

DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT—Continued

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized for 10 minutes.

Mr. SESSIONS. Mr. President, I congratulate my colleague Senator ALLARD on his ability to move that legislation so rapidly. It makes you wonder maybe if we could do more things around here that way.

My colleague from North Dakota raises a concern about trade deficits. This is something I have worried about, too. A lot of people seem less concerned than we, but it does bother me.

There is some good news out there. We are getting jobs outsourced to our country. Alabama just had a number of good news items. Our Mercedes, Daimler-Chrysler plant has doubled its employees to 4,000. Honda just doubled its plant in Alabama to 4,000. Hyundai, a South Korean company, just rolled out its first new automobile in a plant that will have 4,000 employees and 7,000 employed by suppliers who provide parts and components. Toyota has some 600 in the state as well. Austal, an Australian company, is building ships in Alabama. I don't know exactly how trade works. I am not able to comprehend it all. Sometimes it works good for you, and sometimes it doesn't.

I am not religious about free trade. I think there are some people who have it in their heads that if we have free trade, there will be peace in the world and cancer will be cured and there will be no problems left. That is not exactly so.

But trade is good. The more we trade, the better we get along, the more prosperity that appears to exist. In my home State, unemployment continues to fall and is now below 4.5 percent. It has been falling regularly. I am not able to explain exactly why, because we are losing textile jobs. But high-paid automotive jobs are coming in large numbers. That is playing a good part in our advancement.

I have been concerned about this CAFTA agreement. I had not made up my mind about how to vote on it. I have voted for some trade agreements and against other trade agreements. I think we should look at these agreements and see if it is a good deal or not. I had a particular concern on the question of socks. Fort Payne, Alabama, is known as the sock capital of the world. It is also the hometown of the great singing group, Alabama. There are many wonderful people there that are concerned about CAFTA. I spoke with one of them today about his concerns.

I also met with Secretary of Commerce Gutierrez and spoke with Trade Representative Portman today to discuss my concerns with them. I now feel much better about our ability to address them. They have indicated to me they understand the problem. They are

concerned about it, and the Administration will look for meaningful opportunities to be helpful in ways that can make a difference for our sock industry. I feel a lot better about that question.

Looking at the matter as a whole, this is not a large agreement. There exists about a \$31 billion trade relationship between the United States and the six CAFTA countries. That is, in the scheme of things, not large. We have an almost balanced trade relationship with these countries now. Without this agreement, when we ship domestically manufactured goods to these countries, they face a much higher tariff than when those countries ship goods to us. So if we execute this trade agreement, clearly more barriers will go down in those countries than in the United States. The experts tell us that under these circumstances, we should certainly move to a trade surplus with these countries. That is good. If we are concerned about a trade deficit, we ought to vote for things that might help us go to a trade surplus.

The picture worldwide, however, is not so good. Looking at our trade with the United Kingdom, Germany, and France, one sees a \$140 billion trade relationship. And we have a \$65 billion trade deficit with those countries. Look at China. We have a \$231 billion trade relationship with that country including a \$160 billion trade deficit. Look at Mexico and Canada, the NAFTA countries. We have a \$266 billion trade relationship with Mexico and a \$445 billion trade relationship with Canada—\$711 billion with just those two countries—with a trade deficit of \$110 billion.

The CAFTA nations are small countries by comparison. They want to progress. They are young democracies. They are our neighbors south of us—many virtually directly south of my hometown of Mobile, Alabama. And they are good people. They have been friends to the United States. Any trade deficit is a concern, I acknowledge, but I would also point out that the proposed agreement with these countries would likely convert it into a surplus.

As you look at trade and the relationships we have with these countries, it is also important that we look at our national security interests.

First, I believe this trade agreement will move us into an enhanced trade relationship with these six countries. That enhanced trade relationship will move us from a deficit to a surplus, and it will increase trade between our countries, and that will be good for all of us. I am convinced it is good economics.

Second, and very importantly, these are our allies and friends. Let me ask you: how have they proven their friendship? I point out that every one of these six countries supported our efforts in Iraq. Four of them sent troops to Iraq. Four of these countries we are seeking to have a level trade agreement with have actually sent troops to

Iraq. Is that true with Mexico, France, Canada, Germany, or China? I submit to you that it is not. These CAFTA countries are our friends and neighbors with whom we have a balanced trade relationship. If we pass this bill, we can even move to a surplus.

Mr. President, I think it makes good economic sense. It makes good sense in terms of national security. Let me just say one other thing, quite frankly. One reason our trading relationship has not been as productive with Mexico and other Latin American countries as some had predicted, I think, is because of the incredible surge of imports from China. China got out ahead and they are moving forward and they are very aggressive. We ought to take what steps we can, without hesitation, in my view, to make ourselves, our neighbors, our friends, and our allies more able to compete on a level playing field with China. Why would that not be a good thing? I think it would be a good thing.

Mr. President, there are a number of considerations that I have evaluated as I have considered this trade agreement. I am convinced that compared to most of them, if not all of them, this is probably the most worthwhile trade agreement we have had presented to us. I think we ought to ratify it and establish a closer bond and partnership with these countries, our friends and neighbors. It will be good for our economy and our national security.

I yield back such time as I have remaining.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized.

Mr. DAYTON. Mr. President, I thank the Senator from Montana for making the time available. I will be brief. In addition to what I said earlier today, I want to reference representations that have been made since then. It is hard for anyone listening, and even for a Member watching these proceedings, to separate the facts from all of the claims and descriptions that are being presented.

Unfortunately, in complicated issues like this, even experts can reach different conclusions. So it is not surprising that Senators can reach different conclusions—often from different information or different interests from the people we represent. I find it less understandable or acceptable when I hear mischaracterizations of the expressed positions of other affected Americans. If somebody here or anybody else chooses to try to convince people that what is not good for them is what they should believe is good for them, I will disagree, but I won't object to that undertaking.

I do object, however, when the actual statements or the official positions by individuals or organizations are not accurately represented, especially ones being made as currently as today or yesterday. So I want the official public record of this debate to record accurately the positions on DR-CAFTA that have been taken by the American

sugar industry in general and Minnesota's sugar beet farmers and workers in particular.

A public statement issued today by the Red River Valley Sugarbeet Growers Association and major Minnesota sugar beet cooperatives on behalf of the State of Minnesota's sugar industry stated in part:

... and we remain convinced that a vote for CAFTA, based on a short-term fix, places Minnesota's 20,000 sugarbeet farmers and workers at risk.

Plain and simple: No deal was brokered that addresses our concerns with CAFTA. And there appears to be no interest by the U.S. Department of Agriculture or the U.S. Trade Representative's office to find a long-term comprehensive solution.

Our jobs, farms, factories, and way of life are on the line. It's our livelihoods that hang in the balance of the CAFTA vote, and we know what's best for us.

The administration's proposal to "fix sugar" is unsustainable. It will not protect our jobs or Minnesota's rural economy because CAFTA is a permanent trade agreement.

The men and women of Minnesota's sugar industry remain adamantly opposed to CAFTA.

Mr. President, I ask unanimous consent that the full statements by the Minnesota organizations, plus the American Crystal Sugar Company letter and the American Sugar Alliance release be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DAYTON. Mr. President, plain and simple, the Bush administration is trying to make temporary side deals that run contrary to the actual DR-CAFTA treaty to get the votes necessary to pass it. With the sugar industry, the Secretary of Agriculture just yesterday announced his own farm program, with no congressional hearings or review, to be paid for with tax dollars, at his entire and sole discretion. It is, frankly, such an ill-considered, ill-designed, uneconomical and improper program that if any member of the Senate Agriculture Committee on which I serve introduced it, I think we would be run out of the room. If any Member on the floor introduced it, I think it would be defeated overwhelmingly by a vote. Yet it is supposed to be sweetening this agreement and making it palatable to pass tonight. The Secretary will buy U.S. sugar and convert it to ethanol for no good reason, or economical reason, except to get this agreement passed in the Senate.

To their credit, the Minnesota sugar beet farmers, workers, and industry leaders are not buying this boondoggle. They know it is a bad deal for them. It is a bad deal for the U.S. agricultural economy, the ethanol industry, and the American taxpayers. It is claimed to be for them, but they don't want it. It is claimed to be good for them, but they know it is not. It shows, however, an administration that is so determined, and perhaps desperate, to get what it wants—even though it is not what is

best for America—that they will make the agreement even worse, at American taxpayer expense, with these kinds of side agreements and deals that should be rejected by the Senate.

I yield the floor.

#### EXHIBIT 1

#### CAFTA VOTE CRITICAL TO SUGAR INDUSTRY'S FUTURE

In response to the upcoming U.S. Senate vote on the Central America Free Trade Agreement (CAFTA), the Minnesota sugar industry release the following statement (supported American Crystal, Minn-Dak Farmers Cooperative, Red River Valley Sugarbeet Growers Association and Southern Minnesota Beet Sugar Cooperative):

"The sugar industry has said throughout the debate on CAFTA that the agreement presents our industry with short-term and long-term problems. In the last few days an effort was made to provide a short-term fix. Friends do sometimes disagree, and we remain convinced that a vote for CAFTA, based on a short-term fix, places Minnesota's 20,000 sugarbeet farmers and workers at risk.

