

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4509

To impose restrictions on the authority to enter into certain trade agreements reducing tariffs with respect to another country.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1994

Mr. CRANE (for himself, Mr. CAMP, Mr. HANCOCK, Mr. HERGER, Mr. JACOBS, and Mr. QUILLEN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To impose restrictions on the authority to enter into certain trade agreements reducing tariffs with respect to another country.

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. RESTRICTIONS ON AUTHORITY TO ENTER INTO**  
4 **BILATERAL TRADE AGREEMENTS.**

5 (a) LIMITATIONS ON AUTHORITY.—The President  
6 shall not enter into a trade agreement that reduces tariffs  
7 with respect to another country, or provides other benefits  
8 to such country, if the following applies to such country:

9 (1)(A) Such country—

1 (i) has nationalized, expropriated, or other-  
2 wise seized ownership or control of property  
3 owned by a United States citizen or by a cor-  
4 poration, partnership, or association which is  
5 50 percent or more beneficially owned by  
6 United States citizens,

7 (ii) has taken steps to repudiate or nul-  
8 lify—

9 (I) any existing contract or agreement  
10 with, or

11 (II) any patent, trademark, or other  
12 intellectual property of,

13 a United States citizen or a corporation, part-  
14 nership, or association, which is 50 percent or  
15 more beneficially owned by United States citi-  
16 zens, the effect of which is to nationalize, expro-  
17 priate, or otherwise seize ownership or control  
18 of property so owned, or

19 (iii) has imposed or enforced taxes or other  
20 exactions, restrictive maintenance or operational  
21 conditions, or other measures with respect to  
22 property so owned, the effect of which is to na-  
23 tionalize, expropriate, or otherwise seize owner-  
24 ship or control of such property,

1 unless the President makes a determination under  
2 subparagraph (B) and promptly furnishes a copy of  
3 that determination to the Senate and the House of  
4 Representatives.

5 (B) A determination under this subparagraph is  
6 a determination that—

7 (i) prompt, adequate, and effective com-  
8 pensation has been or is being made to the citi-  
9 zen, corporation, partnership, or association re-  
10 ferred to in subparagraph (A),

11 (ii) good-faith negotiations to provide  
12 prompt, adequate, and effective compensation  
13 under the applicable provisions of international  
14 law are in progress, or the country concerned is  
15 otherwise taking steps to discharge its obliga-  
16 tions under international law with respect to  
17 such citizen, corporation, partnership, or asso-  
18 ciation, or

19 (iii) a dispute involving such citizen, cor-  
20 poration, partnership, or association, over com-  
21 pensation for such a seizure has been submitted  
22 to arbitration under the provisions of the Con-  
23 vention for the Settlement of Investment Dis-  
24 putes, or in another mutually agreed upon  
25 forum.

1           (2) Such country fails to act in good faith in  
2 recognizing as binding or in enforcing arbitral  
3 awards in favor of United States citizens or a cor-  
4 poration, partnership, or association which is 50 per-  
5 cent or more beneficially owned by United States  
6 citizens, which have been made by arbitrators ap-  
7 pointed for each case or by permanent arbitral bod-  
8 ies to which the parties involved have submitted  
9 their dispute.

10 **SEC. 2. DEFINITIONS.**

11 For purposes of this Act—

12           (1) the term “country” means Colombia, or any  
13 other country or customs territory, whether or not a  
14 member of the World Trade Organization; and

15           (2) the term “trade agreement” means any  
16 agreement permitting accession to, or extending the  
17 benefits of, the North America Free Trade Agree-  
18 ment (NAFTA), and any bilateral free trade  
19 agreement.

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