

115TH CONGRESS  
1ST SESSION

# S. 2036

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

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IN THE SENATE OF THE UNITED STATES

OCTOBER 31, 2017

Mr. DONNELLY (for himself, Mrs. ERNST, and Mr. PORTMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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 COMPETITIVE**  
2 **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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