"Plain and simple: No deal was brokered that addresses our concerns with CAFTA. And, there appears to be no interest by the U.S. Department of Agriculture or the U.S. Trade Representative's office to find a long-term comprehensive solution.

"Our jobs, farms, factories, and way of life are on the line. It's our livelihoods that hang in the balance of the CAFTA vote, and we know what's best for us.

"The Administration's proposal to 'fix sugar' is unsustainable. It will not protect our jobs or Minnesota's rural economy because CAFTA is a permanent trade agreement.

"The men and women of Minnesota's sugar industry remain adamantly opposed to CAFTA. We will continue to send the message to Minnesota's lawmakers to vote against it."

The Senate is expected to vote today. A House vote is likely to occur before August.

JUNE 30, 2005.

Hon. MARK DAYTON,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR DAYTON: Thank you for your strong support of the Minnesota sugarbeet industry. Your understanding of the threat to the sugar industry from regional and bilateral trade agreements like CAFTA is sincerely appreciated.

Despite rumors and conjecture that recent discussions between some Members of Congress and the Administration have resolved the sugar industry's concern over the CAFTA, American Crystal Sugar Company remains firmly opposed to the trade agreement. We respectfully ask that you maintain your strong opposition.

Sincerely,

KEVIN PRICE,  
Director of Government Affairs,  
American Crystal Sugar Company.

#### LAST-DITCH EFFORTS FOR SUGAR DEAL FAIL

WASHINGTON.—Sugar industry leaders remained steadfast in their opposition yesterday to the Central America Free Trade Agreement (CAFTA). They rejected a repackaged, short-term offer from Administration officials, who are seeking to drum up last-minute support for the controversial trade deal, which faces stiff opposition in Congress.

"There is no deal, and it's obvious that there will be no deal," said Terry Jones, a Wyoming sugarbeet farmer and president of the American Sugarbeet Growers Associa-

tion. "We have said all along that we need a long-term solution to our problems with CAFTA and other trade agreements. What we were presented yesterday was virtually the same short-term proposal we'd already rejected."

Once again, the Administration presented a concept to pay foreign countries not to send America unneeded sugar for two years. The only difference to the proposal was the promise to perform a study to examine the viability of a sugar ethanol program.

The Administration said this was the final offer and that conversations would not continue. A reasonable and comprehensive plan presented by sugar producers two weeks ago was rejected by the Administration.

"We are very appreciative of the members of Congress who have spent so much of their time and energy looking for a comprehensive solution to our CAFTA concerns," said Fritz Stein, a Florida cane grower for the Sugar Cane Growers Cooperative of Florida. "We hope they understand why sugar farmers oppose this deal. And, we hope they'll cast an emphatic NO when they vote on CAFTA."

"A farmer-owned factory in Oregon recently stopped processing sugarbeets because of unneeded imports to the U.S. market," said beet farmer Perry Meuleman, who is also president of the Idaho Sugarbeet Growers Association. "This same scene is playing out across the country, people are losing jobs, and CAFTA on top of NAFTA, just exacerbates the problem. It's time for Congress to open its eyes to the pain trade agreements are causing and put a stop to it."

The American Sugar Alliance vowed to work night and day to defeat the trade pact.

Religious groups; numerous states government; trade unions; small businesses; national farm associations; various textile interests; environmental groups; and Latin American human rights organizations are just a few of the groups that join sugar farmers in calling for the swift and sound defeat of CAFTA.—American Sugar Alliance, June 29, 2005.

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire is recognized for 5 minutes.

Mr. SUNUNU. Mr. President, in discussing this trade bill earlier today, and throughout the day, I think a lot of mention has been made of specific firms—firms that over the past number of years have been affected by international trade. There was a list on the floor that included companies such as Levi's and Fruit of the Loom. That is a fact. These companies have been affected. They are eligible for the Trade Adjustment and Assistance Program, and that is one of the challenges of the job that we do as elected representatives. We see firms in States grow, but we also see them have to deal with challenges of competition, both domestic and international competition.

In New Hampshire, my home State, we have had an electronics firm that saw its plastic molding jobs go to Mexico. But even more recently, we have seen a firm that did meat processing lose 500 or 600 jobs to some Midwestern States. So we see competition not just from overseas but domestically as well.

At the same time, we cannot lose sight of the jobs that are created. Over the past year, I think 2.5 million jobs have been created in the United States. Over the last decade, it is a significantly greater number than that. It

has been in areas like software, pharmaceuticals, and financial services—significant, value-added, high-paying jobs.

That brings me back to the very basic question of why we even trade in the first place. We trade, and I support expanding opportunities for trade and knocking down barriers to trade because it creates opportunities for consumers. It gives our consumers in America the opportunity and the freedom to buy the products they want, to purchase the goods and services that they want to choose. It gives them access to products and services that they would not otherwise have. It is good for American consumers, and it is good for our economy. It gives firms, large and small, in a similar way access to cheaper, affordable goods and services, and trade allows American individuals, American companies to focus on what we do best, thereby improving our productivity here at home.

We want trade to be fair. Everyone talks about fair trade. If we look at the tariffs that exist today—this is a small card that was prepared by the chairman of the Finance Committee, but it highlights what we pay now in tariffs of products coming into the United States: 10 percent, 16 percent, 11 percent, 12 percent on products such as petroleum or chemicals, metals and metal products, motor vehicles and parts. We pay 10, 12 or 15 percent in tariffs, and the countries that are affected by this agreement today pay zero. We pay 10 or 12 percent, they pay zero. What this trade agreement will do is knock that tariff that U.S. companies and consumers pay down to zero on all the products I just mentioned. That is why this is a step in the right direction. That is why an agreement such as this that lowers tariffs benefits consumers, creates a stronger global economy, but perhaps most important of all is good and right for the U.S. economy.

I am very pleased to support S. 1307. I know it is very difficult for the chairman and the ranking member of the Finance Committee to move something like this through their committee, but I appreciate their work and congratulate them for their work and urge my colleagues to support it.

I thank the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I believe the previous order had the Senator from Nevada going next.

Mr. BAUCUS. That is correct.

The PRESIDING OFFICER. The Senator is correct. The Senator from Nevada is not here.

Mr. BAUCUS. Mr. President, I suggest the next speaker be the Senator from North Dakota and as soon as the Senator from Nevada arrives, he follows the Senator from North Dakota, if he is here on time.

Mr. DORGAN. I would sooner follow the Senator from Nevada by the accepted order.

The PRESIDING OFFICER. Will the Senator restate what he said?

Mr. DORGAN. Mr. President, we have an order that is established. My understanding is that the Senator from Nevada is to speak next; is that correct?

Mr. BAUCUS. Yes.

The PRESIDING OFFICER. The Senator from Nevada sleeps on his rights if he is not here.

The Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I wonder if you might want to further disclose what "sleeping on one's rights" means? Ignore the question. We will all assume the Senator from Nevada is awake, just not here.

I heard the discussions tonight about Central America. Earlier this evening, I heard about the need to help Central America. I have traveled to, I think, all the countries involved. I have a great affection for the people of Central America. I also have great affection for a Central America that I would define—North Dakota, South Dakota, Minnesota, Iowa. We call that central America. I am very interested in Central America south of our border but most especially here. The question is, Will this advance the interests of Central America and America?

My colleague just described how this provides new opportunities. It is interesting, I have been here through all of the trade agreements, I believe, all the recent trade agreements in the last 15 years or so. I don't know that there are any new speeches, and that perhaps includes mine. They just dust off the old speeches: This means new opportunity. You show them it did not mean new opportunity, it meant less opportunity. They say: No, no, you don't understand, this means new opportunity. It is like a script—a bad script, to be sure, but a script. So away we go again.

I fear I know the results of the debate tonight. I have great respect for the Senate. The vote we will commence following all of the speakers I assume will provide, once again, a victory for the President's efforts to get this CAFTA agreement passed. The reason I know that is likely to be the case is because I have sat here and counted the number of times I heard my colleagues stand up and say: They promised, they promised, they promised me this, they promised me that, they promised me the other thing.

I am thinking we do not learn about promises, either. None of these promises mean a thing, not a whit. We heard them all, we have seen them all, and as soon as the vote is taken tonight, I say to those with their blue suits and their pride having extracted these wonderful promises, go to the front steps of the White House and then just speak into the wind and understand that you did not get anything. What you got was a vote. You were persuaded to vote for a trade agreement that is exactly as it is written. Side agreements mean nothing; promises mean nothing. They got your vote, they got the trade agree-

ment, and it is one more chapter in a book of failed strategies. That is what happens.

