

According to a study of only 12 States by the U.S. Chamber of Commerce, CAFTA would create over 25,000 new jobs in these States in the first year alone. According to the American Farm Bureau, CAFTA will provide a substantial competitive advantage to U.S. farmers and ranchers, boosting agricultural exports by \$1.5 billion annually.

Mr. Speaker, this historic agreement will also help consumers by delivering a greater choice of goods at lower prices. Through more trade, American families will be able to buy more, using less of their paychecks. We have over 200 years of history to prove it.

Mr. Speaker, I urge all my colleagues to reject protectionism and instead support jobs, support U.S. farmers, support consumers, and support freedom by supporting CAFTA.

WHY ARE REPUBLICANS NOT INVESTIGATING PLAME OUTING BY WHITE HOUSE OFFICIALS?

(Ms. WATSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WATSON. Mr. Speaker, today, a grand jury continues to investigate into the leaking of an undercover agent's identity. Thank goodness a grand jury is taking this case seriously, since it does not appear that either the White House or House Republicans are interested in finding out who is responsible for leaking Valerie Plame's identity.

Back in the 1990s, House Republicans loved "Roving" around in the White House's business. House Republicans took 140 hours of testimony to investigate whether the Clinton White House misused its holiday card database. They also once asked President Clinton to explain how the White House responded to letters sent to the President's cat, Socks.

But now that we have an issue that is clearly begging for congressional oversight, House Republicans have been silent. They have not sent a single letter to the White House demanding answers. They have not held congressional hearings to investigate the impact such a leak could have on our ability to gather intelligence.

The leaking of a CIA agent's identity is a serious breach of our national security, and something must be done about it.

DOMINICAN REPUBLIC-CENTRAL AMERICAN FREE TRADE AGREEMENT

(Mrs. BIGGERT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BIGGERT. Mr. Speaker, I rise today in strong support of DR-CAFTA. It is not often I agree with the editorial page of The Washington Post, but I want to commend the editorial

staff for its outstanding piece today entitled "The Stakes in CAFTA."

The stakes in CAFTA are indeed high and go far beyond issues of tariffs and trade barriers. As the Post put it, "While the U.S. has been focusing on terrorism, a new challenge has been brewing in its own hemisphere. House Members should consider this challenge before voting to slam the door on Central America's pro-American leaders."

The Post concludes that CAFTA will help the poor of Latin America, creating 300,000 new jobs and a new mechanism for enforcing labor rights. I quote, "The defeat of CAFTA would help not antipoverty movements but anti-American demagogues, starting with Mr. Chavez of Venezuela. For them, the retreat of the U.S. from partnership with Central America would be a major victory."

Mr. Speaker, I would urge support of DR-CAFTA.

SOCIAL SECURITY

(Mrs. DAVIS of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. DAVIS of California. Mr. Speaker, my colleagues have been saying all along that the recently introduced Social Security GROW Act does not address the future solvency of Social Security, that it will cut guaranteed Social Security benefits, and that it continues the raid on the Social Security Trust Fund, despite what its sponsors say.

Well, you do not have to take our word for it. Even my friends on the other side of the aisle have begun to publicly question their party's plan. The gentleman from Arizona (Mr. KOLBE) said in USA Today that "you must eat your spinach before having dessert, and this plan only offers dessert: the personal retirement accounts." Senator CHUCK GRASSLEY of Iowa said in the L.A. Times that he was "disappointed that the new House Republican bill did not address Social Security's impending insolvency." And the gentleman from Connecticut (Mr. SIMMONS) said to Bloomberg News, "I do not support legislation that takes tax dollars and diverts them to private accounts."

This legislation is not the way to preserve Social Security. As we prepare to celebrate the 70th anniversary of Social Security, we should be straightening it rather than jeopardizing our citizens' hard-earned retirement savings.

H.R. 2049, FEDERAL CONTRACTORS SECURITY ACT

(Mrs. BLACKBURN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BLACKBURN. Mr. Speaker, the Washington Post carries an editorial

this morning on illegal immigration, and it talks about the Senate beginning to take up that issue today. I look forward to our discussion and continued work on that issue here in the House. It is an issue that is of tremendous importance to my home State of Tennessee.

I would like to call the body's attention to a bill that I filed that deals with immigration reform, H.R. 2049, the Federal Contractors Security Act. What this does is to require those companies contracting with the Federal Government to use the basic worker verification program to ensure us, the taxpayers, that the individuals working for them are in the country legally and that they are who they claim to be.

Mr. Speaker, this is a national security issue, it is a homeland security issue, it is an issue of tremendous importance. I encourage the body to look at H.R. 2049, and I encourage our leadership to take aggressive action to fight illegal immigration.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GINGREY). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later in the day.

UNITED STATES TRADE RIGHTS ENFORCEMENT ACT

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3283) to enhance resources to enforce United States trade rights, as amended.

The Clerk read as follows:

H.R. 3283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Trade Rights Enforcement Act".

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) United States producers that believe they are injured by subsidized imports from nonmarket economy countries have not been able to obtain relief through countervailing duty actions because the Department of Commerce has declined to make countervailing duty determinations for nonmarket economy countries in part because it lacks explicit legal authority to do so;

(2) explicitly making the countervailing duty law under subtitle A of title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) applicable to actions by nonmarket economy countries would give United States producers access to import relief measures that directly target government subsidies;

(3) the Bureau of Customs and Border Protection of the Department of Homeland Security has encountered particular problems in collecting countervailing and antidumping duties from new shippers who default on their bonding obligations;

(4) this behavior may detract from the ability of United States companies to recover from competition found to be unfair under international trade laws;

(5) accordingly, it is appropriate, for a test period, to suspend the availability of bonds for new shippers and instead require cash deposits;

(6) more analysis and assessment is needed to determine the appropriate policy to respond to this and other problems experienced in the collection of duties and the impact that policy changes could have on legitimate United States trade and United States trade obligations;

(7) given the developments in the ongoing World Trade Organization (WTO) negotiations relating to trade remedies, Congress reiterates its resolve as expressed in House Concurrent Resolution 262 (107th Congress), which was overwhelmingly approved by the House of Representatives on November 7, 2001, by a vote of 410 to 4;

(8) the United States Trade Representative should monitor compliance by United States trading partners with their trade obligations and systematically identify areas of non-compliance;

(9) the United States Trade Representative should then aggressively resolve noncompliance through consultations with United States trading partners;

(10) however, should efforts to resolve disputes through consultation fail, the United States Trade Representative should vigorously pursue United States rights through dispute settlement in every available forum;

(11) given the huge growth in trade with the People's Republic of China, its impact on the United States economy, and the complaints voiced by many United States interests that China is not complying with its international trade obligations, the United States Trade Representative should place particular emphasis on identifying and resolving disputes with China that limit United States exports, particularly concerning compliance with obligations relating to intellectual property rights and enforcement, tariff and nontariff barriers, subsidies, technical barriers to trade, sanitary and phytosanitary issues, nonmarket-based industrial policies, distribution rights, and regulatory transparency;

(12) in addition, the United States Trade Representative should place particular emphasis on trade barriers imposed by Japan, specifically the Japanese trade ban on United States beef without scientific justification, the Japanese sanitary and phytosanitary restrictions on United States agricultural products, Japanese policies on pharmaceutical and medical device reference pricing, insurance cross-subsidization, and privatization in a variety of sectors that discriminate against United States companies;

(13) the fixed exchange rate that the People's Republic of China has maintained until recently has been a substantial distortion to world markets, blocking the price mechanism, impeding adjustment of international imbalances, and serving as a source of large and increasing risk to the Chinese economy;

(14) such behavior has effectively prevented market forces from operating efficiently in the People's Republic of China, distorting world trade;

(15) in a welcome move, the People's Republic of China has now begun to move to a more flexible exchange rate, and it should continue to so move to a market-based exchange rate as soon as possible;

(16) in light of this recent positive development, the Secretary of Treasury should provide to Congress a periodic assessment of the mechanism adopted by the Chinese Government to relate its currency to a basket of foreign currencies and the degree to which

the application of this mechanism moves the currency closer to a market-based representation of its value;

(17) in addition, Japan's policy of intervening to influence the value of its currency and its prolific barriers to trade create distortions that disadvantage United States exporters;

(18) this adverse impact is magnified by Japan's role in the global marketplace, combined with its chronic surplus, weak economy, deflationary economy, low growth rate, and lack of consumer spending; and

(19) accordingly, the United States Trade Representative should have additional resources in the Office of the General Counsel, the Office of Monitoring and Enforcement, the Office of China Affairs, and the Office of Japan, Korea, and APEC Affairs to address a variety of needs that will best enable United States companies, farmers, and workers to benefit from the trade agreements to which the United States has around the world.

SEC. 3. APPLICATION OF COUNTERVAILING DUTIES TO NONMARKET ECONOMY COUNTRIES.

(a) AMENDMENTS.—

(1) COUNTERVAILING DUTIES IMPOSED.—Section 701(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1671(a)(1)) is amended by inserting “(including a nonmarket economy country)” after “country” each place it appears.

(2) DEFINITION OF COUNTERVAILABLE SUBSIDY.—Section 771(5)(E) of such Act (19 U.S.C. 1677(5)(E)) is amended by adding at the end the following new sentences: “With respect to the People's Republic of China, if the administering authority encounters special difficulties in calculating the amount of a benefit under clause (i), (ii), (iii), or (iv) of this subparagraph, the administering authority may use methodologies for identifying and measuring the subsidy benefit which take into account the possibility that prevailing terms and conditions in China may not always be available as appropriate benchmarks. When applying such methodologies, where practicable, the administering authority should adjust such prevailing terms and conditions before considering the use of terms and conditions prevailing outside China.”

(b) PROHIBITION ON DOUBLE COUNTING.—In applying section 701(a)(1) of the Tariff Act of 1930, as amended by subsection (a), to a class or kind of merchandise of a nonmarket economy country, the administering authority shall ensure that—

(1) any countervailable subsidy is not double counted in an antidumping order under section 731 of such Act (19 U.S.C. 1673) on the same class or kind of merchandise of the country; and

(2) the application of section 701(a)(1) of such Act is consistent with the international obligations of the United States.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) apply to any petition filed under section 702 of the Tariff Act of 1930 (19 U.S.C. 1671a) on or after 30 days after the date of the enactment of this Act, and the provisions contained in subsection (b) apply to any subsequent determination made under section 733, 735, or 751 of such Act (19 U.S.C. 1673b, 1673d, or 1675).

