United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, AUGUST 1, 2002 *No. 108—Part II*

House of Representatives

The House was not in session today. Its next meeting will be held on Wednesday, September 4, 2002, at 2 p.m.

Senate

THURSDAY, AUGUST 1, 2002

TRADE ACT OF 2002

Mr. BAUCUS. Mr. President, before we conclude today, I would be remiss if I did not thank a number of people.

First, in the House, I want to thank Chairman BILL THOMAS. He and I disagree on some things—that's for sure. But we share a common goal of both expanding trade and helping workers left behind by trade. And we share the goal of getting this to the President's desk as soon as possible so that we can help jump-start this economy. We worked together to craft a strong trade bill—and I thank him for his efforts.

Second—I want to thank Congressmen CAL DOOLEY, JOHN TANNER, and BILL JEFFERSON, who helped craft the House fast track legislation, and also ANNA ESHOO and KEN BENTSEN, who provided so much help on TAA.

In the Senate, I first want to thank Senator DASCHLE, who has helped this trade bill move through every step of the process. I also want to thank two Senators who played a key role during the committee process—Senator BINGAMAN for his efforts on TAA and Senator BOB GRAHAM on ATPA. And I appreciate Senator BREAUX's work both during the Senate negotiations and during the conference.

I also want to give credit to a number of Senators whose efforts made this legislation much better. Senators DAYTON and CRAIG on trade laws; Senator EDWARDS on the textile negotiating objectives and also on TAA; Senator KENNEDY on access to medicines; Senator HARKIN on child labor; Senator INOUYE on some of the tuna provisions in ATPA, and Senators ROCKEFELLER, MURKOWSKI, and WELLSTONE on benefits for steel retirees.

Finally, I, of course want to thank my partner on the Finance Committee, Senator CHUCK GRASSLEY for being helpful throughout this process.

Of course, to actually complete work on a major bill like this requires the efforts of many others. For more than 18 months, many staff members have made incalculable efforts to prepare this legislation and move it to passage.

John Angell and Mike Evans oversaw the efforts of the Finance Committee staff on this legislation and all other activities of the Committee.

Greg Mastel led the effort on the Democratic staff to prepare this legislation from the first round of hearings to the final Senate vote. He was ably assisted by a tremendously skilled and energetic staff, including Tim Punke, Ted Posner, Angela Marshall, Shara Aranoff, and Andy Harig.

The Finance Committee health and tax staffs also played an important role, especially Liz Fowler, Kate Kirchgraber, Liz Liebschutz, Mitchell Kent, and Mike Mongan.

The Finance Committee also benefited from the able efforts of the leading Republican staff members, Everett Eissenstat and Richard Chriss.

In the House, the staff of the Ways and Means Committee and the New Democrats who supported this bill deserve similar credit.

This legislation also literally would not have been possible without the help of our skilled legislative counsel, Polly Craighill, Stephanie Easley, and Ruth Ernst, and Mark Mathiesen.

Finally, I would say a word of thanks to the many members of the Administration who staffed and supported this legislative effort, including Grant Aldonas, Faryar Shirzad, Peter Davidson, John Veroneau, Heather Wingate, Brenda Becker, Penny Naas, and many others.

I—as well as the Senate and the country—owe you all a debt of gratitude.

I also rise today to thank one additional person who played an enormous role in the passing of this trade bill—Howard Rosen.

I do not believe there is a person in this country who feels more passionately about the TAA legislation than Howard Rosen. He helped write this bill, he worked hard to encourage Members of the Senate and Members of the House to support this bill, and he is a big reason that we now have such a good TAA program.

And I know Howard's efforts will not end here. I know he will keep working to make TAA an even better program. We all owe him a great deal of thanks.

ANTICIRCUMVENTION

Mr. BREAUX. Mr. President, I want to bring to the Senate's attention a section of the conference agreement that is extremely important to the future of the U.S. sugar program and to the workers and companies in the domestic sugar industry. As the gentleman from Montana knows very well, I am talking about Section 5203 of the Trade Act of 2002, regarding sugar tariff-rate quota circumvention. The policy established in Section 5203 on sugar tariff rate quota circumvention is very

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

important to the future of the sugar industry in Louisiana and the United States.

Mr. BAUCUS. I am very familiar with Section 5203 and its importance to the future of the domestic sugar industry, including the sugarbeet growers and processors in Montana. I would like to take this opportunity to commend Senator BREAUX, Senator CRAIG, and Senator THOMAS for the work they have been doing to address the problem of circumvention of the tariff-rate quotas on sugar and sugar-containing products.

Mr. BREAUX. I accept those kind words on behalf of all of the Senators who are working on this issue. Let me explain the problem briefly. The price of sugar on world markets is almost always very low and is often below the cost of producing sugar even in the most efficient sugar industries. This phenomenon is caused by subsidization of sugar exports by the European Union and other governments, and by dumping by companies that must export their sugar at any price to avoid harming their domestic markets.

The U.S. sugar program is intended to keep the price of sugar in the U.S. market at a level that assures a reasonable return to U.S. growers, processors and refiners of cane and beet sugar. A primary component of the program is WTO-legal tariff-rate quotas on imported sugar and sugar-containing products under Chapters 17, 18, 19 and 21 of the Harmonized Tariff Schedule of the United States. These quotas keep world price sugar from disrupting the U.S. sweeteners market and assure countries that are historical suppliers of the U.S. market that they will benefit from U.S. prices.

If the tariff-rate quotas do not keep dumped world price sugar off the U.S. market, the sugar program will be severely damaged. Therefore, it is essential that attempts to circumvent the tariff-rate quotas be identified and stopped promptly.

Mr. BAUCUS. I agree. Circumvention definitely has been a problem for the sugar industry. Do you have some examples of such practices?

Mr. BREAUX. There are many different kinds of circumvention. For example, designing and importing nonquota sugar-containing products that have no commercial use or using processing technologies that make commercial extraction of sugar from historically traded nonquota products an economically viable source of sugar. A specific example of one kind of circumvention is stuffed molasses, in which sugar is added to molasses outside the United States and removed from the molasses after importation in the United States. Another example is a product that is created by interrupting the normal refining process of raw cane sugar after the first removal of sugar, or first ''strike,'' outside the United States, addition of that product to raw cane sugar while it is being refined in the United States. These are not the only methods used for circumvention. Importers will try variations of circumventing products that were imported in the past, and they will try to devise new methods for circumvention.

Section 5203 directs the Secretary of Agriculture and Commissioner of Customs to monitor continuously imports of products provided for under Chapter 17, 18, 19 and 21 of the HTS for indications that products are being used for circumvention. It is my understanding that ''continuously'' means looking at import statistics for each month. If they see anything suspicious, such as significant increases in imports over historic levels or a change in the ports of entry from the historic pattern, they will look into the transactions to assure themselves there is no circumvention or to determine precisely how the circumvention is being carried out. The Secretary and the Commissioner shall report their findings and make recommendations for action to Congress and the President every six months in a public report.

Mr. BAUCUS. As Chairman of the Senate Finance Committee and Co-Chair of the Conference Committee, I agree that you have accurately described this important section and its intent.

Mr. BREAUX. Thank you, Chairman BAUCUS for clarifying this issue. You clearly understand the importance we attach to this monitoring, reporting, and recommendation program. I also want to emphasize that we expect the Secretary of Agriculture and Commissioner of Customs to move quickly as soon as H.R. 3009 is signed into public law to establish an effective monitoring, reporting and recommendation program under section 5203.

AGOA

Mr. GRASSLEY. I would like to ask the chairman of the Finance Committee to engage in a colloquy for the purposes of clarifying several provisions in this conference report as they relate to the African Growth and Opportunity Act, known as AGOA.

Mr. BAUCUS. I would be pleased to engage in a colloquy on that subject.

Mr. GRASSLEY. Section 3108(a)(3) of the conference report amends section 112(b)(3) of AGOA, which provides for duty-free access for apparel made from regional fabrics, subject to a quantitative cap.

Mr. BAUCUS. That is correct.

Mr. GRASSLEY. As I understand it, section 112(b)(3) of AGOA, as amended by the conference report, would also cover garments made from regional fabrics that also incorporate U.S. formed fabrics made from U.S. yarns, U.S. formed yarns, or U.S. formed fabrics not made from yarns that are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States. An example of this might be a tailored coat made from African wool, that incorporates U.S. fabrics, linings, interlinings, or pocketing material. As you understand it, would such a garment be eligible for benefits under this provision?

Mr. BAUCUS. I believe that such a garment would be eligible for benefits under that provision. A garment entered under the regional fabric provision of AGOA is not ineligible for benefits simply because it happens to incorporate U.S. yarns, fabrics, or components.

Mr. GRASSLEY. A related question concerns the increase in the quantitative cap, provided for in Section 3108(b) of the conference report. As I understand it, the cap increases represent an approximate doubling of the percentages used in setting the caps under current law, except the increase can only be used for garments containing regional or a mixture of regional and U.S. inputs.

Mr. BAUCUS. That is correct. The cap is set as a percentage of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available. Under current law, the applicable percentage for the 1-year period beginning October 1, 2000 was 1.5 percent. The applicable percentage increases by equal annual increments, so that for the period beginning October 1, 2007, the applicable percentage does not exceed 3.5 percent. Under that formula, the applicable percentage for the 1-year period beginning October 1, 2002 will be approximately 2.072 percent. Under section 3108(b)(1) of the conference report, that percentage will be increased by 2.17 percent. In other words, the new applicable percentage for the year beginning October 1, 2002 will be 4.242 percent. However, with respect to the increase over current law, *i.e.,* the additional 2.17 percent in the year beginning October 1, 2002, garments must be made from regional or a mixture of regional and U.S. inputs.

The conference report further provides that in future years, the applicable percentage will increase by equal increments, such that the applicable percentage for the 1-year period beginning October 1, 2007 will be not greater than 7 percent. For each year, the increase over the applicable percentage under current law pertains only to garments made from regional or a mixture of regional and U.S. inputs.

Mr. GRASSLEY. I appreciate the clarification.

TUNA CERTIFICATION OF ORIGIN IN THE ANDEAN TRADE PREFERENCE ACT

Mrs. BOXER. Mr. President, I have long been involved in dolphin conservation efforts. In the past, tuna boats were one of the leading causes of dolphin mortality. As a result of legislation that I and others worked on, tuna fishing practices have been modified and dolphin deaths have dropped dramatically.

In part, that success has come from clear regulations regarding dolphin-safe fishing practices and requirements that must be met before tuna can receive the ''dolphin-safe'' label. The

United States tracks foreign tuna and determines whether it is dolphin-safe by requiring foreign parties to supply a Certificate of Origin for imported tuna. Specifically, I am referring to the National Oceanic and Atmospheric Administration's Form 370, which is required under the Marine Mammal Protection Act of 1972.

I am concerned that the reference to a Certificate of Origin in Section 3103(b)(5) of H.R. 3009 may inadvertently create some confusion regarding existing tuna certificate requirements. It is my understanding that the Chairman of the Finance Committee did not intend for this section to affect existing requirements that imported tuna be accompanied by a Certificate of Origin (i.e. NOAA Form 370) as required under the Marine Mammal Protection Act.

Mr. BAUCUS. It is my understanding that nothing in the conference report supercedes or repeals the provisions of law to which the Senator from California refers.

Mr. BREAUX. Mr. President, it is also my intent that the Andean Trade Preference Act not pertain to existing requirements that foreign parties provide a Certificate of Origin for tuna imported into the United States. This certificate, or Form 370, is necessary to verify whether imported tuna qualifies for the ''dolphin-safe'' label. This bill should not affect that process.

Mrs. BOXER. I thank my colleagues.

TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

Mr. KERRY. Mr. President, I want to take this opportunity to engage in a colloquy with the Senator from Montana, Senator BAUCUS and the Senator from Louisiana, Senator BREAUX.

I would like to congratulate you both on your work in the Finance Committee and particularly thank you for your dedication to passing a strong Trade Adjustment Assistance bill. This is a strong step forward for U.S. workers indeed; however, I would like to seek your clarification as to whether fishermen are eligible for the program.

Mr. BAUCUS. Thank you, Senator KERRY. I would also like to thank you for all of your efforts in helping both in the Committee and on the floor to draft a strong bill that addresses the needs of America's businesses, farmers, and workers.

It was certainly my intent as Chairman of the Finance Committee and the lead conferee on the part of the Senate to make fishermen eligible for the Trade Adjustment Assistance for Farmers program. It is my understanding that Trade Adjustment Assistance for Farmers covers all commodities (including livestock) in the raw or natural state. The Trade Act of 1978, defines the term ''livestock'' to cover not only cattle, sheep, goats, swine, poultry (including egg-producing poultry), and equine animals used for food or in the production of food, but also ''fish used for food.'' Also, the Food for Peace program, otherwise known as P.L. 480, includes ''fish'' under its definition of ''agricultural commodity.''

Mr. BREAUX. Senator BAUCUS, I was a member of the conference committee as well and it was my understanding that fish would be a qualifying agricultural commodity for the purpose of this act. Is that correct?

Mr. BAUCUS. Yes, my intent is that fish—wild, farm-grown, or shellfish—and inherently fishermen, be considered for the purpose of the Trade Adjustment Assistance Program for farmers. Also, fishermen can apply and should be eligible for the regular TAA for workers provisions.

Further, there is also a study added to the conference report on the topic of fishermen and TAA. It is my hope that this study will address the recent controversy about the application of the TAA for firms to fishermen as well as provide direction on future approaches to ensuring that fishermen are treated equitably under TAA, including whether a separate TAA for Fishermen program should be created.

Mr. KERRY. Thank you for that clarification, Senator BAUCUS. It is important that we make these programs work for all of America's workers, and I look forward to working with you to make that happen. It is my understanding that the Administration is preparing letters specifically outlining TAA eligibility for fishermen, and I look forward to receiving those very soon.

Mr. GRASSLEY. Mr. President, I rise in strong support of the conference report to accompany H.R. 3009, the Trade Act of 2002 and urge my colleagues to support cloture and final passage of the bill.

This bill is the product of over a year and a half of intense negotiations, discussion, and debate among Republican and Democrats in both Houses of Congress. Because of these efforts, the Trade Act strikes a solid and balanced compromise among a number of key issues and competing priorities. It is a product which should receive broad support here in the Senate today.

The Trade Act of 2002 renews Trade Promotion Authority for the President for the first time in almost a decade. Through a spirit of compromise, Democrats and Republicans were able to break the deadlock of TPA and reach a balanced compromise on a number of key issues.

For example, for the first time TPA contains a negotiating objective on labor and the environment. Negotiators are directed to seek provisions in trade agreements requiring countries to enforce their own labor and environmental laws. These negotiating objectives also recognize a country's right to exercise discretion and establish its own labor and environmental standards without being subject to retaliation.

The bipartisan TPA provisions also contain carefully balanced provisions on investment, which preserve the fundamental purpose of the investor-state dispute settlement procedures while ensuring that they are not subject to abuse. The TPA provisions preserve the ability of the United States to enforce our trade remedy laws which help combat unfair trade practices.

Finally, they contain unprecedented consultation procedures which ensure meaningful and timely consultations with Congress every step of the way, without curtailing the President's ability to negotiate good agreements.

In short, the Bipartisan TPA bill provides the President with the flexibility he needs to negotiate strong international trade agreements while maintaining Congress' constitutional role over U.S. trade policy. It represents a thoughtful approach to addressing the complex relationship between international trade, worker rights, and the environment. And it does so without undermining the fundamental purpose and proven effectiveness of Trade Promotion Authority procedures. It is an extremely solid bill which I am proud to support.

I would like to include some material for the RECORD which provides some background on how we got to where we are today.

Today we are on the verge of passing this critical bill and sending it to the President's desk for his signature. I want to recognize Chairman BAUCUS' strong efforts during the recent House-Senate conference on the Trade Act. I think they were key to our success.

I would now like to briefly outline two other provisions in the bill—Trade Adjustment Assistance and the Andean Trade Promotion Act.

First on TAA. The Trade Act reauthorizes and improves Trade Adjustment Assistance for America's workers whose jobs may be displaced by trade. I think the TAA provisions in the Trade Act are a vast improvement over the legislation that passed the Senate. The Senate TAA bill would have entirely rewritten existing law. In doing so, the Senate bill added a number of new, costly definitions, time-lines and ambiguous administrative obligations. The Trade Act removes these burdensome and ill-advised changes.

Unlike the Senate bill, the Conference Report simply amends and builds upon existing law. It adds new provisions which help to actually improve the TAA program while maintaining its linkage to trade. The TAA provisions in the Trade Act consolidate the TAA and NAFTA–TAA programs, thereby establishing a uniform set of requirements. It triggers immediate provisions of rapid response and basic adjustment services and streamlines the petition approval process.

The act also reduces by one-third the time period in which the Secretary must review a petition. At the same time, the TAA provisions drastically scale back the number of workers who can be eligible for TAA, thereby ensuring that only those workers who are truly impacted by trade and in need of

retraining are eligible for assistance. The Trade Act includes a 65 percent health insurance tax credit, and presents a firm, clear alternative to expanding Medicaid and over government run health insurance coverage.

In short, the Trade Act improves the Senate passed TAA bill and represents a more balanced approach to ensuring that workers displaced by trade get the assistance and training they need to quickly re-enter the workforce and compete in the international environment.

There is another extremely important provision in the Trade Act that I would like to briefly mention, and that is the Andean Trade Promotion and Drug Eradication Act. This provision will help eradicate drug trafficking in the Andean nations by helping to create new employment opportunities for the citizens of Bolivia, Ecuador, Colombia and Peru. It is a vital piece of legislation for our Andean neighbors and a critical tool in our effort to fight drug trafficking.

The intent of the Andean Trade Preference Act, from the beginning, was to advance our efforts to combat illegal drug production and trafficking. It was then and is now not so much a trade initiative as it is an effort to assist important allies in a critical fight. The nations of Latin America expect us to continue to stand by their side as we fight the scourge of drugs. They have paid a high price to aid us in this effort. It is a battle we cannot afford to lose. So we cannot fail to do our duties as legislators and provide them with the support they need with this important legislation.

Before I conclude, I want us to step back and take a look at the big picture.