I will remain hopeful, however, that one day sufficient numbers of this Congress and this Senate will decide that we are moving down the wrong road, we ought to turn around and change direction, and move in a way that expands opportunity for this country, cares a little bit about American jobs, sets up competition—yes, a competition with others that includes conditions that will raise others up rather than push us down. That will one day, in my judgment, be something the American people will demand of the Congress.

Apparently, not sufficient of them do so now, State after State, as represented by the votes that will be cast here later. But one day it will happen. If it is too late, at some point the strength will be sapped from this country, and we will not long remain a world economic power unless we have a strong, growing, vibrant manufacturing base. We lost half of that manufacturing base in the last 25 years. We are losing more of it as we speak. We face other challenges.

I just described this, which encapsulates a lot of the debate here: "China now wants to buy the ninth largest oil company in the U.S." This encapsulates a whole series of issues about which we talked. I think one day soon the American people will say to the Congress: You have to wake up. You cannot be passing trade agreements that pull the rug out from under this country. Trade agreements must be mutually beneficial, and I have not yet seen one in the last two decades.

So, Mr. President, I am going to vote no. I hope as many of my colleagues who can will vote no. I hope one day soon those of us who feel as I do will prevail. Apparently, tonight will not be the night.

I yield the floor.

The PRESIDING OFFICER. The Senator yields back the remainder of his time. Under the previous order, the Senator from Montana is recognized for 10 minutes.

Mr. BAUCUS. Mr. President, this has been a long debate, and generally, in most respects, the statements have been a little bit one-sided: CAFTA is great, it is going to help; or CAFTA is a terrible idea; it will send us down the drain. I am hopeful because I sensed that in the last 2 to 3 hours, the statements have been a little more toward the center, trying to figure out realistically what is happening, what is going on here.

I think it is true, we all know in this competitive world that trade is important, it is essential. Companies have to trade, people have to trade both ways. If we do not, we are going to lose out big time. That is clear. There is not much doubt about that. But it is also true—and this has not been sufficiently addressed, certainly not in this debate and certainly not in the country, is

how we address the dislocations that happen on account of trade because so many people lose jobs through no fault of their own.

They work at a company, they work at a plant, say a manufacturing job at a plant, and the company seeking lower wages or lower health care costs goes overseas, maybe seeking software development, R&D investment, and an American loses his job. This might be a 20-year-old, it might be a 50-year-old, who loses his or her job. It is not the fault of the employee. It is because of the system. It is because the world is changing so dramatically. We have not begun at all to address what we should do about that.

We do have trade adjustment assistance. Trade adjustment assistance today applies only to persons who lose manufacturing jobs. It does help people who lose manufacturing jobs get some assistance, get some training, get some health care benefits, but it ought to be easier to get, and it ought to cover more workers, including service workers.

What we care about is training people, finding ways for them to get jobs that make a difference, to help them feel good about themselves without big dislocations in their families.

I might say we also are not addressing the larger trend that is coming. We have lost, say, 3 million manufacturing jobs in America over 2, 3, or 4 years. They are gone. We have also picked up a good number of jobs. But what is the area in which we have picked up a lot of jobs? Lately, in the last couple of years, it is because of 9/11. It is homeland security jobs. It is national defense jobs.

Clearly we need those jobs. But it makes one wonder a little bit, first, if there were no 9/11, sounds like there would be a huge net loss of jobs. We would not have the homeland security jobs we now have.

To make matters more, if not alarming, at least serious, is that although we have lost about 3 million manufacturing jobs, we picked up maybe roughly the same in the homeland security jobs, the next wave is going to be much greater and it is going to make the loss of manufacturing jobs pale in comparison. Our economy is creating and destroying jobs at a faster and faster rate. The total number of jobs may not be decreasing, but the rate of churn in the economy is getting faster and faster, especially with service jobs. This country is not ready for that. We have no paradigm, no structure, to deal with it. The days when you could work single job for 30 years without updating your skills are over. We need to be more prepared, have more educated workers, and more adjustment assistance.

Knowledge is not perfect. A little bit of knowledge is a dangerous thing. A book that I started to read is a good book that most Americans should read, called "The World Is Flat," by Thomas Friedman. If one reads that, they get a

sense of how much technology, communications technologies, moves things from bottom up instead of top down. In the economic world, nothing is sacred anymore. It is such a free-for-all. It is the wild west in a certain sense. I do not think we are ready for that.

So this debate has been helpful. It helps bring out some of the provisions of CAFTA, what it does and does not do, but it does not address the fundamentals. It does not address the basic problems we should be addressing. I am quite hopeful that sooner rather than later we are going to begin to address and we are going to hear Senators give speeches on what needs to be done. After that, there will be some proposals and debates on those and I am very hopeful that will happen sooner rather than later.

With respect to the more narrow issue of CAFTA, it is my belief, frankly, that regrettably the administration did not work with Congress as much as it should have. If it started earlier, we could very well have had a big vote for CAFTA, especially with respect to sugar. The administration came to Senators with the sugar concerns, beet sugar, cane sugar, very late in the game. In fact, there are negotiations going on right now. It is only because they realized they do not have the votes, especially in the House, at least not yet. The same is true with the labor provisions, no real negotiations, no real discussion there. That is unfortunate because we are one of the two bodies trying to find ways to get trade agreements.

I must say, however, that is not true about environmental issues. About a year or so ago, I realized that on CAFTA, environmental issues were going to be a big problem so I asked Ambassador Zoellick if he could come over to my office and talk about it, and he did. I must say I appreciate the way Ambassador Zoellick, over a period of about a year, dealt with the environmental issues so that would be much less of an issue in this agreement.

There has been a lot of talk about trade fatigue. Maybe the people of our country, Members of Congress, are beginning to wonder, gee, do these agreements mean much. I think that is an appropriate question. There is trade fatigue. One is because we are not enforcing our current trade agreements as we should. If we were to start to enforce our trade agreements, I think Americans would start to think, hey, maybe our Government is doing something to help us out.

My final two points are this: We speak about job loss and we speak about job gain. More importantly, there is a lot of talk about the economy is doing better. It masks the real problems that are going on, and that is the tyranny of averages. Average numbers do not mean much of anything. Why? Because we are such a disparate country. Some people have certain kinds of jobs. Some people have a lot of income, some people do not. That is

not the question, what is the average GDP in the economy and all of that.

It helps a little bit, but we are representing people. There are employees. They are the people who work and an awful lot of people are getting hurt these days. A lot of people are doing very well. Bigger companies do very well, but a lot of people are not doing well, and a lot of people who work for big companies are not doing well.

I urge us to remember who we work for. We work for the people. They are the ones who elect or unelect us. I urge us to remember that point.

Finally, I will end where I began, namely, I am quite hopeful. I sense in this agreement, this debate, that people are starting to realize what the real issues are and beginning to realize that maybe the administration could have done a better job in talking to the Congress about the provisions that are in this agreement so that the Congress and the administration can work these out in subsequent trade agreements so we do not have quite the same problems we have tonight. At least I hope so. I am hopeful that will happen.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Under the previous order, the Senator from Iowa is recognized for 10 minutes.

Mr. GRASSLEY. Mr. President, I hope I can say the Senate is going to pass S. 1307. I think we will do that. I am going to work the floor to make sure that happens. We have had an awful lot of support expressed for the bill today, and so I look forward to an announcement of a majority vote.

I think history will record this important legislation as a positive step in the development of democracy and prosperity in the CAFTA countries that has developed over the last 20 years, greatly expanding that. I am also confident that our leadership in passing CAFTA will be rewarded through benefits our Nation enjoys under this trade agreement, and more importantly, in the broader picture, advancing our overall trade agenda, particularly with the Doha round of negotiations going on throughout the course of 2005.

I also want to take a moment to compliment Senator COLEMAN of Minnesota. Senator COLEMAN has worked hard to create export opportunities for his farmers and manufacturers while looking after the interests of his sugar farmers, who Senator COLEMAN clearly cares deeply about.

Senator COLEMAN worked to get his sugar farmers disaster assistance a couple years ago when they were originally ineligible. And now, Senator COLEMAN has secured a commitment from this administration that the sugar import cap established in the farm bill will not be substantively violated as long as this farm bill is in place.

I want to compliment him on his commitment and dedication to his constituents. I appreciate his efforts to

find a long-term solution to this complex issue.

I am ready to yield back the balance of time and proceed to a vote.

The PRESIDING OFFICER. The Senator has yielded back the remainder of his time.

Under the previous order, the minority leader is recognized.

Mr. REID. Mr. President, of all the trade agreements this body has considered since I have been here, I would like to be able to support this one. I think it is remarkable how the CAFTA countries have turned from pasts of violence and instability to hopeful democracies. The initial economic and political reforms made by these countries are an important sign of progress.

Unfortunately, this trade agreement is seriously flawed. And, more importantly, it is symptomatic of the Bush administration's rudderless trade and economic policy.

