U.S. trade law and policy. Part I contains a general overview of current provisions of U.S. trade laws. This overview was prepared by the staff of the Subcommittee on Trade and provides a thorough yet understandable explanation of how these laws operate. Part II contains a compilation of the actual text of these laws, as amended. This updated statutory compilation incorporates all major provisions of U.S. trade law and includes all amendments to these laws as of the end of the 108th Congress. While this text should not be treated as a substitute for official public laws or the United States Code, we hope that the integration of numerous separate Acts of Congress into one text, as well as the explanatory volume, will prove useful to official policymakers as well as the interested public.