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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To require the United States Trade Representative to initiate an investigation under section 301 of the Trade Act of 1974 with respect to the European Union, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GOLDMAN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To require the United States Trade Representative to initiate an investigation under section 301 of the Trade Act of 1974 with respect to the European Union, 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 “Stop EU Overreach
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The United States has a longstanding and
2 compelling national interest in protecting United
3 States persons from extraterritorial regulatory ac-
4 tions by foreign governments that burden United
5 States commerce, conflict with United States law,
6 and undermine the principles of fair, reciprocal, and
7 rules-based international trade.

8 (2) The European Union has adopted and is
9 implementing a series of energy and environment-re-
10 lated directives and regulations with significant
11 extraterritorial reach, including the Corporate Sus-
12 tainability Due Diligence Directive (CS3D), the Cor-
13 porate Sustainability Reporting Directive (CSRD),
14 the Deforestation Regulation (EUDR), the Carbon
15 Border Adjustment Mechanism (CBAM), and re-
16 lated or successor measures.

17 (3) These extraterritorial measures impose bur-
18 densome mandatory obligations on large companies
19 operating in or deriving significant revenue from the
20 European Union. Such obligations include global
21 supply chain and value chain mapping and due dili-
22 gence, detailed sustainability and emissions report-
23 ing, deforestation-free traceability and geolocation
24 requirements, third-party verification and auditing,
25 public disclosures, and substantial penalties with

1 transposition and implementation deadlines already
2 in effect or approaching in the near term.

3 (4) These extraterritorial measures apply to
4 conduct, operations, subsidiaries, affiliates, and sup-
5 ply or value chains occurring wholly or substantially
6 outside European Union territory, including the
7 United States operations and supply chains of
8 United States companies, regardless of whether such
9 conduct complies with United States law. This con-
10 stitutes an unreasonable and discriminatory trade
11 practice burdening United States commerce within
12 the meaning of section 301(b) of the Trade Act of
13 1974 (19 U.S.C. 2411(b)).

14 (5) The extraterritorial reach of these measures
15 conflicts with core principles of United States law,
16 including limited liability doctrines, State corporate
17 fiduciary duties, Federal securities requirements,
18 and domestic energy and environmental policy
19 frameworks.

20 (6) In the August 21, 2025, Joint Statement on
21 a Framework on an Agreement on Reciprocal, Fair,
22 and Balanced Trade, the European Union expressly
23 committed to ensure these measures do not pose
24 undue restrictions on transatlantic trade and to ad-
25 dress United States concerns regarding their

1 extraterritorial application to companies from coun-
2 tries with high-quality domestic regulations. The
3 continued extraterritorial provisions of these meas-
4 ures are inconsistent with that commitment.

5 (7) Notwithstanding the August 2025 commit-
6 ments and the European Union's subsequent amend-
7 ments, these extraterritorial measures continue to
8 impose burdensome obligations on United States
9 persons. The European Union's own modifications
10 have not resolved the core problems this Act ad-
11 dresses.

12 (8) Numerous United States trading partners,
13 including Argentina, Australia, Brazil, India, South
14 Africa, and the United Kingdom, have expressed
15 shared concerns about the extraterritorial reach of
16 these measures, reflecting a multilateral, rules-based
17 objection rather than a bilateral dispute.

18 (9) Section 301 of the Trade Act of 1974 (19
19 U.S.C. 2411) authorizes the United States Trade
20 Representative to investigate and respond to such
21 foreign government practices, and the United States
22 has a compelling national interest in deploying that
23 authority to protect United States persons from
24 extraterritorial regulation that conflicts with United

1 States law and the principles of fair and reciprocal
2 trade.

3 **SEC. 3. SECTION 301 INVESTIGATION.**

4 (a) INITIATION OF INVESTIGATION.—

5 (1) IN GENERAL.—Not later than 30 days after
6 the date of the enactment of this Act, the USTR
7 shall—

8 (A) initiate an investigation under section
9 302(b) of the Trade Act of 1974 (19 U.S.C.
10 2412(b)) to determine whether the covered
11 extraterritorial measures imposed by the Euro-
12 pean Union on United States persons constitute
13 an unreasonable or discriminatory act, policy,
14 or practice that burdens or restricts United
15 States commerce under section 301(b) of the
16 Trade Act of 1974 (19 U.S.C. 2411(b)); and

17 (B) notify the appropriate congressional
18 committees of such initiation.

19 (2) SCOPE OF INVESTIGATION.—An investiga-
20 tion initiated under this subsection may include the
21 following:

22 (A) The compliance costs imposed on
23 United States persons, including the supply
24 chain due diligence, emissions reporting and
25 verification, deforestation traceability, sustain-

1 ability disclosures, and third-party auditing
2 costs.

