



The WTO Withdrawal Resolutions

May 21, 2020

The United States was a major force behind the creation of the multilateral trading system that emerged after World War II. That system was based on negotiated rounds of trade liberalization and common trade rules, most recently through the Uruguay Round (1986-1994) and the establishment of the [World Trade Organization \(WTO\)](#) in 1995. The WTO, and the General Agreement on Tariffs and Trade (GATT) before it, serves as the foundation of the world trading system. However, after 25 years, WTO's 164 members have been unable to conclude a new round of multilateral negotiations. Thus, greater debate has arisen among Members of Congress about the benefits of the WTO, as well as calls for reform and renewed negotiations.

Section 125 of the Uruguay Round Agreements Act (URAA) (P.L. 103-465), which approved and implemented the Uruguay Round Agreements, requires the U.S. Trade Representative (USTR) to submit a report to Congress every five years analyzing the costs and benefits of U.S. participation in the WTO. Once Congress receives this [report](#), any Member may introduce a privileged joint resolution proposing to withdraw congressional approval of the WTO Agreements. The Ways and Means Committee rationale for this possibility was to:

provide an opportunity for the Congress to evaluate the transition of the GATT to the WTO and to assess periodically whether continued membership in this organization is in the best interest of the United States. It is the desire of the Committee not to leave this decision totally in the hands of the Executive Branch...

This year, the House received the report on March 4, 2020, and the Senate on March 5. Withdrawal resolutions were introduced in the Senate (S.J.Res. 71, Hawley) on May 7, 2020, and in the House (H.J.Res. 89, DeFazio, Pallone) on May 12. The resolutions have been referred to the Senate Finance Committee and House Ways and Means Committee, respectively, in accordance with specified parliamentary procedure.

Disapproval resolutions were introduced in prior years in the House in 2000 and 2005. They were reported adversely by the House Ways and Means Committee (HWMC) and defeated by relatively large margins. No resolutions were introduced in 2010 and 2015.

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Procedure

House and Senate consideration of a joint resolution disapproving U.S. participation in the WTO is governed by expedited parliamentary procedures contained in Sec. 125 of the [URAA](#) and Sec. 152 of the [Trade Act of 1974](#). These procedures are designed to ensure that Congress could choose to pass the joint resolution and present it to the President before the end of a 90-day period that begins on the day Congress receives the USTR report.

Joint resolutions can be submitted in either chamber at any time during the 90-day period, have a specified text, and are referred to HWMC or Senate Finance Committees. A committee must report the referred measure by the close of the 45th day after introduction or be automatically discharged of it. Resolutions may be called up on the floor of each chamber by non-debatable motion (although two legislative days' notice is required in the House). A joint resolution is debatable for up to 20 hours and is unamendable. A motion to recommit is not permitted. In the case of a presidential veto, an override must occur by the later of the end of the 90-day period or by the close of a 15-day period that begins when Congress receives the veto message. Debate on a veto message in the Senate is limited to 10 hours. The 90-, 45-, and 15-day time periods described above [exclude](#) some days on which the chambers do not meet. In the Senate, the non-debatable motion to take up a joint resolution, coupled with the limits on amending and debate, mean that a numerical majority in that chamber could take up and agree to a joint resolution without a cloture process and the associated supermajority requirement.

These provisions are considered to be rules of the House and Senate, respectively, and can be altered or overridden by resolution (including a special rule in the House), by suspension of the rules, or by unanimous consent.

Debates over the WTO

Debates on WTO membership in 2000 and 2005 were characterized by concerns about certain dispute settlement cases, especially adverse decisions on trade remedies, and related apprehensions that WTO membership impinges U.S. sovereignty. WTO supporters emphasized the economic benefits and value of an open and rules-based trading system. Several factors shaped past debates. In 2000, China had yet to join the WTO. In 2005, China had acceded but was not yet playing a pivotal role, and the Doha Development Round, launched in 2001, was actively being negotiated.

More recently, U.S. concerns with the WTO have grown in some quarters and perception of WTO's benefits may have dimmed. The USTR report did not advocate withdrawal from the WTO—referring to it as the foundation of the international trading system—but called for reform of the organization. Administration concerns highlighted perceived overreach by the dispute settlement system, use of special and differential treatment by advanced emerging economies, and paralysis of the WTO negotiating function.

Consequences of Possible Withdrawal

U.S. withdrawal from the WTO could have a number of consequences. Supporters of withdrawal claim it would restore U.S. sovereignty by relieving the United States from its WTO obligations. They point out that WTO agreements do not include labor and environmental obligations, allegedly leading to lost jobs and offshoring. The United States could impose more unilateral trade measures, including tariffs, without the need to justify its measures at WTO dispute settlement. Withdrawal would allow the United States to pursue Buy American policies absent its commitments under the WTO Government Procurement Agreement.

Opponents of U.S. withdrawal raise several concerns. Withdrawal would enable the remaining 163 WTO members to renege on their WTO obligations to the United States, such as the principle of non-discrimination, which underpins most-favored nation treatment and national treatment. In particular, the United States could face disadvantages in other large markets without U.S. bilateral free trade agreements, including China and the EU. For example, they could apply different agricultural and technical standards to U.S. products. Other countries would have no obligation to tell U.S. exporters why their shipments are being detained, seized, or refused entry by customs agencies. U.S. innovators would receive no protection from WTO intellectual property standards. Finally, it would also remove the United States from a body whose core function is to shape the multilateral trading system, and to allow other major economies, including China, a greater role.

U.S. withdrawal from the WTO, would be a pivotal moment in trade policy. These resolutions may afford Members of Congress the chance to debate not only whether the WTO is worthy of membership, but of reforming the institution and how to best shape the multilateral trading system.

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