I will be the first to admit that this bill is not perfect. There are provisions in this bill which I do not support and there are many items I wish were in the bill that are not. But all in all it is a good, fair, and balanced package. It deserves our strong support, especially in this changing international environment.

International trade has long been one of the most important foreign policy and economic tools in our arsenal. It was a key component of our post-World War II international economic strategy. For over fifty years international trade contributed to stability and economic growth throughout the world. It helped to lift the nations of Europe and Asia out of the ashes of World War II. And it helped America experience unprecedented prosperity here at home. International trade can play a similar role at the beginning of the twenty-first century. But our nation must have the tools to lead. This bill will make a difference. Nations around the world are waiting for our call and our leadership.

Today, the eyes of the world are on the Senate. We cannot let them down. I urge my colleagues to support the conference report, vote for cloture and final passage of the bill.

I ask unanimous consent to print the information I earlier referenced in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TRANSCRIPT EXCERPT FROM THE MARK-UP OF THE TRADE ADJUSTMENT ASSISTANCE BILL S. 1209—DECEMBER 4, 2001

OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM IOWA

Senator GRASSLEY. Thank you, Mr. Chairman.

Obviously, I will repeat some of the things that I said the other day.

The CHAIRMAN. It does not have to be obvious. You can change.

Senator GRASSLEY. Well, these are things that I think we need to remind ourselves of, particularly the bipartisanship of this committee.

When this mark-up began last week, I stated that I support Trade Adjustment Assistance. I do not support it, though, in the partisan way that this legislation has been advanced.

Now, you took time during your statement to show how there had been cooperation among Republicans and Democrats to deal with some things that ought to be in Trade Adjustment Assistance.

So, my remarks in regard to the partisan way are related to the bill containing provisions from the Democratically-passed stimulus package that makes sweeping and permanent changes to our health care system. Just as my colleagues on the other side failed to work in a bipartisan fashion on economic stimulus, they have followed the same course again on these health provisions for Trade Adjustment Assistance.

These things should be taken up as part of our consideration of health programs and not be mixed with, or at least on the stimulus package, Trade Adjustment Assistance.

I think we have a situation here, as I said a week ago, where we have got two very good bills. I think when we finally get a Trade Adjustment Assistance bill, unless, for instance, it were to have these health care provisions in it, you have got a bill that will pass the Senate almost unanimously.

I think that we would have a situation, if we got trade promotion authority out of here, and one that I think would be very much a bipartisan bill, would pass the Senate overwhelmingly, not unanimously or near-unanimously like Trade Adjustment Assistance might.

But when you are going to bring these bills to the floor of the Senate where there is not an arrangement for both to go, whether they go together or go separately, we have a situation where there are two very popular public policy decisions that could be on the Senate floor that could pass by big margins. But one will not pass without the other. That is not a whole lot different than when Trade Adjustment Assistance first came in to public policy 40 years ago. They kind of came in together.

So I want to say, again, that we must not lose sight of the importance then of renewing the President's trade promotion authority this year. I know that some members of this committee believe that we should act only after the House has acted on this very important piece of legislation.

But it appears to me that this is a criteria that is selectively applied. All you have to do is look at what we are doing this morning, marking up Trade Adjustment Assistance legislation before the House has acted. We also marked up fast track legislation in 1997 before the House acted, and it was strongly bipartisan, that the committee approved, with only one dissenting vote.

So making a committee vote on renewing the President's trade negotiating authority contingent with House action is not in accord with recent action of this committee, including what we are doing here today.

In addition, Mr. Chairman, I believe, and many members of this committee believe, that Trade Adjustment Assistance ought to be considered in tandem with legislation to renew the President's trade negotiating authority.

This is not a new idea. When President Kennedy first designed the Trade Adjustment Assistance program in the 1960s, he specifically stated that adjustment assistance was integrally linked to the Kennedy Administration's overall efforts to reduce barriers to foreign trade.

That linkage was explicitly stated in President Kennedy's message to Congress when he announced that the first Trade Adjustment Assistance program was to be part of the Trade Expansion Act of 1962.

Here is what he said in 1962: ''I am also recommending as an essential part of the new trade program that companies, farmers, workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition.''

Ever since President Kennedy created the linkage between trade expansion and Trade Adjustment Assistance, that linkage has been maintained, both by Democrat and Republican administrations.

The linkage between Trade Adjustment Assistance makes sense. It made sense when President Kennedy designed the Trade Adjustment Assistance program in 1962, so consequently it makes sense today. It ought to be preserved. I will oppose any efforts to sever the historic linkage between trade expansion and Trade Adjustment Assistance.

Finally, Mr. Chairman, I again regret that we cannot get to a vote by a date certain on the President's most important trade policy initiative. As I said last week, we should not call it trade promotion authority for the President because, quite frankly, we are talking about trade promotion authority for America.

That is because America will win if we can realize the promise of opening new markets for our farmers, ranchers, and workers. But America will also lose, our farmers, ranchers, and workers will lose, if our effort to renew the President's trade negotiating authority gets bogged down in partisan bickering.

I urge my colleagues, Democrats and Republicans alike, to work with me on trade promotion authority for America. We can do this. We must do it. We must do it in a bipartisan way, in the great and enduring tradition of this committee.

I also might add that today is the day in which we are going to start applying tariffs and other trade provisions to the Andean Pact nations, because the Andean Pact lapses today. I think that that is an example of our committee being a little late from time to time on very important pieces of trade policy that we should really push.

I think we ought to take into consideration that nations that this committee expressed last week need our help, almost unanimously—in fact, it was probably a unanimous vote—that we move ahead with the Andean Pact.

It is too bad that we have not moved quickly enough so that these nations continue to be helped, as they have been helped under the Andean Pact, and as we would expand the Andean Pact legislation to do even greater good for those nations to help themselves.

Quite frankly, it is only trade and it is not going to be aid that moves the economies of these nations along. It is really a missed opportunity now that, after all these years of

having the preferential treatment of imports from the Andean Pact nations because we felt that it was very necessary to help them to help themselves, which is what trade does, that now there is going to be a greater cost, consequently less trade. Obviously, the economies of these countries are going to be hurt.

These are the very same countries that we feel we ought to be helping, because that's where we need to strengthen their economy so that they are not so dependent upon the drugs that they produce that are coming to our country, and a lot of other reasons as well, but that is a very important one for our country.

So, I hope we have a very aggressive trade agenda, we move forward. The most important one is trade promotion authority for the President, regardless of what happens in the House of Representatives, because I do not think that the Senate is irrelevant on this issue of trade promotion authority.

I yield the floor.

The CHAIRMAN. Thank you very much, Senator. I agree with you on the Andean Trade Preferences Act which has passed this committee, and hopefully can be brought up and passed on the floor this year.

The bill is now open for amendment.

Senator Hatch?

Senator HATCH. Mr. Chairman, is it appropriate for me to offer my amendment?

The CHAIRMAN. Absolutely.

Senator HATCH. All right. I will offer on amendment that will add trade promotion authority language to the Chairman's mark. In addition, my amendment would substitute the Chairman's mark's TAA language with the administration's Trade Adjustment Assistance proposal.

Traditionally, the Finance Committee has played a leadership role in forging major bipartisan consensus legislation in the areas of importance to the American public. Mr. Chairman, you and Senator GRASSLEY both rose to that occasion in the tax bill earlier this year. Time and time again, this committee stepped up to the plate in difficult areas.

For example, we took the lead in 1997 in the Balanced Budget bill and even found a way to weave the Children's Health Insurance program into that critical legislation.

I take exception to the view that the prudent course is for this committee to wait and see what the House does on TPA. With all due respect, I simply do not agree with what the Chairman said last week, that it would be a waste of time of this committee and the whole Senate if we were to take up fast track legislation prior to the House action.

Frankly, I am not sure that there is any better use of time of this committee and the Senate than in trying to reach a compromise on trade legislation that can help jump-start our stagnating economy.

America is fighting a war against terrorism, and we are fighting this war in the midst of a deepening economic recession. As the unemployment statistics climb, it would seem wise to aggressively pursue trade policies that help to create new jobs for Americans.

We know that over the last decade, exports have accounted for between one-quarter and one-third of U.S. economic growth. We know that these export-related jobs pay about 13 to 18 percent higher than the average U.S. wage.

Mr. Chairman, I do not know about the farmers in Montana, but in the Utah Agricultural Committee they have told me that, in no uncertain terms, that community wants to see TPA pass, because one in three farm acres go for exports. They want to ship even more of their products overseas.

In my view, it was unfortunate that we let Ambassador Zoellick go to Doha last month without the mandate that TPA would have given the U.S. delegation. Economists estimate that the next WTO trade round could bring an additional $177 billion in benefits to the United States. So, it is in our national interests for U.S. negotiators to be leaders in bilateral and multilateral trade initiatives.

Now, given these facts and circumstances, many of us just do not understand how timely consideration of TPA legislation continues to elude the committee's attention.

My amendment is simple. It has two features. First, my amendment would have the committee adopt the same TPA language that the committee reported to the Senate floor back in 1997. Second, I would amend the amendment I filed last week to replace the Chairman's mark on TAA with the administration's Trade Adjustment Assistance proposal.

Now, with respect to trade promotion authority, I think that my colleagues who served on the committee will recall the provisions of old S. 1269 of the 105th Congress. There was broad bipartisan support for this measure. It was adopted by the Finance Committee on a voice vote.

Now, this amendment consists of carefully constructed language. Twice, it has survived cloture votes on the Senate floor, by a 69 to 31 vote on November 4, 1997, and by a 68 to 31 vote a day later.

Why do we not simply adopt this non-controversial support of 1997 language again today? For example, we have heard all year about the importance of labor and environment provisions.

Here is what the 1997 bill and my amendment says on that score. My amendment says, ''It is the policy of the United States to reinforce the trade agreements process by promoting respect for ''workers'' rights by seeking to establish in the International Labor Organization a mechanism for the systematic examination of, and reporting on, the extent to which ILO members promote and enforce the freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced labor, a prohibition on exploitative child labor, and a prohibition on discrimination in employment.'' What is wrong with that language?

With respect to the environment, my amendment calls for ''expanding the production of goods and trade and goods and services to ensure the optimal use of the world's resources, while seeking to protect and preserve the environment and to enhance the international means for doing so.'' So, this amendment addresses both labor and the environment, and it is no wonder why it was so broadly supported back in 1997.

Now, I have been around here long enough not to be totally shocked if my amendment is not adopted today. But I do want to leave my colleagues across the aisle with the message that I am prepared to listen to your concerns and work with you in good faith across the aisle to fashion compromise bipartisan TPA legislation that will get the job done.

I think that the bipartisan legislation put forward by Senators Gramm and Murkowski might also serve as a good vehicle to get us off the dime. Instead of sitting around waiting for the House to act, why do we not send the House and the American public a strong message that the Senate intends to pass both trade promotion authority and Trade Adjustment Assistance as soon as possible?

The political reality may be that both of these measures may have to pass, or both may fail. We can accept failure for either of these measures. While I do not believe that it should be necessary to tie these two pieces together in one bill, there are certain advantages of doing so. The suspension of production by Geneva Steel in Utah last month, the largest steel mill west of the Mississippi, has underscored to me the importance of Trade Adjustment Assistance, among other things.

For over 1,400 steelworkers and their families, the future is not clear. Unfortunately, they can benefit from some help. I want to commend Senator Rockefeller for his efforts on behalf of the steel industry at the ITC.

With respect to Trade Adjustment Assistance, I am offering the administration's proposal. We have with us at the table Mr. Chris Spear, Assistant Secretary for Policy at the Department of Labor, to discuss the details of the proposal. But I want to make a few points about this part of my amendment.

The administration's TAA proposal is a focused, balanced, and revenue-neutral approach. It expands eligibility for shifts in production benefits to workers displaced by shifts in production to countries in which the U.S. enters into a new trade agreement, thereby preserving the nexus between trade and assistance.

Recognizing that it makes no sense to maintain two similar, yet separate, TAA programs, the administration's proposal consolidates administration of the TAA program and the NAFTA TAA program. It modifies current requirements for training waivers, specifying five conditions under which training requirements may be waived.

Finally, perhaps the most innovative feature of the administration's proposal is the creation of a trade adjustment account option pilot program to offer the option of a limp sum payment in lieu of traditional TAA benefits.

The bottom line for American workers and their families has to be for Congress to successfully open up new markets for U.S. goods for the new trade agreements that TPA legislation will help spawn, and to help displaced workers through TAA.

The American people want us to work together to help solve our Nation's problems. That is what we did with the counter-terrorism legislation. That is what we will do with the bioterrorism legislation that Senators Frist, Kennedy, Gregg, and many of the others of us are developing. I hope that this committee can meet the challenge we face in fashioning both TAA and TPA legislation, and that is what this amendment attempts.

So, I want to thank you, Mr. Chairman, for making this rather lengthy statement, but I sure hope we can pass this amendment.

The CHAIRMAN. Thank you, Senator. Any comments?

Senator GRASSLEY. Mr. Chairman, I strongly support this amendment to renew the President's trade promotion authority. Senator Moynihan said, when this bill was approved three or four years ago, that it was, in his words, ''an extraordinary agreement.''

Many of my colleagues who were on the committee four years ago will recall that the 1997 bill was passed by the committee before the House acted, with broad bipartisan support. There was just one dissenting vote, as I recall.

It enjoyed equally strong bipartisan support on the floor. The motion to invoke cloture on the motion to proceed was approved by a vote of 69 to 31. This model of bipartisan trade legislation should serve as our model today.

Because it was passed by such a wide and convincing bipartisan margin just four years ago is not enough to dismiss this bill by saying that times have changed. Trade negotiating authority for the President was as controversial then as it is now. The choices in front of us in 1997 were as tough and as challenging then as they are now. The importance of the United States' leadership in trade policy was as important in 1997 as it is now.

Let us again reaffirm what Senator Moynihan said in 1997. This is an extraordinary

agreement and it is worthy of continuation of this committee's historic heritage of bipartisanship in U.S. trade policy. I urge my colleagues to again vote in favor of this legislation by adopting this amendment.

In regard to the amendment that Senator Hatch has of connecting Trade Adjustment Assistance to it, as I stated in my opening comments, this is also in regard to a tradition that was started with trade promotion authority during the Kennedy Administration.

So I would like to say a word on the administration's TAA proposal because I think the administration has been unfairly criticized in the last few days in the press about its proposal and I would set the record straight.

A tremendous amount of effort has gone into developing the administration's proposal. The administration put together a working group consisting of four cabinet-ranked officials, Secretaries Chao, Evans, and O'Neill, as well as Ambassador Zoellick. They developed this proposal.

Countless hours were spent drafting and refining a proposal that makes some very positive changes in our Trade Adjustment Assistance laws. They also did this in a very responsible way, from a budget point of view, that is. Rather than throw money at the program, they came up with a revenue-neutral approach that represents a serious and very reasonable compromise.

So, I commend the administration this morning for their outstanding work that has gone not their Trade Adjustment Assistance proposal. That is part of Senator Hatch's amendment. It is an excellent proposal and I think it deserves the consideration of this committee and the support of this committee.

The CHAIRMAN. Any further discussion?

Senator BREAUX. Mr. Chairman?

The CHAIRMAN. Senator Breaux?

Senator BREAUX. Thank you very much, Mr. Chairman. Once again, I think we have proved that we all can play great defense, but the problem is, how do you get an offense together? You cannot win unless you can score.

I think that we are in a situation now where our Republican colleagues can prevent us from passing the Trade Adjustment Assistance Act, and we can prevent them from passing fast track.

But I really question whether that is what we should be doing. We should be passing things and getting things done instead of just playing defense and blocking each other.

The House, I take it, is going to take up fast track on Thursday and there is a real question of whether they are going to pass it or not. It is very controversial over her. The Chairman has made a decision that, let us wait to see what our colleagues are going to do over in the other body.

If they pass the bill over there—which is questionable, but I think they will probably put it together and get it done—I think the Chairman has indicated that he is willing to move forward on fast track over here and do both together.

Now, here it is, 11:00. We know that we are, I think, not going to get anything done all day long in our committee. That it unfortunate. It would seem that we could get some kind of an agreement to see what the House is going to do, take both of them up, and pass both of them. I mean, that is what I would like to see done.

I am for fast track authority for this President, the last President, and the next President. I think they ought to have it. I think it is absolutely needed. I think the Trade Adjustment Assistance bill is also very important. We have got a situation where people need help, and this is a proper, appropriate federal response.

So, it is unfortunate that the defense is going to win. Defense is going to win this game today. That is pretty clear. But I just suggest that there ought to be a way to bring these concepts together and get both of them done. I think that after Thursday when the House does it, is the appropriate and proper time to do it. I am for fast track. But I think I am certainly going to follow the leadership of the Chair and say, let us wait and see what the House does. That is just a practical way to handle it.

Thank you.

The CHAIRMAN. I might say also to my good friend from Utah that it is my intention to bring up fast track before the committee if, and when, the House passes the bill. Now, the vote is scheduled for Thursday over in the House. I, frankly, question the advisability of pressing for a fast track vote here at this time in this amendment. This bill is going to lose. That might have some adverse effect on the House vote, I do not know. But I would just urge, therefore, the Senators to withdraw the amendment because our goal here is to pass both fast track and Trade Adjustment Assistance.

Now, the Chair will schedule a fast track mark-up next week. Not the end of next week. It is in good faith, next week, so that we could consider this bill. I think it is unlikely that fast track will reach the floor of the Senate this session. Highly unlikely. But, as I have said time and time again, if the House dose pass fast track, I will move it.

Senator BREAUX. Yes, certainly.

Senator BREAUX. I think the Chairman makes a good point. I would say to our Republican colleagues, to Senator Hatch in particular, we know what is going to happen with this vote. I think, if we have a fast track vote in this committee today, with the very fragile coalition we have in the House, this could be a signal to the House members that the Finance Committee killed it. I think that would be terrible for those who wanted to get it passed. We all know what is happening. I think it is a major point that it should be done.

But the House is on a string about whether they have enough votes to pass this. Those who are opposed to it over there, and some of them are Democrats, will use this vote in this committee to help get the bill killed in the House, and therefore prevent it ever coming up in the Senate. You have made your point. Do not push it to a vote because it sends a terrible signal. I think the Chairman is right on target on that point.