The CAFTA countries account for less than 1.5 percent of total U.S. trade. The combined economic size of the CAFTA countries is smaller than each of the top 25 metropolitan areas in America. Yet, the Bush administration has made CAFTA its number one trade priority this year. I don't know if the President even has any trade policies other than CAFTA.

I know that President Bush has no policy for dealing with the U.S. trade deficit, which set a record last year of over \$600 billion and is on pace to surpass \$700 billion this year.

Economists have warned that our trade deficit is unsustainable and could threaten the U.S. and global economies. If anyone tells you that CAFTA will help reduce the deficit, they are confused or are being misleading. The CAFTA countries account for just 0.3 percent of the U.S. trade deficit. They are barely a molecule of water in the proverbial drop in the bucket. Instead of coming up with a policy for addressing the deficit, the administration sits in denial. The Treasury Secretary even likes to say our enormous trade deficit is a sign of U.S. economic strength.

In order to fund the enormous U.S. deficit, the Nation has to borrow from foreign governments. The Bush administration has managed to accumulate more foreign-owned debt in 4 years—\$921 billion—than the U.S. accumulated in the first 220 years of its existence.

I do not consider that a sign of strength; I consider it a cause for concern. If the Bush administration does not acknowledge something is a problem, how can you come up with a policy to fix it?

The Bush administration at least concedes that China is a problem. The U.S. trade deficit with China was over \$160 billion last year—more than ten times the size of total U.S. exports to the CAFTA countries. We had a \$36 billion trade deficit with China just in advanced technology products—more than twice the total U.S. exports to CAFTA.

Yet the Bush administration's only policy seems to be empty rhetoric. It

has no strategy to ensure that China ends its currency manipulation. It has no strategy to reduce China's 90 percent piracy rates. It has no strategy for ensuring China complies with all its WTO obligations. It has no strategy for responding to China's industrial policies in areas critical to the U.S. economy, like high-tech goods, automobiles, software, and energy.

Except for an occasional rhetorical oar splashing around the water, U.S. trade policy toward China is totally adrift.

The administration likes to note that the U.S. exports more to the CAFTA countries than to Russia, India, and Indonesia combined, as if that is a great selling point for CAFTA.

But, that statistic is really an indictment of the administration's trade policy. The economies of those three countries are more than 25 times the size of the CAFTA countries. Why do we export so little to those three countries?

If the U.S. exported as much to Russia, India, and Indonesia as it does to the CAFTA countries—relative to the size of their GDPs, the U.S. would gain about \$360 billion in exports—120 times the benefit touted for CAFTA. Why are we focusing on CAFTA and not focusing on opening these and other markets that would make a much bigger difference for the U.S. economy?

The Bush administration likes to negotiate new trade agreements, but it never gets around to enforcing the ones we already have. President Clinton brought an average of 11 cases in the WTO each year to open foreign markets. The Bush administration brought 12 WTO cases total in 4 years.

Once again, this administration has no policy for doing the things that really matter for the U.S. economy. But it has given us CAFTA and all its flaws.

There are always winners and losers in trade agreements. The rich few in these countries will be the winners, while the poor majority will be the losers. The CAFTA countries already have some of the highest levels of income inequality in the world. The CAFTA agreement will exacerbate these problems rather than help them.

Democrats called for rules to help out the "little guy" in the CAFTA countries—stronger labor provisions and significant investments—but the Bush administration rejected them. The CAFTA countries have serious worker rights abuses. The U.S. Department of State, the International Labor Organization, and numerous independent human rights groups have all catalogued these abuses extensively. El Salvador's independent government-appointed Human Rights Ombudsman put it well. As reported by the Washington Post last year, she "said both government and industry have 'an explicit intent to destroy unions.'"

CAFTA does not require that these countries' labor laws meet basic internationally accepted standards. The CAFTA countries may weaken their

labor laws at will. If one of the CAFTA countries allowed child labor, blacklisting, or intimidation of workers, it would all be OK under CAFTA.

Anyone who buys Bush administration claims that it sincerely wants to try to improve worker rights in the region, I have some ocean front property in my home State to sell you. The Bush administration has consistently sought major cuts in U.S. funds to the programs that improve worker rights overseas. This administration simply does not care about the issue.

As I said, it is inevitable that trade has winners and losers. The Bush administration has ignored those who are hurt by expanded trade here at home, however.

Democrats succeeded in getting an amendment added to CAFTA to provide training and assistance for more U.S. workers injured by trade. The Bush administration stripped this provision out of the legislation.

Because of CAFTA's flaws, leading groups of Latinos have announced their opposition or raised serious concerns about it—including the Congressional Hispanic Caucus and Central American bishops. These groups worry that CAFTA will hurt poor Latinos in Central America and here at home.

This administration's trade policy—when it has one—is the wrong policy for America. We should demand that the administration re-negotiate CAFTA and come back with a better agreement that makes sense for America and the region. More importantly, we should demand that the administration develop a comprehensive trade policy that addresses the critical issues, including the trade deficit, the emergence of China, and tough enforcement of U.S. rights under trade agreements, that reflect the priorities of the American people.

The PRESIDING OFFICER. Under the previous order, the majority leader is recognized.

Mr. FRIST. Mr. President, the Senate will shortly vote on CAFTA—the Central American Free Trade Agreement.

This agreement will eliminate most trade barriers between the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic.

Over the last half century, the United States has led the way to opening new markets and encouraging free trade around the globe. These efforts have had tremendous success.

Everyday, American consumers and businesses benefit from the competition and choice that trade expansion brings. As we promote free and fair trade agreements, we create economic opportunity and build relationships that will continue to grow for years to come.

Under the agreement, six CAFTA countries will allow 80 percent our exports to enter their countries duty-free.

As a result, CAFTA will create our second largest export market in Latin America, behind only Mexico.

This agreement is a huge opportunity for both sellers and buyers, for all people who make transactions happen. It's like opening a huge new store for American businesses—where we get the same price for our goods but—because we pay fewer tariffs—our customers pay less.

This is a win-win.

CAFTA will open the doors to 44 million new consumers of American goods. And more sales to Central America means more jobs here at home.

With this agreement, over 27,000 new jobs will be created in its first year of implementation—over 500 of which will be in Tennessee. And 9 years after implementation, thanks to CAFTA over 137,000 Americans—including over 2,000 Tennesseans—will have the benefit of a new job.

CAFTA means jobs. American jobs. Tennessee jobs. It means more prosperity in our pockets.

Even more, CAFTA will allow our Nation to strengthen its bonds with countries in the region. A stronger relationship will allow us to more effectively work together to fight the war on terror and enhance the social stability of these nations.

We can also make positive strides in combating the trafficking of illegal drugs. And, as a result, reduce the supply of drugs on our Nation's streets and in our neighborhoods.

Furthermore, strengthening our mutual economic interests will strengthen our national security.

Twenty years ago, only two of the CAFTA nations—Costa Rica and the United States—were established democracies. Today, all seven can be counted among the free nations of the world.

CAFTA will bolster democracy in Central America and provide a model for freedom seekers around the world.

We simply cannot leave the United States on the sidelines as other nations rush to embrace free trade. We have an opportunity to act with CAFTA.

I urge my colleagues to support this agreement. A vote for CAFTA is a vote for America's farmers and manufacturers. It is a vote for more jobs for hard-working Americans. It is a vote for stable democracies and the spread of freedom to all corners of our globe.

CAFTA will move America forward. It will move all the Americas forward. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Connecticut (Mr. LIEBER-

MAN) is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—54

Alexander	DeWine	Martinez
Allard	Dole	McCain
Allen	Domenici	McConnell
Bennett	Ensign	Murkowski
Bingaman	Feinstein	Murray
Bond	Frist	Nelson (FL)
Brownback	Grassley	Nelson (NE)
Bunning	Gregg	Pryor
Burr	Hagel	Roberts
Cantwell	Hatch	Santorum
Carper	Hutchison	Sessions
Chafee	Inhofe	Smith
Chambliss	Isakson	Stevens
Coburn	Jeffords	Sununu
Cochran	Kyl	Talent
Coleman	Lincoln	Voinovich
Cornyn	Lott	Warner
DeMint	Lugar	Wyden

NAYS—45

Akaka	Dorgan	Mikulski
Baucus	Durbin	Obama
Bayh	Enzi	Reed
Biden	Feingold	Reid
Boxer	Graham	Rockefeller
Burns	Harkin	Salazar
Byrd	Inouye	Sarbanes
Clinton	Johnson	Schumer
Collins	Kennedy	Shelby
Conrad	Kerry	Snowe
Corzine	Kohl	Specter
Craig	Landrieu	Stabenow
Crapo	Lautenberg	Thomas
Dayton	Leahy	Thune
Dodd	Levin	Vitter

NOT VOTING—1

Lieberman

The bill (S. 1307) was passed, as follows:

S. 1307

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the “Dominican Republic-Central America-United States Free Trade Agreement Implementation Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definitions.

**TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT**

- Sec. 101. Approval and entry into force of the Agreement.
- Sec. 102. Relationship of the Agreement to United States and State law.
- Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.
- Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.
- Sec. 105. Administration of dispute settlement proceedings.
- Sec. 106. Arbitration of claims.
- Sec. 107. Effective dates; effect of termination.

**TITLE II—CUSTOMS PROVISIONS**

- Sec. 201. Tariff modifications.
- Sec. 202. Additional duties on certain agricultural goods.
- Sec. 203. Rules of origin.
- Sec. 204. Customs user fees.
- Sec. 205. Retroactive application for certain liquidations and reliquidations of textile or apparel goods.

Sec. 206. Disclosure of incorrect information; false certifications of origin; denial of preferential tariff treatment.

Sec. 207. Reliquidation of entries.

Sec. 208. Recordkeeping requirements.

Sec. 209. Enforcement relating to trade in textile or apparel goods.

Sec. 210. Regulations.

**TITLE III—RELIEF FROM IMPORTS**

Sec. 301. Definitions.

Subtitle A—Relief From Imports Benefiting From the Agreement

Sec. 311. Commencing of action for relief.

Sec. 312. Commission action on petition.

Sec. 313. Provision of relief.

Sec. 314. Termination of relief authority.

Sec. 315. Compensation authority.

Sec. 316. Confidential business information.

Subtitle B—Textile and Apparel Safeguard Measures

Sec. 321. Commencement of action for relief.

Sec. 322. Determination and provision of relief.

Sec. 323. Period of relief.

Sec. 324. Articles exempt from relief.

Sec. 325. Rate after termination of import relief.

Sec. 326. Termination of relief authority.

Sec. 327. Compensation authority.

Sec. 328. Confidential business information.

Subtitle C—Cases Under Title II of the Trade Act of 1974

Sec. 331. Findings and action on goods of CAFTA-DR countries.

**TITLE IV—MISCELLANEOUS**

Sec. 401. Eligible products.

Sec. 402. Modifications to the Caribbean Basin Economic Recovery Act.

Sec. 403. Periodic reports and meetings on labor obligations and labor capacity-building provisions.

**SEC. 2. PURPOSES.**

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua for their mutual benefit;

(3) to establish free trade between the United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of the Agreement.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) AGREEMENT.—The term “Agreement” means the Dominican Republic-Central America-United States Free Trade Agreement approved by the Congress under section 101(a)(1).

(2) CAFTA-DR COUNTRY.—Except as provided in section 203, the term “CAFTA-DR country” means—

(A) Costa Rica, for such time as the Agreement is in force between the United States and Costa Rica;

(B) the Dominican Republic, for such time as the Agreement is in force between the United States and the Dominican Republic;

(C) El Salvador, for such time as the Agreement is in force between the United States and El Salvador;

(D) Guatemala, for such time as the Agreement is in force between the United States and Guatemala;

(E) Honduras, for such time as the Agreement is in force between the United States and Honduras; and

(F) Nicaragua, for such time as the Agreement is in force between the United States and Nicaragua.

(3) COMMISSION.—The term “Commission” means the United States International Trade Commission.

(4) HTS.—The term “HTS” means the Harmonized Tariff Schedule of the United States.

(5) TEXTILE OR APPAREL GOOD.—The term “textile or apparel good” means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)), other than a good listed in Annex 3.29 of the Agreement.

#### TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

##### SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), the Congress approves—

(1) the Dominican Republic-Central America-United States Free Trade Agreement entered into on August 5, 2004, with the Governments of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua, and submitted to the Congress on \_\_\_\_, 2005; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to the Congress on \_\_\_\_, 2005.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that countries listed in subsection (a)(1) have taken measures necessary to comply with the provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to provide for the Agreement to enter into force with respect to those countries that provide for the Agreement to enter into force for them.

##### SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term “State law” includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State, on the ground that such action or inaction is inconsistent with the Agreement.

##### SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) IMPLEMENTING ACTIONS.—

(1) PROCLAMATION AUTHORITY.—After the date of the enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date the Agreement enters into force.

(2) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under section 104 may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

(3) WAIVER OF 15-DAY RESTRICTION.—The 15-day restriction contained in paragraph (2) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

(b) INITIAL REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

##### SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the Commission;

(2) the President has submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met has expired; and

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

##### SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 20 of the Agreement. The office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year after fiscal year 2005 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office established or designated under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

##### SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.16.1(a)(i)(C) or article 10.16.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

##### SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) TERMINATION OF CAFTA-DR STATUS.—During any period in which a country ceases to be a CAFTA-DR country, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to have effect with respect to that country.

(d) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement ceases to be in force with respect to the United States, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to have effect.

#### TITLE II—CUSTOMS PROVISIONS

##### SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—

(1) PROCLAMATION AUTHORITY.—The President may proclaim—

(A) such modifications or continuation of any duty,

(B) such continuation of duty-free or excise treatment, or

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 3.3, 3.5, 3.6, 3.21, 3.26, 3.27, and 3.28, and Annexes 3.3, 3.27, and 3.28 of the Agreement.

(2) EFFECT ON GSP STATUS.—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall terminate the designation of each CAFTA-DR country as a beneficiary developing country for purposes of title V of the Trade Act of 1974 on the date the Agreement enters into force with respect to that country.

(3) EFFECT ON CBERRA STATUS.—

(A) IN GENERAL.—Notwithstanding section 212(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)), the President shall terminate the designation of each CAFTA-DR country as a beneficiary country for purposes of that Act on the date the Agreement enters into force with respect to that country.

(B) EXCEPTION.—Notwithstanding subparagraph (A), each such country shall be considered a beneficiary country under section 212(a) of the Caribbean Basin Economic Recovery Act, for purposes of—

(i) sections 771(7)(G)(ii)(III) and 771(7)(H) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(G)(ii)(III) and 1677(7)(H));

(ii) the duty-free treatment provided under paragraph 12 of Appendix I of the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement; and

(iii) section 274(h)(6)(B) of the Internal Revenue Code of 1986.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover provisions of section 104, the President may proclaim—

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with a CAFTA-DR country regarding the staging of any duty treatment set forth in Annex 3.3 of the Agreement,

(3) such continuation of duty-free or excise treatment, or

(4) such additional duties, as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions provided for by the Agreement.

(c) CONVERSION TO AD VALOREM RATES.—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States to Annex 3.3 of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

**SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICULTURAL GOODS.**

(a) GENERAL PROVISIONS.—

(1) APPLICABILITY OF SUBSECTION.—This subsection applies to additional duties assessed under subsection (b).

(2) APPLICABLE NTR (MFN) RATE OF DUTY.—For purposes of subsection (b), the term “applicable NTR (MFN) rate of duty” means, with respect to a safeguard good, a rate of duty that is the lesser of—

(A) the column 1 general rate of duty that would, at the time the additional duty is imposed under subsection (b), apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good; or

(B) the column 1 general rate of duty that would, on the day before the date on which the Agreement enters into force, apply to a good classifiable in the same 8-digit subheading of the HTS as the safeguard good.

(3) SCHEDULE RATE OF DUTY.—For purposes of subsection (b), the term “schedule rate of duty” means, with respect to a safeguard good, the rate of duty for that good that is set out in the Schedule of the United States to Annex 3.3 of the Agreement.

(4) SAFEGUARD GOOD.—In this section, the term “safeguard good” means a good—

(A) that is included in the Schedule of the United States to Annex 3.15 of the Agreement;

(B) that qualifies as an originating good under section 203, except that operations performed in or material obtained from the United States shall be considered as if the operations were performed in, and the material was obtained from, a country that is not a party to the Agreement; and

(C) for which a claim for preferential tariff treatment under the Agreement has been made.

(5) EXCEPTIONS.—No additional duty shall be assessed on a good under subsection (b) if, at the time of entry, the good is subject to import relief under—

(A) subtitle A of title III of this Act; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

(6) TERMINATION.—The assessment of an additional duty on a good under subsection (b) shall cease to apply to that good on the date on which duty-free treatment must be provided to that good under the Schedule of the United States to Annex 3.3 of the Agreement.

(7) NOTICE.—Not later than 60 days after the Secretary of the Treasury first assesses an additional duty in a calendar year on a good under subsection (b), the Secretary shall notify the country whose good is subject to the additional duty in writing of such action and shall provide to that country data supporting the assessment of the additional duty.

**(b) ADDITIONAL DUTIES ON SAFEGUARD GOODS.—**

(1) IN GENERAL.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, and subject to subsection (a), the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (2), on a safeguard good of a CAFTA-DR country imported into the United States in a calendar year if the Secretary determines that, prior to such importation, the total volume of that safeguard good of such country that is imported into the United States in that calendar year exceeds 130 percent of the volume that is set out for that safeguard good in the corresponding year in the table for that country contained in Appendix I of the General Notes to the Schedule of the United States to Annex 3.3 of the Agreement. For purposes of this subsection, year 1 in that table corresponds to the calendar year in which the Agreement enters into force.

