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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To promote United States trade leadership in the Indo-Pacific region and to require a report on the long-term economic and trade relationship between the United States and the People's Republic of China.

IN THE HOUSE OF REPRESENTATIVES

Mrs. MILLER of West Virginia introduced the following bill; which was referred to the Committee on _____

A BILL

To promote United States trade leadership in the Indo-Pacific region and to require a report on the long-term economic and trade relationship between the United States and the People's Republic of China.

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 "U.S. Trade Leadership
5 in the Indo-Pacific and China Act".

1 **TITLE I—UNITED STATES TRADE**
2 **LEADERSHIP IN THE INDO-**
3 **PACIFIC REGION**

4 **SEC. 101. FINDINGS.**

5 Congress makes the following findings:

6 (1) Rising authoritarian powers that adhere to
7 non-market principles for managing their economies
8 are challenging the United States' strategic influ-
9 ence in the Indo-Pacific region. These mercantilist
10 policies, which include predatory industrial planning
11 to subsidize exports and support national champions
12 at the expense of foreign competitors, conditioning
13 market access on both forced and voluntary tech-
14 nology transfers, and intellectual property theft,
15 among other unfair policies, are contrary to the in-
16 terests and values of the United States and its Indo-
17 Pacific allies and directly challenge the United
18 States economic and trade interests in the region.

19 (2) The United States was a leader during ne-
20 gotiations for the Trans Pacific Partnership Agree-
21 ment (TPP) and joined eleven other nations in the
22 Asia-Pacific in signing the agreement on February
23 4, 2016.

24 (3) In January 2017, the United States notified
25 the other 11 signatories to the TPP that it did not

1 intend to become a party to the Agreement. The no-
2 tification letter to the 11 other TPP signatories af-
3 firmed that “[t]he United States remains committed
4 to taking measures designed to promote more effi-
5 cient markets and higher levels of economic growth,
6 both in our country and around the world.”.

7 (4) Following the United States’ formal with-
8 drawal from the TPP, the 11 remaining signatories
9 (Australia; Brunei; Canada; Chile; Japan; Malaysia;
10 Mexico; New Zealand; Peru; Singapore; and Viet-
11 nam) renegotiated and signed a new Comprehensive
12 and Progressive Agreement on Trans-Pacific Part-
13 nership (CPTPP) on March 8, 2018. Like the TPP,
14 the CPTPP includes high-standard provisions to
15 eliminate tariff and non-tariff barriers in key sectors
16 such as agriculture, autos, currency, e-commerce/
17 digital trade, government procurement, goods tariffs,
18 intellectual property rights (IPR), investment, work-
19 er rights, environment, rules of origin (ROO), serv-
20 ices, and state-owned enterprises (SOEs). However,
21 the CPTPP suspended certain high-standard provi-
22 sions which the United States had proposed or sup-
23 ported. United States engagement in TPP negotia-
24 tions helped shape many of the provisions of the ex-
25 isting CPTPP. Similar, and updated versions of

1 many of these provisions are included in the United
2 States-Mexico-Canada Agreement (USMCA), includ-
3 ing in the chapter on technical barriers to trade
4 (TBT).

5 (5) United States withdrawal from the TPP has
6 undermined its ability to promote United States-led
7 rules, norms, and standards, and has paved the way
8 for increased non-democratic state-driven economic
9 and political presence in the Indo-Pacific region.

10 **SEC. 102. STATEMENT OF POLICY.**

11 (a) IN GENERAL.—It is the policy of the United
12 States, in pursuing trade leadership in the Indo-Pacific
13 region, to proactively promote and defend fair and open
14 trade practices and to counter the use of mercantilist, dis-
15 torting, and coercive trade measures by actors in the re-
16 gion, including by pursuing objectives described in sub-
17 section (b).

18 (b) OBJECTIVES DESCRIBED.—The objectives de-
19 scribed in this subsection are the following:

20 (1) The United States will play a sustained and
21 long-term leadership role in establishing and ensur-
22 ing an open, rules-based trading system in the Indo-
23 Pacific region, including through the following:

24 (A) The United States should urgently
25 consider the merits of negotiating entry into the

1 CPTPP with improved standards or a similar
2 plurilateral trade agreement.

3 (B) The United States should urgently
4 consider the merits of negotiating new, high-
5 standard bilateral trade agreements in the re-
6 gion.