SEC. 4. NEW SHIPPER REVIEW AMENDMENT.

(a) SUSPENSION OF THE AVAILABILITY OF BONDS TO NEW SHIPPERS.—Clause (iii) of section 751(a)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1675(a)(2)(B)(iii)) shall not be effective during the 3-year period beginning on the date of the enactment of this Act.

(b) REPORT ON THE IMPACT OF THE SUSPENSION.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Commerce, the United States

Trade Representative, and the Secretary of Homeland Security, shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing—

(1) recommendations on whether the suspension of the effectiveness of section 751(a)(2)(B)(iii) of the Tariff Act of 1930 should be extended beyond the date provided in subsection (a) of this section; and

(2) assessments of the effectiveness of any administrative measures that have been implemented to address the difficulties giving rise to the suspension under subsection (a) of this section, including—

(A) problems in assuring the collection of antidumping duties on imports from new shippers; and

(B) burdens imposed on legitimate trade and commerce by the suspension of availability of bonds to new shippers by reason of the suspension under subsection (a).

(c) REPORT ON COLLECTION PROBLEMS AND ANALYSIS OF PROPOSED SOLUTIONS.—

(1) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Commissioner of the Bureau of Customs and Border Protection and the Secretary of Commerce, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report describing the major problems experienced in the collection of duties, including fraudulent activities intended to avoid payment of duties, with an estimate of the total amount of uncollected duties for the previous fiscal year and a breakdown across product lines describing the reasons duties were uncollected.

(2) RECOMMENDATIONS.—The report shall make recommendations on additional actions to address remaining problems related to duty collections and, for each recommendation, provide an analysis of how the recommendation would address the specific problem or problems cited and the impact that implementing the recommendation would have on international trade and commerce (including any additional costs imposed on United States businesses and whether the implementation of the revision is likely to violate any international trade obligations).

SEC. 5. COMPREHENSIVE MONITORING OF COMPLIANCE BY THE PEOPLE'S REPUBLIC OF CHINA WITH ITS INTERNATIONAL TRADE OBLIGATIONS.

(a) INTELLECTUAL PROPERTY RIGHTS COMPLIANCE.—

(1) IN GENERAL.—In accordance with the terms of the Agreement of WTO Accession for the People's Republic of China, subsequent agreements by Chinese authorities through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and other obligations by Chinese officials related to its trade obligations, the United States Trade Representative and the Secretary of Commerce shall undertake to ensure that the Government of the People's Republic of China has taken the following steps:

(A) The Chinese Government has increased the number of civil and criminal prosecutions of intellectual property rights violators by the end of 2005 to a level that significantly decreases the current amount of infringing products for sale within China.

(B) China's Supreme People's Court, Supreme People's Procuratorate, and Ministry of Public Security have issued draft guidelines for public comment to ensure the timely referral of intellectual property rights violations from administrative bodies to criminal prosecution.

(C) The Chinese Ministry of Public Security and the General Administration of Customs have issued regulations to ensure the

timely transfer of intellectual property rights cases for criminal investigation.

(D) The Chinese Ministry of Public Security has established a leading group responsible for overall research, planning, and coordination of all intellectual property rights criminal enforcement to ensure a focused and coordinated nationwide enforcement effort.

(E) The Chinese Government has established a bilateral intellectual property rights law enforcement working group in cooperation with the United States whose members will cooperate on enforcement activities to reduce cross-border infringing activities.

(F) The Chinese Government has aggressively countered movie piracy by dedicating enforcement teams to pursue enforcement actions against pirates and has regularly instructed enforcement authorities nationwide that copies of films and audio-visual products still in censorship or import review or otherwise not yet authorized for distribution are deemed pirated and subject to enhanced enforcement.

(G) By the end of 2005, the Chinese Government has completed its legalization program to ensure that all central, provincial, and local government offices are using only licensed software and by the end of 2006 has extended the program to enterprises (including state-owned enterprises).

(H) The Chinese Government, having declared that software end-user piracy is considered to constitute "harm to the public interest" and as such will be subject to administrative penalties nationwide, has initiated civil and criminal prosecutions of software end-user violators.

(I) The Chinese Government has appointed an Intellectual Property Rights Ombudsman at the Chinese Embassy in Washington, D.C., to serve as the point of contact for United States companies, particularly small- and medium-sized businesses, seeking to secure and enforce their intellectual property rights in China or experiencing intellectual property rights problems in China.

(J) The relevant Chinese agencies, including the Ministry of Commerce, the China Trademark Office, the State Intellectual Property Office, and the National Copyright Administration of China have significantly improved intellectual property rights enforcement at trade shows and issued new regulations to achieve this goal.

(K) Not later than June 30, 2006, the Chinese State Council has submitted to the National People's Congress the legislative package needed for China to accede to the World Intellectual Property Organization (WIPO) Internet treaties.

(L) The Chinese Government has taken steps to enforce intellectual property right laws against Internet piracy, including through enforcement at Internet cafes.

(M) The Chinese Government, having confirmed that the criminal penalty thresholds in the 2004 Judicial Interpretation are applicable to sound recordings, has instituted civil and criminal prosecutions against such violators.

(N) The Chinese Government has initiated civil and criminal prosecutions against exporters of infringing recordings.

(2) **DISPUTE SETTLEMENT PROCEEDINGS IN WTO.**—If the President determines that the People's Republic of China has not met each of the obligations described in subparagraphs (A) through (N) of paragraph (1) or taken steps that result in significant improvements in protection of intellectual property rights in accordance with its trade obligations, then the President shall assign such resources as are necessary to collect evidence of such trade agreement violations for use in dispute settlement proceedings

against China in the World Trade Organization.

(b) **ACCESS FOR EXPORTS OF UNITED STATES GOODS.**—In accordance with the terms of the Agreement of WTO Accession for the People's Republic of China, subsequent agreements by Chinese authorities through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and other obligations by Chinese officials related to its trade obligations, the United States Trade Representative and the Secretary of Commerce shall undertake to ensure that the Government of the People's Republic of China has taken the following steps:

(1) China has taken steps to ensure that United States products can be freely distributed in China, including by approving a significant backlog of distribution license applications and by preparing a regulatory guide for businesses seeking to acquire distribution rights that expands on the guidelines announced in April 2005.

(2) Chinese officials have permitted all enterprises in China, including those located in bonded zones, to acquire licenses to distribute goods throughout China.

(3) The Chinese Government has submitted regulations on management of direct selling to the Chinese State Council for review and taken any additional steps necessary to provide a legal basis for United States direct sales firms to sell United States goods directly to households in China.

(4) The Chinese Government has issued final regulations on direct selling, including with respect to distribution of imported goods and fixed location requirements.

(c) **ACCESS FOR EXPORTS OF UNITED STATES SERVICES.**—In accordance with the terms of the Agreement of WTO Accession for the People's Republic of China, subsequent agreements by Chinese authorities through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and other obligations by Chinese officials related to its trade obligations, the United States Trade Representative and the Secretary of Commerce shall undertake to ensure that the Government of the People's Republic of China has taken the following steps:

(1) The Chinese Government has convened a meeting of the U.S.-China Insurance Dialogue before the end of 2005 to discuss regulatory concerns and barriers to further liberalization of the sector.

(2) The Chinese Government has made senior level officials available to meet under the JCCT Information Technology Working Group to discuss capitalization requirements, resale services, and other issues as agreed to by the two sides.

(d) **ACCESS FOR UNITED STATES AGRICULTURE.**—In accordance with the terms of the Agreement of WTO Accession for the People's Republic of China, subsequent agreements by Chinese authorities through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and other obligations by Chinese officials related to its trade obligations, the United States Trade Representative and the Secretary of Agriculture shall undertake to ensure that the Government of the People's Republic of China has taken the following steps:

(1) China has completed the regulatory approval process for a United States-produced corn biotech variety.

(2) China's Administration of Quality Supervision, Inspection and Quarantine has implemented the 2005 Memorandum of Understanding between the United States and China designed to facilitate cooperation on animal and plant health safety issues and improve efforts to expand United States access to China's markets for agricultural commodities.

(e) **ACCOUNTING OF CHINESE SUBSIDIES.**—In accordance with the terms of the Agreement

of WTO Accession for the People's Republic of China, subsequent agreements by Chinese authorities through the U.S.-China Joint Commission on Commerce and Trade (JCCT), and other obligations by Chinese officials related to its trade obligations, the United States Trade Representative and the Secretary of Commerce shall undertake to ensure that the Government of the People's Republic of China has provided a detailed accounting of its subsidies to the World Trade Organization by the end of 2005.

(f) **REPORTS.**—

(1) **BIENNIAL REPORT.**—Not later than six months after the date of the enactment of this Act, and every six months thereafter, the President should transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains—

(A) a description of the specific steps taken by the Government of the People's Republic of China to meet its obligations described in subsections (a) through (e) of this section (other than obligations described in subsections (a)(1)(A) and (G), (b)(1), (c)(1), and (e));

(B) an analysis of the extent to which Chinese officials are attempting in good faith to meet such obligations; and

(C) a description of the actions, if any, the President will take to obtain compliance by China if the President determines that the Chinese Government is failing to meet such obligations, including pursuing United States rights under the dispute settlement provisions of the World Trade Organization, as appropriate.

(2) **MONTHLY REPORT.**—Not later than 30 days after the date of the enactment of this Act, and every 30 days thereafter, the President should transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains—

(A) a description of the specific steps taken by the Government of the People's Republic of China to meet its obligations described in subsections (a)(1)(A) and (G), (b)(1), (c)(1), and (e);

(B) an analysis of the extent to which Chinese officials are attempting in good faith to meet such obligations; and

(C) a description of the actions, if any, the President will take to obtain compliance by China if the President determines that the Chinese Government is failing to meet such obligations, including pursuing United States rights under the dispute settlement provisions of the World Trade Organization, as appropriate.

SEC. 6. REPORTS ON CURRENCY MANIPULATION BY FOREIGN COUNTRIES.

(a) **REPORT ON CURRENCY MANIPULATION.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that—

(1) defines currency manipulation;

(2) describes actions of foreign countries that will be considered to be currency manipulation; and

(3) describes how statutory provisions addressing currency manipulation by trading partners of the United States contained in, and relating to, section 40 of the Bretton Woods Agreements Act (22 U.S.C. 286y) and sections 3004 and 3005 of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5304 and 5305) can be better clarified administratively to provide for improved and more predictable evaluation.