(2) CALCULATION OF ADDITIONAL DUTY.—The additional duty on a safeguard good under this subsection shall be—

(A) in the case of a good classified under subheading 1202.10.80, 1202.20.80, 2008.11.15, 2008.11.35, or 2008.11.60 of the HTS—

(i) in years 1 through 5, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty;

(ii) in years 6 through 10, an amount equal to 75 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(iii) in years 11 through 14, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(B) in the case of any other safeguard good—

(i) in years 1 through 14, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty;

(ii) in years 15 through 17, an amount equal to 75 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(iii) in years 18 and 19, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.

**SEC. 203. RULES OF ORIGIN.**

(a) APPLICATION AND INTERPRETATION.—In this section:

(1) TARIFF CLASSIFICATION.—The basis for any tariff classification is the HTS.

(2) REFERENCE TO HTS.—Whenever in this section there is a reference to a chapter, heading, or subheading, such reference shall be a reference to a chapter, heading, or subheading of the HTS.

(3) COST OR VALUE.—Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether the United States or another CAFTA-DR country).

(b) ORIGINATING GOODS.—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, except as otherwise provided in this section, a good is an originating good if—

(1) the good is a good wholly obtained or produced entirely in the territory of one or more of the CAFTA-DR countries;

(2) the good—

(A) is produced entirely in the territory of one or more of the CAFTA-DR countries, and—

(i) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4.1 of the Agreement; or

(ii) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 4.1 of the Agreement; and

(B) satisfies all other applicable requirements of this section; or

(3) the good is produced entirely in the territory of one or more of the CAFTA-DR countries, exclusively from materials described in paragraph (1) or (2).

(c) REGIONAL VALUE-CONTENT.—

(1) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of a good referred to in Annex 4.1 of the Agreement, except for goods to which paragraph (4) applies, shall be calculated by the importer, exporter, or producer of the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3).

(2) BUILD-DOWN METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$\begin{aligned} & \text{AV-VNM} \\ \text{RVC} &= \text{—————} 100 \\ & \text{AV} \end{aligned}$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term “RVC” means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term “AV” means the adjusted value of the good.

(iii) VNM.—The term “VNM” means the value of nonoriginating materials that are acquired and used by the producer in the production of the good, but does not include the value of a material that is self-produced.

(3) BUILD-UP METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$\begin{aligned} & \text{VOM} \\ \text{RVC} &= \text{—————} 100 \\ & \text{AV} \end{aligned}$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term “RVC” means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term “AV” means the adjusted value of the good.

(iii) VOM.—The term “VOM” means the value of originating materials that are acquired or self-produced, and used by the producer in the production of the good.

(4) SPECIAL RULE FOR CERTAIN AUTOMOTIVE GOODS.—

(A) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of an automotive good referred to in Annex 4.1 of the Agreement may be calculated by the importer, exporter, or producer of the good, on the basis of the following net cost method:

$$\text{RVC} = \frac{\text{NC-VNM}}{\text{NC}} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) AUTOMOTIVE GOOD.—The term “automotive good” means a good provided for in any of subheadings 8407.31 through 8407.34, subheading 8408.20, heading 8409, or in any of headings 8701 through 8708.

(ii) RVC.—The term “RVC” means the regional value-content of the automotive good, expressed as a percentage.

(iii) NC.—The term “NC” means the net cost of the automotive good.

(iv) VNM.—The term “VNM” means the value of nonoriginating materials that are acquired and used by the producer in the production of the automotive good, but does not include the value of a material that is self-produced.

(C) MOTOR VEHICLES.—

(i) BASIS OF CALCULATION.—For purposes of determining the regional value-content under subparagraph (A) for an automotive good that is a motor vehicle provided for in any of headings 8701 through 8705, an importer, exporter, or producer may average the amounts calculated under the formula contained in subparagraph (A), over the producer’s fiscal year—

(I) with respect to all motor vehicles in any 1 of the categories described in clause (ii); or

(II) with respect to all motor vehicles in any such category that are exported to the territory of one or more of the CAFTA-DR countries.

(ii) CATEGORIES.—A category is described in this clause if it—

(I) is the same model line of motor vehicles, is in the same class of vehicles, and is produced in the same plant in the territory of a CAFTA-DR country, as the good described in clause (i) for which regional value-content is being calculated;

(II) is the same class of motor vehicles, and is produced in the same plant in the territory of a CAFTA-DR country, as the good described in clause (i) for which regional value-content is being calculated; or

(III) is the same model line of motor vehicles produced in the territory of a CAFTA-DR country as the good described in clause (i) for which regional value-content is being calculated.

(D) OTHER AUTOMOTIVE GOODS.—For purposes of determining the regional value-content under subparagraph (A) for automotive goods provided for in any of subheadings 8407.31 through 8407.34, in subheading 8408.20, or in heading 8409, 8706, 8707, or 8708, that are produced in the same plant, an importer, exporter, or producer may—

(i) average the amounts calculated under the formula contained in subparagraph (A) over—

(I) the fiscal year of the motor vehicle producer to whom the automotive goods are sold,

(II) any quarter or month, or

(III) its own fiscal year,

if the goods were produced during the fiscal year, quarter, or month that is the basis for the calculation;

(ii) determine the average referred to in clause (i) separately for such goods sold to 1 or more motor vehicle producers; or

(iii) make a separate determination under clause (i) or (ii) for automotive goods that are exported to the territory of one or more of the CAFTA-DR countries.

(E) CALCULATING NET COST.—The importer, exporter, or producer shall, consistent with the provisions regarding allocation of costs set out in generally accepted accounting

principles, determine the net cost of an automotive good under subparagraph (B) by—

(i) calculating the total cost incurred with respect to all goods produced by the producer of the automotive good, subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost of all such goods, and then reasonably allocating the resulting net cost of those goods to the automotive good;

(ii) calculating the total cost incurred with respect to all goods produced by that producer, reasonably allocating the total cost to the automotive good, and then subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the portion of the total cost allocated to the automotive good; or

(iii) reasonably allocating each cost that forms part of the total cost incurred with respect to the automotive good so that the aggregate of all such costs does not include any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, or nonallowable interest costs.

(d) VALUE OF MATERIALS.—

(1) IN GENERAL.—For the purpose of calculating the regional value-content of a good under subsection (c), and for purposes of applying the de minimis rules under subsection (f), the value of a material is—

(A) in the case of a material that is imported by the producer of the good, the adjusted value of the material;

(B) in the case of a material acquired in the territory in which the good is produced, the value, determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, as set forth in regulations promulgated by the Secretary of the Treasury providing for the application of such Articles in the absence of an importation; or

(C) in the case of a material that is self-produced, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit equivalent to the profit added in the normal course of trade.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIAL.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of one or more of the CAFTA-DR countries to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of one or more of the CAFTA-DR countries, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(B) NONORIGINATING MATERIAL.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting

the material within or between the territory of one or more of the CAFTA-DR countries to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of one or more of the CAFTA-DR countries, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(iv) The cost of originating materials used in the production of the nonoriginating material in the territory of one or more of the CAFTA-DR countries.

(e) ACCUMULATION.—

(1) ORIGINATING MATERIALS USED IN PRODUCTION OF GOODS OF ANOTHER COUNTRY.—Originating materials from the territory of one or more of the CAFTA-DR countries that are used in the production of a good in the territory of another CAFTA-DR country shall be considered to originate in the territory of that other country.

(2) MULTIPLE PROCEDURES.—A good that is produced in the territory of one or more of the CAFTA-DR countries by 1 or more producers is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(f) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a good that does not undergo a change in tariff classification pursuant to Annex 4.1 of the Agreement is an originating good if—

(A) the value of all nonoriginating materials that—

(i) are used in the production of the good, and

(ii) do not undergo the applicable change in tariff classification (set out in Annex 4.1 of the Agreement),

does not exceed 10 percent of the adjusted value of the good;

(B) the good meets all other applicable requirements of this section; and

(C) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement for the good.

(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

(A) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90, that is used in the production of a good provided for in chapter 4.

(B) A nonoriginating material provided for in chapter 4, or a nonoriginating dairy preparation containing over 10 percent by weight of milk solids provided for in subheading 1901.90, that is used in the production of the following goods:

(i) Infant preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.10.

(ii) Mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, provided for in subheading 1901.20.

(iii) Dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 or 2106.90.

(iv) Goods provided for in heading 2105.

(v) Beverages containing milk provided for in subheading 2202.90.

(vi) Animal feeds containing over 10 percent by weight of milk solids provided for in subheading 2309.90.

(C) A nonoriginating material provided for in heading 0805, or any of subheadings 2009.11

through 2009.39, that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, provided for in subheading 2106.90 or 2202.90.

(D) A nonoriginating material provided for in heading 0901 or 2101 that is used in the production of a good provided for in heading 0901 or 2101.

(E) A nonoriginating material provided for in heading 1006 that is used in the production of a good provided for in heading 1102 or 1103 or subheading 1904.90.

