

Press Release



Key Trade Issues in USICA and COMPETES: The Good, Bad, and Ugly

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Congress recently held the first meeting of the conference committee tasked with reconciling the differences between the House-passed and Senate-passed “anti-China” bills, the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (**COMPETES**) Act and the United States Innovation and Competition Act (**USICA**), respectively. Among the bills’ provisions are several that would make significant reforms to U.S. trade policy. In a new insight, AAF’s Tori Smith and Tom Lee review the bills’ eight key trade provisions and identify which are good, and which, at the least, require closer scrutiny.

Key points:

- This paper considers the key trade provisions in **COMPETES** and **USICA** and provides guidance on which are pro-growth and should be pursued regardless of the conference outcome (categorized as “good”), which either introduce new costs for U.S. businesses or unnecessarily increase government spending and should be carefully debated (categorized as “bad”), and which were introduced after limited debate, would advance untested programs that impose new trade barriers, and should be closely scrutinized or simply discarded (categorized as “ugly”).

ISSUE	GOOD/BAD/UGLY	USICA/COMPETES/BOTH
Section 301 Tariff Exclusions	GOOD	USICA
Generalized System of Preferences	GOOD	BOTH
Miscellaneous Tariff Bill	GOOD	BOTH
Online Country of Origin Labeling	BAD	BOTH
Trade Adjustment Assistance	BAD	COMPETES
Antidumping and Countervailing Duty Changes	UGLY	COMPETES
De Minimis Changes	UGLY	COMPETES
Outbound Investment Review or “Reverse CFIUS”	UGLY	COMPETES

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