(b) **REPORT ON ACTIONS BY CHINA.**—

(1) **IN GENERAL.**—In light of the recent positive announcement by the Government of the People's Republic of China with respect to increased exchange rate flexibility, the

Secretary of the Treasury shall submit to the appropriate congressional committees a report that examines the mechanism adopted by the Chinese Government to relate its currency to a basket of foreign currencies and the degree to which the application of this mechanism moves the currency closer to a market-based representation of its value.

(2) **DEADLINE.**—The initial report required by this subsection shall be submitted to the appropriate congressional committees not later than 180 days after the date of the enactment of this Act and subsequent reports shall be included in the report required under section 3005 of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5305).

(c) **DEFINITION.**—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Ways and Means and the Committee on Financial Services of the House of Representatives; and

(2) the Committee on Finance and the Committee on Banking, Housing, and Urban Affairs of the Senate

SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—Section 141(g)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) \$44,779,000 for fiscal year 2006.

“(ii) \$47,018,000 for fiscal year 2007.”.

(2) **RULE OF CONSTRUCTION.**—The amendment made by paragraph (1) shall not be construed to affect the availability of funds appropriated pursuant to section 141(g)(1)(A) of the Trade Act of 1974 before the date of the enactment of this Act.

(b) **AUTHORIZATION OF APPROPRIATIONS FOR THE OFFICE OF THE GENERAL COUNSEL AND CERTAIN OTHER OFFICES.**—There are authorized to be appropriated to the Office of the United States Trade Representative for the appointment of additional staff in or enhanced activities by the Office of the General Counsel, the Office of Monitoring and Enforcement, the Office of China Affairs, and the Office of Japan, Korea, and APEC Affairs—

(1) \$4,000,000 for fiscal year 2006; and

(2) \$4,000,000 for fiscal year 2007.

(c) **SENSE OF CONGRESS.**—It is the sense of the Congress that the enforcement of United States rights and of obligations of United States trading partners under trade agreements has gained such significance that the United States Trade Representative should determine which of its current positions is most responsible for carrying out these important enforcement duties and should assign that position, in addition to any other title, the title of Chief Enforcement Officer.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS FOR THE UNITED STATES INTERNATIONAL TRADE COMMISSION.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)(A)) is amended by striking clauses (i) and (ii) and inserting the following:

“(i) \$62,752,000 for fiscal year 2006.

“(ii) \$65,890,000 for fiscal year 2007.”.

(b) **RULE OF CONSTRUCTION.**—The amendment made by subsection (a) shall not be construed to affect the availability of funds appropriated pursuant to section 330(e)(2)(A) of the Tariff Act of 1930 before the date of the enactment of this Act.

(c) **STUDY AND REPORT ON TRADE AND ECONOMIC RELATIONS WITH CHINA.**—

(1) **STUDY.**—

(A) **IN GENERAL.**—The United States International Trade Commission shall carry out a comprehensive study on trade and economic

relations between the United States and the People's Republic of China which addresses China's economic policies, including its exchange rate policy, the competitiveness of its industries, the composition and nature of its trade patterns, and other elements impacting the United States trade account, industry, competitiveness, and employment.

(B) **REQUIREMENTS.**—In carrying out the study under subparagraph (A), the United States International Trade Commission shall undertake the following:

(i) An analysis of the United States trade and investment relationship with China, with a focus on the United States-China trade balance and trends affecting particular industries, products, and sectors in agriculture, manufacturing, and services. The analysis shall provide context for understanding the U.S.-China trade and investment relationship, by including information regarding China's economic relationships with third countries and China's changing policy regime and business environment. The analysis shall include a focus on United States-China trade in goods and services, United States direct investment in China, China's foreign direct investment in the United States, and the relationship between trade and investment. The analysis shall make adjustments, where possible, for merchandise passed through Hong Kong.

(ii) An analysis of the competitive conditions in China affecting United States exports and United States direct investment. The analysis shall take into account, to the extent feasible, significant factors including tariffs and non-tariff measures, competition from Chinese domestic firms and foreign-based companies operating in China, the Chinese regulatory environment, including specific regulations and overall regulatory transparency, and other Chinese industrial and financial policies. In addition, the analysis shall examine the specific competitive conditions facing United States producers in key industries, products, services, and sectors, potentially including computer and telecommunications hardware, textiles, grains, cotton, and financial services based on trade and investment flows.

(iii) An examination of the role and importance of intellectual property rights issues, such as patents, copyrights, and licensing, in specific industries in China, including the pharmaceutical industry, the software industry, and the entertainment industry.

(iv) An analysis of the effects on global commodity markets of China's growing demand for energy and raw materials.

(v) An examination of whether or not increased United States imports from China reflect displacement of United States imports from third countries or United States domestic production, and the role of intermediate and value-added goods processing in China's pattern of trade.

(2) **REPORT.**—Not later than one year after the date of the enactment of this Act, the United States International Trade Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains the results of the study carried out under paragraph (1).

SEC. 9. SENSE OF CONGRESS REGARDING EXPANSION OF MEMBERSHIP IN THE AGREEMENT ON GOVERNMENT PROCUREMENT OF THE WTO.

(a) **FINDINGS.**—Congress finds the following:

(1) Nondiscriminatory, procompetitive, merit-based, and technology-neutral procurement of goods and services is essential so that governments can acquire the best goods to meet their needs for the best value.

(2) The Agreement on Government Procurement (GPA) of the World Trade Organi-

zation (WTO) provides a multilateral framework of rights and obligations founded on such principles.

(3) The United States is a member of the GPA, along with Canada, the European Union (including its 25 member States: Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom), Hong Kong, Iceland, Israel, Japan, Korea, Liechtenstein, the Netherlands with respect to Aruba, Norway, Singapore, and Switzerland.

(4) Albania, Bulgaria, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman, Panama, and Taiwan are currently negotiating to accede to the GPA.

(5) The People's Republic of China joined the WTO in December 2001, signaling to the international community its commitment to greater openness.

(6) When China joined the WTO, it committed, in its protocol of accession, to negotiate entry into the GPA “as soon as possible”.

(7) More than 3 years after its entry into the WTO, China has not commenced negotiations to join the GPA.

(8) Recent legal developments in China illustrate the importance and urgency of expanding membership in the GPA.

(9) In 2002, China enacted a law on government procurement that incorporates preferences for domestic goods and services.

(10) The first sector for which the Chinese Government has sought to implement the new government procurement law is computer software.

(11) In March 2005 the Chinese Government released draft regulations governing the procurement of computer software.

(12) The draft regulations require that non-Chinese software companies meet conditions relating to outsourcing of software development work to China, technology transfer, and similar requirements, in order to be eligible to participate in the Chinese Government market.

(13) As a result of the proposed regulations, it appears likely that a very substantial amount of American software will be excluded from the government procurement process in China. The draft software regulations threatened to close off a market with a potential value of more than \$8 billion to United States firms.

(14) United States software companies have made a substantial commitment to the Chinese market and have made a substantial contribution to the development of China's software industry.

(15) The outright exclusion of substantial amounts of software not of Chinese origin that is apparently contemplated in the regulations is out of step with domestic preferences that exist in the procurement laws and practices of other WTO member countries, including the United States.

(16) The draft regulations do not adhere to the principles of nondiscriminatory, procompetitive, merit-based, and technology-neutral procurement embodied in the GPA.

(17) The software piracy rate in China has never fallen below 90 percent over the past 10 years.

(18) Chinese Government entities represent a very significant portion of the software market in China that is not dominated by piracy.

(19) The combined effect of rampant software piracy and the proposed discriminatory government procurement regulations will be a nearly impenetrable barrier to market access for the United States software industry in China.

(20) The United States trade deficit with China in 2004 was \$162,000,000,000, the highest with any economy in the world, and a 12.4 percent increase over 2003.

(21) China's Premier, Wen Jiabao, has committed to rectify this serious imbalance by increasing China's imports of goods and services from the United States.

(22) The proposed software procurement regulations that were described by the Chinese Government in November 2004 incorporate policies that are fully at odds with Premier Wen's commitment to increase China's imports from the United States, and will add significantly to the trade imbalance between the United States and China.

(23) Once it is fully implemented, the discriminatory aspects of China's government procurement law will apply to all goods and services that the government procures.

(24) Other developing countries may follow the lead of China.

(25) In July 2005, senior officials of the Chinese Government announced at the U.S.-China Joint Committee on Commerce and Trade that China would accelerate its efforts to join the GPA and toward this end will initiate technical consultations with other WTO member countries and accordingly delay issuing draft regulations on software procurement, as it further considers public comments and makes revisions in light of WTO rules.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Government of the United States should strive to expand membership in the Agreement on Government Procurement of the World Trade Organization (WTO);

(2) the Government of the United States should ensure that the Government of the People's Republic of China meets its WTO obligations as recently affirmed through its commitment in July 2005 through the U.S.-China Joint Committee on Commerce and Trade, to join the WTO Agreement on Government Procurement.

(3) the Government of the United States should seek a commitment from the Government of the People's Republic of China to maintain its suspension of the implementation of its law on government procurement, pending the conclusion of negotiations to accede to the Agreement on Government Procurement of the WTO;

(4) the Government of the United States should seek commitments from the Government of the People's Republic of China and other countries that are not yet members of the Agreement on Government Procurement of the WTO to implement the principles of openness, transparency, fair competition based on merit, nondiscrimination, and accountability in their government procurement as embodied in that agreement; and

(5) the President should direct all appropriate officials of the United States to raise these concerns with appropriate officials of the People's Republic of China and other trading partners.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

The United States Trade Rights Enforcement Act, as amended, is a compendium of a number of positions that have been expressed in a bipartisan way by Members of this House in regard to some of our trading partners.

This bill has been identified as an "anti-China" bill. That simply is not the case. The provisions to assist us in determining how you examine a non-market economy and determine whether or not it is carrying out practices that are in violation of the WTO is applied to any country with a nonmarket economy.

It is true that there are monitoring provisions dealing with agreements that China has voluntarily laid on the table; for example, moving away from the Government of China using counterfeit software and, therefore, protecting intellectual property rights, and China assigned itself the date of the end of calendar year 2005. This merely creates a monitoring process to determine how it can be achieved.

The bill is very timely because it includes another monitoring process just recently announced by the Government of China dealing with its currency, its desire to unpeg its currency to the U.S. dollar and have it move modestly against a basket of world currencies. That also, in this legislation, would be monitored.