(F) A nonoriginating material provided for in chapter 15 that is used in the production of a good provided for in chapter 15.

(G) A nonoriginating material provided for in heading 1701 that is used in the production of a good provided for in any of headings 1701 through 1703.

(H) A nonoriginating material provided for in chapter 17 that is used in the production of a good provided for in subheading 1806.10.

(I) Except as provided in subparagraphs (A) through (H) and Annex 4.1 of the Agreement, a nonoriginating material used in the production of a good provided for in any of chapters 1 through 24, unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

#### (3) TEXTILE OR APPAREL GOODS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification, set out in Annex 4.1 of the Agreement, shall be considered to be an originating good if—

(i) the total weight of all such fibers or yarns in that component is not more than 10 percent of the total weight of that component; or

(ii) the yarns are those described in section 204(b)(3)(B)(vi)(IV) of the Andean Trade Preference Act (19 U.S.C. 3203(b)(3)(B)(vi)(IV)) (as in effect on the date of the enactment of this Act).

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of a CAFTA-DR country.

(C) YARN, FABRIC, OR FIBER.—For purposes of this paragraph, in the case of a good that is a yarn, fabric, or fiber, the term “component of the good that determines the tariff classification of the good” means all of the fibers in the good.

#### (g) FUNGIBLE GOODS AND MATERIALS.—

##### (1) IN GENERAL.—

(A) CLAIM FOR PREFERENTIAL TARIFF TREATMENT.—A person claiming that a fungible good or fungible material is an originating good may base the claim either on the physical segregation of the fungible good or fungible material or by using an inventory management method with respect to the fungible good or fungible material.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term “inventory management method” means—

(i) averaging;

(ii) “last-in, first-out”;

(iii) “first-in, first-out”; or

(iv) any other method—

(I) recognized in the generally accepted accounting principles of the CAFTA-DR country in which the production is performed; or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for a particular fungible good or fungible material shall continue to use that method for that fungible good or fungible material throughout the fiscal year of that person.

#### (h) ACCESSORIES, SPARE PARTS, OR TOOLS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), accessories, spare parts, or tools delivered with a good that form part of the good’s standard accessories, spare parts, or tools shall—

(A) be treated as originating goods if the good is an originating good; and

(B) be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4.1 of the Agreement.

(2) CONDITIONS.—Paragraph (1) shall apply only if—

(A) the accessories, spare parts, or tools are classified with and not invoiced separately from the good, regardless of whether they appear specified or separately identified in the invoice for the good; and

(B) the quantities and value of the accessories, spare parts, or tools are customary for the good.

(3) REGIONAL VALUE-CONTENT.—If the good is subject to a regional value-content requirement, the value of the accessories, spare parts, or tools shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(i) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4.1 of the Agreement, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(j) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers for shipment shall be disregarded in determining whether a good is an originating good.

(k) INDIRECT MATERIALS.—An indirect material shall be treated as an originating material without regard to where it is produced.

(l) TRANSIT AND TRANSHIPMENT.—A good that has undergone production necessary to qualify as an originating good under subsection (b) shall not be considered to be an originating good if, subsequent to that production, the good—

(1) undergoes further production or any other operation outside the territories of the CAFTA-DR countries, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a CAFTA-DR country; or

(2) does not remain under the control of customs authorities in the territory of a country other than a CAFTA-DR country.

(m) GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 4.1 of the Agreement, goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless—

(1) each of the goods in the set is an originating good; or

(2) the total value of the nonoriginating goods in the set does not exceed—

(A) in the case of textile or apparel goods, 10 percent of the adjusted value of the set; or

(B) in the case of a good, other than a textile or apparel good, 15 percent of the adjusted value of the set.

#### (n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term “adjusted value” means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretive notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, adjusted, if necessary, to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation.

(2) CAFTA-DR COUNTRY.—The term “CAFTA-DR country” means—

(A) the United States; and

(B) Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, or Nicaragua, for such time as the Agreement is in force between the United States and that country.

(3) CLASS OF MOTOR VEHICLES.—The term “class of motor vehicles” means any one of the following categories of motor vehicles:

(A) Motor vehicles provided for in subheading 8701.20, 8704.10, 8704.22, 8704.23, 8704.32, or 8704.90, or heading 8705 or 8706, or motor vehicles for the transport of 16 or more persons provided for in subheading 8702.10 or 8702.90.

(B) Motor vehicles provided for in subheading 8701.10 or any of subheadings 8701.30 through 8701.90.

(C) Motor vehicles for the transport of 15 or fewer persons provided for in subheading 8702.10 or 8702.90, or motor vehicles provided for in subheading 8704.21 or 8704.31.

(D) Motor vehicles provided for in any of subheadings 8703.21 through 8703.90.

(4) FUNGIBLE GOOD OR FUNGIBLE MATERIAL.—The term “fungible good” or “fungible material” means a good or material, as the case may be, that is interchangeable with another good or material for commercial purposes and the properties of which are essentially identical to such other good or material.

(5) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term “generally accepted accounting principles” means the recognized consensus or substantial authoritative support in the territory of a CAFTA-DR country with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. The principles may encompass broad guidelines of general application as well as detailed standards, practices, and procedures.

(6) GOODS WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF ONE OR MORE OF THE CAFTA-DR COUNTRIES.—The term “goods wholly obtained or produced entirely in the territory of one or more of the CAFTA-DR countries” means—

(A) plants and plant products harvested or gathered in the territory of one or more of the CAFTA-DR countries;

(B) live animals born and raised in the territory of one or more of the CAFTA-DR countries;

(C) goods obtained in the territory of one or more of the CAFTA-DR countries from live animals;

(D) goods obtained from hunting, trapping, fishing or aquaculture conducted in the territory of one or more of the CAFTA-DR countries;

(E) minerals and other natural resources not included in subparagraphs (A) through (D) that are extracted or taken in the territory of one or more of the CAFTA-DR countries;

(F) fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of one or more of the CAFTA-DR countries by vessels registered or recorded with a CAFTA-DR country and flying the flag of that country;

(G) goods produced on board factory ships from the goods referred to in subparagraph (F), if such factory ships are registered or recorded with that CAFTA-DR country and fly the flag of that country;

(H) goods taken by a CAFTA-DR country or a person of a CAFTA-DR country from the seabed or subsoil outside territorial waters, if a CAFTA-DR country has rights to exploit such seabed or subsoil;

(I) goods taken from outer space, if the goods are obtained by a CAFTA-DR country or a person of a CAFTA-DR country and not processed in the territory of a country other than a CAFTA-DR country;

(J) waste and scrap derived from—

(i) manufacturing or processing operations in the territory of one or more of the CAFTA-DR countries; or

(ii) used goods collected in the territory of one or more of the CAFTA-DR countries, if such goods are fit only for the recovery of raw materials;

(K) recovered goods derived in the territory of one or more of the CAFTA-DR countries from used goods, and used in the territory of a CAFTA-DR country in the production of remanufactured goods; and

(L) goods produced in the territory of one or more of the CAFTA-DR countries exclusively from—

(i) goods referred to in any of subparagraphs (A) through (J), or

(ii) the derivatives of goods referred to in clause (i), at any stage of production.

(7) IDENTICAL GOODS.—The term “identical goods” means identical goods as defined in the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act;

(8) INDIRECT MATERIAL.—The term “indirect material” means a good used in the production, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment or buildings;

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production.

(9) MATERIAL.—The term “material” means a good that is used in the production of another good, including a part or an ingredient.

(10) MATERIAL THAT IS SELF-PRODUCED.—The term “material that is self-produced” means an originating material that is produced by a producer of a good and used in the production of that good.

(11) MODEL LINE.—The term “model line” means a group of motor vehicles having the same platform or model name.

(12) NET COST.—The term “net cost” means total cost minus sales promotion, marketing, and after-sales service costs, royal-

ties, shipping and packing costs, and non-allowable interest costs that are included in the total cost.

(13) NONALLOWABLE INTEREST COSTS.—The term “nonallowable interest costs” means interest costs incurred by a producer that exceed 700 basis points above the applicable official interest rate for comparable maturities of the CAFTA-DR country in which the producer is located.

(14) NONORIGINATING GOOD OR NONORIGINATING MATERIAL.—The terms “nonoriginating good” and “nonoriginating material” mean a good or material, as the case may be, that does not qualify as originating under this section.

(15) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—The term “packing materials and containers for shipment” means the goods used to protect a good during its transportation and does not include the packaging materials and containers in which a good is packaged for retail sale.

(16) PREFERENTIAL TARIFF TREATMENT.—The term “preferential tariff treatment” means the customs duty rate, and the treatment under article 3.10.4 of the Agreement, that are applicable to an originating good pursuant to the Agreement.

(17) PRODUCER.—The term “producer” means a person who engages in the production of a good in the territory of a CAFTA-DR country.