Senator KYL. Mr. Chairman?

The CHAIRMAN. Senator Kyl?

Senator KYL. If I could, just in response to that. I do not understand something here. I guess I have not been on the committee long enough. But if we are all for fast track, why is the vote going to lose?

The CHAIRMAN. Because this is a vote for another fast track bill. It is not even on the fast track that is before the House. It is totally different.

Senator KYL. If one ways it is totally different, then nobody in the House should take anything from a vote on this particular provision.

The CHAIRMAN. Well, but we all know that sometimes the way results are written up by the press and around, and different people interpret things different ways, I just think it is inadvisable for us to do this.

Senator KYL. I cannot believe the press would not write this—

The CHAIRMAN. I cannot either, but sometimes it happens.

I might say, too, the House has twice defeated fast track and it was withdrawn a third time. So, that is a very legitimate question of whether the House is going to pass fast track.

Senator HATCH. But would it not be comfortable if we did?

The CHAIRMAN. If I might continue.

Senator HATCH. I am sorry. I apologize.

The CHAIRMAN. I do not think we should waste our time here. That is, if the House does not vote fast track this week, then I think it is inadvisable for us to act this week, and with so few days remaining.

Senator GRASSLEY. Did you say in your previous statement, the one befoe now, that you would have a mark-up next week on fast track?

The CHAIRMAN. If the House passes fast track. Yes. If the House passes fast track, I will have a mark-up next week on fast track.

Senator BINGAMAN. Mr. Chairman?

The CHAIRMAN. Senator Bingaman?

Senator BINGAMAN. I wanted to also just say a word about the other aspect of Senator Hatch's amendment. As I understand it, is to adopt the Trade Adjustment Assistance proposal the administration has made.

Senator HATCH. Right.

Senator BINGAMAN. I think that would be a major mistake and a major disappointment for a lot of workers around the country. The truth is, it is revenue-neutral. That means that we are essentially saying that we will be spending no more on Trade Adjustment Assistance in the future than we have spent in the past.

Benefits will not be improved in any of the respects that we are intending to in the bill that we are currently trying to proceed with the mark-up on. There will be no assistance to communities.

There will be no assistance to secondary workers. There will be no extension of benefits from 52 to 78 weeks for those who are trying to get training to go into other lines of work. I think that would be a major disappointment for a lot of people. So, I hope very much that, on that ground alone, we would turn down the amendment that the Senator from Utah has offered.

Senator GRASSLEY. I do not know exactly what the author of the amendment will do. But I would hope that, with the statement by the Chairman that he will mark up next week if the House passes a bill, conversely, that this will give some encouragement to the House of Representatives to move forward and pass it because we have a commitment then that this is not going to be bottled up in this committee. That does not mean what is going to happen on the floor of the Senate, but at least it will not be bottled up here by the Chairman. That might encourage the House to move forward with it.

I yield.

Senator HATCH. If I could just ask, before I make this momentous decision. I have listened to my colleagues.

The CHAIRMAN. Careful.

Senator HATCH. I am very considerate of my colleagues most of the time, I think. But could I ask Mr. Spear to tell me why Senator Bingaman is not right? I mean, I know why, but I would like to hear it from you.

Mr. SPEAR. Well, Senator, there are some significant differences.

Senator HATCH. You can be a little more diplomatic. You do not have to refer to Senator Bingaman. [Laughter].

Mr. SPEAR. There are some significant differences in the two proposals and I would be remiss if I did not say that the administration is grateful to have had the opportunity to work collaboratively with staff on both sides of the aisle for several months now.

I think since May, when we first started discussing ways to improve the program, we each had different solutions to that. I think both proposals tried to get at the same goal, just in different ways.

I think, in terms of secondary workers, COBRA care, extended income support, these

are all significant things that are items that stand out in the Chairman's mark that are not present in the administration's proposal.

The administration worked very hard, based on three GAO reports and a recent IG report in the Department of Labor to improve its program. I do not recall any income recommendations made in those reports that would justify bolstering more money in the program to enhance the performance.

I think what we tried to do is to increase performance, to get results, stress training, which is mandatory under the program, and make certain that people get placed as quickly as possible. I think that is the goal of the program. I think the administration's mark gets to that point.

Senator SNOWE. Mr. Chairman?

The CHAIRMAN. Senator Snowe?

Senator SNOWE. Thank you. Mr. Chairman.

I hope that we could sever these issues because I do think it is extremely important to move ahead on the reauthorization of the Trade Adjustment Assistance.

But, more than reauthorization, it is an expansion on the program itself based on the need and tailored to some of the issues that have been developed as a result of so many displaced workers. The demands have been extraordinary on the program, so obviously we need to do far more in providing needs to displaced workers.

It does include health care provisions, although I do not agree with the provisions that are in this legislation, particularly. I did support the original provisions that were included in Senator Bingaman's bill. Hopefully we will get back to that, because I think 75 percent, based on this legislation, is unprecedented.

But, in any event, I do think we need to go forward with this legislation, and based on changes. I know I have worked with the administration as well and they have been commenting on a number of issues, and I have worked with the Chairman and Senator Bingaman, who have been very responsive to some of my issues as well.

I do think that we have to expand the program to include secondary workers, as well as a program for farmers and fishermen, increasing the amount of money available for retraining. In my State of Maine, we have lost thousands and thousands of manufacturing jobs. In just the last few years, there have been more than 7,000 workers in my State that have depended upon the Trade Adjustment Assistance program.

So, it is not only necessary to move forward with this program, but also to move forward in a way that reflects and accommodates the additional issues that need to be addressed through this reauthorization process that provides a far better benefit to displaced workers, reflects the realities of the workplace in making sure they have that kind of support.

In addition, I do think it is critical to provide support to communities. Obviously, when manufacturing plants or any plants are closed down in a community in small towns like in my State, clearly it has a reverberating effect throughout the community.

So, we have to identify those firms that had a direct, and in some cases indirect, relationship with the plant that closed that really does present a hardship in the particular community. I think we also have to provide additional support for retraining, as has been recommended in the legislation before us.

I would hope that we would separate these two issues. I am not sure where I am on the trade promotion authority. That is something that I am certainly going to reflect upon. I do think that we should mark up that legislation and have a date-certain commitment if the House of Representatives does move forward in this legislation this week.

I do think that that is going to be important to address in the final analysis, and I am prepared to work on that legislation this month as well, Mr. Chairman and Ranking Member Senator Grassley, who I know is a strong supporter of the trade promotion authority. Thank you.

Senator HATCH. Mr. Chairman?

The CHAIRMAN. Senator Hatch?

Senator HATCH. Mr. Chairman, I would like a vote on this. But I can see which way the vote is going to go and there is no reason to put anybody through that.

Would the Chairman commit to a good-faith effort to, if the House does not pass this or they do not act on this, to bringing this up after the first of the year?

The CHAIRMAN. Senator, I think we all favor fast track. We all want a fast track that is fair and responsible to American people. I think that a vote today reporting out TAA sends a very strong positive signal for expanding trade, and I hope we pass that bill out today.

With respect to your specific question, in the event the House does not pass fast track this session, then next year I will, at the earliest possible time, look for a time when we can take up in the committee and have a mark-up on fast track. I cannot give a specific date because next year is next year.

Senator HATCH. Sure.

The CHAIRMAN. It is just hard to tell what the timing is next year. But I do think that it is appropriate for us to try to take it up.

Now, on the other hand, if the House vote is very negative, then it might make sense for us to wait a little longer, or maybe speed it up. It is hard to tell.

Senator HATCH. Or we might have to lead on.

The CHAIRMAN. You just have my attention, that I will bring up fast track as early as practical within a reasonable way, because we all want to get fast track passed in a way that makes sense.

Senator HATCH. All right. Well, I have listened to my colleagues. It is apparent that it would be basically defeated for a variety of reasons here today, so I will withdraw the amendment and listen to my colleagues.

The CHAIRMAN. I thank the Senator.

Mr. HUTCHINSON. Mr. President, I rise in support of the Conference Agreement on Trade Promotion Authority. Since 1994, when trade promotion authority lapsed, America has been on the sidelines while other countries have negotiated free trade agreements beneficial to those countries and harmful to us. Our trading partners around the world have sealed deals on approximately 150 preferential trade compacts, many within our own hemisphere. Yet the United States is party to only three.

Encouraging trade has been an undeniable benefit for Arkansas' economy. Arkansas export sales of merchandise for the year 2000 totaled $2.07 billion, up over 13 percent from 1999 and 86 percent higher than the State's 1993 total of $1.11 billion. Arkansas exported globally to 134 foreign destinations in 2000. More than 69 percent of Arkansas's 1,456 companies that export are small- and medium-sized businesses, and 61,700 Arkansas jobs depend on manufactured exports. Wages for those jobs are 13 to 18 percent higher than the national average. For 8 years the United States has missed out on opportunities to increase trade, opportunities we frankly could not afford to miss. Today the Senate will complete our debate on granting the President trade promotion authority.

This critical legislation gives the President the authority to negotiate and bring trade agreements to Congress that will eliminate and reduce trade barriers relating to manufacturing, services, agriculture, intellectual property, investment and e-commerce. Most importantly, this legislation ensures that Congress can fulfill its constitutional role in U.S. trade policy and fight for the interests of U.S. workers as well as industry.

One area of the conference agreement that deserves special recognition is the treatment of trade remedy laws. Our Nation's trade laws are essential to U.S. manufacturers, farmers, and workers. I am strongly committed to preserving U.S. trade laws, as are many of my colleagues. Many of us have written to the President, stating our opposition to trade agreements that would weaken trade remedy laws. The Senate commitment to preservation of the U.S. trade law is unequivocal.

The conference agreement speaks very clearly to this commitment. The legislation before us upgrades, as a ''Principal Negotiating Objective,'' the preservation of the ability of the United States to vigorously enforce its trade remedy laws. This agreement officially codifies our commitment to the preservation of these laws and to avoid weakening measures. It also includes provisions directing the President to address and remedy market distortions that lead to dumping and subsidization.

Additionally, the conference agreement provides for close consultation between the administration and Congress throughout ongoing trade negotiations. It requires the President to report to Congress 180 days, before entering into a trade agreement, describing the trade law proposals that may be included in that agreement and how these proposals fulfill the principal negotiating objectives. After that report has been submitted, Congress may consider a resolution under special rules expressing disapproval of any trade law weakening provisions that may be included in a trade agreement.

As the administration moves forward with trade negotiations, I urge our negotiators to view the measures adopted today as a clear signal that Congress will take seriously any attempts to weaken our domestic trade laws in the context of these negotiations. The laws currently in place, particularly the antidumping and countervailing duty laws, ensure that free trade is also fair. These laws are of critical importance to U.S. manufacturers, farmers, and workers, and they must be preserved. I plan to follow our multilateral trade negotiations very closely with an eye toward assuring the integrity of these laws.

Mrs. MURRAY. Mr. President, I rise to indicate my support for the Andean Trade Preference Act conference report

now before the Congress. As my colleagues know, this conference report contains a number of trade provisions, including Trade Promotion Authority.

As I have said throughout my service in the Senate, Washington State is the most trade-dependent State in the country. Trade and our ability to maintain and grow international markets for our goods and services is tremendously important to my State. It is an economic issue, a family-wage jobs issue for my constituents who are accustomed to international competition. With these new trade tools, the President can give Washington State exporters new and expanded opportunities abroad. Expanded trade can play a role in job creation and economic recovery for Washington State.

The conference report, like all legislation, is a compromise. And while I would have liked to see even stronger provisions on trade adjustment assistance and worker and environmental protection, the conference report represents real progress on many issues I have worked on and supported over the years.

More workers will be eligible for trade adjustment assistance. Some workers from secondary industries will be covered for the first time under the conference report. The Senate bill provides a new health benefit to displaced workers.

The Senate bill provided a stronger health benefit for displaced workers. The conference report provides a 65-percent up-front, refundable tax credit for COBRA coverage which is slightly less than the 70-percent up-front credit provided by the Senate bill. This is a significant benefit. Congress will have to monitor closely the degree to which displaced workers are able to access the benefits. If necessary, I will not hesitate to support further modification of this program to allow displaced workers and their families to keep their health insurance. This is an issue of ongoing interest to me.

Fast track or trade promotion authority has been debated extensively now for 8 years. The President will soon have the authority that he and his Democratic predecessor sought. As the administration looks forward to difficult trade talks with Chile, Singapore, and others, I call upon the President and USTR Zoellick to be true to the debate the Congress has had on trade promotion. Many important issues have been raised. And while not all are included in the final conference report, the issues raised by the Congress will play a role in final approval of any trade agreement negotiated with TPA.

I am concerned that this administration will not be inclusive in upcoming trade negotiations. Members of Congress and outside groups have a legitimate role to play in setting national trade priorities and policy and I encourage the administration to be respectful of these roles. I have had several discussions with Ambassador Zoellick and he has demonstrated to me an awareness of important issues to my State. The administration should not misinterpret today's TPA vote. It is not a vote for a trade agreement. Congress will closely scrutinize the work of this administration as it negotiates as well as any agreement submitted for consideration under TPA's expedited procedures. I will be a very interested observer as the President and his trade team move forward.

The tremendous importance of international trade to my State, my entire State is the strongest argument for my vote in support of trade promotion authority.

I look forward to continuing to work with my colleagues, my constituents and the administration on important international trade issues. Today's vote is an important step, a complicated step but ultimately the right step for our country.

Mr. ROCKEFELLER. Mr. President, I rise in opposition to the conference agreement on the Andean Trade Preferences Act of 2002 that will grant the President authority to negotiate trade agreements and send them to Congress for a straight up or down vote on an expedited schedule. This Administration has not demonstrated that it will preserve our existing trade laws when making international agreements. That means American workers are very likely to be injured by new trade deals, and I cannot in good conscience give up my rights to protect them through the traditional legislative process. I will vote no on this conference agreement.

I remind my colleagues that within the first few months of this Administration, U.S. trade negotiators put our trade laws on the table at the urging of foreign interests, as they sought to reach an agreement for the agenda of the upcoming trade round in Doha, Qatar. That happened even though 62 Senators had written the President and told him that we did not want any weakening of our trade laws as part of those negotiations. And it happened even though personal commitments had been made to me, as a Member of the Senate Finance Committee, that such actions would not be taken. The Administration knew very well that a clear, strong bipartisan majority in the Senate believed we should fully protect our trade laws, and they made them a bargaining chip anyway.

Without the assurance that our existing unfair trade laws—including our antidumping, countervailing duty laws, will be protected and aggressively enforced in all instances, I cannot give new authority to the President to negotiate treaties that could leave American workers without needed remedies for unfair trade. West Virginia's hard experience with illegal trade shows why we must maintain the minimal protections provided by our existing trade laws.

As a member of the Senate/House conference committee that hammered out this agreement, I know that Members of good faith worked hard to produce a bill that balances trade promotion and assistance for workers displaced by trade. In my judgment, the beneficial provisions that help displaced workers in this package do not offset the damage that could be done to American workers through the virtually inevitable weakening of our trade laws.

During the Senate debate, I made it clear that I had tremendous concern about the potential for new trade agreements to weaken U.S. trade remedy laws, in particular the antidumping and countervailing duty laws. These essential laws level the playing field on which our firms and workers compete internationally, and they serve the crucial function of offsetting and deterring some harmful unfair trade practices affecting international trade today.

I know the Chairman of the Finance Committee shares my concern that we preserve these laws, but we have a disagreement over the effect that granting fast track to the President will have on our ability to do so. While I believe it would be a serious mistake for any Administration to think that a trade agreement or package of agreements can be successfully presented to Congress for any approval, fast-track or otherwise, if it includes weakening changes to our trade remedy laws, I fear that is exactly what this Administration has demonstrated, through its own actions, that it intends to do.

This trade bill will make it considerably easier for the Administration to change our trade laws in international negotiations because it deletes the Dayton-Craig amendment that I, and 60 of my Senate colleagues, voted in favor of adopting. The Dayton-Craig amendment would have ensured that the Senate could separately consider any changes to the trade laws. The final conference agreement, regrettably, diminishes congressional leverage to protect the trade laws. The conference agreement replaces Dayton-Craig with a process whereby either House can pass a nonbinding resolution expressing opposition to proposed changes to our fair trade laws. The Administration could ignore this resolution with no penalty.

Arguably, the conference report changes might make it even more difficult for Congress to withdraw fast track, because it would allow only one of either the nonbinding resolution or the more meaningful ''procedural disapproval resolution'', withdrawing fast track, on any trade agreement. Therefore, if a nonbinding resolution had already been reported out of the Senate Finance Committee or the House Ways and Means Committee, both houses would then lose the right to introduce ''procedural disapproval resolutions'' on the same. The procedural disapproval resolution was a key element of how the original Senate bill sought to protect U.S. trade laws, and losing the right to introduce it will actually

limit Congress' ability to withdraw fast track.

As a conferee on this trade bill, I entered conference negotiations understanding that many of the conferees believed we needed to make adjustments to the Dayton-Craig language. Unfortunately, the final agreement did not retain the basic underpinnings of Dayton-Craig—that we include some mechanism to allow Congress to remove any efforts to weaken our trade laws from trade agreements returned under fast track. This is a grave failure of the conference. I believe we will come to deeply regret the conference changes in this regard and that American workers will suffer for it.

For my part, I will continue to strongly oppose any weakening changes to our trade laws, whether in the WTO, as part of any deal brought back under fast track negotiating authority, or in any other form. But the final language of the conference agreement will make it harder for me to protect U.S. trade law in the future, and that is a major reason I will oppose this bill.

I am very proud that the final conference agreement retained much of the Senate's good work on expanding and improving the Trade Adjustment Assistance program. Under this bill, when workers lose their jobs due to imports, they will now, for the first time ever, have some help accessing health care coverage. That is a critical new benefit, and is one of the provisions that was fundamental to moving this legislation in the Senate. Health care coverage for displaced workers is an essential transitional benefit that American workers deserve and that is long overdue.

