119TH CONGRESS
2D SESSION

S. _____

To withdraw normal trade relations treatment with respect to the products of the People's Republic of China, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. BALDWIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To withdraw normal trade relations treatment with respect to the products of the People's Republic of China, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Ending China's Special Treatment Act of 2026''.

SEC. 2. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress makes the following findings:

(1) Public Law 106–286 (114 Stat. 880), granting permanent normal trade relations to the

People's Republic of China, was enacted on October 10, 2000, based on expectations that the People's Republic of China would undertake meaningful market reforms, comply with its international trade obligations, reduce state intervention in the economy, and become a more responsible participant in the global trading system.

(2) Granting permanent normal trade relations to the People's Republic of China terminated the requirement for annual review of the trade status of the People's Republic of China under section 402 of the Trade Act of 1974 (19 U.S.C. 2432) and made permanent preferential tariff treatment that had previously been subject to periodic reconsideration, facilitating increased reliance on Chinese supply chains while reducing the leverage available to the United States to respond to the nonmarket practices of the People's Republic of China.

(3) Normal trade relations is a status that implies nondiscriminatory treatment between trading partners, but that treatment has never materialized between the United States and the People's Republic of China.

(4) The People's Republic of China has further employed a state-direct economic model character-

ized by tools like excessive state subsidies, preferential financing, intellectual property theft, forced technology transfer, market access restrictions, trade cheating, currency manipulation, worker exploitation (including the use of forced labor), and environmental harm to gain an advantage against the United States and global competition.

(5) Since the accession of the People's Republic of China to the World Trade Organization and the granting of permanent normal trade relations treatment to the People's Republic of China, the United States has experienced the loss of substantial manufacturing capacity, investment, and employment in numerous sectors critical to economic prosperity, technological leadership, and national security.

(6) The tools described in paragraph (4) used by the People's Republic of China cause harm to the United States and its allies. Between 2001 and 2018, an estimated 3,700,000 jobs were lost to the People's Republic of China, 2,800,000 of which were manufacturing jobs.

(7) The People's Republic of China's state-directed economic system has produced chronic industrial overcapacity in sectors including steel, aluminum, shipbuilding, solar products, batteries, elec-

tric vehicles, and other advanced manufacturing industries, resulting in the export of surplus production at artificially low prices that distort global markets, undermine market-based competition, and harm United States workers.

(8) The People's Republic of China has repeatedly engaged in intellectual property theft, cyber-enabled economic espionage, forced labor practices, transshipment, customs fraud, circumvention of United States trade laws, and other unfair trade practices, while using export controls and other economic measures to advance strategic objectives.

(9) Through its policy of civil-military fusion, the People's Republic of China systematically integrates commercial and industrial development with military modernization, blurring distinctions between civilian and military production.

(10) Dependence on supply chains concentrated in the People's Republic of China creates significant economic and national security vulnerabilities for the United States and exposes critical industries to disruption, coercion, and manipulation by a strategic competitor.

(11) Congress and successive Presidents of both political parties have imposed duties and other trade

measures on imports from the People's Republic of China pursuant to sections 201 and 301 of the Trade Act of 1974 (19 U.S.C. 2251, 2411) and section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862), reflecting a bipartisan determination that the nonmarket practices of the People's Republic of China require measures beyond those applicable to normal trading partners.

(12) The U.S.-China Economic and Security Review Commission has concluded that permanent normal trade relations treatment failed to induce meaningful market reforms in the People's Republic of China, reduced United States leverage, and enabled the expansion of state-supported production that undermines fair competition, and has recommended that Congress revoke such treatment.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is dangerous to continue to allow the People's Republic of China the same trading status as allies of the United States and trading partners that participate on a level playing field;

(2) it should be the policy of the United States to reduce economic dependence on the People's Republic of China, restore domestic manufacturing ca-

pacity, strengthen industrial resilience, encourage production in the United States, and ensure that future trade relations reflect the realities of the persistent nonmarket economic practices and strategic competition of the People's Republic of China with the United States;

(3) it is appropriate to revoke the grant of permanent normal trade relations to the People's Republic of China to reflect geopolitical realities and position the United States to compete on the global stage for years to come; and

(4) the United States should implement complementary industrial, economic, agricultural, innovation, and national security policies to maximize the success of the realignment for the economy and workers of the United States, particularly for reinvesting in manufacturing communities, as well as the economies and populations of allies of the United States.

