



# THE AMERICAN WORKER AND TRADE COMPETITIVENESS ACT

As part of the *America COMPETES Act of 2022*, the Committee on Ways and Means drafted the *American Worker and Trade Competitiveness Act*, which contains critical pro-worker provisions and addresses key problems with the United States-China trading relationship. The legislation includes the following measures:

- **Trade Adjustment Assistance (TAA):** Funding for the TAA programs was cut in half last year and will expire entirely in July 2022. Despite Ways and Means Democrats' efforts, the programs still have not been reauthorized. The legislation included in this bill reflects the TAA funding and improvements that Ways & Means passed in September 2021, which includes significantly higher funding levels, expanded eligibility, and long-overdue provisions that improve and modernize the TAA programs.
- **Generalized System of Preferences (GSP):** This legislation modernizes the program's eligibility criteria by adding a new environmental criterion and updating the labor criteria to align with those sought by House Democrats in the U.S.-Mexico-Canada Agreement (USMCA) and other trade agreements. It strengthens and increases the labor standards eligible countries must meet to ensure basic labor rights are respected and that discrimination, violence against workers, and gender-based violence and harassment are addressed. The legislation also adds new criteria on human rights, rule of law, equal protection under the law, and anti-corruption, which are identical to the requirements in the African Growth and Opportunity Act (AGOA). The bill also makes several process improvements to the program concerning transparency and public access. Finally, the legislation requires a study on rules of origin, women's economic empowerment, and GSP utilization rates to help the least developed countries receive more of the benefits.
- **Miscellaneous Tariff Bill (MTB):** The legislation eliminates or reduces duties on certain imports based on recommendations from the U.S. International Trade Commission (ITC) in accordance with the American Manufacturing Competitiveness Act of 2016 (AMCA). The bill authorizes duty suspensions and reductions for specific imports through December 31, 2023, retroactive four months before enactment. The bill reauthorizes the AMCA for two more MTB cycles and excludes finished products from future MTBs authorized by the AMCA. The legislation also makes administrative improvements to the AMCA process, such as granting the USITC sufficient time to assess the effects of the MTB on the U.S. economy.
- **De Minimis Legislation:** The legislation strengthens U.S. international trade laws to stop non-market economies and goods from exploiting the de minimis threshold that allows imports valued under \$800 to come into the United States without paying duties, taxes,



or fees. The bill would prohibit goods from countries that are both non-market economies and on the U.S. Trade Representative's Priority Watch List regarding violations of intellectual property standards from using de minimis, such as China. Further, the bill requires Customs and Border Protection (CBP) to collect more information on all de minimis shipments.

- **Trade Remedies Legislation:** This bipartisan, bicameral legislation strengthens U.S. trade remedy laws (i.e., AD (anti-dumping) and CVD (countervailing duty)) to protect American workers and combat China's unfair, anti-free market trade practices that distort the global market. The bill gives the Department of Commerce the authority to apply CVD law to subsidies provided by a government to a company operating in a different country – also known as a third country subsidization. This policy will target China's Belt and Road Initiative subsidies. The bill also creates a new successive AD/CVD investigation to combat repeat offenders by making it easier for petitioners to bring new cases when production moves to another country. The legislation outlines expedited timelines for successive investigations and factors for the ITC to consider about the relationship between recently completed trade cases and successive trade cases for the same imported product. Finally, the bill imposes statutory requirements for anti-circumvention inquiries to clarify the process and timeline, and specifies the deadlines for preliminary and final determinations, which currently lack statutory deadlines.
- **Supply Chain Review Legislation:** This bipartisan, bicameral legislation would empower the U.S. government, led by the U.S. Trade Representative (USTR), to review, and potentially block, certain outbound investments made by U.S. companies. The bipartisan U.S.-China Economic and Security Review Commission recommended that Congress consider such legislation. To prevent future supply chain issues, this legislation establishes a whole-of-government process to review the offshoring of critical capacities and supply chains to foreign adversaries and nonmarket economies, like China and Russia.
- **World Trade Organization (WTO) Resolution:** This bipartisan resolution encourages the United States to continue to lead reform efforts and urge member cooperation at the World Trade Organization to address barriers to trade, improve living standards across the world, and enhance accountability and dispute settlement mechanisms.
- **CBP Staffing Model Update:** This legislation provides U.S. Customs and Border Protection with statutory authority to update its staffing model to better respond to the challenges of the modern trading system, while ensuring that CBP maintains sufficient staff to satisfy its trade mission.