I believe the health credit provisions in the Senate bill were superior to the provisions of the House bill and to the final provisions of the conference report in many fundamental ways. The Senate's TAA health provisions worked better than the conference report to ensure that workers could access the health credit established by the bill and could afford the health care coverage they need. The Senate bill included necessary insurance market reforms to ensure that the new TAA health credit would be available to the workers who needed it, but the conference report unacceptably dilutes those protections. Unfortunately, in the interest of reaching a quick agreement before the House adjourned, the amount of the Senate's health subsidy was reduced from 70 percent of benefit costs to 65 percent, making it that much more difficult for unemployed workers to be able to afford the coverage. I very much regret that conferees did not retain the senate's worker provisions in whole.

However, I have to not that the final agreement includes one very important addition to the Senate bill by providing health care coverage to early retirees whose companies went bankrupt and who are receiving a check from the Pension benefit Guarantee Corporation, (PBGC). It's only a small portion of the retirees I had hoped would get some health care coverage from this trade bill, but it will make a real difference in the lives of tens of thousands of retirees. And I am extremely pleased we have set a precedent that just because people are retired, their lives are no less affected by trade.

The House had added a provision that helped PBGC beneficiaries access its health credit, as it attempted to muster the necessary votes to appoint House conferees. The last-minute House provision established a new precedent to extend TAA benefits to retirees, but also included unrealistic income limitations that would have effectively made the credit impossible to access for most early retirees, including retired steelworkers who very much need help with their health care coverage.

I am very pleased that the conference negotiations built on the House provision and improved it substantially. The conference agreement will give these workers, aged 55–65, access to a more affordable health credit. The final PBGC provision has the complete market protections of the final package, and these early retirees whose companies have shut down can access this health coverage for the duration of the TAA program as long as they meet the age criteria, are receiving a PBGC check, and do not have access to other health care coverage. There will be no unrealistically low income limitations on retiree eligibility for this program. I know that at some point, some West Virginia retirees will have to rely on this provision, and I am very glad that the final agreement does not forget them.

My hope had been to extend the health credit to all steel retirees who lose the health benefits they have earned when their companies go bankrupt, and not only to early retirees under age 65. Senators MIKULSKI and WELLSTONE introduced an amendment during the original trade bill debate in the Senate that would have done this. Fifty-seven Senators agreed that protecting steel retirees was the right thing to do, but our amendment fell just short of the procedural requirement of 60 votes, so the Senate bill did not ultimately include this protection. But the final conference agreement at least says we should help a small group of early retirees, and I am very pleased that provision will become law.

The Senate's TAA provisions on secondary workers and shift in production were far superior to the House's, and the final conference erodes some of the Senate's work, to the detriment of American workers who will need the help of TAA. Those concessions are a disappointing retrenchment from the Senate bill, and I am disappointed that we did not prevail so that all workers substantially affected by trade could access TAA benefits.

In conclusion, despite the hard work of my Chairman who worked himself to exhaustion to complete this agreement under terrible time constraints as well as the consistently excellent work of his dedicated staff, this agreement does not retain the full benefits of the senate bill, and American workers lose as a result. Fundamentally, I do not believe the assurances and trust that would need to exist between the Administration and Congress on preserving our trade laws and protecting American interests is sufficient to warrant ceding Congress' constitutional responsibility on trade.

Mr. HATCH. Mr. President, I rise today in support of the conference report to accompany the trade Promotion Authority/Trade Adjustment Assistance legislation. This landmark legislation is a careful compromise that will benefit the American public by creating new jobs and investment opportunities.

I urge all of my colleagues to support this measure.

This legislation is not only good for the citizens of Utah, it is good for all Americans and it is good for our trading partners, especially those in the developing world.

In fact, almost 10% of all U.S. jobs—an estimated 12 million workers—now depend on America's ability to export to the rest of the world. Export-related jobs typically pay 13% to 18% more than the average U.S. wage.

This legislation will help bring new jobs into Salt Lake City and across our state. Last year, Utah's manufacturers produced and exported $2.7 billion worth of manufactured items to more than 150 countries around the world. An estimated 61,400 jobs in Utah are trade-related and one in every six manufacturing jobs in Utah—approximately 20,300 jobs—are tied to exports. Trade is of great benefit to Utah's small and medium sized companies. Some 80% of Utah's 1,894 companies that export are small and medium sized businesses.

As the Ranking Republican member of the International Trade Subcommittee of the Finance Committee, I make international trade a high priority. International trade plays two important roles: it strengthens the U.S. and world economy; and it is a powerful foreign policy tool. Free trade and respect for freedom go hand in hand.

Mr. President, I believe that this measure is one of the most important pieces of legislation we will face this year. Trade promotion authority is vital to our national economy and security, benefiting American businesses and employees everywhere. Simply stated, it means more jobs, higher wages, and better products.

Passage of this legislation is a significant victory for the American people, especially our entrepreneurs. It was President Bush's leadership that propelled Congress to address this eight-year drought in trade promotion authority. I remember well the meeting that the President convened in the

Cabinet Room two weeks ago today to urge the trade bill conferees to get our work done before the August recess. Today's vote must be seen as a great vote of confidence in President Bush's leadership.

I commend conference committee Chairman BILL THOMAS and Vice Chairman MAX BAUCUS for their leadership in expeditiously putting together this bipartisan compromise. Senators BREAUX and ROCKEFELLER played key roles as did Representatives RANGEL, CRANE, DINGELL, BOEHNER, JOHNSON, MILLER, TAUZIN, BILRAKIS, BURTON, BARR, WAXMAN, SENSENBRENNER, COBIE, CONYERS, DREIER, LINDER, and HASTINGS.

A full conference agreement on three major bills—TPA, TAA, and the Andean Trade Pact completed in three days! That is exactly the way the Congress can and should act on behalf of the American people if we put partisan politics aside and roll up our sleeves and get to work. In particular, Chairman BILL THOMAS performed a legislative tour de force last week. Everyone should know about his leadership and thank him for the way he worked to resolve issues with Senator BAUCUS and the other conferees.

I am particularly pleased that we are adopting this bill in August rather than October or December. This will give the Administration's trade team led by Secretary of Commerce Don Evans, United States Trade Representative Bob Zoellick, Undersecretary of Commerce Grant Aldonis, and Deputy USTR Jon Huntsman—a Utahn I might add—an immediate opportunity to negotiate trade pacts that will bring new jobs home to America and help increases the demand for American goods abroad.

Not only will passage of this legislation expand the Administration's ability to negotiate, and for Congress to review, trade agreements, the trade adjustment assistance provisions will provide re-training and health care benefits to those workers who lose their jobs due to foreign trade. We in Utah, home of Geneva steel—where 1,600 workers and their families are struggling due to the fact that unfair dumping of foreign steel has caused the plant to cease production—known full well that, while most will gain through trade, inevitably some will lose out and need transitional assistance. This bill provides $12 billion of such assistance over 10 years.

This legislation will also reauthorize the Andean Trade Pact that expired last December. From my work on the Judiciary Committee, I can tell you that this is a vital trade pact as we help wean these nations away from economic dependence on the illicit drug trade. I want to associate myself with the remarks of Senator MCCAIN on the importance of passing the expired Andean Trade Pact before some South American economies topple.

This is a good bill. It is legislation that will have both short-term and long-term benefits. A strong vote for this bill will indicate to our trading partners that the United States intends to play the leadership role during the Doha Round of international trade talks.

This bill will boost our economy which is still struggling to regain its footing. As we face a new type of war, the war against terrorism, it is important that we strengthen our relationship with our trading partners throughout the world. From mutual economic interests that come through trade, political alliances can form. This dynamic can only help us hunt down and deny safe harbor for any terrorists. At the least, our neighbors throughout the world will get to know Americans and our values and ideals. This will only increase our stature in the world.

For all of these reasons, I strongly urge my colleagues to pass this bipartisan conference report on trade. Let's get the job done for the American public and pass this bill.

Mr. BAUCUS. Mr. President, I want to take this time to talk in some detail about the Trade Adjustment Assistance provisions in the conference report.

I am proud of the entire conference agreement—but I am particularly proud of the TAA provisions. For the first time since 1974, we are partnering a grant of Presidential authority to negotiate agreements that expand trade with a serious commitment to deal with the downside of trade expansion.

We all know that trade greatly benefits our economy as a whole. But we also know that a Government decision to pursue trade liberalization can have adverse consequences for some. As President Kennedy recognized in 1962, we, as a government, have an obligation ''to render assistance to those who suffer as a result of national trade policy.''

The trade adjustment assistance program has been around for 40 years. During that time, it has quietly helped thousands of trade-impacted workers to retrain and make a new start. But the program has also been criticized for being too complicated, underfunded, and available to too few workers.

This conference report will go a long way toward solving these problems and making TAA work better for working Americans. Does it have everything in it that I could have wished? To be honest, no. That is the nature of compromise. But overall, I think we have done very well indeed. So let me know run through some of the most important provisions in the conference report.

First, the conference report expands the number of workers eligible for TAA benefits in several ways. Like the Senate bill, the conference report covers secondary workers where the loss of business with the primary firm ''contributed importantly'' to job losses at the secondary plant. In addition, where a secondary plant supplies 20 percent of more of its sales or production to the primary plant, coverage is presumed. The conference report also provides TAA coverage to downstream workers who are impacted by trade with Mexico or Canada.

The conference report also expands coverage to workers affected by shifts in production. Workers are automatically covered if their plant moves to a country with which the United States has a free trade agreement, or to a country that is part of a preferential trade arrangement such as ATPA, CBI, or AGOA.

For workers whose plant moves to any other country, TAA benefits are available if the Secretary of Labor determines that imports have increased or are likely to increase.

While the Senate bill did not require a showing of increased imports, there are virtually no instances in which relocating production abroad would not be accompanies by, or lead to, an increase in imports of the product. Only workers at a company that produced 100 percent for export, with no domestic sales, would be excluded. And it is particularly important to note that the workers do not have to prove that the increase in imports will come from the country to which production relocated.

In addition, the conference report includes a new TAA program for farmers, ranchers, fishermen, and other agricultural producers. Past attempts to shoehorn farmers into eligibility requirements intended for manufacturing workers have left most with no access to TAA. By focusing eligibility requirements on the relationship between imports and commodity prices, the conferences bill creates a program better suited to the unique situation of trade-impacted agricultural producers.

The Senate bill actually included two separate programs—one specifically for independent fishermen and one for farmers, ranchers, and other agricultural producers. The conference report eliminates the separate program with dedicated funds for fishermen. But that does not mean fishermen are excluded from TAA. As agricultural producers, they are still able to participate in the general TAA for farmers program.

Taken together, these expansions in eligibility are likely to result in tens of thousands of additional workers receiving TAA benefits every year. Moreover, the benefits that they receive will be better than ever before in several ways.

Most importantly, the TAA provisions include health care coverage for displaced workers for the first time in the program's history. Workers eligible for TAA will receive a 65 percent advanceable, refundable tax credit that can be used to pay for COBRA coverage, or a variety of state-based group coverage options.

The credit could not be used for the purchase of individual health insurance unless the worker had a private, non-group policy prior to becoming eligible for TAA. The health care credit is available to workers for as long as they are participating in the TAA program.

The conference report also improves coverage by extending income support from 52 to 78 weeks for workers completing training. It adds a further 26 weeks of training and income supports for workers who must begin with remedial education such as English as a second language. To pay for this additional training, the annual training budget is doubled from $110 million to $220 million.

For older workers, the conference report offers wage insurance as an alternative to traditional TAA. Workers who qualify and who take lower-paying jobs can receive a wage subsidy of up to 50 percent of the difference between the old and new salary—up to $10,000 over two years. The goal is to encourage on-the-job training and faster re-employment of older workers who generally find it difficult to change careers.

The Senate bill included a two-year wage insurance pilot program. The conference report improves on the Senate bill in two ways—by making the program permanent, and by providing TAA health benefits to workers under the program if the new employer does not provide health insurance.

There are other enhancements to benefits as well. Job search and relocation allowances are increased. The authorization level for the TAA for firms program is increased from $10 million to $16 million annually. And the Conference Report improves on the Senate bill by providing TAA health care benefits for up to 2 years to workers receiving pension benefits from the Pension Benefit Guarantee Corporation.

Finally, in addition to expanding benefits and eligibility, the conference report makes a number of improvements that streamline the program. Like the Senate bill, the conference report consolidates the existing TAA and NAFTA–TAA programs. This eliminates bureaucracy and confusion and saves workers the trouble of applying to two separate programs.

The conference report also shortens the time in which the Secretary of Labor must consider petitions, extends permissible breaks in training so workers don't lose income assistance during semester breaks, and provides common-sense training waivers for all workers.

Taken together, these are extraordinary improvements in the Trade Adjustment Assistance program. They will make the program fairer, more efficient, and more user friendly. Over the past year and longer, I have worked hard—with the help of many colleagues on both sides of the aisle—to raise the profile of TAA. All along, my message has been that if we want to rebuild the center on trade, improving Trade Adjustment Assistance is the right thing to do.

I am proud of how far we have come toward that goal. I am proud of this conference report. I urge my colleagues to support the conference report and send this historic legislation to the President this week.

Mr. GRASSLEY. Mr. President, this is a historic day. I am very proud of what we have accomplished. The Trade Act of 2002 will soon be sent to the President's desk for his signature, and America will once again take a leadership role in promoting international trade in the world economy.

Let me briefly highlight the important provisions in this bill. First and most momentous, we restored the President's ability to negotiate strong trade deals, and send them back to Congress for an up or down vote. This authority has been absent for far too long, and I see this as one of the greatest successes of this Congress.

Second, we renewed and expanded preferences for our important allies in the Andean region, which will help to eradicate the drug trade that threatens their stability, and our health and safety.

Next, we reauthorized both the Generalized System of Preferences, which expired last year, and the Customs Service. And last of all, we renewed and expanded the Trade Adjustment Assistance program for workers who become displaced by trade.

Thank you to my colleagues who helped make this happen. I would like to commend my colleague and friend, Senator BAUCUS for his leadership and keeping his word that we would get this done. Thank you also to Senator HATCH who has been an instrumental ally in the Conference Committee as well as on the Finance Committee, and thank you to Senator HATCH's staff members Bruce Artim and Chris Campbell for their hard work. Senator PHIL GRAMM was also a great help in getting us to this point, along with Amy Dunathan from his trade staff. They were key in helping to negotiate a deal when this legislation was first brought to the Senate floor.

Next, I would like to thank my staff, who have been dedicated and focused on passing TPA for the past couple of years. This is a great success, and I am happy to share it with them. I would like to thank the Staff Director of my Finance Committee staff, Kolan Davis, Chief Trade Counsel Everett Eissenstat, and Trade Counsel Richard Chriss. This would not have happened if it were not for their incredible work ethic and knowledge, along with the hard work and support of trade staff members Carrie Clark and Tiffany McCullen Atwell.

My Finance Committee health and pension staff also played an important role in this process. Thank you to Ted Totman, Colin Roskey and Diann Howland for helping us navigate through the complex health and pension issues in the Trade Adjustment Assistance section of the bill.

Senator BAUCUS had a good staff helping him as well. And I would like to thank them for their hard work and long nights that went into making this happen. Senator BAUCUS' staff was led by John Angell and Mike Evans, and his trade staff was led by Greg Mastel, along with Angela Marshall Hofmann, Tim Punke, Ted Posner, Shara Aranoff and Andy Harig.

A sincere thank you also must be given to Polly Craighill from the office of the Senate Legislative Counsel, for her patience and expertise in drafting this legislation.

We can all be proud of this accomplishment, and I look forward to the President signing it into law.

Mr. BACUS. Mr. President, as we discuss the Andean Trade Preferences Act, it is important to note that for an Andean nation to qualify for trade benefits it must fulfill seven mandatory criteria. I want to focus on one of those criteria in particular. I am referring to the requirement that a country act in good faith in recognizing as binding and in enforcing arbitration awards in favor of United States citizens and companies. 19 U.S.C. 3202(c)(3). I focus on this requirement, because it has come to my attention that a number of ATPA countries may have failed to honor arbitration awards in favor of U.S. companies.

To attract foreign investment, ATPA beneficiary countries need to create a hospitable investment climate. Honoring arbitration awards is a fundamental component of this climate.

This matter is sufficiently important that the Finance Committee drew special attention to it in its report on the Andean Trade Preference Expansion Act Report Number 107–126. In that report, the Committee identified several specific cases in which we understand that Andean countries had failed to honor arbitration awards in favor of U.S. companies. Some of these cases have remained unresolved for far too long. I urge those countries seeking to qualify for enhanced benefits to resolve these situations promptly.

I urge my colleagues to join me in emphasizing the importance of ATPA beneficiary countries' honoring arbitration awards in favor of United States citizens and companies. I urge the President and the U.S. Trade Representative to examine this matter very closely in determining whether to give enhanced benefits to the ATPA countries.

I also want to address briefly a provision in the conference report concerning negotiations left over from the Uruguay Round of world trade negotiations. Specifically, section 2102(b)(13) of the conference report concerns certain ''WTO extended negotiations.'' One of these is negotiation on trade in civil aircraft. The conference report incorporates by reference the objectives set forth in section 135(c) of the Uruguay Round Agreements Act 19 U.S.C. 3355(c). When the URAA was enacted, the objective set forth at section 135(c) was elaborated on in the accompanying statement of administrative action. It is my understanding that in incorporating by reference section 135(c) of the URAA, Congress also is re-affirming the corresponding provisions from the statement of administrative action. This understanding is consistent

with the explanation in the Finance Committee's report on H.R. 3005 Report Number 107–139.

Mr. BAUCUS. I further want to address an aspect of the Andean Trade Preference Act, which forms part of the Trade Act of 2002. The Andean Trade Preference Act grants duty-free access to certain tuna products from the Andean countries. Let me first say that I support the objective of the Andean Trade Preference Act to encourage the Andean countries in promoting economic development and fighting the drug trade. I am concerned, however, that some tuna imported into the United States under this preference program may not be legally harvested.

A case was recently reported in the news in which the El Dorado, a Colombian-flagged vessel working for the Ecuadorian company Inepaca, one of the largest fish processing facilities in Latin America, was caught fishing illegally in Ecuador's Galapagos Marine Reserve. Industrial fishing in the reserve is prohibited under Ecuadorian law. The Galapagos Marine Reserve is a globally significant area that was recognized earlier this year as a UNESCO World Heritage Site.