I am pleased to say that the gentleman from New York (Mr. RANGEL) and the gentlewoman from Connecticut (Mrs. JOHNSON) have examined and offered a resolution on the government procurement agreement of the World Trade Organization urging China to fully participate. That is included as well.

This bill is designed to meet a number of Members' particular concerns focused on world trade, not just China. For example, additional money is being provided to the United States Trade Representative for enforcement purposes. Yes, it includes the Office of China Affairs, but I do want Members to know it also includes the Office of Japan, Korea, and Asian Pacific Affairs because there are several provisions in here monitoring, frankly, the Government of Japan based upon its unfair trade practices, most focused on the use of so-called sanitary and phytosanitary measures as, in fact, nontariff trade barriers.

So this is a compendium of concerns presented at a time that the trade issues will be in front of us this week, and leadership felt, and I agree as well, that this measure allows us to focus beyond this hemisphere, in fact, at major trading partners and behavior that we have seen not just in terms of providing tools to enforce U.S. trade rights, but to monitor personal individual and voluntary commitments made by governments as well.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we object to the suspension calendar being used for political purposes. As most of us know, this calendar is supposed to be used to expedite legislation that is not controversial and has no substantial opposition. One would hardly believe that this bill

is on the calendar today for purposes of improving our trade relationship with the People's Republic of China.

Clearly, for those who are following the Central American Free Trade Agreement with the Dominican Republic, they know that this is another effort to elicit votes for a bill that has not got bipartisan support and should have bipartisan support. I think it is bad policy and bad politics for our foreign policy and certainly our trade policy to be used in an effort to solicit votes or to be done in a partisan way to see who won and who lost.

The chairman of the committee is right that the Democrat side as well as working with the gentlewoman from Connecticut (Mrs. JOHNSON) is very anxious to clear up the complexities that put the United States at a disadvantage as relates to dealing with the Chinese Government. But at the same time, we truly believe that these bills should not be the Rangel bill with Democrats or the English bill with Republicans, but rather a bill that we can say as members of the Committee on Ways and Means and as Member of Congress that we have taken it to the committees, we have had hearings, and we have come out with a position that you do not have to check the party to know whether it is right or whether it is wrong.

There is a substantial difference between the bills that the Democrats put in, which certainly deals with the provisions that are in the bill before us today, but also it prevents the loopholes that are in that bill and provides for other considerations that would make this a better bill and improve our relationship with China.

Again, Mr. Speaker, this bill has nothing to do with China and has everything to do with an attempt to get votes for DR-CAFTA. We hope that a vote against this bill will send a message to Democrats and Republicans not to use the procedures of the House for political purposes; to not put controversial bills on the suspension calendar, and to take them to the committee of jurisdiction where they belong so that they can be discussed, debated, and then brought to the floor in a bipartisan way so that we can look at it.

Mr. Speaker, I hope this bill is pulled so that we do not have to take a vote on it.

Mr. Speaker, I reserve the balance of my time.

□ 1045

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find it ironic that the gentleman from New York (Mr. RANGEL) would call this bill controversial. Perhaps there may be some envy as opposed to who gets credit, and I apologize for mentioning his name if that is his concern. What we do not want to do is engage in unnecessary bashing, as it has been said.

This is a responsible bill. Some of the other measures, and we saw that in the

hearings that the Committee on Ways and Means has had over China and other trade concerns, this bill is backed by hearings notwithstanding what the gentleman from New York (Mr. RANGEL) said. But most of the other pieces of legislation in fact violate the very WTO rules that we desire China and other nations to follow.

This bill does not do that. It is a responsible bill responding in ways that are appropriate. Inappropriate responses that actually violate the WTO rules when trying to make the point that other nations should follow them is, in fact, irresponsible.

Mr. Speaker, I ask unanimous consent to yield the remainder of my time to the gentleman from Pennsylvania (Mr. ENGLISH) who has been instrumental in producing this bill, and that the gentleman from Pennsylvania (Mr. ENGLISH) may control the remainder of the time.

The SPEAKER pro tempore (Mr. GINGREY). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, the argument from the other side of the aisle that this issue is somehow tied to CAFTA, I think, is particularly striking and particularly odd because the underlying bill that we are considering today should be on the consent calendar; it should not be controversial with the bulk of people in this Congress who care about the American economy.

Mr. Speaker, today the House has the opportunity to vote on a bill that will take the largest step toward strengthening our trade remedy laws in over 15 years. This bill is a comprehensive approach towards eliminating many of the inequities that exist in our trading relationships, particularly our bilateral U.S.-China trade relationship. It holds China and others accountable and creates tough mechanisms to ensure compliance with trade agreements and provides tools for us to gain compliance should our trading partners, particularly China, fail to do so.

Voting for this bill today will send a strong signal to Beijing that Congress will not sit idly by while China's mercantilist trade policy injures U.S. employers and costs us jobs. Voting for this bill today will send a strong signal to China and every country that this Congress will do what it takes to ensure that our trading partners fully abide by the rules and are not rewarded with unfettered access to our market when they are not prepared to make the tough choices to follow the international rules.

It is clear that voting against this bill will send a very dangerous signal that this Congress is willing to turn a blind eye to Chinese complacency and we continue with the status quo of unfairness to our producers.

Mr. Speaker, this bill is a strong, responsible, and comprehensive initiative

that would close an existing loophole that bars the use of the countervailing duty law against nonmarket economies such as China. Right now a major tool in our arsenal is unavailable in dealing with a nonmarket economy or communist countries. It is ridiculous that when we find subsidies in France, Japan, Brazil, or Taiwan, we can use countervailing duties to strip the benefits of those subsidies, but we cannot do so if we find the same subsidies in China or Vietnam.

This bill would establish a strong and external system to audit China's compliance with trade obligations on intellectual property rights, market access, and transparency; and it would place Congress strongly on the record as opposing attempts to use the WTO to water down domestic trade law protections.

It would require the Treasury Department to define currency manipulation and clarify legal protections against China and other countries that manipulate their currency. It would increase funding for the United States trade representative to create more trade cops to improve enforcement of existing trade laws.

By replacing current bonds that are used by new shippers in antidumping cases with cash deposits, we are dealing with one of the biggest loopholes.

Finally, it would authorize funding for the International Trade Commission.

Mr. Speaker, passage of this legislation is essential for the economic future of the next generation, for the future of good-paying jobs in places like northwestern Pennsylvania where we make things for a living. We need this legislation passed by a Congress willing to come together, to put aside its political differences, and certainly not vote down this legislation merely for political positioning on another trade agreement.

Mr. Speaker, I urge passage of this key legislation. This is the top trade vote of this year, and everyone will be counted on it.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), the distinguished ranking member of the Subcommittee on Trade.

Mr. CARDIN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, normally the gentleman from Pennsylvania (Mr. ENGLISH) and I are on the same side when it comes to antidumping and countervailing duty bills. Both of us have a strong desire to make sure that our antidumping laws and countervailing duty laws are enforced, particularly as it relates to our manufacturing industries. We differ on this bill.

This bill purports to move forward and clarify the use of countervailing duty remedies against nonmarket economies, but it establishes two new

loopholes that will make it difficult for industry to get relief. It is already difficult for industry to get relief. This bill will make it more difficult.

I find it difficult how people can understand our debate here today. These are very complicated issues talking about double counting. I would like to have a debate with the gentleman from Pennsylvania (Mr. ENGLISH) in regards to problems of double counting. These are complex issues. This bill is on the suspension calendar. We cannot even offer any amendments or substitutes. We are limited to 40 minutes of debate. That is not the way we should be talking about a major issue concerning our relationships with nonmarket economies and our trading rules.

This bill does address some specific issues, but does not address the problems. As it deals with countervailing duties, it creates two new problems for cases to be filed.

In regard to currency manipulation by China, an issue that many of us have talked about on this floor, what does this bill do, it sets up another study by the Treasury Department. We already know what they are going to do. They have already reported back to us. We need action.

In regard to the use of safeguards, no action in this bill.

International property violations, no action in this bill.

In regards to the loophole Chinese exporters have to avoid paying duties, it provides a temporary 3-year provision rather than permanently fixing the action.

Despite what the gentleman from Pennsylvania said, there is no new money in this bill in order to enforce our laws. We have already gone through the appropriation process what this bill purports to do through the suspension calendar.

Mr. Speaker, we should be able to consider H.R. 3306 introduced by the gentleman from New York (Mr. RANGEL). That bill would fix the countervailing duty problems we have with nonmarket economies such as China. It would allow us to take action against Chinese manipulation of currency. It would allow action to be taken in regards to the safeguards that we have negotiated with China on the WTO accession agreement. It would provide permanent relief in regards to the loophole that Chinese exporters are currently using to avoid duties.

That is the legislation we should be able to consider, at least through amendment, but we cannot because of the process that is being used here. The bottom line is this legislation actually creates more problems in industry being able to bring antidumping or countervailing duty actions, and we should not be making it more difficult. It is already too difficult for industries to get the type of relief that they desire. We should have a full and open debate on our relationship with nonmarket economies. This legislation does not allow us to do it. I urge my colleagues to reject the suspension.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), the distinguished chairman of the Subcommittee on Trade.

Mr. SHAW. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. ENGLISH) for yielding me this time. I rise today in strong support of this legislation.

I first want to recognize the gentleman from Pennsylvania (Mr. ENGLISH), a member of the Committee on Ways and Means Subcommittee on Trade, for his persistence in bringing this bill to the House floor.

Today, China continues its emergence as a major global market. As a member of the World Trade Organization, China has developed competitive domestic industries. However, as a World Trade Organization member, China must comply with international standards which promote fairness and respect for the rule of law.

Many in this Chamber, including myself, feel that Beijing can do a much better job in demonstrating to the world that its markets are transparent and fair both to consumers and exporters to China. At the same time, we have to be focused and pragmatic in determining how we can be most effective in establishing checks. This is not and should not continue to be an opportunity for political rhetoric that I have heard here this morning.

The legislation before us allows for a number of these checks. In this bill we create an extensive monitoring of the Chinese market and its compliance on a range of issues, such as intellectual property enforcement, whether the currency mechanism is being implemented properly, market access to the United States goods, and its accountability of Chinese subsidies.

I am pleased to hear the news out of Beijing and the Chinese Government that the Chinese Government has decided to float its currency against a basket of currencies and has appreciated the currency to a certain degree after 10 years. This first step is a positive one, but it must not be met without oversight. We must continue engaging the Chinese Government on the importance of a complete movement toward a managed float of its currency.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN), a former ranking member of the Subcommittee on Trade of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, this bill before us, in a word, is a smoke screen; and it has so little smoke, let alone any fire, that Members can see straight through it.

