

112TH CONGRESS
1ST SESSION

H. R. 2909

To withdraw normal trade relations treatment from the products of the People’s Republic of China, to provide for a balanced trade relationship between that country and the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2011

Mr. SHERMAN (for himself, Ms. KAPTUR, Mr. DEFAZIO, Mr. JONES, and Mr. ROHRABACHER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To withdraw normal trade relations treatment from the products of the People’s Republic of China, to provide for a balanced trade relationship between that country and the United States, 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 “Emergency China
5 Trade Act”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The United States and the People's Repub-
4 lic of China are among the world's largest economies
5 and are among the world's largest producers and
6 consumers of goods.

7 (2) The Government of the People's Republic of
8 China has pursued an international trade policy that
9 violates its obligations as a member of the World
10 Trade Organization and other international organi-
11 zations, which has resulted in a perpetual, histori-
12 cally high trade imbalance with the United States
13 that threatens the stability of the global economy.

14 (3) As members of both the World Trade Orga-
15 nization and the International Monetary Fund, the
16 People's Republic of China has assumed a series of
17 international legal obligations to eliminate all sub-
18 sidies for exports and to facilitate international
19 trade. The People's Republic of China has failed to
20 do so.

21 (4) The Chinese Government continues to main-
22 tain control over the decisions of Chinese enterprises
23 through ownership, board membership, and coercion.

24 (5) The Chinese Government, directly and indi-
25 rectly, facilitates unfair requirements for coproduc-

1 tion agreements between United States companies
2 and Chinese entities.

3 (6) Since 1994, the People’s Republic of China
4 has repeatedly intervened in currency markets and
5 taken measures that have significantly misaligned
6 the value of its currency against the United States
7 dollar and other currencies. This policy by the Peo-
8 ple’s Republic of China has resulted in substantial
9 undervaluation of the renminbi by up to 40 percent
10 or more.

11 **SEC. 3. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) a persistent trade deficit with the People’s
14 Republic of China is harmful to the long-term health
15 of the United States economy and must be cor-
16 rected; and

17 (2) the President should begin immediate, expe-
18 dited negotiations with the People’s Republic of
19 China that are designed to eliminate the trade def-
20 icit within 4 years.

21 **SEC. 4. WITHDRAWAL OF NORMAL TRADE RELATIONS**
22 **TREATMENT FROM THE PEOPLE’S REPUBLIC**
23 **OF CHINA.**

24 Notwithstanding the provisions of title I of Public
25 Law 106–286, title IV of the Trade Act of 1974, or any

1 other provision of law, upon the expiration of the 6-month
2 period beginning on the date of the enactment of this
3 Act—

4 (1) normal trade relations treatment shall not
5 apply to the products of the People’s Republic of
6 China, and normal trade relations treatment may
7 not thereafter be extended to the products of that
8 country; and

9 (2) the column 2 rate of duty under the Har-
10 monized Tariff Schedule of the United States shall
11 apply to the products of the People’s Republic of
12 China.

13 **SEC. 5. BALANCED TRADE RELATIONS WITH THE PEOPLE’S**
14 **REPUBLIC OF CHINA.**

15 (a) **IN GENERAL.**—The President shall, upon the en-
16 actment of this Act, take the necessary steps to negotiate
17 a trade relationship with the People’s Republic of China
18 that will achieve and maintain balanced trade between the
19 United States and the People’s Republic of China within
20 four years after the date of the enactment of this Act.

21 (b) **SUBMISSION OF IMPLEMENTING LEGISLATION.**—

22 (1) **IN GENERAL.**—Upon conclusion of the ne-
23 gotiations specified in subsection (a), the President
24 shall submit implementing legislation to Congress.

1 (2) IMPLEMENTING LEGISLATION.—For pur-
2 poses of this section, the term “implementing legis-
3 lation” means legislation that only contains provi-
4 sions that are necessary to carry out any agreements
5 negotiated under subsection (a).

6 (3) EXPEDITED CONSIDERATION.—

7 (A) IN THE HOUSE OF REPRESENTA-
8 TIVES.—For the purpose of expediting the con-
9 sideration and enactment of implementing legis-
10 lation submitted under paragraph (1), a motion
11 to proceed to the consideration of such imple-
12 menting legislation after it has been reported by
13 the appropriate committee shall be treated as
14 highly privileged in the House of Representa-
15 tives.

16 (B) IN THE SENATE.—Implementing legis-
17 lation submitted under paragraph (1) shall be
18 considered in the Senate in accordance with the
19 provisions of section 601(b) of the International
20 Security Assistance and Arms Export Control
21 Act of 1976.

22 (c) EFFECT OF ENACTMENT OF IMPLEMENTING
23 LEGISLATION.—Upon the enactment of implementing leg-
24 islation under this section, section 4 shall cease to be effec-
25 tive.

1 **SEC. 6. DEFINITIONS.**

2 In this Act, the term “balanced trade” means a bal-
3 ance of trade between the United States and the People’s
4 Republic of China that ensures the value of United States
5 goods exported from the United States, on a balance of
6 payment basis, is equal in value to goods imported from
7 the People’s Republic of China, on a balance of payment
8 basis.

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