In addition, the report stated that the vessel was illegally fishing for tuna using a method known as dolphin encirclement. This technique is permitted under international law only if its carried out in compliance with dolphin protection requirements imposed through the Agreement on the International Dolphin Conservation Program and other associated legal requirements. The El Dorado reportedly was not authorized to fish using this method. As a result, dolphins were trapped in the net, and over 60 dolphins were either killed or injured. It concerns me that some of the tuna that will be coming into the United States duty free under the Andean Trade Preference Act may be caught in the same way—illegally, and without respect for dolphins and other marine life.

I raised this issue during the conference on the trade bill. I am concerned about our environmental and trade policies being mutually supportive. As my colleagues know, the conference report also sets out the overall trade negotiating objectives of the United States. Those objectives include ensuring that trade and environmental policies are mutually supportive, and seeking to protect and preserve the environment and enhance the international means of doing so, while optimizing the use of the world's resources. Moreover, the conference report makes it a principal negotiating objective to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental laws in a manner affecting trade.

I would like to emphasize that, according to reports, the El Dorado incident was not a case where the government simply didn't know about the violation. This was a case of truly ineffective enforcement. As I understand it, the Galapagos National Park Authorities actually captured the El Dorado and took videotape of the incident. The Captain of the Port, an official of the Ecuadorian navy, fined the El Dorado's captain four cents. I think we can all agree that a fine of 4 cents does not even amount to a slap on the wrist. We are waiting to see if the Ecuadorian Government will take additional steps to further prosecute this case.

I also believe that the El Dorado incident is not an isolated case. I understand that when the Galapagos National Park authorities found the El Dorado, they were in search of another vessel that had been fishing illegally in the Galapagos Marine Reserve.

The Andean Trade Preference Act requires the U.S. Trade Representative to report to Congress biannually on beneficiary countries' compliance with the eligibility criteria under the Act. As chairman of the Finance Committee, I will be asking the U.S. Trade Representative to include in its biannual reports a discussion of the extent to which beneficiary countries are enforcing their environmental laws, including the prohibition on industrial fishing in the Galapagos Marine Reserve, and complying with their international obligations under the Agreement on the International Dolphin Conservation Program.

I also note that under section 2102(c)(4) of the conference report, the President is required to conduct environmental reviews of future trade and investment agreements and to report to the Finance Committee and the House Committee on Ways and Means. It is my expectation that these reviews will take into account the extent to which trade agreement partners are effectively enforcing their environmental laws.

Mr. DASCHLE. Mr. President: for too long, Congress has been deeply divided between those who argued that free trade has no downside, and others who said it is a complete disaster.

As a result, we did not give the President the authority to aggressively pursue new markets for American goods and services, nor did we do enough to help the workers who were being hurt by trade.

Today we stand on the verge of recognizing in law a basic truth: our economy as a whole benefits enormously from expanded global trade. But some workers, due to no fault of their own, are hurt by it.

We could not have reached this point without the leadership shown by Chairman BAUCUS. Simply put, Senator BAUCUS engineered an agreement that few thought was possible. I have no doubt our nation will be stronger because of it.

I want to thank Senator GRASSLEY, the Ranking member, and Senator HATCH on the Republican side for their work in crafting a bipartisan bill.

I want to thank Senator BREAUX, who worked so effectively to help us achieve the initial compromise that got us into the conference . . . and then helping find the compromise that got us out . . . with this agreement.

And, finally, I want to say a special word of thanks to Senator ROCKEFELLER for his work in the conference. He was an incredibly strong and passionate advocate for the health care provisions and the entire worker package. He did the workers of West Virginia, and this country, proud.

I stand in strong support for this trade legislation for three fundamental reasons:

First, in this time of economic uncertainty, it sends a strong message to the American people and to the markets of the world that nothing is going to stop us from seizing the opportunities of the global economy.

Second, it makes sure that while we advance trade, we do not trade away the values on which prosperity is built: that every American should have the opportunity to succeed.

Third, this bill sends a strong message to the nations of the world, friends and enemies alike—that the United States of America will not shrink from our responsibilities as a global economic leader.

These are uncertain economic times.

Americans have seen their confidence in corporate governance shaken. The resulting decline in the stock market has hurt pensions and savings. Families are wondering how they're going to afford a child's college tuition, or their own retirement.

This fear plays itself out against the backdrop of an economy struggling to re-emerge from recession, and a government that has seen one of the most dramatic fiscal reversals in history.

The historic accounting reform bill we passed unanimously last week—and that the President signed on Tuesday, will help restore integrity to our capital markets.

This trade bill is another important step in restoring strength to our economy.

No nation is better suited or better prepared to benefit from global trade. We have the best-educated workers and most productive workforce in the world, the most mature economy, the most developed infrastructure. We are in a position to seize the high-skill, high-wage jobs generated by open global markets, so long as we don't turn our backs on them.

Just as we can't turn our backs on trade, we can't turn our backs on the hard-working American families who have had their lives ruined by the impersonal forces of trade.

It can be devastating to a family when a parent loses his or her job because a factory closes down or moves away. That devastation can turn to real fear if losing that job means losing health insurance.

The reality is that the jobs we gain from trade do nothing to compensate the men and women who have lost their jobs because of trade.

That's why, for the first time, this legislation provides a 65 percent tax credit to help trade dislocated people keep their health coverage. This represents a significant step in providing families with a greater sense of security.

This bill also makes a number of additional improvements over our current system:

Under our current TAA program, benefits are available only to those industries that are ''directly'' affected by trade.

For example, workers at an automobile plant that closes down due to a flood of imported cars will qualify for help. But workers at a parts supplier that's right across the street, and that closes as an inevitable consequence of the auto plant's shut-down, are out of luck.

Now, for the first time, ''secondary'' workers and farmers will be eligible for training and other kinds of assistance.

This bill also includes ''wage insurance,'' a time-limited stipend that replaces some of a dislocated worker's lost income if he or she takes a lower paying job.

Instead of an unemployment check, these workers would receive a subsidy when they take a lower paying job. This new approach will encourage this group to get back into the workforce and help them try to sustain their standard of living as they approach retirement.

Last year, we passed an important education reform bill. We agreed then that we would ''leave no child behind.'' Now we need to make sure we leave no worker behind.

By strengthening the safety net for those who are hurt by trade, our Trade Adjustment Assistance proposal will help us remedy America's other trade deficit, the deficit of support for the workers here in America who have been hurt by trade.

Finally, passage of this bill will reassert American leadership in the world. We are the freest, wealthiest, and most powerful country in the world. It is in our interest and it is our responsibility to demonstrate global economic leadership, especially in these troubled times.

At a time, when many around the world are doubting our commitment to multilateral action, this legislation says that the United States will be a leader in the effort to establish stronger global trade ties.

Expanding trade is not solely about economic leadership, it also offers national security and foreign policy benefits. When it is done correctly, trade opens more than new markets; it opens the way for democratic reforms. It also increases understanding and interdependence among nations, raises the cost of conflict, and alleviates the global disparities in income and opportunity that terrorists seek to exploit in order to advance their own deadly aims.

For example, the Andean Trade Preferences Act, ATPA was designed as an effort to reduce barriers to trade between the United States and Bolivia, Colombia, Ecuador and Peru. It was first passed in 1991 as part of a comprehensive effort to defeat narco-trafficking and reduce the flow of cocaine into the United States.

The program has already established a record of success.

According to the International Trade Commission, between 1991 and 1999, tow-way trade between the U.S. and Andean nations nearly doubled, and U.S. exports to the region grew by 65 percent.

The ITC also reports that ATPA has contributed significantly to the diversification of the region's exports, which means that farmers in a region that produces 100 percent of the cocaine consumed in the U.S. now have viable economic alternatives to the production of cocoa.

That's the positive power trade can have, and that is why, as part of this bill, we renew and improve the Andean Trade Preferences Act.

The word ''trade'' has its roots in an old Middle English word meaning ''path,'' which is connected to the word ''tread'', to move forward.

This trade package will enable us to move forward in this new global economy in a way that strengthens our national security, and the economic security of American businesses and families on both sides of the trade issue.

I urge my colleagues to support it.

Mrs. BOXER. Mr. President, there is free trade, no trade, and fair trade. I am for fair trade. And I am also for respecting the role of Congress in designing public policy. The Trade Promotion Authority package we are voting on today will not result in fair trade and it cedes too much power to the President.

I do not believe in giving a President carte blanche to write trade legislation. I do not want to grant him the right to negotiate away protection for American workers and the environment.

Imagine if the President could have proposed a corporate accountability bill and the Congress would have had only an up or down vote. Would we have passed legislation as strong as the legislation the President signed? We are about to debate pension reform legislation. Should we ask the President to make a proposal and then vote up or down on that proposal? Clearly not. It is our responsibility to work with the Executive branch of government to design policies that respect our constituents.

The Trade Promotion Authority legislation fails American workers and fails to address the need for smart environmental protections. In short, TPA could result in trade agreements that are free from environmental and are in no way fair. And it would preclude us from amending future trade agreements to make them fair.

Let me be more specific.

This bill will allow a company to sue a developing nation if that country improves its environmental standards and that improvement results in some monetary loss for the foreign investor. That would discourage developing nations from improving their environmental standards out of fear of being sued. That is not fair trade, it is only trade that benefits the powerful.

This bill will push down the wages and protections of our workers by forcing them to compete with workers who go unprotected abroad. It fails to provide U.S. trade negotiators with clear instructions that the U.S. not engage in new trade agreements with countries who are unwilling to provide their workers with the following core labor standards—freedom of association and the right to bargain collectively, the elimination of forced labor, the abolition of child labor, and the elimination of discrimination in employment. Without a commitment to these standards, and this TPA has made no commitment to these standards, we will not have fair trade.

Most disturbing, the conference committee dropped the Senate-passed Dayton-Craig language on protecting U.S. trade laws. As a result, there will be no reliable mechanism to keep our domestic trade laws from being weakened or eliminated in upcoming trade negotiations. This provision passed the Senate by a wide margin and the conference committee's rejection of it is disappointing.

The Trade Adjustment Assistance (TAA) package for workers who lose work because of changing trade patterns is also inadequate. In particular, service workers were left out the TAA. And I was blocked from amending the bill to make truckers who will lost their job as a result of trade eligible for TAA.

We should have done better. This TPA bill cedes too much authority to the President and the trade agreements that will result from it will not be fair to workers and the environment.

Mr. BAUCUS. Mr. President, I rise today to discuss the trade law provisions in the conference report.

But before I begin, I first want to thank the senior Senator from Idaho, who spoke earlier today on this issue. He and I have worked very hard together over the years to defend our fair trade laws. I think every industry that faces unfair foreign trade practices owes a great deal of gratitude to Senator CRAIG for standing up for fair trade.

I want to thank both Senator CRAIG and Senator DAYTON for their tireless efforts during the Senate debate on the trade bill.

Although the Dayton-Craig amendment was modified during the conference process, I can say without hesitation that this fast track bill contains stronger protections for U.S. trade laws than any fast track bill we have ever had. And we have those strong protections in large part because of Senator CRAIG and Senator DAYTON.

Now, there have been a lot of questions about the trade law provisions

contained in this legislation, so I want to take a minute to spell them out in some detail.

The conference bill protects U.S. trade laws in two ways. First, it seeks to ensure that U.S. negotiators do not sign agreements that weaken our laws.

Second, it seeks to ensure that our trade remedy laws are not further weakened by WTO dispute panels—and it seeks to remedy some recent decisions that have undermined these laws.

Importantly, the legislation makes protecting our U.S. trade remedy laws a principal negotiating objective. The bill instructs trade negotiators to preserve the ability of the United States to enforce rigorously its trade laws, and it provides that the U.S. should not enter into agreements that weaken those laws.

I will be inserting for the record what is considered to be a weakening of the trade laws. I fully anticipate that the administration will take these concerns seriously.

In addition, the bill also contains a principal negotiating objective instructing trade negotiators to address and remedy market distortions that lead to dumping and subsidization, including overcapacity, cartelization, and market-access barriers.

This bill also ensures that Congress is a full partner when it comes to the issue of U.S. trade laws. The conference bill requires the President to notify Congress of proposed changes to U.S. trade laws 6 months in advance of completing an agreement.

This will give Congress a chance to comment on proposed changes before an agreement is final—while there is still an opportunity to fix the agreement.

The President's report will trigger a process allowing a resolution on whether the proposed trade law changes are consistent with negotiating objectives.

After the President submits the report, any Member of either House may introduce a resolution stating that the proposed changes to U.S. trade laws are inconsistent with the negotiating objective that requires no weakening changes.

That resolution is referred to the House Ways & Means Committee or the Senate Finance Committee. If the committee reports the resolution, it will receive privileged consideration on the floor.

I fully expect to bring such a resolution, if introduced, to the Finance Committee for consideration. I will not bottle up a meritorious resolution in the Committee.

While committees may only report out only one resolution per agreement—either a resolution regarding U.S. trade laws or a so-called reverse fast track resolution—I would note here that fast track procedures area considered to be rules of the House and Senate.

The Constitution is quite clear that either body may change those rules at any time. And if Congress's concerns regarding trade laws are not heard, I expect Congress would quickly derail an agreement.

Second, this bill seeks to improve dispute settlement in the World Trade Organization. Our trading partners are now engaged in a systematic attempt to weaken our trade laws through harassing WTO litigation. They are seeking to achieve through dispute resolution what they could not achieve in negotiations.

The conference bill seeks to address this problem in several ways. Like the Senate bill, the conference bill includes an overall negotiating objective instructing trade negotiators to strengthen international dispute settlement.

In addition, the conference bill contains a principal negotiating objective instructing negotiators to seek adherence by dispute settlement panels to the relevant standard of review applicable under the WTO, including greater deference to the fact-finding and technical expertise of national investigating authorities.

That means that these panels should not be inappropriately second-guessing the U.S. International Trade Commission or the Department of Commerce.

In addition, the conference bill includes a finding expressing Congress's concerns about these recent bad decisions. In particular, the finding notes Congress's concern that dispute settlement panels appropriately apply the WTO standard of review.

Under the conference bill, the Secretary of Commerce must provide a report by the end of this year setting forth the administration's strategy for addressing these concerns. Fast track procedures will not apply to legislation implementing a WTO agreement if the Secretary does not provide the report in a timely manner.

I plan to submit for the record a list of WTO cases that raise particular concerns.

In closing, let met simply say this: The Senate has made its views on trade laws very clear. Last year, 62 of my colleagues joined me in sending a letter noting that the Senate would not tolerate agreements that weakened our trade laws.

And during the Senate debate, 61 Senators re-emphasized their support for trade laws by passing the Dayton-Craig amendment.

There can now be no doubt about the Senate's resolve on this issue. Agreements that weaken our trade laws—in any way—simply will not pass. And the procedures in this fast track legislation should underscore that point.

Mr. LEVIN. Mr. President, I opposed the Senate fast track bill even though it was an improvement over the House fast track bill. Unfortunately, the conference report we are considering today has gutted many of the improvements made in the Senate. I felt the Senate bill did not go far enough. The fast track conference report we are being asked to vote on today is a significant step backwards from what the Senate passed.

I did not support the Senate version of this bill because it would not allow Congress to amend a trade agreement, even to improve it to make sure it was in the best interests of U.S. workers, industry, or agriculture. It also did not go far enough to encourage the adoption of internationally accepted labor standards or protect the environment. It did not ensure that U.S. products would have fair access to foreign markets in exchange for granting access to our markets. I cannot support a bill that is significantly weaker than the Senate bill.

Granting the President broad ''fast track'' authority to negotiate trade agreements means Congress must adopt a law to implement any trade agreement on a straight up or down vote, without the ability to offer amendments. I believe in free trade. I supported the Jordan Free Trade Agreement, the Vietnam Free Trade Agreement, and granting China Permanent Normal Trade Relations, PNTR. But I am reluctant to give up the Congressional right to amend trade legislation, sight unseen. When we do that, we are throwing away one of the most effective tools in forcing fairer trade practices.

This fast track bill is significantly flawed because it does not ensure that future trade agreements will protect human rights and labor and environmental standards. Nor does it require that fair trade practices are included in future trade agreements.

I am disappointed that conferees dropped my amendment that would make it a principal negotiating objective of the United States to reduce barriers in other countries to U.S. autos and auto parts, especially in Japan and Korea where American autos and auto parts have been all but shut out for decades. Surely, one of our chief objectives should be increasing our products' access to markets which are closed or partially closed to us.

Other countries have full access to our market for their autos and auto parts. We should insist that foreign markets are equally open to our autos and auto parts. The conference report makes it a principal negotiating objective to expand trade and reduce barriers for trade in services, foreign investment, intellectual property, electronic commerce, agriculture, and other sectors. Yet the biggest portion of our trade deficit is in autos. In 2001, our automotive deficit made up over 31 percent of our total trade deficit with the world. In 2001, our automotive deficit was 59 percent of our total trade deficit with Japan and 53 percent of our total deficit with Korea. I don't believe that the Senate should approve an omnibus trade bill without addressing barriers to our products which are the largest contributors to our trade deficit. Unfortunately, this flawed bill does not meet this criterion.

Unfortunately, America's trade policy over the past 30 years has been a

one way street. The U.S. market is one of the most open in the world, yet we have failed to pry foreign markets equally open to American products. Some of the trade agreements the U.S. has entered into have fallen far short of opening foreign markets. To ensure that future trade agreements better promote free and fair trade, Congress must not give up its ability to amend the legislation implementing those agreements.

I have fought hard to strengthen U.S. trade laws to help open foreign markets to American and Michigan products such as automobiles, auto parts, communications equipment, cherries, apples, and wood products. Unfortunately, without the ability of Congress to amend and improve trade agreements we will not always get the best deal for American products, if past history is any guide.

The North American Free Trade Agreement, NAFTA, enacted January 1, 1994, is a good example of a trade agreement negotiated under ''fast track'' authority. It contained provisions allowing Mexico to protect its auto industry and discriminate against U.S. manufactured automobiles used cars and auto parts for up to 25 years. It allowed Mexico to require auto manufacturers assembling vehicles in Mexico to purchase 36 percent of their parts from Mexican parts manufacturers. It also extended for 25 more years the Mexican law against selling used American cars in Mexico, a highly discriminatory provision against U.S. autos.