At its very best, it is feeble; at its worse, it disguises what the real problem is.

The gentleman from New York (Mr. RANGEL) raised the issue why this is on suspension. The gentleman from New

York (Mr. RANGEL), I, and others introduced legislation, H.R. 3306. And I want to ask the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. ENGLISH), and the gentleman from California (Chairman THOMAS), why not put this bill not on suspension but regular order? Why not sit down with Democrats, including the gentleman from New York (Mr. RANGEL) and others, the gentleman from Maryland (Mr. CARDIN) and myself, and try to come up with a truly bipartisan bill? The other side of the aisle has not done that.

They say they are adding provisions adding countervailing duties, but then they add other provisions which make it essentially impossible to work. They talk about currency. I say to the gentleman from Pennsylvania (Mr. ENGLISH), it is more reports. The Rangel bill talks about more than reports.

The Rangel bill has a definition of currency manipulation and the ability under 301 to do something about it. The Rangel bill also recreates super-301 so we will indeed be able to take action and ensures that this administration will take action when China does not meet its commitments.

□ 1100

This bill should be voted down so that we can have an honest discussion and debate on this floor about the way to handle this problem. The gentleman from California (Mr. THOMAS) said something about WTO violation. The bill that the gentleman from New York (Mr. RANGEL) introduced is completely consistent with our WTO obligations. So bringing that up is a total dodge.

This is an effort, I guess, to give some people some cover to vote for another bill. We should not be handling our relationships with China in that manipulative way. I urge everybody to vote "no" on this bill and give this Congress, this House that is supposed to be the people's House, a chance to discuss this bill with amendments. This is another example of the abuse of power by this majority, stifling debate, trying to stuff things through on suspension, 40 minutes, no amendment.

What is going to happen is, I think, that this bill will be voted down so that we can take an honest, serious look at this problem on a bipartisan basis.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH), a distinguished member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Madam Speaker, perhaps it is the eternal lament of a minority within a legislative body to focus constantly on process and to share their frustrations with process. But perhaps it is better to focus on policy and what this legislation, which I support, will do.

The 40th President of the United States, the late Ronald Wilson Reagan,

enshrined these three words as part of American policy: trust but verify. The legislation on the floor today deals with verification. I say as one who opposed a trading agreement with China that this legislation brings the monitoring capacity necessary to understand what happens in international trade. Simply stated, Madam Speaker, if you want to get in the game, play by the rules.

While we have seen all sorts of counterfeiting and theft of American intellectual property, this legislation takes steps to put that to a stop and to monitor the behavior. Trust but verify. Vote "yes" on this legislation.

Mr. RANGEL. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Madam Speaker, I thank the gentleman from New York for yielding me this time. As always, the devil is in the details. Ladies and gentlemen, this law guts the countervailing duties provisions that we have been living by.

Check this out: traditionally, the data that we use to determine whether or not a subsidy takes place is used by basing that data on comparable market economies. So we want to trust, but we want to verify. This bill requires the administration to use data from China. We are going to be basing our decisions on data that is gathered by the People's Republic of China. If China's data says there is no subsidy, well, then, there is no subsidy, regardless of what the other comparable economies might say. We are going to trust an administration that has brought one WTO case since 2001, and we want to try to compete with the Chinese?

Last week in the Education Committee, we cut \$11 billion from Pell grants. No Child Left Behind is underfunded. We have millions of kids living in poverty. Meanwhile, the Chinese graduated 700,000 engineers last year. We graduated 35,000. Healthy, educated children and enforce international law, that is how you compete with the Chinese.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield myself 30 seconds.

First of all, the last speaker appears to have read the other party's bill, not ours. The Democrats' bill is actually weaker than our bill because it ignores a recommendation by the GAO to authorize the Commerce Department to use third-country information in countervailing duty cases against China consistent with China's WTO accession commitment. Without this provision, the countervailing duty provision would be difficult to use and could be subject to endless court challenges. They have simply misread this legislation and done it in an egregious way.

Madam Speaker, I yield 1 minute to the gentlewoman from Connecticut (Mrs. JOHNSON), a distinguished member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Madam Speaker, I rise in strong support of H.R. 3283. As one who advocated China's entry into the WTO, I am concerned and disappointed with China's passage of a law on government procurement that incorporates strong preferences for domestic goods and services, fostering discrimination against, for example, software companies that have made a substantial commitment to the development of the Chinese software industry. The combined effect of rampant software piracy and the proposed discriminatory government procurement regulations will create a nearly impenetrable barrier to U.S. software. This at a time when the trade deficit with China is at an all-time high.

Madam Speaker, I call on the Chinese Government to immediately enter into negotiations to accede to the agreement on government procurement of the WTO as they committed to 3 years ago and to suspend the implementation of its law on government procurement.

I urge my colleagues to vote overwhelmingly for this bill to send a very strong message to China on all the fronts the bill covers, not the least of which is government procurement. We have the chance to send a strong message and take strong action, and this bill will do it.

Mr. RANGEL. Madam Speaker, I yield myself such time as I may consume.

I think this discussion, especially the opposition to the Rangel bill by the gentleman from Pennsylvania (Mr. ENGLISH), just shows the complexity as well as sincerity of those people that would like to put some checks on the conduct of the Chinese trade people and I think emphasizes why this bill should not be on the suspension calendar.

Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. I thank the gentleman from New York for yielding me this time.

Madam Speaker, we have been here before. Congress has often resorted to bills and memoranda of understanding concerning China. But the U.S. trade deficit with China has continued to increase. So I am not going to stand here and argue process. We can look at the history and the fact of the whole architecture of agreements that we have had with China, memoranda of understanding, concerns that Members of Congress from both sides of the aisle brought to this floor in order to try to manage United States trade with China.

Remember we were told that a memorandum of understanding on prison labor with China would remove their competitive advantage and restore balanced trade. But the U.S. trade deficit with China worsened.

Remember the agreement to reaffirm the 1992 market access memorandum of

understanding. We passed that, but the U.S. trade deficit with China grew worse.

Remember China's agreement to lower tariffs on imports. They cut the tariffs from 42 percent to 23 percent, then to 17 percent, then to 12 percent. But the U.S. trade deficit with China got worse.

Remember China stopped arbitrary limits on maintaining agricultural imports. That was supposed to be a boon for the United States. But the U.S. trade deficit with China got worse. That is exactly the story that we see with NAFTA and the WTO and, this week, CAFTA.

Why does the U.S. trade deficit with China keep getting worse no matter what we do? No matter what our best intentions are? The U.S. trade deficit with China keeps getting worse because labor costs in China are so much cheaper.

Hello? Wake up, America. We are giving away our jobs here, and the central issue is the cheap labor in China. You can pass all of these agreements you want. They are not going to amount to a hill of beans, because the fact of the matter is that the U.S. trade deficit in China will continue to grow, it will approach \$200 billion, as long as the labor costs are cheaper. That is why we are losing jobs. That is why the trade deficit is growing. That is why we are losing market share. With all due respect to my good friend from Pennsylvania, I do not see this bill amounting to anything. Vote against it.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. CHOCOLA), a distinguished member of the Committee on Ways and Means and an authentic advocate of fair trade.

Mr. CHOCOLA. I thank the gentleman for yielding time.

Madam Speaker, before being elected to Congress, I ran a manufacturing business that did a significant percentage of our sales outside the United States. I have seen the opportunities of free trade and the global marketplace, and I have seen how those opportunities can lead to jobs right here at home. We did business in over 100 countries, including countries like China. I am convinced that China needs to be a strong trading partner with the United States long term. But for China to successfully and fairly participate in the global marketplace, they must live up to their trade obligations. They must respect and enforce intellectual property rights. They must open market access for U.S. goods, services, and agriculture. They must not manipulate their currency to distort trade.

The Trade Rights Enforcement Act offers a wide range of measures to ensure China abides by its international commitments. Madam Speaker, with a level playing field, U.S. businesses can compete with anybody anywhere at any time. With 96 percent of the world's consumers outside the United States, the global marketplace holds

great promise. This bill is a strong tool to make sure China abides by the rules of free trade and puts U.S. businesses in a competitive position to take advantage of those opportunities. I encourage all of my colleagues to support the Trade Rights Enforcement Act.

Mr. RANGEL. Madam Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Madam Speaker, let me thank the gentleman from New York for yielding me this time.

Madam Speaker, this legislation in front of us today as it relates to China is about one thing and one thing only: providing political cover for those who are reluctant to embrace CAFTA. That is all this is about. It is about outing CAFTA. The majority realizes if they simply put CAFTA on the floor, they do not have even the muscle in this instance to put this legislation through. So what are we doing instead? We are offering a veneer to the American people, a ruse, as it relates to the problems we are having with our trade practices in China.

Is there anybody who believes that this is about to alter our trading practices with China? We all know it is badly out of balance. And this legislation makes the problem worse.

Currency manipulation in this legislation, no action. Dealing with Chinese trade barriers in this legislation, no action. We are going to monitor and study. I think that if they put a study in front of this House, we all ought to take a test on it in 2 years. Sit down and we will all pay attention to the test that they offer. Imagine in a serious issue like this, we are going to ask for studies.

Safeguards, no action. Subsidies, they create more loopholes than they address. On customs duties, they have a 3-year, but listen to this, temporary measure to deal with the issue.

This is a sloppy bill. It is going to do more harm than good. When it is over, the professors will have their jobs, the trade lawyers will have their jobs, the editorial writers across the country will have their jobs; but the men and women of organized labor who call this for what it is, they know that their jobs are at risk and they are opposed to this legislation. It guts trade laws, and it gives more power to WTO. It purports to help solve problems with customs enforcement. It makes them worse. It does not require China to make meaningful changes to its policy of currency manipulation. How much more emphasis can we put on that issue in this institution? We need to recalibrate our trading relationship with China. This will not do it, and everybody knows it. An emphasis on that term, recalibrate our trading relationship with China.

When we get done with this legislation today, and there is some question

as to whether or not they can pass it, I am just going to close on this note. We have a highly regarded regular order in this institution of the responsibilities of the Committee on Ways and Means, the committee that many members of this institution desire to be on. You do not go around the committee the way this is being done. You go through the committee. You have hearings with a respected tradition in this House of Representatives for the Committee on Ways and Means. You do not do this through the back door.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. REYNOLDS), a distinguished advocate of fair trade and a member of the Subcommittee on Trade.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks.)

