

117TH CONGRESS  
1ST SESSION

# H. R. 6171

To modify the competitive need limitation provisions under the Generalized System of Preferences program.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2021

Mrs. WALORSKI (for herself and Mrs. MURPHY of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To modify the competitive need limitation provisions under the Generalized System of Preferences program.

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 “CNL Update Act”.

5       **SEC. 2. SENSE OF CONGRESS.**

6       It is the sense of Congress that—

7               (1) United States trade capacity building agen-  
8       cies should work with, and provide appropriate re-  
9       sources to, beneficiary developing countries under  
10      the Generalized System of Preferences program

1 under title V of the Trade Act of 1974 (19 U.S.C.  
2 2461 et seq.) to assist such countries in meeting the  
3 eligibility criteria under such program;

4 (2) the goal of such eligibility criteria is to raise  
5 standards and improve the well-being of individuals  
6 in the beneficiary developing countries through trade  
7 and economic development;

8 (3) trade policies cannot create a race to the  
9 top if punitive actions treat good and bad actors  
10 alike;

11 (4) in determining appropriate actions to take  
12 under subsection (d) of section 502 of the Trade Act  
13 of 1974 (19 U.S.C. 2462(d)), the President should,  
14 in a manner consistent with statutory require-  
15 ments—

16 (A) consider the impact of withdrawal, sus-  
17 pension, or limitation of duty-free treatment on  
18 the criteria and factors affecting eligibility de-  
19 scribed in subsections (b) and (c) of such sec-  
20 tion; and

21 (B) take all available steps to facilitate  
22 continued duty-free treatment for products  
23 where the imposition of duties is likely to slow  
24 or reverse progress made toward meeting the  
25 criteria and factors described in subsections (b)

1 and (c) of such section or result in severe eco-  
 2 nomic harm to United States entities, particu-  
 3 larly small businesses; and

4 (5) the United States Trade Representative  
 5 should establish and maintain a process to mitigate  
 6 the harm for products determined to meet the cri-  
 7 teria and factors described in subsections (b) and (c)  
 8 of section 502 of the Trade Act of 1974, including  
 9 exploring the feasibility of preserving duty-free eligi-  
 10 bility on a case-by-case basis for qualifying compa-  
 11 nies if the President decides to withdraw, suspend,  
 12 or limit the application of the duty-free treatment  
 13 accorded under title V of such Act.

14 **SEC. 3. MODIFICATION OF COMPETITIVE NEED LIMITATION**

15 **PROVISIONS UNDER THE GENERALIZED SYS-**  
 16 **TEM OF PREFERENCES PROGRAM.**

17 (a) IN GENERAL.—Section 503 of the Trade Act of  
 18 1974 (19 U.S.C. 2463) is amended—

19 (1) in subsection (c)(2)—

20 (A) in subparagraph (A)(ii)(II), by striking  
 21 “\$5,000,000” and inserting “an amount equal  
 22 to 6.5 percent of such applicable amount”;

23 (B) in subparagraph (C)—

24 (i) by striking “may, subject” and in-  
 25 serting “should, subject”; and

1 (ii) by striking “the limitations in  
 2 subparagraph (A)” and inserting “the limi-  
 3 tations in subparagraph (A) or (F)”;  
 4 (C) in subparagraph (F)—

5 (i) in clause (i), by striking “may dis-  
 6 regard” and inserting “should disregard”;  
 7 and

8 (ii) in clause (ii)(II), by striking  
 9 “\$500,000” and inserting “an amount  
 10 equal to 6.5 percent of such applicable  
 11 amount”; and

12 (D) by inserting after subparagraph (F)  
 13 the following:

14 “(G) CALCULATION OF LIMITATIONS.—  
 15 There shall be counted against the limitations  
 16 imposed under subparagraph (A) for any cal-  
 17 endar year only that value of any eligible article  
 18 of a beneficiary developing country that entered  
 19 duty-free under this title during such calendar  
 20 year.”; and

21 (2) in subsection (d)(1), by striking “, before  
 22 November 1 of the calendar year beginning after the  
 23 calendar year for which a determination described in  
 24 subsection (c)(2)(A) was made with respect to such  
 25 eligible article,”.

1       (b) EFFECTIVE DATE.—The amendments made by  
2 subsection (a)—

3           (1) take effect on the date of the enactment of  
4 this Act; and

5           (2) apply with respect to imports into the  
6 United States of eligible articles from beneficiary de-  
7 veloping countries under title V of the Trade Act of  
8 1974 (19 U.S.C. 2461 et seq.) during the calendar  
9 year preceding the calendar year in which the first  
10 annual review is carried out under such title V after  
11 such date of enactment and each subsequent cal-  
12 endar year.

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