When NAFTA was presented to Congress, it was an agreement which discriminated against some of the principal products that are made in Michigan. I surely could not vote for the bill the way it was written, nor could I try to amend the bill because the ''fast track'' authority the President had at that time prohibited implementing legislation from being amended. Consequently, after NAFTA was enacted, the U.S. went from a trade surplus of $1.7 billion in 1993 to a trade deficit of $25 billion with Mexico in 2000. Over the same period, our trade deficit increased from $11 billion to $44.9 billion with Canada. Since NAFTA was enacted, the automotive trade deficit with Mexico has reached $23 billion.

Moreover, between January 1994, and early May 2002, the Department of Labor certified that over 400,000 workers lost their jobs as a result of increased imports from or plant relocations to Mexico or Canada. These job losses occurred all over the county and in and around Michigan. For example, 27 employees from the Blue Water Fiber Company in Port Huron who produced pulp for paper lost their jobs as a result of NAFTA imports. One hundred and twenty-nice employees of Alcoa Fujikura Limited in Owosso who made electronic radio equipment lost their jobs to Mexico; 1,133 employees of the Copper Range Mine in the UP lost their jobs when operations were moved to Canada. Three hundred employees of Eagle Ottawa Leather in Grand Haven who made leather for automobile interiors saw their jobs moved to Mexico. The list of NAFTA-TAA certified job losses goes on and on. These job losses didn't result from a level ''playing field''. These job losses resulted from a ''playing field'' tilted against us.

We've lost too many manufacturing jobs because our trade policies have been so weak over the decades. I've always believed that when countries raise barriers to our products that we ought to treat them no better than they treat us. Fast track authority makes it more difficult for Congress to insist on fair treatment for American products and equal access to foreign markets.

Calling NAFTA a free trade agreement was an oxymoron. NAFTA protected Mexican industries and it gave special treatment to certain U.S. industries. For example, leather products and footwear got the longest U.S. tariff phase out, 15 years, and NAFTA included safeguard provisions against import surges in these sectors. Agricultural commodities and fruits and vegetables, including sugar, cotton, dairy, peanuts, oranges, also got a 15-year U.S. tariff phase out, a quota system, and the reimposition of a higher duty if imports exceed agreed-upon quota levels. It's clear that those who were represented at the negotiating table were able to strike favorable deals to protect certain industries and products. That is not free trade.

NAFTA was not the only trade agreement that included specially tailored provisions for certain products. The trade bill we are being asked to vote on contains special provisions to protect textiles, citrus, and some other specialty agriculture commodities.

I believe that writing labor and environmental standards into trade agreements is an important way to ensure that free trade is fair trade. Regrettably, this legislation does not ensure that international labor and environmental standards will be present in trade agreements. We need trade agreements with enforceable labor and environmental provisions but this bill does not provide for it.

This is particularly unfortunate given that Congress is already on record supporting strong labor and environmental standards in trade agreements. The Senate passed the Jordan Free Trade Agreement on September 21, 2001; it broke new ground in its treatment of labor and environmental standards in trade agreements. For the first time, a trade agreement required that the parties to the agreement reflect the core internationally recognized labor rights in their own domestic labor laws.

The conference report does not require countries to implement the core ILO labor standards. It only requires them to enforce their existing labor laws, however weak they may be. It also specifically states that the U.S. may not retaliate against a trading partner that lowers or weakens its labor or environmental laws.

This language undercuts our ability to negotiate strong labor and environmental standards in future trade agreements because our trading partners know we can't enforce what we negotiate through the use of sanctions and the dispute settlement process.

American workers already compete against workers from countries where wages are significantly lower than in the United States. Our workers shouldn't also have to compete against countries that gain an unfair comparative advantage because they pollute their air and water and won't allow their workers to exercise fundamental rights.

The United States enacted environmental standards that protect our air and water. We have enacted labor standards that allow for collective bargaining and the right to organize, that prohibit the use of child labor, and provide protections for workers in the work place. These are desirable standards that we worked hard to get. We should not force American workers to compete against countries with no such standards or protection for its workers.

The Senate tried to improve this fast track legislation to address some of the concerns I've outlined. I supported many of these efforts. Unfortunately, many of the strengthening provisions added in the Senate were dropped in conference. The Dayton-Craig provision was dropped. This amendment would have allowed the Senate to have a separate vote on any provision of a trade agreement that would change or weaken U.S. trade remedy laws. Instead, the conference report moves rhetoric from another section of the bill regarding Congressional intent not to weaken U.S. trade remedy laws to the principal negotiating section. This is a much weaker provision than allowing the Senate an up-or-down vote on whether to weaken our trade laws or not.

This conference report fails to address these concerns. The weak fast track bill we are voting on today is all the more reason Congress should not give up its role under the Constitution. We should keep all the tools available to fight for free and fair trade, including the Congressional right to amend and improve a trade agreement. To do less than that is not doing justice to our nations workers, manufacturers, farmers or small business.

Mr. BINGAMAN. Mr. President, I rise today to discuss the Trade bill that is being considered on the Senate floor. I will keep my comments short, as I know others wish to speak on the issue.

I want to begin by emphasizing the positive. We have come a long way to where we are today on trade adjustment assistance. The provisions in the conference report are far better than what exists in current law. I want to thank all my colleagues for their support on trade adjustment assistance,

and I want to thank the Administration for finding a path to compromise on this very important legislation.

But I also want to take this opportunity to say that this conference report does not go nearly far enough in terms of what needs to be done. In fact, on trade adjustment assistance, I would have to say that the end result in many respects misses the point of what my original bill tried to do.

In short, there were four goals to the original bill:

First, we wanted to combine existing trade adjustment assistance programs and harmonize their various requirements so they would provide more effective and efficient results for individuals and communities; second, we wanted to recognize that trade frequently has regional impacts and create a program to help communities; third, we wanted to encourage greater cooperation between Federal, regional, and local agencies that deal with individuals receiving trade adjustment assistance; and fourth, we wanted to establish accountability, reliability, speed, and consistency in the trade adjustment assistance program.

Each of these goals was created with the view that the system needed to be fair, equitable, accessible, and implemented similarly no matter where you lived in the country. From my perspective, the bill that we have before us does not do this.

Briefly, not all secondary workers, shifts in production, and contract workers are covered under this bill. There are no TAA for community provisions in this bill. The language that allowed the Senate Finance Committee to request the Department of Labor to initiate a certification is not in this bill. The language that compelled the Department of Labor to monitor the implementation of the program across states is not in this bill. The language that required the Department of Labor to submit an annual report to Congress is not in this bill. The language that encouraged greater cooperation between Federal, regional, and local agencies on Trade Adjustment Assistance is not in this bill. And the language that established accountability, reliability, and consistency in the trade adjustment assistance program is not in this bill.

I could go on, but this should give you an idea of the key components related to administration and implementation of trade adjustment assistance that were deleted in conference. I have no idea why this occurred, as it seems to me these provisions would be acceptable to Members on both sides of the aisle. But I want to emphasize here and now that these are not minor problems, as they are in fact the essence of whether trade adjustment assistance works well, or just works.

The fact of the matter is we have created a trade adjustment assistance program that serves more people and that is both appropriate and long-overdue. But the program still does not cover all the people that are negatively affected by trade, and that is, I am afraid, inappropriate and equally long-overdue. Of equal significance, it does not guarantee that the people who are covered by trade adjustment assistance get the efficient, effective, and prompt services they deserve. These assurances are nowhere to be found in the bill. This is unfortunate and unsatisfactory, as it is the fundamental reason that I wrote the trade adjustment assistance legislation in the first place.

Although we have come a long way on trade adjustment assistance, we have a longer way to go, and it is my intention to revisit this issue in the 108th Congress. I introduced this trade adjustment assistance bill, I will introduce another in the next Congress, and I hope my colleagues will support it

On the fast-track bill, let me say that here too we did not go as far as I would have liked on a range of very important issues: labor, the environment, investment, and trade remedy laws. But that said, we have come farther than we ever have before in the past, and we have signaled to the administration and the international trade community that we will not enter into agreements that do not address these issues directly.

As for the lack of ''teeth'' in the bill, I would have to agree to a certain extent. That said, there are provisions in this bill to ensure that Congress has very significant input in the trade negotiation process. Moreover, Congress has the option to withdraw fast-track authority if the administration does not consistently and honestly consult with Congress on these key trade issues. As far as I am concerned, the oversight provisions are the crux of the matter, as without them, even the strongest language on labor, or the environment, are meaningless. It is incumbent upon Congress now to analyze what occurs in trade negotiations and ensure that what is agreed to increases high-wage jobs and American competitiveness.

In sum, I think there are significant problems with the trade bill, but not enough to warrant a vote in the negative. I think we have taken a strong step forward here in that this bill provides us with the tools to increase the economic security of the United States. I don't believe we help American workers by sitting back and doing nothing on trade. Rather, I think it is important that we take an active role in defining the terms of trade, and this bill allows us to do that.

The debate on the trade bill occurred, we have found a compromise, and now it is time for the Administration and Congress to make trade work for the American people.

Mr. BIDEN. Mr. President, in recent years, I have supported fast track legislation, I voted for NAFTA, for the last round of the GATT and the creation of the WTO. I supported China's accession to the WTO.

I am convinced by the overall fundamental performance of our economy, during a period of expanded trade and the successful completion of trade deals, that expanding international trade generally and expanding markets for American products in particular is good for the United States.

With every step down the road toward a freer, more open international trading system, I believe that the risks are becoming greater and the rewards are less clear.

The risks we face—to our own workers' ability to control their destinies, to the peoples of our new trading partners, to the global environment—are growing as we expand trade deals into regions of the world that lack many of the fundamentals needed for a balanced trade relationship.

The rewards from moving deeper into those less developed economies could be substantial, for us and for them. But I am afraid that without stronger protections, and those benefits may never materialize for the vast majority of the citizens of the poorest developing nations.

At the same time, without strong protections for the men and women whose jobs—in some cases whose towns, in many cases whose whole way of life is at risk without protections for them, they, too, will see little or nothing of the benefits of freer trade.

That is why I am going to vote against the conference report before us today, not because I expect it to be defeated, but because I fully expect it to pass, and I want to make it clear that I, as one Senator, have gone about as far as I can go in my support of freer trade without some stronger assurances that the gains will outweigh the risks, and that those gains will be fairly and efficiently distributed.

I voted for many amendments to the Senate fast-track bill, amendments that would have provided some of the assurances I am seeking. I voted for stronger protections for our State and local environmental laws when they are threatened by foreign firms. I voted for stronger protections for labor and environmental standards in trade deals with developing nations.

Even though those and other amendments were not adopted, I nevertheless supported sending the bill on to a conference with the House.

Today we are voting on a bill that not only lacks those provisions, but has weakened many of the important improvements in the Trade Adjustment Assistance Program that were contained in the Senate version.

As we expand trade among the nations of the world, we are engaged in a real-life experiment in economic theory. I believe that expanding markets and opportunities are indispensable to a better life for the people of our country as well as for the citizens of other nations.

Just as indispensable are political rights, human rights, a healthy environment—things that we cannot just take for granted, things that aren't provided automatically by the invisible hand of the market.

That is particularly true as we undertake to integrate our developed economy—as well as our system of political and human rights, our strong environmental protection standards, our history and institutions of labor rights.

We do ourselves no good, and the citizens of other nations no good, if we fail to maintain those values in balance with the real, tangible benefits of free trade.

Because this new chapter in the history of expanding trade presents so many challenges, public opinion, here and abroad, shows a deep concern about the ultimate costs of global economic integration.

Of course, there are still those who believe trade itself is the cause of most of the world's problems, and on the other side, there are those who blithely assume that expanded trade itself is the highest goal.

I think we should listen to the common sense of the average citizen, both here and abroad. They understand the benefits that can come from free markets, but they hold other values, too.

They want to maintain control over their own fates, and the fates of their families, their towns, their countries. They want to treat the environment responsibly.

They want, to maintain some balance among the values they hold.

So I will vote no today, in the knowledge that we will be granting this administration and the next one the authority to negotiate and bring home important new trade deals, in a new round of WTO talks, and in other key areas.

I hope they use this authority wisely, and that they treat the negotiating objectives we are giving them today as a floor and not a ceiling on the standards they apply in their negotiations.

If they do not, they should not bring us trade deals for our consideration under this fast track authority. Along with the authority we are granting the administration, we are providing ourselves, in Congress with new oversight of the progress of trade talks.

We will use this new authority to keep our negotiators on course. The slim margin in the House, and the vigorous debate on the Senate bill should provide ample guidance about the standards we will apply to any trade deal negotiated under this authority.

We will continue to remind our negotiators of those concerns over the three-year life of this authority. A 2-year renewal will not be automatic not in this new climate of concern about the net benefits of trade nor should it be.

My ''no'' vote today is not a vote against expanded trade. It is a vote against complacency in the conduct of our trade negotiations.

Today is not the end of the debate on this new grant of fast track authority. It is the beginning.

Mr. KYL. Mr. President, I rise today in reluctant support of this conference report. The underlying bill granting the President authority to negotiate trade agreements is critical. The problem is all of the other extraneous costly provisions in the trade assistance portion of the report. On balance, it has only been marginally improved during conference, and, in fact, one could argue that it has been made worse by the addition of a misguided and fiscally reckless new entitlement program.

When this bill last came before the Senate, I outlined four main concerns, and said that how those issues were addressed in conference would influence my vote on the final version of the bill. First, I said the conference report would have to maintain the 2002–2006 suspension of the 4.9 percent tariff on steam generators for nuclear power facilities. That was accomplished. Second, the conference report would have to remove the so-called Dayton-Craig language. That was accomplished. Third, it would need to either eliminate or substantially amend the language creating a ''wage insurance'' program for workers age 50 and older who are certified under the Trade Adjustment Assistance Program. That was not accomplished. Fourth, the conference report would have to make significant changes in the health-insurance tax credit for TAA-certified workers. That was not accomplished, and arguably, the provision was made worse.

More specifically, the Senate-passed bill and the conference report will suspend for a period of five years the 4.9 percent tariff on steam generators used by nuclear facilities. These generators are not manufactured in the United States, so there is no domestic industry to protect through the imposition of tariffs. Tariffs should never be imposed on products that are not domestically manufactured, especially those products that are critical for maintaining the U.S. domestic supply of energy.

The existing tariff amounts to a ''tax'' of approximately $1.5 million per generator. Although ostensibly paid by utilities, the cost would actually be passed on to ratepayers and consumers. In the case of the Palo Verde plant in Arizona, the nation's largest nuclear power facility in terms of production, the additional cost, due to the tariff, would be over $8.2 million for the six generators that it will need to import.

The tariff suspension will save ratepayers money, which is why it has strong bipartisan support. I appreciate the conferees maintaining this provision in the conference report.

I am also pleased that the conferees agreed to remove the so-called ''Dayton-Craig'' language. This is a provision that would have made it easier to defeat legislation negotiated under trade-promotion authority if it amended U.S. trade remedies, no matter how technical or even beneficial the change might be. It would have resulted in the unraveling of successful trade negotiations. Moreover, the provision was unnecessary since language is already included in the bill to ''preserve the ability of the United States to enforce rigorously its trade laws'' and ''avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade.''

The next issue of concern to me involved the many trade-adjustment assistance, TAA, provisions in the bill. One such provision was the new ''wage insurance'' entitlement, which would provide a subsidy of up to $5,000 for older TAA-certified workers who are subsequently employed at lower-paying jobs. With no data supporting the efficacy of such a proposal, this provision would create significant disincentives for workers to forgo needed training or conduct a more intensive job search, likely resulting in workers choosing lower paying and perhaps lower-skilled jobs with taxpayers liable for the difference. It is indeed unfortunate that conferees were unable to remove this provision. Although the nature of the entitlement is altered somewhat, it remains deeply flawed.

Another provision in this conference report would provide an advanceable, refundable health-insurance tax credit to TAA-certified workers. Although the conferees agreed to lower this tax subsidy from 70 percent to 65 percent, the credit remains at an arbitrarily high percentage of the premiums' cost.

With one small exception, the credit can only be used to subsidize the cost of company-based, COBRA, or pooled health-insurance policies. I believe that it is unfair for American taxpayers, many of whom may not have health insurance themselves, to provide such a generous health-insurance subsidy. Under an extremely small exception, individuals will be able to use the credit for the purchase of an individual health insurance if the policy is bought at least one month before unemployment. This restriction makes the small exception for the purchase of individual health insurance nearly worthless.

Worst of all is the poison pill that was added to the conference report. By expanding the eligibility for the health tax credit to retirees receiving benefits from defunct pension plans taken over by the Pension Benefit Guarantee Corporation, PBGC, the conference report has taken a significant step backwards. Potentially, this provision could end up covering individuals who worked for companies that went out of business 20 years ago. Today, these individuals will be eligible for this new benefit. These individuals, who will often be 55 years or older, will be included in the pool of workers benefitting from new Trade Adjustment Assistance health provisions, making it even more expensive for the relatively younger workers to purchase health insurance. Aside from doubling the costs of these health provisions, which now total over $4.8 billion over 10 years, this legislation could have numerous other unintended consequences on our pension system. It

allows companies that over-promised benefits to walk away from their obligation and leave taxpayers with the bill.

As a matter of principle on the one hand, and sound economic policy on the other, I still believe it is imperative that we grant the President trade-promotion authority. As a Senator who is committed to expanding free trade and its accompanying benefits, I am frustrated that this legislation has been loaded up with costly new entitlement programs.

I will vote for this bill because I know how important it is to grant the President Trade Promotion Authority. But because of the numerous bad provisions in the bill, and the bad precedents they set, the decision does not come easy. That shouldn't have been the case.

Ms. SNOWE. Mr. President, I rise today to support this conference report. Although I am disappointed that several provisions were removed in conference, on balance this legislation still represents a major expansion of the Trade Adjustment Assistance that is crucial for those workers who have lost their jobs due to imports or plant relocations to other countries.

I supported this legislation during the Finance Committee's markup, as well as during the Senate vote in May as I have been involved with this legislation for over a year with hearings, markups, negotiations, consideration by the Senate, and now the consideration of the conference report. I worked with Senator BINGAMAN on the Trade Adjustment Assistance, TAA provisions and then with Senators GRASSLEY and BAUCUS. In the same manner, both agreed to a critical expansion of the existing TAA program while also including provisions I advocated to accelerate assistance to dislocated workers and provide them with greater options in the utilization of these benefits. And, when the healthcare provision of TAA threatened to scuttle the bill, Senator BAUCUS and I worked together to fashion a deal that would be acceptable to both Republicans and Democrats.