□ 1115

Mr. REYNOLDS. Madam Speaker, I recently hosted roundtables with manufacturers in my district. Whether it is currency manipulation or unfair subsidies, it is clear that our local employers have long had enough of the way China cheats on trade.

As John Hoskins of Curtis Screw in Buffalo told me, they have "never been afraid to compete globally." But this century-old manufacturer can only compete globally if they can compete fairly, and they note that some of their Chinese competitors have much of the cost subsidized by the government.

"To put this in perspective," he said, "the only way . . . U.S. manufacturers can compete . . . is if the United States Government begins to pay for our building, our labor, and employee benefits and . . . other costs of doing business." That is exactly what the Chinese are doing today.

The United States Trade Rights Enforcement Act will help combat illegal subsidies, provide additional funding for enforcement of trade laws, and make certain that our products and services have fair access to Chinese markets, all critical aspects of our fight to ensure fair trade.

I commend the gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from California (Chairman THOMAS) for their hard work on this issue, and I urge my colleagues on both sides of the aisle to support this legislation.

As a long-time champion of fair trade and a lead cosponsor of this legislation, I rise in strong support of the U.S. Trade Rights Enforcement Act.

When China was permitted to join the World Trade Organization in 2001, there was an implicit promise made to American businesses, workers, and consumers—that we would get a fair deal in our trade relations with the Chinese. Yet, in so many areas—intellectual property rights, currency valuation, subsidies, trade barriers, you name it—we see China failing to uphold its end of the bargain by ignoring international trade norms.

The bill includes a variety of measures that will help bring an end to unfair trade practices

abroad, and level the playing field for American companies and workers. The countervailing duties provision is especially important for local manufacturers.

It's an important instrument for U.S. businesses trying to successfully combat illegal subsidies; and it is a big reason why the National Association of Manufacturers (NAM) has expressed its strong support for this measure.

I recently hosted roundtables with manufacturers in my district; and whether it's currency manipulation or unfair subsidies, it's clear that our local employers have long had enough of the way China cheats on trade. As John Hoskins of Curtis Screw in Buffalo told me, they've "never been afraid to compete globally." But this century-old manufacturer can only compete globally if they can compete fairly, and they note their Chinese competitors have much of their costs subsidized by the government. "To put this in perspective," he said, "the only way * * * U.S. manufacturers can compete * * * is if the US government begins to pay for our building * * * our labor, our employee benefits and * * * other costs of doing business." "That's exactly what the Chinese are doing today."

I have always maintained that our products and our workers can compete anywhere, with anyone in the world, as long as that competition is fair.

This bill will help combat illegal subsidies, provide additional funding for enforcement of trade laws, and make certain that our products and services have fair access to Chinese markets—all critical aspects of our fight to ensure fair trade.

I commend Congressman ENGLISH and Chairman THOMAS for their hard work on this issue; and I urge my colleagues on both sides of the aisle to support this bill.

Mr. RANGEL. Madam Speaker, I reserve the balance of my time.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania (Ms. HART), a distinguished member of the Committee on Ways and Means and a member of the executive committee of the Congressional Steel Caucus.

Ms. HART. Madam Speaker, I thank the gentleman for yielding me this time.

I rise in support of this bill, and I am mystified by the opposition on the other side of the aisle. It appears that partisan politics trumps good business. It appears that partisan politics trumps their interest in American manufacturers.

Foreign subsidies products exported to the United States continue to cause extreme financial hardship for these manufacturers. While rules exist to provide countervailing duties on such products, rules do not take into account the advantages enjoyed by non-market economies like China.

Because China is such a major global trader, China's undervalued fixed-exchange rate has exacerbated significant imbalances between trading partners. Under China's fixed-exchange rate, the U.S. annual bilateral trade deficit accelerated since 2001, reaching \$162 billion in 2004. While U.S. exports to China increase, its undervalued currency has burdened U.S. manufactur-

ers, restricted market opportunities for exporting our products into China.

Meeting with businesses in my district, the three main complaints I have heard from my district regarding China have been piracy of product, the dumping of products on our market, and the currency pegging issue.

I believe that we need to support this legislation, reject the Democrat bill, which does not address these issues.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the distinguished gentleman from Michigan (Mr. ROGERS), one of the key players in developing this legislation.

Mr. ROGERS of Michigan. Madam Speaker, I thank the gentleman from Pennsylvania (Mr. ENGLISH) for yielding me this time, and I thank the chairman for working on this bill.

Quickly, one of the things that my mother used to tell me is self-pity never solved one problem. We know how to fix this bill. I should not feel sorry for them; they should not feel sorry for me. We should vote on the bill that will make a difference.

These are counterfeit parts made in China. They are robbing and stealing from the American economy. We have the chance today for the first time to put a law enforcement trade officer in charge so that when they get up in the morning, the first thing they do is work on how to stop China from doing exactly this and stealing jobs from our economy.

There is a town in China, 80 percent of the parts, over 30 outlets, were counterfeit. If we do not step up to the plate with this bill, we are going to lose and continue to lose \$12 billion a year just in automobile part counterfeiting.

This is our chance. I plead with those on the other side, if they truly care about labor, if they care about the individual that gets up in the morning, plays by the rules, and is trying to compete in a world market, they will vote for this bill. They will send a message to China that American jobs are worth fighting for. Give us a fair, level playing field, and we will compete; we will win.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the distinguished gentleman from South Carolina (Mr. BARRETT), another strong advocate of fair trade for American workers and American farmers.

Mr. BARRETT of South Carolina. Madam Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of H.R. 3283, the United States Trade Rights Enforcement Act.

Madam Speaker, this bill goes to the heart of what we know is true in South Carolina: China cheats. I thank President Bush and the administration for stepping up their trade enforcements this year, and I especially commend them for expediting the implementation of the Chinese textile safeguards to combat recent surges in exports to our market, but when it comes to China, more must be done.

The United States Trade Rights Enforcement Act would provide the necessary tools to ensure China meets the trade obligations it has agreed to in order to become a member of the WTO. In addition, it holds in this legislation that China will be accountable. It is common sense to say here is what they have agreed to, and if they do not follow through, there will be consequences.

How we deal with China today affects our future, our jobs and our livelihood. That is why I urge all my colleagues to level the playing field for everybody and support H.R. 3283.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. MURPHY), a very distinguished advocate of fair trade.

Mr. MURPHY. Madam Speaker, this is one of many bills we need to pass that deal with China and its continued policy of government support, pegging of its currency, not complying with trade laws. They have significantly lower wages, sometimes slave wages, in their plants. Over 90 percent of their steel production comes from government-owned steel mills. Their steel enjoys millions of dollars in government subsidies. China limits foreign participation in the wireless market by imposing severe regulatory requirements on telecommunications imports. The lack of intellectual property rights enforcement has resulted in epidemic levels of counterfeiting and piracy, causing serious harm to U.S. businesses. The implementation of questionable health standards affects what they will import from our agriculture. Their policies mandate the purchase of Chinese-owned software. They have a value-added tax on all non-Chinese semiconductors, which also hampers American manufacturers' ability to export to them.

These unfair Chinese policies are hurting all American businesses, not just a few, and impact workers here.

Only a strong American commitment to hold China accountable will bring about the changes necessary. Consideration of this bill is an important part of what we need to be doing in an extensive selection of things to hit back on China.

Mr. ENGLISH of Pennsylvania. Madam Speaker, is my understanding correct that the gentleman has only himself as the remaining speaker with 4 minutes?

Mr. RANGEL. The gentleman from Pennsylvania is correct.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield 1 minute to the gentleman from Indiana (Mr. SOUDER), a very distinguished member of the Steel Caucus, an advocate of the cause of fair trade.

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Madam Speaker, I thank the gentleman from Pennsylvania for his leadership.

It has been alleged here on the House floor that this is a trade for CAFTA, to get some of our votes. Let me be real blunt. It was for me. I took it to the President, the Vice President, our trade ambassador, the Secretary of State, because we have had no action on China. Whether it was a Democratic President or a Republican President, we have had no action on China. Whether it was a Democratic Congress or a Republican Congress, we had no action on China. Every single time we come up for a vote, we get rolled.

We have to hold China accountable. This is not perfect, but a vote against this bill is a vote for China, not for the United States. It is a small step, but a critical step. Without the data, if they do not let their currency float, how in the world do we measure how much they are manipulating the currency? And those critics of those of us who have been putting pressure on China in the last few weeks said we could never get them to reevaluate their currency. It was a little, piddly step, but 2 percent is 2 percent. It is a big admission that they have been manipulating their currency.

So rather than declare victory and rather than saying we finally, it looks like, are going to pass a bill on China, the other side wants to take it down, or at least a few Members.

We had better pass this bill, or this is yet another victory for China, and we will never get anything done except at critical moments when they need our votes.

I rise in support of H.R. 3283, the United States Trade Rights Enforcement Act.

The outcry from American manufacturers has never been louder. China is destroying many American businesses. For too long, warnings of these businesses have been ignored. The American government has negotiated with China, talked to China, cajoled China, but has declined to act decisively and with concrete measures to combat China's policies and help American manufacturers. I applaud those at the United States Trade Representative office who have the daunting task of dealing with the Chinese government, but unless talk is backed-up with action, it really doesn't matter.

Congress has also been reluctant to help where China is concerned. Although we have passed several resolutions condemning Chinese trade practices, they are meaningless, and do nothing to actually help businesses. Often it seems that the piracy of music and movies is worth administration and congressional action but the piracy of manufactured goods or China's deliberate undercutting of manufacturing through suspect trade policies does not warrant action.

The hollowing out of American manufacturing does warrant action. Although China's economy is moving toward the free market, China remains an avowed communist country. The Communist government and the army

own countless businesses, including the Chinese National Overseas Oil Company, which recently made a bid for Unocal. They prop up many businesses with free or reduced-cost energy, low cost or no-cost loans and financing, and sometimes forced labor. Because of Chinese government intervention in the economy, Chinese businesses are not subject to the same market forces as American businesses.

American businesses have also been enticed to set-up shop in China. In addition to cheaper labor costs, businesses in China do not have to worry about clean air, clean water, OSHA, or compliance with a crushing regulatory burden.

Although these things put American businesses, particularly manufacturers, at a disadvantage, the biggest distortion of the market is China's currency manipulation. Until last week, China pegged its currency at 8.28 yuan to the dollar. Despite huge growth in the Chinese economy and explosive international trading, the Chinese government refused to revalue its currency. Estimates of China's currency manipulation were anywhere from 20-80 percent. This meant that Chinese goods entering the United States were 20-80 percent cheaper than they should have been. And American goods were 20-80 percent more expensive.

