

119TH CONGRESS
1ST SESSION

S. 3566

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

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2025

Mr. SCOTT of Florida introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

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

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. SHORT TITLE.**

4 This Act may be cited as the “No Trade Preferences
5 for Communist China Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) From 1980 until the passage of the U.S.-
9 China Relations Act of 2000 (22 U.S.C. 6911 et
10 seq.), the United States granted permanent normal

1 trade relations status to the People's Republic of
2 China, contingent on an annual review pursuant to
3 section 402 of the Trade Act of 1974 (19 U.S.C.
4 2432).

5 (2) The receipt by the People's Republic of
6 China of permanent normal trade relations status,
7 concurrent with its ascension to the World Trade
8 Organization in 2001, was contingent on its adher-
9 ence to several commitments, including transitioning
10 towards a more market-oriented economy, protecting
11 intellectual property, ensuring non-discrimination
12 against foreign entities in trade matters, and ending
13 export and production subsidies. However, the Peo-
14 ple's Republic of China has repeatedly and objec-
15 tively violated each and every one of those commit-
16 ments.

17 (3) Evasion by the People's Republic of China
18 of tariffs imposed by the United States cost the
19 economy of the United States approximately
20 \$130,000,000,000 in 2023 alone, and concurrently
21 the People's Republic of China chose to impose ex-
22 ceedingly high tariffs, non-tariff barriers, and other
23 regulatory hurdles on businesses in the United
24 States.

1 (4) According to the United States Trade Rep-
2 representative, the People’s Republic of China remains
3 a “priority watch list” country for intellectual prop-
4 erty theft and has stolen between \$180,000,000,000
5 and \$540,000,000,000 annually from the United
6 States economy through theft of intellectual prop-
7 erty, trade secrets, business processes, and tech-
8 nologies.

9 (5) The People’s Republic of China continues a
10 systemic program of top-down industrial planning
11 through heavy subsidization of domestic industries,
12 prioritizing the protection of state-owned enterprises
13 and a dual-pricing scheme that has left industries in
14 the United States unable to effectively and fairly
15 compete. According to a 2022 study by the Center
16 for Strategic and International Studies, the People’s
17 Republic of China offered as much as
18 \$407,000,000,000 in de facto subsidies to its domes-
19 tic industries in 2019.

20 (6) While the People’s Republic of China sub-
21 sidizes its industries in violation of its commitments
22 under the World Trade Organization, it has already
23 failed to comply with yet another major trade agree-
24 ment—the Economic and Trade Agreement Between
25 the Government of the United States of America

1 and the Government of the People’s Republic of
2 China, signed on January 15, 2020, in which the
3 People’s Republic of China pledged to purchase an
4 additional \$200,000,000,000 in United States goods
5 and services by the end of 2021. The People’s Re-
6 public of China failed to meet that deadline and fell
7 short of its pledged commitment by 60 percent for
8 goods.

9 (7) According to the United States Trade Rep-
10 resentative, from 1994 through April 2025, the
11 United States lost 5,000,000 manufacturing jobs
12 and 90,000 factories. The world manufacturing out-
13 put share of the United States declined from 28 per-
14 cent in 2001 to 17 percent in 2024. In the fourth
15 quarter of 2024, United States manufacturing as a
16 share of gross domestic product was at a 20-year
17 low. At the same time, the economy of the People’s
18 Republic of China grew from the world’s sixth larg-
19 est economy in 2001 to the second largest in 2025.

20 (8) In October 2025, the People’s Republic of
21 China threatened to hold the world hostage through
22 broad export controls over the rare earths supply
23 chain, spanning mining, refining, and manufac-
24 turing. The United States once held global domi-
25 nance in rare earths but gradually surrendered by

1 yielding to environmental pressure campaigns and
2 an increasingly onerous regulatory regime.

3 (9) Under article XXI of GATT 1994 (as de-
4 fined in section 2 of the Uruguay Round Agree-
5 ments Act (19 U.S.C. 3501)), countries may act
6 “for the protection of their essential security inter-
7 ests” without breaching their obligations under the
8 World Trade Organization. The relentless assault by
9 the People’s Republic of China on the economic se-
10 curity of the United States through industrial espio-
11 nage, forced technology transfers, and the systematic
12 erosion of the domestic manufacturing base of the
13 United States directly undermines the ability of the
14 United States to sustain its industrial capacity.
15 Those economic attacks, compounded by broader
16 acts of aggression, such as military expansion in the
17 South China Sea and egregious human rights
18 abuses, constitute a comprehensive, ongoing, and
19 grave threat to the national security interests of the
20 United States. Accordingly, the behavior by the Peo-
21 ple’s Republic of China merits the invocation of arti-
22 cle XXI and Congress should therefore invoke that
23 principle by revoking permanent normal trade rela-
24 tions status for the People’s Republic of China to

1 defend the strategic and economic security of the
2 United States.

3 (10) In 2022, members of the World Trade Or-
4 ganization similarly invoked article XXI to revoke
5 permanent normal trade relations status for the
6 Russian Federation.

7 **SEC. 3. WITHDRAWAL OF NORMAL TRADE RELATIONS**
8 **TREATMENT FOR THE PEOPLE’S REPUBLIC**
9 **OF CHINA.**

10 (a) IN GENERAL.—Notwithstanding title I of Public
11 Law 106–286 (114 Stat. 880) or any other provision of
12 law, effective on the date that is 90 days after the date
13 of the enactment of this Act—

14 (1) normal trade relations treatment shall not
15 apply pursuant to section 101 of that Act to the
16 products of the People’s Republic of China;

17 (2) normal trade relations treatment may not
18 thereafter be extended to the products of the Peo-
19 ple’s Republic of China under the provisions of chap-
20 ter 1 of title IV of the Trade Act of 1974 (19 U.S.C.
21 2431 et seq.);

22 (3) the rates of duty set forth in column 2 of
23 the Harmonized Tariff Schedule of the United
24 States shall apply to all products of the People’s Re-
25 public of China; and

1 (4) the President may proclaim increases in the
2 rates of duty applicable to products of the People's
3 Republic of China to rates that are higher than the
4 rates described in paragraph (3).

5 (b) PEOPLE'S REPUBLIC OF CHINA DEFINED.—In
6 this section, the term "People's Republic of China" means
7 the government of the People's Republic of China, the gov-
8 ernment of the Special Administrative Region of Hong
9 Kong, the government of the Special Administrative Re-
10 gion of Macau, and any agency or instrumentality thereof.

○