At no point was my decision to support the Senate package, and the TPA section in particular, a foregone conclusion, as I have opposed trade agreements and fast-track authority in the past. I did so because I never felt they struck the proper balance between free and fair trade, and I've been concerned that both Republican and Democrat administrations approached the enforcement of U.S. trade laws not with vigor, but with at best a benign neglect.

However, when the Finance Committee marked-up this fast-track legislation in December and the Senate passed it in May, I supported it precisely because it did strike the appropriate balance, and because of this administration's commitment to aggressively enforce our trade laws so that American workers aren't undermined by unfair trade practices.

Furthermore, while some oppose linking TPA and TAA as contained in this trade package, my support is contingent on this linkage and I have repeatedly emphasized the importance of joining these proposals that are inextricably joined. TAA would not even exist if not for the fact that trade agreements impact U.S. jobs, so attempting to bifurcate TAA and TPA is like trying to divide the ''heads'' from the ''tails'' on a coin—sure, it may be possible, but the end product won't be worth one red cent!

TPA and TAA were enjoined and I supported that approach because we must never forget that in the engagement of trade there is a downside—chiefly, that real lives are affected, people not just statistics. When Americans become unemployed due to increased imports or plant relocations to other countries, it is because of trade agreements negotiated by the government of the United States and passed by Congress. Therefore, we have an obligation to also work toward forging a system that provides these trade-impacted Americans with the new skills needed to gain new employment.

This conference report does contain many provisions on both trade and trade adjustment assistance that I think are critical components that make them better than in the past. An expanded TAA program is going to be created, which I support, that will allow more workers to receive re-training and income support assistance quicker and for a longer period of time. This income support and re-training is vital to ensure that these workers can re-enter the workforce and also provide temporary assistance while they are learning new skills.

There are also provisions I fought for that will help speed up the approval process. Specifically, besides consolidating the current TAA and NAFTA-TAA programs into one, more efficient program, the bill includes my proposal to speed-up assistance to displaced workers by decreasing the TAA petition time for certification from 60 days to 40 days. Reducing this time by 20 days will allow people to get on with their lives that much quicker.

The TAA section also provides a 65 percent tax credit for trade-impacted workers to continue their health coverage for themselves and their family. This tax credit is ''advanceable'' so that people will receive this assistance immediately rather than paying up front to get a tax refund later.

Moreover, this bill addresses another issue that has created problems in my State this year, the current budget for training assistance. Since last year, Maine has run short of training funds by almost $3 million, forcing them to apply for five different Department of Labor National Emergency Grants and potentially causing a freeze in re-training assistance. By providing $220 million in funding, this shortfall will be fully addressed.

And we didn't stop there. Not only does this funding level address state shortfalls, but it also ensures expanded coverage for secondary workers affected by trade. Specifically, under the compromise developed by Senators GRASSLEY and BAUCUS, secondary workers with a direct relationship to the downsizing or closing of a plant will be covered by TAA, while so-called ''downstream workers'' covered now under a Statement of Administrative Action, SAA, as part of the NAFTA-TAA program will also be covered through the SAA's codification.

But make no mistake, the conference report does not contain some provisions that would be vital to people and communities adversely impacted by trade. Specifically, a small business pilot program that would allow those workers receiving TAA to start a small business without losing their benefits was dropped. Performance assessments of the TAA program that included the economic condition of the state were dropped, as were all performance requirements.

Not only were these removed but so was TAA for fishermen. Instead, this bill requires a study to determine whether TAA for fishermen is ''appropriate and feasible''. What is amazing is that TAA for farmers is covered in this bill but that somehow their coverage would be different than for fishermen. That is why we are working right now with the Department of Labor on administrative procedures to ensure that fishermen will be eligible for TAA.

TAA for communities was also dropped in conference. This would have allowed communities that suffered a plant closure due to import competition to apply for grants in order to attract new businesses. As in my home State of Maine, many States have rural towns that are dependent on a single plant for their livelihood and this provision would have given them a chance should that plant close.

In addition, coverage for workers that have watched their plant move overseas, known as shifts in production, has also been limited in the bill. As opposed to granting eligibility to workers whose plant moved to any country overseas, this conference report limits coverage only to those workers whose plant moved to a country that has a Free Trade Agreement, FTA, with the U.S., is a country receiving the reduced duties or duty-free benefits of the ATPA, the Africa Growth and Opportunity Act, AGOA, and the Caribbean Basin Initiative, CBI, or, if there has been an increase in imports from the country to which the plant moved.

This may appear to cover all the bases, except for the possibility that a plant will move overseas and may not actually import back to the U.S., thus there will be no increase in imports. If the U.S. has no FTA with that country or it is not participating in a U.S. duty-reduction program like the ATPA, then those workers are not eligible for TAA. How are these workers

affected differently from others who lose their jobs due to imports?

As I said earlier, on balance, the TAA provisions represent a significant expansion and improvement of the former TAA and NAFTA-TAA programs and will provide an invaluable service to those dislocated workers as they seek new jobs. While the government is assisting workers whose jobs have been lost due to imports, this bill also provides the Administration with the ability, through TPA, to negotiate trade agreements that will improve and increase U.S. exports. As I mentioned earlier, my past opposition to fast-track, due to concerns about the balance between free and fair trade and our enforcement of our trade laws, have been addressed in this bill.

The bottom line is that enforcement is an inseparable component of free and fair trade. If you don't believe me, just look at the record. In the past, when free trade and fair trade have been treated as mutually exclusive, import-sensitive industries in Maine and America were decimated by foreign competitors. Why? Because foreign businesses enjoyed the benefits of a lack of reciprocity in trade agreements, foreign industry subsidies, dumping in the U.S. market . . . and non-tariff trade barriers.

For this reason, I was disappointed that the Dayton-Craig language on trade remedy laws was removed in conference. However, the fact that the existing language on maintaining our ability to ''enforce rigorously'' our trade remedy laws became a Principal Negotiating Objective demonstrates a recognition of the utmost importance with which we hold these laws. In that regard, the Administration should take note that no trade agreement should ever be submitted to this Congress that weakens our trade remedy laws. As a member of the Finance Committee, I will do everything that I can to ensure that no trade agreement never ever weakens or undermines these laws.

The enforcement of our trade remedy laws are vital as the surrender of our rights have had serious consequences in the lives of real people. In Maine alone, we lost nearly 15,400 manufacturing jobs since NAFTA's inception including 2,400 textile jobs, 6,000 leather products jobs, 500 apparel jobs, 3,700 paper and allied products jobs, and 4,800 footwear jobs, excluding rubber footwear, and 5,200 manufacturing jobs so far just this year. We failed those people because we abdicated our responsibility to take a balanced, comprehensive and integrated approach to trade.

That is why I can not and will not support the Andean Trade Preference Act, ATPA. I opposed this during the Finance Committee's markup of the legislation and, although I supported the Senate's trade package legislation, I opposed its inclusion in the trade package.

The ATPA represents a unilateral action by the U.S. to open our markets to the Andean countries in order to bolster their economies in the hopes of reducing drug cultivation. Its effect the last ten years has been questionable with the ITC not able to make a definitive, affirmative determination that it has greatly contributed to the reduction of drug cultivation by providing economic opportunities.

The amount of exports from these countries which fall exclusively under the ATPA has remained relatively constant at 10 percent over the years. The fact that this has changed little indicates that there has been no major change in the production structure of ATPA economies meaning that these countries have not been taking more advantage of what ATPA offered. Therefore, what this legislation seeks to do is change our policies to conform to the Andean countries rather than these countries changing to take advantage of what the U.S. has already offered. U.S. jobs are on the line for an unproven trade benefit program.

That is why I worked in the ATPA to provide the rubber footwear industry with a comparable tariff provision to that which they received in NAFTA. The original ATPA further threatened this industry by giving the four Andean nations a tariff phase-out schedule that was only half as long as the 15-year schedule contained in the NAFTA. I was pleased that the Senate passed the trade package last May with this same 15 year phaseout, because without it we would have set a precedent that would be demanded by other countries as well.

This conference report drops this provision and with it went the hopes of the domestic rubber footwear industry and its 3,400 workers—1,000 of which are in Maine. Not only was my provision lost, but the Senate receded to the House. Under this, all footwear—that was excluded under the expired ATPA legislation, as well as textiles and apparels, leather products, and watches will enter the U.S. duty-free with no phaseout.

Such an immediate tariff reduction to zero will only serve as a sign to other countries, particularly Chile and Latin America nations, that the U.S. rubber footwear industry, once considered import-sensitive, is not only open for business, but for decimation. For this reason, I have been working with the USTR to impress upon them the significance this precedent will have on other trade agreements, particularly with Chile. I am pleased that the USTR provided me with unequivocal assurances that the ATPA provisions regarding rubber footwear in no way establishes a precedent for Chile, and that they will continue their efforts to prevent any adverse impact during trade negotiations on domestic rubber footwear.

And while we cannot bring back these or other jobs that were lost due to the miscues of the past, we can learn from those miscues and apply the lessons to our present and future actions. We can change our approach at the negotiating table. We can enforce existing trade laws.

In the real world, we have to acknowledge that there are many nations that don't care about labor or environmental standards. And that creates a tilted playing field where it's harder for us to compete. In that regard, this legislation goes further than any past fast-track bills on the issues of labor and the environment. The bill before us today not only sets as an overall objective the need to convince our trading partners not to weaken their labor or environmental laws as an inducement to trade, but it also requires the enforcement of existing labor and environmental laws as a principal negotiating objective.

The conference report also recognizes the need to take steps to protect the import sensitive textile and apparel industry. It calls for reducing tariffs on textiles and apparels in other countries to the same or lower levels than in the U.S., reducing or eliminating subsidies to provide for greater market opportunities for U.S. textiles and apparels, and ensuring that WTO member countries immediately fulfill their obligations to provide similar market access for U.S. textiles and apparels as the U.S. does for theirs.

And this legislation includes new negotiating objectives to address the issue of foreign subsidies and market distortions that lead to dumping. As a result, many industries stand to benefit from the adoption of this legislation, including the forest and paper, agriculture, semiconductor, precision manufacturing, and electronic industries of my home state. According to Maine Governor Angus King the fast track approach is, ''On balance . . . beneficial to Maine. There might be some short term problems, but in the long run, we have to participate in the world economy.''

And Maine has been participating. From 1989 to 1999, total exports by Maine companies increased by 137 percent from $914 million to $2.167 billion, with the largest industry sector for trade being semiconductors—employing about 2,000 in Maine. The computer and electronics trade, which includes semiconductors, accounted for 33 percent of Maine's exports in 1999, followed by paper and allied products at 17 percent.

The Maine industries that benefit from exports have also seen job gains in the state. From 1994 to 1999, the electrical and electronics industry had a job gain of 2.3 percent and the agriculture, forestry and fishing industry saw a 19 percent increase in jobs. In 2000, Maine's exports supported 84,000 jobs.

Mr. President, these measures and commitments represent a significant strengthening of our resolve and our ability to utilize existing remedies to protect American industries and workers. This comes not a moment too soon, as the success of our economy relies more than ever on fair and freer

trade U.S. exports accounted for one-quarter of U.S. economic growth over the past decade . . . nearly one in six manufactured products coming off the assembly line goes to a foreign customer . . . and exports support 1 of every 5 manufacturing jobs.

Given these facts, it is an understandable concern that the U.S. has been party to only 3 free trade agreements while there are more than 130 worldwide. Since 1995, the WTO has been notified of 90 such agreements while the U.S. only reached one in the trade arena, the Jordan Free Trade Agreement. In contrast, the European Union, EU, has been particularly aggressive, having entered into 27 free trade agreements since 1990 and they are actively negotiating another 15. Perhaps not surprisingly, the Business Roundtable reports that 33 percent of total world exports are covered by EU free trade agreements compared to 11 percent for U.S. agreements.

Why should these facts raise concerns? Because every agreement made without us is a threat to American jobs. Nowhere is this better exemplified than in Chile which signed a free trade agreement with Canada, Argentina and several other nations in 1997.

Since that time, the U.S. has lost one-quarter of Chile's import market, while nations entering into trade agreements more than captured our lost share. According to the National Association of Manufacturers (NAM), this resulted in the loss of more than $800 million in U.S. exports and 100,000 job opportunities. One specific industry affected was U.S. paper products which accounted for 30 percent of Chile's imports but has since dropped to only 11 percent after the trade agreements were signed.

We need to look to the future of our industries and open doors of opportunity in the global marketplace. In order to do so responsibly, we need to learn every economic lesson possible from the past, and this package provides for not only a study I requested of the economic impact of the past five trade agreements, but also an additional evaluation of any new agreements before TPA is extended.

And we need to make sure that everyone who can benefit from these agreements can get their foot in the door. Small businesses, for example, account for 30 percent of all U.S. goods exported, and in Maine more than 78 percent export, so I am pleased this bill includes my proposals placing small businesses in our principle negotiating objectives.

Finally, the package includes consultation rights for the House and Senate Committees with oversight of the fishing industry. As the past Chair and current Ranking Member of the Commerce Subcommittee on Oceans and Fisheries, I can tell you that the actions of other countries with regard to fishing plays a crucial role in ensuring our industry has a level playing field on which to compete. Last year this country exported $11 billion worth of edible and nonedible fish products, and in Maine the industry—which is our 5th leading exporter—generates 26,000 jobs.

In the eleventh hour race, Mr. President, as was the case with many TAA provisions, some other items that were crucial for small businesses which make up 99 percent of all U.S. businesses were also lost. One was a provision to create a small business Assistant USTR which the Senate-passed bill included. Although the conference report states that the Assistant USTR for Industry and Telecommunications would be responsible for this portfolio, it contains a only sense of Congress that the title reflect that. I am shocked at how seemingly difficult it was for us to create a position for small business at the USTR with a title that reflects that fact.

Similarly, a provision requiring the USTR to identify someone to be a small business advocate in the WTO is also no longer in this bill. Why? Is it that controversial for us to ensure that the interests of small business are represented in the WTO?

This is not a perfect bill but the adoption of this comprehensive package will ensure that trade agreements will be pursued in a fair and balanced manner to the benefit of all Americans while also recognizing the need for expanded assistance for those who lose their jobs due to trade.

Mr. FEINGOLD. Mr. President, I rise to offer some comments on the fast-track conference agreement.

Once again, the supporters of this measure seek to characterize this vote as a vote on the issue of whether or not we should have trade agreements. They argue that to favor the bill is to favor trade, and to oppose the bill is to oppose trade.

Of course, this is nonsense.

As a number of my colleagues have noted, the issue of whether to enact fast-track procedures is not a question of whether one favors or opposes free trade, but rather what role Congress plays in trade agreements.

Under this bill, that role will be little more than that of one of those bobble-head dolls—nodding its head ''yes'' or shaking its head ''no'' in response to proposed trade agreements.

And it may actually be worse, because nothing in the measure before us limits this bobble-head role strictly to trade agreements. Under this bill, the President is at liberty to submit just about any policy he wants as part of a fast-track protected trade bill, and Congress would have to swallow that policy if it wanted to endorse the trade agreement to which it was attached.

As I noted during the debate on this bill last May, this has, in fact, occurred. The last fast-track protected trade agreement this body considered, the measure implementing the Uruguay Round of the GATT, included more than $4 billion in tax increases that were beyond the reach of this body to amend or even delete.

Of course, some may argue that the risk that extraneous matters might be slipped into a fast-track protected trade bill is greatly reduced because the two trade committees—the Finance Committee in the Senate and the Ways and Means Committee in the other body—will stand guard against such an event, protecting congressional prerogatives.

Let me first note that the GATT bill, with its $4 billion in tax increases, came to us with the blessing of those two committees.

More recently, the track record of those two committees on this very legislation is not reassuring. The bill before us includes many questionable provisions, but let me cite two in particular that have absolutely no business being in the measure. They both raise serious civil rights and civil liberties concerns.

The first of these two issues relates to immunity for customs officers. Central to any lawsuit against a government official alleged to have committed misconduct is the immunity standard for that official. Under Supreme Court law, every government official—federal, state and local—is protected by the doctrine of qualified immunity. This is a very broad shield from liability. In the words of the Supreme Court, it protects ''all but the plainly incompetent or those who knowingly violate the law.'' And it is the type of immunity that sets the bar plaintiffs must overcome to win law suits.

In the legislation before us, a provision was slipped in that will make it harder to hold an abusive customs officer accountable for bad behavior. The bill changes the immunity standard from one of ''objective'' immunity, meaning an official had to prove that he or she did not violate clearly established law, to ''good faith'' immunity, meaning that the official only had to prove that he or she believed that he or she was not violating a person's constitutional rights and was not acting with a malicious intent.

The practical effect of this change is that an abusive officer will merely have to file an affidavit stating that he or she acted in good faith, and the case will be dismissed. This would make it very difficult for a court to hold a customs officer accountable for abusive behavior, behavior such as racial profiling.

Putting aside the question of whether or not this provision belongs in a bill that relates to the procedures under which Congress considers trade bills, the provision is not justified. There is no record of any great abuse of the existing system.

Some might suggest that because customs officers work on the border, they need special protection. But Border Patrol agents and other law enforcement officers like FBI, DEA, and local police are stationed near borders, and they will all continue to work under an objective immunity standard.

Beyond that, this provision has no business in this bill. It has nothing to do with how Congress should consider trade agreements. And it certainly merits the kind of scrutiny that it will not get as part of a conference report that cannot be amended.

A similarly inappropriate but little discussed provision in this bill would allow customs officers to search outgoing mail without the approval of a court. That is right. Under this bill, a customs officer can open mail you send overseas without getting a search warrant.

The provision applies to all mail weighing more than 16 ounces no matter how it is sent, and it also applies to any mail under 16 ounces, that is sent through a private carrier, such as Federal Express or UPS.

This is an enormous change in law. A customs officer would no longer have to go to court to obtain a warrant to search our mail. It takes away much of the protection we all thought we had when we mail a letter to a friend or relative overseas.