Last week, the Chinese government revalued the yuan by slightly over 2 percent. While I applaud this movement on the part of the Chinese, there is much more that needs to be done. I realize that the Chinese cannot adjust their currency overnight but I expect this latest devaluation to be the first of many. I also expect the Bush administration and future administrations to keep pressuring China to restructure their financial sectors and currency schemes so that they better match those of the market-oriented world. Their currency needs to flock and let markets determine the value, not the government.

As American manufacturers have been severely damaged by unfair Chinese policies, the necessary tools to fight this unfair competition have not been available to them. One important tool is the countervailing duty, CVD. Countervailing duties are taxes assessed to counter the effects of subsidies provided by foreign governments to goods exported to the United States. Subsidies cause the price of such merchandise to become artificially low, which may cause economic "injury" to U.S. manufacturers.

One thing is sure, the artificially low price of Chinese merchandise has caused injury to American manufacturers. Unfortunately, the most recent interpretation of American trade laws does not allow CVDs to be applied to non-market economies. H.R. 3283 will explicitly allow them to impose CVDs on non-market economies. It will allow investigators to compare China with comparable market economies, most likely India, in order to see just how

much the Chinese government is unfairly aiding its businesses. This will not save American manufacturing overnight but it will help to level the playing field, and allow fair competition in the global marketplace.

This legislation comes to the Floor at the same time as legislation to implement the Central American Free Trade Agreement, CAFTA. I am one of many Members that withheld support for CAFTA in exchange for concrete action on China. Some have criticized the efforts to link China and CAFTA. They argue that they are two different issues. I disagree. CAFTA has been sold with the promise that it will open up new and bigger markets for American manufacturers. That may be, but if manufacturers in my district are put out of business because of unfair competition from China, whether or not they have access to markets in Central America will be irrelevant because they will be out business.

I urge all of my colleagues in the House and the Senate to vote for this necessary tool against unfair trade practices.

Mr. RANGEL. Madam Speaker, I yield myself the balance of my time.

One of the major reasons why we are opposing this bill is because of the process. Clearly a bill is supposed to be brought to this floor when it has overwhelming support, when it is a simple bill, naming a post office, having a stamp, declaring mothers as being essential for parenthood, things that Republicans and Democrats can look up at the scoreboard and see that we have 435 Members or close to it supporting it.

How can anyone perceive, as one of the Members on the other side said, the most important trade legislation that we ever had will be put on just for 40 minutes debate? The qualities that exist in the English bill, we have been able to see some loopholes. He and I would want to work together to close those loopholes. All the members of the Committee on Ways and Means feels the same way about trying to do something to contain the overreaching of China. What makes the other side believe that we Democrats are not entitled to participate in the substantive nature of sensitive, complex legislation?

Putting this on the suspension calendar, in my opinion, is an insult to Members on both sides of the aisle and is an insult to those people who oversight what we do, because the suspension calendar means that we never thought that they would ever have a problem with it, and that is why we did not share what is in this bill.

I also think that it is really unfair to have the Members of Congress to believe that this bill comes to the floor because of its importance and therefore has to be passed on the suspension calendar. We have plenty of time to work in the Committee on Ways and Means in dealing with this so that we can be proud that we do not have a Rangel bill

or an English bill or a Republican bill or a Democratic bill. The pride should come when we have a congressional bill which we can say both sides have an opportunity to hear witnesses; to see what the impact is going to be, whether it is going to work or not work; to see whether those who have fought to put checks on China feel satisfied that we have done it; and to be able to say to foreigners that we may have differences among ourselves, political differences, but when it comes to trade policy, we speak with one voice. The flag is up, and we speak for the United States of America.

So I recognize how important it is to pass the DR-CAFTA bill. I recognize that there is a problem because Democrats were not involved and Republicans cannot get the votes. But I do not know how many suspension bills they are going to bring in as an excuse to get Members to say, I got them to talk about China, and therefore I am going to vote for CAFTA.

It is not enough to talk about China and the problems that we face. What we should be doing is bringing these issues up in the committee that has jurisdiction, and we are so proud of it, and to make certain that the best we can is to have this as a bipartisan effort on both sides.

So this is not the first time that the committees of jurisdiction have had to have Members bypassed in terms of their input, bypassed in terms of the ability to have amendments, and bypassed in terms of saying that we have to find some way to find some bill that we can get bipartisanship on it. The vehicle to do this normally, from the record of the Congress, are the suspension bills. But trade bills should not be on the suspension calendar.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, I would like, in this closing minute, to cut through the fog of process arguments and weird Alice in Wonderland illusions to linkage to other trade agreements. This is important legislation, and it is important in itself, and it deals directly with key problems that we are having in our trade relations, particularly with China.

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This legislation closes loopholes, not creates loopholes. It allows us, for the first time, to apply countervailing duties to nonmarket economies. That is a good thing. I realize our friends on the other side of the aisle never engaged on the SOS bill, the underlying core of this bill, nor cosponsored it. I realize that they have been behind the curve on this.

We have to move today and put this on the calendar today so that we can move quickly to send a message to China that we are going to close the loopholes, that we are going to audit their compliance with their trade obligations, that we are going to oppose

the WTO watering down our domestic trade relations; and we are determined to put more money into trade so that we can enforce these agreements.

If you care about China, if you care about trade, vote for this bill and avoid the petty partisan politics.

Mr. HERGER. Madam Speaker, I believe it is critical that we seek out abuses in existing agreements, and reform such laws that are detrimental to U.S. producers. Such is currently the case with unfair honey imports from China.

In my northern California Congressional District, honey and honeybees play a critical role in pollinating many of our important export crops, including almonds.

Because Chinese "new shippers" are allowed to circumvent antidumping orders by posting bonds, the honey industry in California and nationwide faces serious and continuing price declines, making it difficult for honey producers to provide bees for pollination.

This bill would suspend the bonding privilege for a three-year period. Madam Speaker, I would like to thank my colleagues, Representative ENGLISH, Chairman SHAW and Chairman THOMAS for their work on this matter.

Mr. SPRATT. Madam Speaker, when China joined the WTO, the U.S. and China entered into an "accession protocol." Among other things, that protocol anticipates that the United States may find that China is subsidizing exports, and in that case, the United States may seek to impose countervailing duties, to level the playing field. The Department of Commerce is required to use Chinese data to measure the size of the subsidy, "where practicable," but use of Chinese cost and pricing data is not always practicable, so similar data must be drawn from a comparable country. As originally drawn, this bill dropped the key phrase, "where practicable." It restricted the ability of the Commerce Department to measure subsidies in China and other non-market economies. Due to a barrage of complaints from U.S. industry, that phrase was added back at the last moment, before this bill was brought to the floor.

But two other problems, to which U.S. industry objects, were not corrected.

First of all, this bill requires the Department of Commerce to ensure that there is no "double-counting" of countervailing duties and antidumping duties. Current law only requires that there be no double-counting of export subsidies, but makes no provision with respect to antidumping duties. Commerce has called this change "wholly inappropriate." These are the words of the Commerce Department: "The proposed change would put China into a special category distinct from all other countries when subject to concurrent anti-dumping and countervailing duty investigations." According to the Department of Commerce, this restriction "would raise complex methodological questions, the costs of which may far outweigh any purported equity gains of any such adjustment."

Secondly, this bill gives the WTO Dispute Settlement Body special influence over U.S. law. WTO decisions are not self-executing. The Congress decides how, when, and whether to implement a WTO decision. This bill would require the Commerce Department to ensure that our application of countervailing duty law to non-market economies is consistent with our international obligations. There

is no guarantee how the WTO would rule if this aspect of this law were brought before it. This provision could place WTO dispute settlement tribunals on a special footing when dealing with U.S. laws.

If this bill were brought up as a regular bill, it would be amendable, and these troubling provisions could be changed or deleted.

Mr. GENE GREEN of Texas. Madam Speaker, I rise in opposition to H.R. 3283 on both process and policy grounds. This legislation is on the floor this week simply to provide political cover for members who vote for the flawed Central American Free Trade Agreement. The consideration of this bill is not a real attempt to react to Chinese currency manipulation, trade barriers and state-sponsored subsidies. It is merely an empty, rhetorical response to our valid concerns about China's ability to utilize CAFTA to circumvent U.S. trade laws.

The bill's title—the U.S. Trade Rights Enforcement Act—is, at best, a misnomer, because it actually prevents our country from enforcing its trade rights. While the bill purports to apply U.S. countervailing duty law to China, it contains three glaring loopholes that strip us from any ability to enforce that law. First, the bill limits our use of third-party data when investigating Chinese subsidies in anti-dumping cases. The effect of this provision is to force us to use China's own data in these cases, even though we've learned time and again that China does not play fair in the global trade market.

The bill also exempts Chinese domestic subsidies when industries file both anti-dumping and countervailing duty cases. This provision essentially applies a more lenient standard to non-market economies than to market economies under U.S. anti-dumping and CVD law. Let me remind my colleagues that our goal here is to get tough on China, not give them a free pass while holding our friends with market economies to a tougher standard.

The bill also imposes extra burdens on the U.S. that raises serious issues with regard to both sovereignty and separation of powers. The bill would direct the Commerce Department to essentially pre-clear the application of U.S. law to ensure consistency with the WTO. While every other U.S. law is deemed WTO-compliant unless and until the WTO rules otherwise, this bill makes our actions toward China jump through extra international hoops before it can ever be applied.

Even worse—for the first time ever—the bill would give the Commerce Department the power to align U.S. law with the WTO, without action from Congress. Article I, Section 8 of the U.S. Constitution gives the Congress—not the executive branch—the sole responsibility for the regulation of foreign commerce. This provision is a serious infringement on the power of the legislative branch and strips the Congress of much, if not all, authority to deal with our country's trade concerns with China.

I urge my colleagues not to fall for the majority's empty rhetoric. This bill will do nothing to help our trade problems with China and is a thinly-veiled diversionary tactic to shore up votes for the flawed CAFTA agreement. Look beyond the majority's smoke and mirrors, and vote against this ill-timed and ill-conceived legislation.

Mr. HOLT. Madam Speaker, I rise today in opposition to H.R. 3283. The so-called United States Trade Rights Enforcement Act would

provide little to no remedy for those in my district who are deeply concerned about the ever growing trade deficit with the Peoples Republic of China due to its longstanding illegal policy of currency manipulation.