3 (B) The legal liability exposure of United
4 States persons for the acts of their subsidiaries
5 or suppliers operating outside of the European
6 Union.

7 (C) The competitive disadvantage suffered
8 by United States persons relative to companies
9 not subject to the covered extraterritorial meas-
10 ures.

11 (b) PETITION OR UNILATERAL INITIATION OF INVES-
12 TIGATION.—

13 (1) IN GENERAL.—If, prior to the date of the
14 enactment of this Act, the USTR unilaterally initi-
15 ates an investigation, or is petitioned to initiate an
16 investigation, which is substantially similar to the in-
17 vestigation required under subsection (a)(1), such
18 investigation may include the information described
19 in subsection (a)(2).

20 (2) NOTIFICATION TO CONGRESS.—Not later
21 than 30 days after the date of the enactment of this
22 Act, the USTR shall notify the appropriate congres-
23 sional committees of an investigation initiated under
24 paragraph (1).

1 (c) CONSULTATION REQUIREMENT.— In conducting
2 an investigation under this section, the USTR shall—

3 (1) consult with United States persons who may
4 be affected by the extraterritorial obligations im-
5 posed by the covered extraterritorial measures;

6 (2) seek information from relevant trade asso-
7 ciations and labor representatives; and

8 (3) coordinate with the Secretary of Commerce,
9 the Secretary of State, the Secretary of Energy, the
10 Secretary of Agriculture, the Secretary of Defense,
11 the Administrator of the Environmental Protection
12 Agency, and the Chair of the United States Inter-
13 national Trade Commission.

14 (d) DETERMINATION DEADLINE.—

15 (1) IN GENERAL.—Not later than 12 months
16 after the date on which an investigation is initiated
17 under subsection (a), the USTR shall make a deter-
18 mination under section 304 of the Trade Act of
19 1974 (19 U.S.C. 2414) to determine if any action
20 may be taken under section 301 of such Act (19
21 U.S.C. 2411).

22 (2) EXTENSION.—The USTR may initiate one
23 60 day extension of the deadline described in para-
24 graph (1) if extraordinary circumstances warrant
25 such an extension. The USTR shall notify the ap-

1 appropriate congressional committees in writing of the
2 reasons for such extension.

3 (e) DETERMINATIONS AND ACTION.—

4 (1) AFFIRMATIVE DETERMINATION.—If the
5 USTR makes an affirmative determination under
6 subsection (d)(1), the USTR shall—

7 (A) publish such determination in the Fed-
8 eral Register; and

9 (B) consider appropriate action under sec-
10 tion 301(c) of the Trade Act of 1974 (19
11 U.S.C. 2411(c)), which may include addressing
12 imports from member states of the European
13 Union, the suspension of trade agreement bene-
14 fits, the imposition of duties commensurate
15 with the burden imposed, or any other action
16 which would eliminate the burden on United
17 States commerce that is attributable to the
18 CS3D's extraterritorial provisions.

19 (2) NEGATIVE DETERMINATION.—If the USTR
20 makes a negative determination under subsection (d)
21 and determines that no action described in para-
22 graph (1)(B) is warranted, the USTR shall transmit
23 to the appropriate congressional committees a report
24 explaining such determination.

1 **SEC. 4. REPORTING REQUIREMENTS.**

2 (a) INITIAL REPORT.—Not later than 90 days after
3 the date of the enactment of this Act, the USTR shall
4 submit to the appropriate congressional committees a re-
5 port including—

6 (1) the actions taken to comply with section
7 3(a);

8 (2) any consultations requested or initiated with
9 the European Union; and

10 (3) the USTR’s preliminary assessment of the
11 nature and extent of the burden on United States
12 commerce attributable to the covered extraterritorial
13 measures.

14 (b) DETERMINATION REPORT.—Not later than 30
15 days after making a determination under section 3(e), the
16 USTR shall submit to the appropriate congressional com-
17 mittees a report including—

18 (1) the USTR’s findings and determination;

19 (2) whether the determination is affirmative or
20 negative and if the determination is affirmative, a
21 description of the remedial action taken or proposed;
22 and

23 (3) an assessment of the expected effect of such
24 remedial action on United States commerce, con-
25 sumers, and the United States-European Union
26 trade relationship.

1 **SEC. 5. RULE OF CONSTRUCTION.**

2 Nothing in this Act shall be construed to—

3 (1) limit the authority of the President or the
4 USTR to negotiate, enter into, or modify trade
5 agreements with the European Union;

6 (2) affect any other authority of the USTR or
7 the President under the Trade Act of 1974 (19
8 U.S.C. 2101 et seq.) or any other provision of law;
9 and

10 (3) constitute an affirmative finding that any
11 specific act, policy, or practice of the European
12 Union violates any provision of Federal law or any
13 trade agreement to which the United States is a
14 party.