Again, setting aside the question of whether the provision has merit, it simply has no business in this bill.

These two provisions are deeply flawed, in and of themselves, but they should also give us pause when we consider what future proposals we might see included in fast-track protected trade bills—measures that cannot be amended. If the congressional committee watchdogs allowed these provisions to be slipped into this bill, what might find its way into future measures?

And I remind my colleagues that there are no requirements in this bill that fast-track protected bills consist only of provisions germane, or even relevant, to the trade agreement to be implemented.

The bill is flawed in a number of other critical ways. As others have noted, the bill moves backwards in the area of worker rights and the environment. It even backslides from the modest progress made in the Jordan Free Trade Agreement.

The bill also guts the Dayton-Craig provisions that sought to ensure our own trade laws would not be undercut as part of a fast-track protected trade bill. That amendment was supported by a strong majority of the Senate, but it was essentially eliminated in conference. In fact, there is little doubt that it was dropped even before this bill went to conference.

Nor does this bill address the so-called Chapter 11, issue where foreign investors can use secret trade tribunals to effectively weaken or eliminate existing state and local laws and regulations that protect our health and safety. Because that problem is not addressed, we can expect future trade agreements to include this anti-democratic provision.

As I noted during the debate we had on this issue last May, fast-track is not necessary for free trade. We have entered into hundreds of agreements without those procedures.

More importantly, fast-track may actually undermine the cause of improved trade.

As I noted then, rather than encouraging trade agreements that produce broad-based benefits, fast-track has instead fostered trade agreements that pick ''winners and losers,'' and in doing so has undermined public support for pursuing free trade agreements.

Fast-track also advances the short-term interests of multinational corporations over those of the average worker and consumer. With opposition to the entire trade bill the only option left, Congress has swallowed provisions that advance corporate interests, even when they come at the expense of our Nation's interests. The so-called Chapter 11 provisions are an excellent example of this. Here again, fast-track procedures actually work to undermine public support for trade agreements.

Let me reiterate that many of us who support free and fair trade find nothing inconsistent with that support and insisting that Congress be a full partner in approving agreements.

Indeed, as the senior Senator from West Virginia, Mr. BYRD, has noted, support for fast-track procedures reveals a lack of confidence in the ability of our negotiators to craft a sound agreement, or a lack of confidence in the ability of Congress to weigh regional and sectoral interests against the national interest, or may simply be a desire by the Executive Branch to avoid the hard work necessary to convince Congress to support the agreements that it negotiates.

I can think of no better insurance policy for a sound trade agreement than the prospect of a thorough Congressional review, complete with the ability to amend that agreement.

This was a bad bill when it left the Senate. It is much worse now, and I urge my colleagues to oppose this legislation.

Mr. ENZI. Mr. President. I rise to share my thoughts on the trade bill we passed this afternoon that gives our President renewed trade negotiating authority

Like many of my colleagues, I hail from a State that is particularly sensitive to foreign imports of agricultural products, for example Wyoming's two largest cash crops are sugar and cattle, and where trade makes a big impact on certain industries.

I believe in fair trade, and I support the efforts of our President as he works to improve our multilateral and bilateral relationships. I have also worked diligently with Members from both sides of the aisle to improve our ability to participate in international trade. You will remember I urged my colleagues last year to vote for the Export Administration Act, a bill which would streamline our export control system so that items that do not need to be controlled may move more easily across borders. I believe that international trade is an effective way to boost the economy, but it must be done responsibly and carefully.

I voted in favor of this bill today for three primary reasons.

First, I strongly support the bill's provisions that recognize the sensitive nature of some industries. I believe the most essential provision related to import sensitive goods is the mandate that requires the President to consult with Industry Advisory Committees and the International Trade Commission on certain negotiations. This bill requires the administration to notify and gather input during trade negotiations from people like ranchers and farmers who produce import-sensitive products.

Second, as an original cosponsor of the Craig-Dayton Amendment, the new language in the bill addressing trade remedy laws is critical. The bill provides that if negotiators don't listen to concerns about proposed changes to trade remedy laws, Congress can pass a formal resolution of disapproval. This puts up a red flag to the negotiators that they are treading on shaky ground and may want to rethink their position. In addition, I am also pleased this bill sets rigorous enforcement of U.S. trade remedy laws as a principal negotiating objective and increases reporting requirements for possible modifications to trade laws.

Third, there is specific language in this bill that addresses a major concern of sugar producers. Wyoming sugar producers have been hurt by a ''sugar laundering'' operation being conducted through Canada. The process starts when a commodity trader in Canada blends sugar, water and molasses in a ratio that would exempt the mixture from U.S. import duties Canada enjoys under the North American Free Trade Agreement, NAFTA. This mixture is then trucked across the U.S. border to a factory controlled by the same commodity trader where the sugar is separated from the molasses mixture. The sugar is then sold in the U.S. market free of tariffs and the rest of the mixture is returned to Canada to be ''stuffed'' again. The ''sugar loophole'' and others like it would be closed by this trade bill. The bill makes the determination that stuffed molasses should be considered imported sugar and therefore subject to tariffs. It also requires the Secretary of Agriculture to monitor other existing or likely circumventions of tariff-rate quotas and report on these to the President.

Beyond these specific reasons, I cast my affirmative vote today because fair trade is essential to the economic growth of all industries. The next step is rule and regulation, and I will carefully watch to ensure that the interests of Wyomingites are protected.

Mr. KERRY. Mr. President, I will support this final conference report to give the President the authority to negotiate nonamendable trade agreements and to reauthorize the Trade Adjustment Assistance Program. I am

pleased that this TAA package provides greater benefits to more workers than ever before.

The Nation's economy is fundamentally linked to our Nation's ability to export. Today, one-tenth of all jobs in this country are directly related to our ability to export goods and services. When you consider multiplying effects, that number rises to nearly one-third. Businesses in Massachusetts alone sold more than $19.7 billion worth of goods to more than 200 foreign markets last year. That is more than $3,000 worth of goods sold abroad for every resident. Massachusetts businesses also help break the stereotype of international trade as the arena of large corporations. Almost 75 percent of my State's exporting businesses are small businesses.

Of larger businesses which have overseas subsidiaries, almost three-fourths of profits earned abroad are returned to parent companies in the United States. That means more jobs and higher wages at home. These statistics present a strong case for support of this bill.

I believe strongly that more international trade results in a greater occasion to help developing countries grow and develop the roots of democracy. The chance to improve ties with other countries and use trade as one means of advancing American foreign policy is an opportunity that we should not pass up. And so I will support this conference report.

However, we do ourselves a great disservice to ignore the growing concerns of our own people who view the trade equation as imbalanced: Working families in mill towns across New England or steel towns in the Midwest who fear that we have looked only at the export side of the puzzle, ignoring our fundamental obligations to a clean environment, basic labor standards and to those Americans whose lives change when factories close or businesses cannot compete with cheaper foreign-produced products.

Some important safeguards were in the Senate-passed bill. Indeed, the bill that passed the Senate in May was precedent-setting in many ways. We would have provided trade promotion authority to the President while also firmly stating that our Nation's trade remedy laws should not be eviscerated by trade agreements. Significantly, we provided the strongest safety net ever to workers left jobless by the short-term economic upheaval that comes from increased international trade. We also had a thorough debate on the importance of labor and environmental standards in trade agreements, and on my efforts to prevent investor-State disputes from undermining U.S. public health and safety laws. I have no doubt that the Senate will come back to these issues in the future.

Unfortunately, this conference report represents a mild retreat from the Senate-passed bill. The conference report does not protect American trade remedy laws. The safety net for workers is less comprehensive than it could have, and should have, been. It still does not adequately preserve American sovereignty in directing trade negotiators how to develop settlement panels for investor-State disputes.

As a result, we can only hope that our trade negotiators will not undermine the values that many Americans worry are not being honored in our trade agreements. To be quite honest, though, I have some concerns that the President will not make a full commitment to either the environment or the basic rights of workers in future trade agreements, because he has not done these things at home. And so it must fall to the Senate to put the President on notice that he must address the concerns that Americans have about trade. I, for one, will be watching agreements that grow out of this trade promotion authority very closely.

I must make one more point. With respect to the Trade Adjustment Assistance Program, this bill is not as good as the one the Senate passed 3 months ago. But this bill does expand benefits for workers who lose their jobs due to increased foreign competition in ways that, frankly, would have been inconceivable just a few years ago. That is real progress. If we are to continue to seek the benefits of increased trade, we must also fulfill our commitment to families and communities whose lives are disrupted by the short-term impacts of trade.

I am particularly disappointed that the conference report did not retain the important new program making TAA available to fishermen. This program was included in the TAA bill marked up by the Finance Committee last December and included in the bill that passed the Senate in May. U.S. fish imports now outstrip exports by $7 billion, due in some measure to the fact that no other nation in the world requires sustainable fishing practices. This deficit may soon put some fishermen out of business.

While a separate program for fishermen makes sense, the administration has informed me that fishermen who seek TAA benefits through the Department of Labor will indeed be eligible, although they may have to seek a blending of TAA and Workforce Investment Act benefits. Nonetheless, I have the Department's pledge to work with me on this issue, and I look forward to doing just that.

I have also been informed that the Secretary of Agriculture will do a rulemaking to determine whether fishermen are eligible for the TAA for Farmers program as well. I will make sure that the Secretary is aware of my strong belief that fishermen are no different from farmers, and deserve equivalent consideration in this program. I ask unanimous consent that these letters be made a part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR, ASSISTANT SECRETARY FOR EMPLOYMENT AND TRAINING,
Washington, DC, August 1, 2002.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: I understand that you have a strong interest in providing assistance to workers and fishermen impacted by trade or for other reasons. We at the Department of Labor share your desire to help all dislocated workers get back to work.

Workers, including fishermen, who lose their jobs through no fault of their own can receive a wide range of employment and training services through the Workforce Investment Act formula programs. On July 1, 2002, Massachusetts received an allotment of $55,189,519, of which $12,321,163 is allocated to serve dislocated workers. When these formula funds are insufficient to respond to a mass lay-off, plant closure or natural disaster, the Secretary of Labor has discretion to award National Emergency Grants, which are authorized under section 173 of the Workforce Investment Act. National Emergency Grants provide resources for job training and reemployment assistance, as well as supportive services for child-care, transportation and needs-related payments for income support while a worker is enrolled in training.

Workers who are impacted by trade may qualify for TAA benefits. Although the Department of Labor has not received any petitions for certification of eligibility for TAA assistance from fishermen over the last five fiscal years, they certainly could apply as long as they meet the requirements of the Act. For example, one of the criteria for TAA eligibility is that the impacted firm has to be involved in the production of an article. We consider fresh fish to be an article. Therefore, if imports of that fish or other fish that were directly competitive contributed importantly to the decline in the sales or production of the fishing firm and the loss of jobs of the crew, the group of workers could be certified for TAA. An owner who works on a fishing vessel with as few as two crew members would be eligible to initiate the petition for TAA.

It may also be noted that the Conference Report that is currently before the Senate expands eligibility for TAA to cover certain secondary workers, including suppliers of component parts. In the case of a firm and its fishermen that provided fresh fish to a company that canned the fish and sold the canned fish, and imports of that canned fish led to the workers in the canning company being certified under TAA, the fishermen who supplied the fish could also be certified as secondary workers. This would also require that the loss of business with the canning company constituted at least 20 percent of the fishing firm's sales or contributed importantly to the loss of the fisherman's jobs.

It is important to recognize, however, that there are certain limitations on the assistance provided under TAA. One of the requirements for receiving extended income support under TAA, in addition to being enrolled in training or receiving a waiver from that requirement, is that the worker was eligible for and exhausted regular State unemployment insurance. Generally, fishermen on vessels of under 10 tons, and that are not involved in the commercial fishing of salmon or halibut, are excluded from unemployment insurance coverage. Therefore, even if certified for TAA benefits, many fishermen may not qualify for the income support benefit. Therefore, in some cases, fishermen may be able access to income support to enable them to participate in training through WIA formula funded programs, and to the extent

possible, through a National Emergency Grant awarded in response to a state application, where eligibility for unemployment insurance is not necessarily a prerequisite.

I share your concern for all workers who have been laid-off due to trade or other reasons, and I want to assure you that my staff will work with you to help respond to layoffs that may impact fishermen in Massachusetts.

Sincerely,

EMILY STOVER DEROCCO.

THE SECRETARY OF AGRICULTURE,
Washington, DC, August 1, 2002.

Hon. JOHN KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY, As you are aware, the conference agreement on H.R. 3009, the Andean Trade Preference Expansion Act is pending before the Senate. This Act includes provisions important to the Administration on Trade Promotion Authority and Trade Adjustment Assistance (TAA).

We understand you have concerns regarding the eligibility of the fishing industry to participate in the TAA programs for agriculture authorized in the legislation. As well, we understand the difficult situations that have faced the fishing industry in your State over the last few years.

There has been precedent for including certain fishing enterprises in previous USDA disaster programs. As the Department promulgates the necessary regulations to implement the new authorities provided in the Act, we would be willing to carefully examine and discuss with you whether we can include the fishing industry in the appropriate regulations on TAA.

Sincerely,

ANN M. VENEMAN.

The PRESIDING OFFICER. The Senator from Massachusetts.

PATIENTS BILL OF RIGHTS

Mr. KENNEDY. Mr. President, I regret that we continue to be unable to reach an agreement on the Patients' Bill of Rights that would protect the interests of patients instead of the profits of insurance companies. The sponsors of the Senate Patients' Bill of Rights, Senators MCCAIN, EDWARDS and I, have spent many months talking with the White House. We have repeatedly tried to reach a fair compromise that would address many of the concerns voiced by the opponents of this bill without sacrificing the protection patients need. Unfortunately, we were not able to reach an agreement with them. The Bush administration has simply been unwilling to hold HMOs and insurance companies fully accountable when they make medical decisions. In the end, they were more committed to maintaining special preferences for HMOs and big insurance companies than passing legislation that would protect patients.

This is, at heart, an issue of corporate accountability. HMOs and insurance companies have not been held accountable for their medical decisions; and, as a result patients are being injured every day. Just as Congress took the lead on corporate accountability in the Sarbanes legislation when the White House would not take strong action, I believe Congress will now take the lead and enact a strong Patients' Bill of Rights. The political climate is very different today than it was when the House acted last year. The public is focused. I do not believe the Republican leadership will be able to resist the tide of popular opinion.

Throughout this process, we have been particularly concerned about those patients who sustain the most serious, life-altering injuries. If the law does not allow them to obtain full and fair compensation for their injuries, we will fail those who are most in need of our help. Yet, the administration has steadfastly refused to agree to liability provisions that would treat the most seriously injured patients justly.

Holding HMOs and health insurers fully accountable for their misconduct is essential to improving the quality of health care that millions of Americans receive. Nothing will provide a greater incentive for an HMO to do the right thing than the knowledge that it will be held accountable in court if it does the wrong thing. Placing arbitrary limits on the financial responsibility which HMOs owe to those patients who have been badly harmed by their misconduct would seriously weaken the deterrent effect of the law. Yet, the administration has insisted on a series of provisions which were designed to limit the accountability of HMOs.

The Bush administration wanted to weaken the authority of external review panels to help patients obtain the medical care they need. They demanded a rebuttable presumption against the patients in many cases that would effectively deny them a fair hearing in court. They demanded an arbitrary cap on the compensation which even the most seriously injured patients could receive. They wanted to allow HMOs and insurance companies to block injured patients from going to court at all, forcing them instead into a much more restrictive arbitration process. They insisted on preventing juries from awarding punitive damages even if there was clear and convincing evidence of a pattern of intentional wrongdoing by the HMO. At every stage of the accountability process, the administration was unwilling to treat patients fairly. A right without an effective remedy is no right at all, and the administration was unwilling to provide injured patients with any effective remedy.

Every day, thousands of patients are victimized by HMO abuses. Too many patients with symptoms of a heart attack or stroke are put at risk because they cannot go to the nearest emergency room. Too many women with breast cancer or cervical cancer suffer and even die because their HMO will not authorize needed care by a specialist. Too many children with life-threatening illnesses are told that they must see the unqualified physician in their plan's network because the HMO won't pay for them to see the specialist just down the road. Too many patients with incurable cancer or heart disease or other fatal conditions are denied the opportunity to participate in the clinical trials that could save their lives. Too many patients with arthritis, or cancer, or mental illnesses are denied the drugs that their doctor prescribes, because the medicine they need is not as cheap as the medicine on the HMO's list.

The legislation passed by the Senate would end those abuses, and it would assure that HMOs could be held responsible in court if they failed to provide the care their patients deserved. The Senate bill said that if an HMO crippled or terribly injured a patient, it had a responsibility to provide financial compensation for the victim and the victim's family. It said that if an HMO killed a family breadwinner, it was liable for the support of that patient's family.

The Senate passed a strong, effective patients' bill of rights by an overwhelming bipartisan vote. It was not a Democratic victory or a Republican victory. It was a victory for patients. It was a victory for every family that wants medical decisions made by doctors and nurses, not insurance company bureaucrats. It said that treatment should be determined by a patients' vital signs, not an HMO's bottom line.

Under our legislation, all the abuses that have marked managed care for so long were prohibited. Patients were guaranteed access to a speedy, impartial, independent appeal when HMOs denied care. And the rights the legislation granted were enforceable. When HMO decisions seriously injured patients, HMOs could be held accountable in court, under state law, under the same standards that apply to doctors and hospitals.

The story was different in the House. There, a narrow, partisan majority insisted on retaining special treatment and special privileges for HMOs. That legislation granted HMOs protection available to no other industry in America. Under the guise of granting new rights, it denied effective remedies. It tilted the playing field in favor of HMOs and against patients. The Republican majority in the House said yes to big business and no to American families. Their bill represents the triumph of privilege and power over fairness.

Under the House Republican bill, a family trying to hold an HMO accountable when a patient was killed or injured would find the legal process stacked against them at every turn. The standard in their bill for determining whether the HMO was negligent would allow HMOs to overturn the decision of a patients' family doctor without being held to the same standard of good medical practice that applies to the doctor. Think about that. One standard for a doctor trying to provide good care for patients. Another, lower standard for the HMO which arbitrarily overturns that doctor's decision because it wants to protect its bottom line.