This is a major issue. Congress should be considering this measure for more than forty minutes and with the opportunity to offer amendments. However, this will not be the case today because of the procedures under which this bill was brought to the floor. We should be debating this issue in great depth, not the rather cursory discussion we are having today. We should be talking seriously about complex issues like "Super 301," "double counting," and what exactly we should do with our countervailing duties. We should be talking about why our trade deficit with China is now at \$162 billion and continues to grow with no end in sight. We should be talking about the fact that China doubled its holding of U.S. debt between 2001 and 2004. And we should be talking about how jobs in our home states have been affected and what we can do to help American businesses who are struggling to export their goods to China.

But that debate unfortunately will not happen today.

Rather, today the House is considering H.R. 3283 because of an agreement reached, I presume to secure votes in favor of the seriously flawed Dominican Republic-Central American Free Trade Agreement, (DR-CAFTA). The majority has chosen to play politics on the floor today rather than seriously address the issues resulting from China's currency manipulation and the resulting trade imbalance that has ballooned between the United States and China.

I have heard from a number of constituents in my district who are deeply concerned about these issues. And yet today, we are not addressing their concerns with action, we are requesting studies. Today we are not ordering countervailing duties to correct for unfair trade practices, we are creating additional loopholes for China to evade the even paltry countervailing duties that do exist.

Madam Speaker, today I stand with the people in my district who are affected by China's currency manipulation and our soaring trade deficit. That is why I have cosponsored a number of other bills, such as the bipartisan The Chinese Currency Act, H.R. 1498, that will actually address China's currency manipulation. However, I will vote against H.R. 3283, and it is my hope that the Congress will re-evaluate this serious issue in a detailed fashion to actually address these important issues that have bipartisan support.

Mr. STARK. Madam Speaker, I rise today in opposition to H.R. 3283, the so-called United States Trade Rights Enforcement Act. This bill purports to address China's lax enforcement of its international trade obligations. In fact, this bill does little to address serious trade issues with China, and it is on the House floor for only one reason: to garner votes for CAFTA later this week.

There is no question that Congress should do everything in its power to enforce trade rights worldwide. However, giving lip service to an issue that deserves our careful consideration and strong action is a grave disservice to the American people. What we should be talking about today is the Bush Administration's continued failure to decrease our trade deficits and promote labor rights, environmental stand-

ards and public health protections with our trading partners.

Let's look at the facts: In 2004, the U.S. trade deficit with China grew to a record \$162 billion. This despite the fact that China joined the World Trade Organization, WTO, in 2001 and should be well on its way to reducing trade barriers and opening up their markets to U.S. goods and services. Even the United States Trade Representative has said that China's WTO compliance efforts are "far from complete and have not always been satisfactory."

Given these facts, I support strong trade enforcement against China. I am a cosponsor of H.R. 1498, the Chinese Currency Act, which would allow the administration to impose countervailing duties due to China's continued currency manipulation. The bill has 110 bipartisan cosponsors and provides real enforcement mechanisms, instead of the studies and redefinitions offered by H.R. 3283. If the leadership were serious about China we would be voting on this meaningful legislation today. But, that is not the case.

Madam Speaker, we have known about trade enforcement issues in China for years. But China legislation magically appears only now that CAFTA is in trouble. I urge my colleagues to vote against this sham bill.

Mr. UDALL of Colorado. Madam Speaker, I rise in opposition to H.R. 3283, the United States Trade Rights Enforcement Act.

I do have real concerns about the spiraling trade deficit with China and China's unfair trade practices, and I think Congress should consider possible legislative responses.

However, the bill offered today does little to provide assistance to U.S. workers, farmers, and businesses. In fact, it could create additional problems for them. In particular, I am concerned that the legislation could make it more difficult to apply countervailing duties to China and other nonmarket economies while making it easier for them to hide subsidies.

Further, by placing this legislation on the suspension calendar, which is reserved for non-controversial legislation, the Republican leadership has refused to offer a full debate to Members to consider alternative plans to strengthen enforcement of our trade policies and hold countries accountable for their trade practices.

This procedure makes it clear that real intent here is not so much to address our trade problems—it is more about politics and winning extra votes for passage of CAFTA later this week.

It is unfortunate that the Republican leadership has taken this opportunity to bring about stronger trade policies and instead used it to consider a bill that is largely symbolic at best, and could even be harmful.

It is for these reasons I will vote against this bill.

Mr. BACA. Madam Speaker, I rise in opposition to H.R. 3283, concerning trade with China.

I join with millions of American workers in saying no to this ill-conceived Republican gift to the Chinese government.

This bill does nothing to address the growing unfair trade gap between China and the United States—an imbalance purchased with China's exploitation of political prisoners, oppressive jail-like working conditions, child labor, and suppression of basic freedoms.

Products made in China are cheap through the exploitation of the workforce. Every time

we shop, we are driving the nail further into the coffin of American manufacturing jobs.

This bill does nothing to address artificially low prices. It does nothing to stop manipulation of currency to drive the United States further into a trade imbalance. It does nothing to save honest American workers from losing their jobs.

This bill weakens the ability of the United States to apply sanctions against China for unfair trade practices. Democrats have offered several much stronger proposals to deal with this issue, and the Republicans have refused to let them come to the floor. Not a single one has been considered.

To help U.S. workers, farmers and businesses, and America's long-term economic security, Congress should take decisive action to bring about fair trade with China, instead of squandering this opportunity on a weak Republican bill.

If Congress wants to take real action, it should pass comprehensive legislation to end currency manipulation; allow U.S. companies to challenge subsidized imports from China; and fix China safeguard statute and other import remedies to protect U.S. manufacturers against surges and other unfair imports from China.

I support American workers in saying, let's combat China's unfair trade practices by providing us with the tools to save American jobs.

It is an insult to American workers that, in the same week that Congress is considering CAFTA, it is bringing forth a weak China trade compromise bill. This demonstrates the majority's anti-worker agenda, that gives priority to Chinese workers instead of American jobs.

Mr. PAUL. Madam Speaker, I rise in strong opposition to this legislation. Isn't it ironic that the proponents of "free trade agreements" like CAFTA are lining up squarely behind a bill like this that threatens a trade war with China, and at the least calls for the United States to initiate protectionist measures such as punitive tariffs against "subsidized" sectors of the Chinese economy? In reality, this bill, which appeared out of the blue on the House floor as a suspension bill, is part of a deal made with several Members in return for a few votes on CAFTA. That is why it is ironic: to get to "free trade" with Central America we first need to pass protectionist legislation regarding China.

Madam Speaker, in addition to the irony of the protectionist flavor of this bill, let me say that we should be careful what we demand of the Chinese Government. Take the demand that the Government "revalue" its currency, for example. First, there is sufficient precedent to suggest that doing this would have very little effect on China's trade surplus with the United States. As Barron's magazine pointed out recently, "the Japanese yen's value has more than tripled since the breakdown of the Bretton Woods system, yet Japan's trade surplus remains huge. Why should the unpegging of the Chinese yuan have any greater impact?"

As was pointed out in the Wall Street Journal recently, with the yuan tied to several foreign currencies and the value of the dollar dropping, China could be less inclined to purchase dollars as a way of keeping the yuan down. Fewer Treasury bond purchases by China, in turn, would drive bond prices down and boost yields—which, subsequently, would cause borrowing costs for residential and some corporate customers to increase. Does

anyone want to guess what a sudden burst of the real estate bubble might mean for the shaky U.S. economy? This is not an argument for the status quo, however, but rather an observation that there are often unforeseen consequences when we demand that foreign governments manipulate their currency to U.S. "advantage."

At the very least, American consumers will feel the strengthening of the yuan in the form of higher U.S. retail prices. This will disproportionately affect Americans of lower incomes and, as a consequence, slow the economy and increase the hardship of those struggling to get by. Is this why our constituents have sent us here?

In conclusion, I strongly oppose this ill-considered and potentially destructive bill, and I hope my colleagues will join me in rejecting it.

Mr. ENGLISH of Pennsylvania. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. CAPITO). The question is on the motion offered by the gentleman from California (Mr. THOMAS) that the House suspend the rules and pass the bill, H.R. 3283, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. RANGEL. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ENGLISH of Pennsylvania. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of H.R. 3283, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

BRIAN P. PARRELLO POST OFFICE BUILDING

Ms. FOXX. Madam Speaker, I move to suspend the rules and pass the Senate bill (S. 904) to designate the facility of the United States Postal Service located at 1560 Union Valley Road in West Milford, New Jersey, as the "Brian P. Parrello Post Office Building".

The Clerk read as follows:

S. 904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BRIAN P. PARRELLO POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 1560 Union Valley Road in West Milford, New Jersey, shall be known and designated as the "Brian P. Parrello Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the "Brian P. Parrello Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from North Carolina (Ms. FOXX) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from North Carolina (Ms. FOXX).

GENERAL LEAVE

Ms. FOXX. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the Senate bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from North Carolina?

There was no objection.

Ms. FOXX. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the global war on terror is being fought at home and abroad by the bravest of Americans. Lance Corporal Brian Parrello, a 19-year-old serving with the Second Marine Division from Passaic County, New Jersey, was one of the most heroic of our fellow citizens.

Lance Corporal Parrello was killed in the city of Hadithah in Iraq on New Year's Day of this year.

I know I speak for all American citizens when I say that we have boundless appreciation for Lance Corporal Parrello's service to our Nation. There are many ways we can remember his immeasurable efforts to rid the world of the scourge of international terrorism. One small, but meaningful, way we can memorialize Brian's selfless courage and his priceless life is through this legislation.

To get a sense of Brian's patriotism, I want to impart some words that his older brother Matthew Parrello shared with the local newspaper following Brian's passing in January. Matthew told The Bergen Record newspaper that Brian "wanted to serve his country, and he loved what he was doing. He was proud to be a Marine, and he loved the guys he was serving with."

Matthew said Brian had considered joining the military during high school. During his senior year, in February of 2003, Brian enlisted in the Marine Corps. He began active duty September 22, 2003, three months after his high school graduation.

Sean Poppe, Brian's high school football coach, said Lance Corporal Parrello "possessed a strong desire to excel in whatever he did." Indeed, Lance Corporal Parrello gave his excellent life to this Nation.

Madam Speaker, America owes the greatest of debts to heroes like Brian Parrello. No reward, decoration, or compensation can approach what Brian Parrello devoted to his country. However, I appreciate the Senator from