7 (C) The United States should urgently
8 consider modernizing and updating existing
9 trade agreements in the region.

10 (2) The United States and its allies should uti-
11 lize new or updated, high-standard trade agreements
12 to maintain rules-based and market-based policies in
13 the Indo-Pacific region to ensure, among other
14 areas—

15 (A) free flow of commerce;

16 (B) enhanced market access;

17 (C) elimination of tariff and non-tariff bar-
18 riers on goods, services, agriculture, and energy;

19 (D) high-standard provisions to protect in-
20 tellectual property, investment, worker rights,
21 the environment, e-commerce and digital trade,
22 and autos; and

23 (E) transparency on rules of origin, state-
24 owned enterprises, and government procure-
25 ment.

1 (3) The United States' membership and leader-
2 ship in negotiating new or updated, high-standard
3 trade agreements will ensure its economic, techno-
4 logical, scientific, and regulatory leadership in the
5 Indo-Pacific region and ensure a comprehensive,
6 rules-based platform throughout the region well into
7 the 21st century.

8 (4) The United States membership and leader-
9 ship in new or updated, high-standard trade agree-
10 ments will foster free and reciprocal trade and open
11 and integrated markets in the Indo-Pacific region,
12 including—

13 (A) strengthening, protecting, and diversifi-
14 cating critical supply chains for batteries, critical
15 minerals, medicines, next-generation semi-
16 conductors, telecommunications, artificial intel-
17 ligence, quantum computing, and biotechnology
18 and medical supplies; and

19 (B) supporting the development and main-
20 tenance of advanced manufacturing capacity
21 among key regional allies to maximize trade ef-
22 ficiency and supply chain security.

23 (5) The United States leadership in new or up-
24 dated, high-standard trade agreements will inspire
25 next-generation rules and best practices for emerg-

1 ing and high-growth Indo-Pacific countries that may
2 not be members of the CPTPP.

3 **SEC. 103. SENSE OF CONGRESS.**

4 It is the sense of Congress that the implementation
5 of the policy described in section 102 requires the fol-
6 lowing actions:

7 (1) Long-term competition and strategic en-
8 gagement in the Indo-Pacific region will require the
9 United States to deeply engage with allies and part-
10 ners on trade policy in the region, including the con-
11 sideration of joining new or updated, high-standard
12 trade agreements, to establish trade and economic
13 stability in the most vibrant economic region in the
14 world. A sense of urgency by the Administration, bi-
15 partisanship in Congress, and whole-of-government
16 approach will be required to achieve this significant
17 pivot in United States trade policy. Immediate, in-
18 tensive bipartisan engagement between the Adminis-
19 tration and Congress to develop and swiftly reau-
20 thorize and update the Bipartisan Congressional
21 Trade Priorities and Accountability Act of 2015 is
22 a critical step to provide the Administration with
23 tools to negotiate ambitious new trade agreements.

24 (2) The United States, through the leadership
25 of the Office of the United States Trade Representa-

1 tive, must urgently coordinate closely with like-mind-
2 ed countries throughout the Indo-Pacific region to
3 express immediate interest in new or updated, high-
4 standard trade agreements, including by hosting a
5 series of summits held throughout the region to dis-
6 cuss outlying issues that are reflective of a post-
7 pandemic global economy.

8 (3) The President must lead and direct the en-
9 tire executive branch, specifically the Office of the
10 United States Trade Representative, to make mem-
11 bership and leadership in new or updated, high-
12 standard trade agreements a priority and assure the
13 allocation of appropriate resources adequate to ad-
14 dress market-access barriers and trade distortions in
15 the Indo-Pacific region.

16 (4) The United States must ensure that key
17 Federal agencies, led by the Office of the United
18 States Trade Representative, advance accelerated,
19 bipartisan, frequent, sustained, and meaningful col-
20 laboration and consultation with Congress regarding
21 a robust United States trade strategy in the Indo-
22 Pacific region.