SEC. 3. WITHDRAWAL OF PERMANENT NORMAL TRADE RELATIONS FOR THE PEOPLE'S REPUBLIC OF CHINA.

(a) NONDISCRIMINATORY TARIFF TREATMENT.—Notwithstanding any other provision of law, beginning on the date that is one year after the date of the enactment

of this Act, the rates of duty set forth in column 2 of the Harmonized Tariff Schedule of the United States shall apply to all products of the People's Republic of China.

(b) RATES IN ADDITION TO OTHER DUTIES.—The rates of duty described in subsection (a) with respect to products of the People's Republic of China shall be in addition any other duties applicable to such products under any other provision of law.

(c) CONSULTATIONS.—Not later than 5 days before issuing a proclamation to implement subsection (a), the President shall consult regarding the basis for and anticipated impact of the proposed increases to rates of duty under that subsection with—

(1) the Committee on Finance, the Committee on Commerce, Science, and Transportation, and the Committee on the Budget of the Senate; and

(2) the Committee on Ways and Means, the Committee on Energy and Commerce, and the Committee on the Budget of the House of Representatives.

(d) WAIVER AUTHORITY.—The President may waive the application of subsection (a) with respect to—

(1) goods entering the United States with an individual traveler; and

(2) necessary manufacturing inputs and machinery identified under section 4(b)(3).

SEC. 4. REPORT ON TRADE WITH THE PEOPLE'S REPUBLIC OF CHINA.

(a) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, an interagency group led by the United States Trade Representative shall submit to Congress a report—

(1) evaluating the current and future economic and national security threats posed by trade with the People's Republic of China; and

(2) making recommendations for the United States Government, Congress, and partnerships with allies of the United States to address those threats.

(b) ELEMENTS.—The report required by subsection (a) shall—

(1) assess the harm caused by granting permanent normal trade relations to the People's Republic of China, including an assessment of impacts on manufacturing communities in specific States and regions of the United States;

(2) include an assessment of—

(A) transshipment and circumvention threats and efforts;

(B) reorientation of supply chains away from the People's Republic of China;

(C) trends in domestic investment in the United States or third countries;

(D) national security vulnerabilities associated with continued dependence on the People's Republic of China; and

(E) increasing the rates of duty applicable to products of the People's Republic of China to rates higher than the rates set forth in column 2 of the Harmonized Tariff Schedule of the United States;

(3) identify necessary manufacturing inputs and machinery that are exclusively or primarily available from the People's Republic of China; and

(4) make recommendations for greater coordination of trade and industrial policies with allies of the United States—

(A) to maintain minimum levels of production and employment; and

(B) to strengthen job security, density of labor organizations, and technological innovation, including through sectoral trade agreements to promote supply chain resilience and

include protections against off-shoring and account for the behavior of corporations.

(c) CONSULTATIONS AND CONSIDERATIONS.—In preparing the report required by subsection (a), the interagency group described in that subsection shall—

(1) consult with the U.S.-China Economic and Security Review Commission, the United States International Trade Commission, and the Department of Commerce;

(2) provide for a public comment period of not less than 90 days; and

(3) consider the findings of—

(A) the most recent annual report of the United States Trade Representative to Congress required by section 421 of the U.S.-China Relations Act of 2000 (22 U.S.C. 6951); and

(B) the most recent annual report of the U.S.-China Economic and Security Review Commission required by section 1238(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (22 U.S.C. 7002(c)).

(d) PUBLIC AVAILABILITY.—The report required by subsection (a) shall be posted on a publicly accessible

website of the Office of the United States Trade Representative.