

117TH CONGRESS  
1ST SESSION

# H. R. 6114

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.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 1, 2021

Mrs. MILLER of West Virginia (for herself and Mr. LAHOOD) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 influence  
9 in the Indo-Pacific region. These mercantilist poli-  
10 cies, which include predatory industrial planning to  
11 subsidize exports and support national champions at  
12 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 diversi-  
14                fying 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       ergy 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; and

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.

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