

SUBJECT

CURRENT LAW

HOUSE

SENATE

"Trade and International Economic  
Policy Reform Act of 1987" (HR3)  
[passed April 30, 1987]

"Omnibus Trade and Competitiveness Act of 1987"/  
[H.R.3(S.1420)]  
[passed July 21, 1987]

ADMIN POSITION

CDN POSITION

3. Prerequisites/Consultations/  
Implementing Procedures

[Note: This summary does not outline in detail, the provisions in current law or in the House and Senate Bills regarding mandatory consultations, implementing procedures etc. given the length and complexity of same. In general, the legislative proposals build on and expand current requirements such that the Administration would be required to consult more regularly with Congress, ITC and the private sector throughout the negotiating process leading to conclusion and implementation of trade agreements. Thus the Scope for Administration (Presidential) discretion would be somewhat circumscribed from current practice. "Fast Track" approval procedures would be available for both multilateral as well as bilateral tariff and non-tariff agreements, although the latter would require "pre approval" (i.e. prior notification of intent to enter negotiations and 60-day period within which Ways and Means Ctte and/or Finance Ctte may disapprove). Implementing bills under fast track procedures preclude amendments by either House. Admin not happy with Senate version but won't oppose as wording is sufficiently flexible to provide out in cases of refusal.

Prerequisites for entry into trade agreements are also similar to current law although there are some differences between the House and Senate proposals which will presumably be worked out in Conference. Generally, agreements would be consistent with negotiating objectives, be enforceable, be complementary and reinforcing of existing agreements, provide for the reciprocal exchange of obligations, etc. The Senate bill also specifically requires, in respect of state trading enterprises that agreements (e.g. Accession to GATT) provide that their purchases and sales in international trade be in accordance with commercial considerations and afford US firms opportunity to compete for same.]

A. Bilateral F.T.

Negotiations with Canada

Fast track authority expires Jan 3/88. 90 day notification to Congress required by Oct 3/87.

Bilateral authority extended to Jan 3/93 except for negotiations underway as of Jan 1/87. Thus, if negs not completed, pre-approval under new authority required.

If negotiations not completed in time to qualify under current fast track authority all conditions for bilateral tariff agreements would need to be met after enactment of bill.

Concern with Senate wording that existing authority not be negated.