## U.S. TRADE LEGISLATION PROPOSALS 100th CONGRESS

HOUSE	SENATE
Policy Reform Act of 1987"(HR3)	"Omnibus Trade and Compe- • titiveness Act of 1987"/ [H.R.3(S.1420)]
[passed April 30, 1987]	[passed July 21, 1987]
No Counterpart.	State Trading and Unfair Concessions Regulrements -

enforcing existing rules against non-commercial

state trading.

No distinction.

ADMIN POSITION

CDN POSITION

Date: September 25, 1987

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Revised

## 2. Authority

SUBJECT

A. General (i) Multilateral

Distinguishes between multilateral trade agreements on tariffs and all others (non-tariff agreements).

CURRENT LAW

Non-Tariff Barriers - two types effective until Jan 3/88.

a) Barriers to and other distortions of trade - President may enter into agreements to harmonize reduce or eliminate barriers.

b) GATT revisions - Achievement of reform consistent with objectives of law.

Tariffs - authority expired in 1980 and was subject to certain limitations i.e. 40% tax reduction on tariffs over 5% ad val, no increase of duties beyond 50% with staging provisions not to extend beyond 10 years.

Tariffs - reestablishes authority through Jan 3/93 subject to 60% reduction if industry concerned would be significantly adversely affected with 10 years staging requirement for such sensitive items.

Maintains distinction.

Non-Tariff Barriers - extends

Jan 3/91 with possible further

extension to Jan 3/93 following

USTR report and request to Cttees

on Ways and Means and Finance and

existing authority through

neither disapproves within

60 days.

Tariff and Non-Tariff Agreements - authority through Jan 3/92 with extension possible if neither House nor Senate disapproves before July 1, 1991. (eq. Progress being achleved In Uruguay Round.) "Reverse Fast Track" authority terminiated if both House and Senate pass resolution of disapproval with 60 days of each other.

Tariffs - Reductions limited to 50% of existing rates except where below 5%. President to take note of import sensitive products/sectors and act appropriately. Congressional approval required before implementation or proclamation.

Senate bill deficient on proclamation authority - will fight for it in Conference.

Concurs with Administration. Implications for Uruguay Round.

Could endanger progress in Uruguay Round.