23 (5) The United States must ensure that key
24 Federal agencies, led by the Office of the United
25 States Trade Representative, conduct close and ac-

1 celerated Indo-Pacific trade strategy consultations
2 with Congress, the private sector, civil society, uni-
3 versities, and academic institutions, and other rel-
4 evant stakeholders.

5 (6) The President should direct the Office of
6 the United States Trade Representative, the White
7 House National Security Council, and all relevant
8 Federal agencies to meet upon request with any
9 Member of Congress regarding the components of its
10 Indo-Pacific trade strategy, including the President's
11 intention to begin negotiations to implement that
12 strategy, the objectives for such negotiations, and
13 any changes in the laws of the United States or the
14 administration of those laws that may be rec-
15 ommended to Congress to implement that strategy.
16 The President should also direct the Office of the
17 United States Trade Representative, the White
18 House National Security Council, and all relevant
19 Federal agencies to provide access to pertinent docu-
20 ments relating to any such negotiation, including
21 classified materials.

1 **TITLE II—REPORT ON THE**
2 **LONG-TERM ECONOMIC AND**
3 **TRADE RELATIONSHIP BE-**
4 **TWEEN THE UNITED STATES**
5 **AND THE PEOPLE’S REPUB-**
6 **LIC OF CHINA**

7 **SEC. 201. FINDINGS.**

8 Congress makes the following findings:

9 (1) On January 15, 2020, the United States
10 and the People’s Republic of China (PRC) signed a
11 historic and enforceable agreement, the Economic
12 and Trade Agreement Between the United States of
13 America and the People’s Republic of China, or the
14 “Phase One” trade agreement. The Phase One trade
15 agreement went into effect on February 14, 2020,
16 and requires the PRC to undertake a wide range of
17 reforms to facilitate a more transparent and equal
18 bilateral trading relationship in areas such intellec-
19 tual property, technology transfer, agriculture, fi-
20 nancial services, and currency and foreign exchange.

21 (2) The Phase One trade agreement includes a
22 chapter on “Expanding Trade”, in which the PRC
23 made specific commitments to import a wide range
24 of United States goods and services, including man-
25 ufactured goods, food and seafood, agriculture, en-

1 energy products, and services in a total amount that
2 exceeds the PRC’s annual level of imports for those
3 goods and services in 2017 by no less than \$200 bil-
4 lion for a two-year period from January 1, 2020,
5 through December 31, 2021. The United States and
6 the PRC also stated a shared expectation that “the
7 trajectory of increases” in China’s purchases of
8 United States goods in each of these categories
9 would continue in calendar years 2022 through
10 2025.

11 (3) Publicly-available trade data show that the
12 PRC has made significant progress in purchasing
13 United States products within the agriculture sector,
14 but is far behind its agreed upon year-end pur-
15 chasing targets in energy, manufacturing, and serv-
16 ices.

17 (4) The Phase One trade agreement features a
18 chapter on “Bilateral Evaluation and Dispute Reso-
19 lution” that establishes a process to resolve disputes
20 in a fair and prompt manner and creates an avenue
21 to conduct regular bilateral meetings at the principal
22 and working levels.

23 (5) The Phase One trade agreement represents
24 an important and concrete step toward a more bal-
25 anced economic relationship between the United

1 States and the PRC but substantially more is need-
2 ed to address systemic problems in our bilateral
3 trading relationship. Important remaining issues in-
4 clude the PRC's persistent theft of United States in-
5 tellectual property rights, its market access policies
6 that depend on forced technology transfers and dis-
7 criminatory licensing practices, and its support for
8 state-owned enterprises with market-distorting and
9 World Trade Organization (WTO)-inconsistent sub-
10 sidies.

