



# The Green 301 Act of 2015 (H.R. \_\_\_\_)

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## REFORMING AMERICA'S TRADE LAWS

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### **The Problem:**

When a foreign country selectively enforces its laws, a two-tiered system is created for businesses. In tier one are those who get a free pass when it comes to regulatory and legal compliance, leading to money and time saved, and in turn a competitive advantage. In tier two—often made up of U.S.-owned companies who want to comply with all local laws—companies are heavily scrutinized and require more resources to do the same work as tier one organizations because while compliance is important, it's costly.

The problem is proliferating. A survey conducted this year by the American Chamber of Commerce in China found that 57 percent—a multi-point increase from last year—of U.S. companies operating in China believed they were being unfairly targeted compared to their local competition. The U.S. should have the tools to compensate for, or correct such disadvantages. At present the toolbox is incomplete, which is why Congressman Blumenauer has introduced the Green 301 Act.

### **Background:**

The U.S. attempts to limit these unfair double standards in its trade agreements. Dozens of countries, however, fall outside our trade commitments. To level the playing field in these countries, and to stop a race to the bottom, Congress included Section 301 in the Trade Act of 1974. This section authorizes the U.S. to take action to remove “any act, policy, or practice of a foreign government that . . . is unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce.” Congress later expanded Section 301 to deal specifically with IP issues and later amended it to address labor standards.

Importantly, Section 301 enables outside groups to petition USTR to take action. Any outside organization may file a Section 301 request with USTR, which must then consult with the petitioners, and report back within 45 days on whether they will or won't act on the petition and why or why not.

### **The Solution:**

Section 301 has helped U.S. businesses, and it's time for Section 301 to be strengthened once again to address the unfair enforcement of environmental laws. That's because Oregon and other states dependent on international commerce are severely disadvantaged when trading partners hold U.S. companies to a higher set of standards while simultaneously allowing local competition to skirt environmental laws.

The Green 301 Act would allow the U.S. to impose penalties on countries that:

- Fail to effectively enforce the environmental laws of that foreign country;
- Waived or otherwise derogated from the environmental laws of that foreign country or weakened the protections afforded by such laws;
- Fail to provide for judicial or administrative proceedings giving access to remedies for violations of the environmental laws of that foreign country;
- Fail to provide appropriate and effective sanctions or remedies for violations of the environmental laws of that foreign country; or
- Fail to effectively implement environmental commitments in agreements binding on that foreign country and the United States.

### **Supported by:**

[Working on letters of support. Last year's identical bill was supported by Sierra Club, World Wildlife Foundation, Environmental Investigation Agency, Humane Society International, and International Fund for Animal Welfare.]

*For more information on Congressman Blumenauer's trade agenda, contact Michael Harold in DC at (202) 225-4811, or visit Congressman Blumenauer's website at <http://blumenauer.house.gov/>.*