15 **SEC. 6. SUNSET.**

16 (a) PARTIAL SUNSET.—

17 (1) IN GENERAL.—The requirements of this
18 Act, with respect to an individual covered
19 extraterritorial measure, shall terminate on the date
20 on which the USTR certifies to the appropriate con-
21 gressional committees that the European Union has,
22 with respect to such individual extraterritorial meas-
23 ure—

24 (A) repealed or formally amended the
25 measure to eliminate the application of the

1 extraterritorial obligations on United States
2 persons; or

3 (B) entered into a binding agreement with
4 the United States Government providing that
5 United States persons shall not be subject to
6 the extraterritorial obligations under such
7 measure with respect to conduct, operations, or
8 relationships occurring outside the territory of
9 any member state of the European Union.

10 (2) CONTINUING APPLICATION TO OTHER COV-
11 ERED EXTRATERRITORIAL MEASURES.—A termi-
12 nation under subsection (a) with respect to one indi-
13 vidual covered extraterritorial measures shall not af-
14 fect the application of this Act to any other
15 extraterritorial measure.

16 (b) FULL SUNSET.—The requirements of this Act
17 shall terminate with respect to each covered
18 extraterritorial measure on the date on which the USTR
19 certifies to the appropriate congressional committees that
20 the requirements of subsection (a)(1) have been satisfied
21 with respect to each covered extraterritorial measure.

22 (c) CERTIFICATION INCLUSION.—A certification
23 under this section shall include a determination that the
24 repeal, amendment, or binding agreement fully and effec-

1 tively eliminates the burden on United States commerce
2 attributable to the relevant extraterritorial measure.

3 **SEC. 7. DEFINITIONS.**

4 In this Act:

5 (1) APPROPRIATE CONGRESSIONAL COMMIT-
6 TEES.—The term “appropriate congressional com-
7 mittees” means—

8 (A) the Committee on Ways and Means of
9 the House of Representatives; and

10 (B) the Committee on Finance of the Sen-
11 ate.

12 (2) COVERED EXTRATERRITORIAL MEAS-
13 URES.—The term “covered extraterritorial meas-
14 ures” means—

15 (A) Directive (EU) 2024/1760 of the Eu-
16 ropean Parliament and of the Council of June
17 13, 2024, on corporate sustainability due dili-
18 gence and amending Directive (EU) 2019/1937
19 and Regulation (EU) 2023/2859;

20 (B) Directive (EU) 2022/2464 of the Eu-
21 ropean Parliament and of the Council of De-
22 cember 14, 2022, amending Regulation (EU)
23 No 537/2014, Directive 2004/109/EC, Directive
24 2006/43/EC and Directive 2013/34/EU, as re-
25 gards corporate sustainability reporting;

1 (C) Regulation (EU) 2023/1115 of the Eu-
2 ropean Parliament and of the Council of May
3 31, 2023, on the making available on the Union
4 market and the export from the Union of cer-
5 tain commodities and products associated with
6 deforestation and forest degradation and repeal-
7 ing Regulation (EU) No 995/2010;

8 (D) Regulation (EU) 2023/956 of the Eu-
9 ropean Parliament and of the Council of May
10 10, 2023, establishing a carbon border adjust-
11 ment mechanism (Carbon Border Adjustment
12 Mechanism or CBAM); or

13 (E) any successor directive, regulation, or
14 implementing measure of the European Union
15 or any member state of the European Union
16 that imposes substantially similar
17 extraterritorial due diligence, reporting, emis-
18 sions accounting, deforestation-related, carbon
19 pricing, or sustainability obligations on United
20 States persons as though under the authorities
21 described in subparagraphs (A) through (D).

22 (3) EXTRATERRITORIAL OBLIGATIONS.—The
23 term “extraterritorial obligations” means, with re-
24 spect to the covered extraterritorial measures, any
25 requirement applicable to a United States person

1 with respect to the conduct, operations, or relation-
2 ships of such a person occurring outside the terri-
3 tory of the European Union, including obligations
4 relating to—

5 (A) the operations of subsidiaries or affili-
6 ates;

7 (B) supply chain or value chain partners;
8 or

9 (C) business practices, labor standards, or
10 environmental measures, emissions reporting, or
11 sustainability disclosures.

12 (3) UNITED STATES PERSON.—The term
13 “United States person” means—

14 (A) a United States citizen; and

15 (B) an entity organized under the laws of
16 the United States or any State, including any
17 subsidiary or affiliate of such entity.

18 (4) USTR.—The term “USTR” means the
19 United States Trade Representative.