11 **SEC. 202. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) the United States should successfully and
14 fully implement the Phase One trade agreement, en-
15 suring that the PRC fully complies with its stated
16 commitments both to make legal and regulatory
17 changes in various sectors and to purchase addi-
18 tional United States goods and services;

19 (2) the Office of the United States Trade Rep-
20 resentative should take expedited and concrete steps
21 toward thorough consultation and coordination with
22 Congress and key United States private sector
23 stakeholders wholly consistent with the spirit and
24 letter of the law as prescribed under the Bipartisan
25 Congressional Trade Priorities and Accountability

1 Act of 2015 regarding implementation of the Phase
2 One trade agreement and any further trade negotia-
3 tions with China;

4 (3) the United States Government should ana-
5 lyze all positive and negative effects on the United
6 States economy of the current tariffs in place
7 against the PRC under section 301 of the Trade Act
8 of 1974, including the effects on United States
9 workers, businesses, and consumers and an analysis
10 of the benefits of such tariffs providing sufficient
11 trade leverage on the PRC, in comparison to these
12 tariffs' harm to the United States economy;

13 (4) consistent with such analysis, the United
14 States Government should immediately modify such
15 tariffs to ensure that they meet the intent of the
16 statute and provide leverage on China without harm-
17 ing the United States economy;

18 (5) the Office of the United States Trade Rep-
19 resentative should articulate a long-term trade and
20 economic plan with the PRC, which may include pro-
21 posed new enforcement tools to address the PRC's
22 ongoing economic and structural challenges, includ-
23 ing the PRC's use of massive industrial subsidies
24 that are inconsistent with WTO norms and rules
25 and create global price distortions in critical supply

1 chains, bilateral engagement with the PRC to obtain
2 changes to the PRC's policies, and working with al-
3 lies to pressure the PRC on these same issues;

4 (6) the Office of the United States Trade Rep-
5 resentative should take expedited and concrete steps
6 toward better consultation and coordination with
7 Congress and key United States private sector ac-
8 tors regarding the drafting of its comprehensive re-
9 port on the long-term economic and trade relation-
10 ship between the United States and the PRC;

11 (7) efforts to enforce the Phase One trade
12 agreement should not delay initiatives to address
13 other issues in the trade relationship, especially
14 longstanding, systemic issues that disadvantage
15 United States companies or injure United States in-
16 terests, that have been identified for negotiation by
17 previous administrations, but that were not ad-
18 dressed in the Phase One trade agreement.

19 **SEC. 203. REPORT.**

20 (a) IN GENERAL.—Not later than 60 days after the
21 date of the enactment of this Act, and annually thereafter,
22 the United States Trade Representative, in coordination
23 with the heads of other relevant Federal agencies, shall
24 submit to Congress a report that—

1 (1) describes progress toward addressing the
2 issues identified in Trade Representative’s report ti-
3 tled, “Findings of the Investigations into China’s
4 Acts, Policies, and Practices Related to Technology
5 Transfer, Intellectual Property, and Innovation
6 under Section 301 of the Trade Act of 1974”, dated
7 March 22, 2018;

8 (2) comprehensively reviews current tariffs in
9 place against the PRC under section 301 of the
10 Trade Act of 1974—

11 (A) to assess whether such tariffs continue
12 to meet the requirements of such section and
13 provide leverage to encourage the PRC to
14 change its unfair practices without undue harm
15 to the United States economy; and

16 (B) to recommend removal of such tariffs
17 that harm United States industry competitive-
18 ness in which data does not clearly demonstrate
19 that the tariffs have substantially and directly
20 alleviated discriminatory, restrictive, or burden-
21 some PRC trade practices, or where any bene-
22 fits that can be clearly linked to the tariffs are
23 less substantial than the costs the tariffs have
24 imposed on United States entities;

1 (3) evaluates the PRC's compliance with its
2 Phase One trade agreement commitments and iden-
3 tifies those provisions in the agreement that have yet
4 to be implemented;

5 (4) lists and explains proposed new enforcement
6 tools that will address and compel the PRC to com-
7 plete structural reforms to its economic and trade
8 regimes;

9 (5) articulates new market access objectives
10 with respect to the PRC;

11 (6) identifies key United States goods and serv-
12 ices that have the ability to provide long-term bene-
13 fits to the PRC's economic growth, including energy,
14 carbon capture, agricultural goods and services
15 among other sectors, without impeding United
16 States national security interests; and

17 (7) identifies key PRC goods and services that
18 have the ability to provide long-term benefits to the
19 United States' economic growth, including tourism
20 and education goods and services among other sec-
21 tors.

22 (b) FORM.—The report required by subsection (a)
23 shall be submitted in unclassified form but may include
24 a classified annex.