

115TH CONGRESS
1ST SESSION

H. R. 4068

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 12, 2017

Mrs. WALORSKI (for herself, Mr. ROSS, and Ms. TITUS) introduced the following bill; which was referred to the Committee on Ways and Means

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.**

4 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-

1 nomic development by expanding trade opportuni-
2 ties.

3 (2) Congress imposed limits on the amount of
4 trade that could qualify for duty-free treatment
5 under the Generalized System of Preferences, re-
6 ferred to as the “competitive need limitation”. This
7 limitation may be waived in the national economic
8 interest.

9 (3) The competitive need limitation and waiver
10 processes must be carried out in a manner that ac-
11 curately accounts for current domestic production
12 and must be based on evidence from trade data.

13 (4) The present competitive need limitation re-
14 view process is flawed because the timing of the re-
15 views prevent the use of full-year trade data, which
16 can be solved by shifting the deadline of the review
17 process.

18 (5) The exclusion of products from the competi-
19 tive need limitation is determined based on the levels
20 of domestic production that existed in 1995. This
21 does not reflect the realities of the current economy
22 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 (c)(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”.

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