(18) PRODUCTION.—The term “production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(19) REASONABLY ALLOCATE.—The term “reasonably allocate” means to apportion in a manner that would be appropriate under generally accepted accounting principles.

(20) RECOVERED GOODS.—The term “recovered goods” means materials in the form of individual parts that are the result of—

(A) the disassembly of used goods into individual parts; and

(B) the cleaning, inspecting, testing, or other processing that is necessary for improvement to sound working condition of such individual parts.

(21) REMANUFACTURED GOOD.—The term “remanufactured good” means a good that is classified under chapter 84, 85, or 87, or heading 9026, 9031, or 9032, other than a good classified under heading 8418 or 8516, and that—

(A) is entirely or partially comprised of recovered goods; and

(B) has a similar life expectancy and enjoys a factory warranty similar to such a new good.

(22) TOTAL COST.—The term “total cost” means all product costs, period costs, and other costs for a good incurred in the territory of one or more of the CAFTA-DR countries.

(23) USED.—The term “used” means used or consumed in the production of goods.

(O) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set out in Annex 4.1 of the Agreement; and

(B) any additional subordinate category necessary to carry out this title consistent with the Agreement.

(2) FABRICS AND YARNS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE UNITED STATES.—The President is authorized to proclaim that a fabric or yarn is added to the list in Annex 3.25 of the Agreement in an unrestricted quantity, as provided in article 3.25.4(e) of the Agreement.

(3) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to

the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63, as included in Annex 4.1 of the Agreement.

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim before the end of the 1-year period beginning on the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63, as included in Annex 4.1 of the Agreement.

(4) FABRICS, YARNS, OR FIBERS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN THE CAFTA-DR COUNTRIES.—

(A) IN GENERAL.—Notwithstanding paragraph 3(A), the list of fabrics, yarns, and fibers set out in Annex 3.25 of the Agreement may be modified as provided for in this paragraph.

(B) DEFINITIONS.—In this paragraph:

(i) The term “interested entity” means the government of a CAFTA-DR country other than the United States, a potential or actual purchaser of a textile or apparel good, or a potential or actual supplier of a textile or apparel good.

(ii) All references to “day” and “days” exclude Saturdays, Sundays, and legal holidays.

(C) REQUESTS TO ADD FABRICS, YARNS, OR FIBERS.—(i) An interested entity may request the President to determine that a fabric, yarn, or fiber is not available in commercial quantities in a timely manner in the CAFTA-DR countries and to add that fabric, yarn, or fiber to the list in Annex 3.25 of the Agreement in a restricted or unrestricted quantity.

(ii) After receiving a request under clause (i), the President may determine whether—

(I) the fabric, yarn, or fiber is available in commercial quantities in a timely manner in the CAFTA-DR countries; or

(II) any interested entity objects to the request.

(iii) The President may, within the time periods specified in clause (iv), proclaim that a fabric, yarn, or fiber that is the subject of a request submitted under clause (i) is added to the list in Annex 3.25 of the Agreement in an unrestricted quantity, or in any restricted quantity that the President may establish, if the President determines under clause (ii) that—

(I) the fabric, yarn, or fiber is not available in commercial quantities in a timely manner in the CAFTA-DR countries; or

(II) no interested entity has objected to the request.

(iv) The time periods within which the President may issue a proclamation under clause (iii) are—

(I) not later than 30 days after the date on which the request is submitted under clause (i); or

(II) not later than 44 days after the request is submitted, if the President determines, within 30 days after the date on which the request is submitted, that the President does not have sufficient information to make a determination under clause (ii).

(v) Notwithstanding section 103(a)(2), a proclamation made under clause (iii) shall take effect on the date on which the text of the proclamation is published in the Federal Register.

(vi) Not later than 6 months after proclaiming under clause (iii) that a fabric, yarn, or fiber is added to the list in Annex 3.25 of the Agreement in a restricted quantity, the President may eliminate the restriction if the President determines that the fabric, yarn, or fiber is not available in

commercial quantities in a timely manner in the CAFTA-DR countries.

(D) DEEMED APPROVAL OF REQUEST.—If, after an interested entity submits a request under subparagraph (C)(i), the President does not, within the applicable time period specified in subparagraph (C)(iv), make a determination under subparagraph (C)(ii) regarding the request, the fabric, yarn, or fiber that is the subject of the request shall be considered to be added, in an unrestricted quantity, to the list in Annex 3.25 of the Agreement beginning—

(i) 45 days after the date on which the request was submitted; or

(ii) 60 days after the date on which the request was submitted, if the President made a determination under subparagraph (C)(iv)(II).

(E) REQUESTS TO RESTRICT OR REMOVE FABRICS, YARNS, OR FIBERS.—(i) Subject to clause (ii), an interested entity may request the President to restrict the quantity of, or remove from the list in Annex 3.25 of the Agreement, any fabric, yarn, or fiber—

(I) that has been added to that list in an unrestricted quantity pursuant to paragraph (2) or subparagraph (C)(iii) or (D); or

(II) with respect to which the President has eliminated a restriction under subparagraph (C)(vi).

(i) An interested entity may submit a request under clause (i) at any time beginning 6 months after the date of the action described in subclause (I) or (II) of that clause.

(ii) Not later than 30 days after the date on which a request under clause (i) is submitted, the President may proclaim an action provided for under clause (i) if the President determines that the fabric, yarn, or fiber that is the subject of the request is available in commercial quantities in a timely manner in the CAFTA-DR countries.

(iv) A proclamation declared under clause (iii) shall take effect no earlier than the date that is 6 months after the date on which the text of the proclamation is published in the Federal Register.

(F) PROCEDURES.—The President shall establish procedures—

(i) governing the submission of a request under subparagraphs (C) and (E); and

(ii) providing an opportunity for interested entities to submit comments and supporting evidence before the President makes a determination under subparagraph (C) (ii) or (vi) or (E)(iii).

#### SEC. 204. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding after paragraph (14), the following:

“(15) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 203 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.”

#### SEC. 205. RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS OF TEXTILE OR APPAREL GOODS.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, and subject to subsection (c), an entry—

(1) of a textile or apparel good—

(A) of a CAFTA-DR country that the United States Trade Representative has designated as an eligible country under subsection (b), and

(B) that would have qualified as an originating good under section 203 if the good had

been entered after the date of entry into force of the Agreement for that country,

(2) that was made on or after January 1, 2004, and before the date of the entry into force of the Agreement with respect to that country, and

(3) for which customs duties in excess of the applicable rate of duty for that good set out in the Schedule of the United States to Annex 3.3 of the Agreement were paid, shall be liquidated or reliquidated at the applicable rate of duty for that good set out in the Schedule of the United States to Annex 3.3 of the Agreement, and the Secretary of the Treasury shall refund any excess customs duties paid with respect to such entry.

(b) ELIGIBLE COUNTRY.—The United States Trade Representative shall determine, in accordance with article 3.20 of the Agreement, which CAFTA-DR countries are eligible countries for purposes of this section, and shall publish a list of all such countries in the Federal Register.

(c) REQUESTS.—Liquidation or reliquidation may be made under subsection (a) with respect to an entry of a textile or apparel good only if a request therefor is filed with the Bureau of Customs and Border Protection, within such period as the Bureau of Customs and Border Protection shall establish by regulation in consultation with the Secretary of the Treasury, that contains sufficient information to enable the Bureau of Customs and Border Protection—

(1)(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located; and

(2) to determine that the good satisfies the conditions set out in subsection (a).

(d) DEFINITION.—As used in this section, the term “entry” includes a withdrawal from warehouse for consumption.

#### SEC. 206. DISCLOSURE OF INCORRECT INFORMATION; FALSE CERTIFICATIONS OF ORIGIN; DENIAL OF PREFERENTIAL TARIFF TREATMENT.

(a) DISCLOSURE OF INCORRECT INFORMATION.—Section 592 of the Tariff Act of 1930 (19 U.S.C. 1592) is amended—

(1) in subsection (c)—

(A) by redesignating paragraph (9) as paragraph (10); and

(B) by inserting after paragraph (8) the following new paragraph:

“(9) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT.—An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 203 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, promptly and voluntarily makes a corrected declaration and pays any duties owing.”; and

(2) by adding at the end the following new subsection:

“(h) FALSE CERTIFICATIONS OF ORIGIN UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT.—

“(1) IN GENERAL.—Subject to paragraph (2), it is unlawful for any person to certify falsely, by fraud, gross negligence, or negligence, in a CAFTA-DR certification of origin (as defined in section 508(g)(1)(B) of this Act) that a good exported from the United States qualifies as an originating good under the rules of origin set out in section 203 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act. The procedures and penalties of this section that apply to a violation of subsection (a) also apply to a violation of this subsection.

“(2) PROMPT AND VOLUNTARY DISCLOSURE OF INCORRECT INFORMATION.—No penalty shall be imposed under this subsection if, promptly after an exporter or producer that issued a CAFTA-DR certification of origin has reason to believe that such certification contains or is based on incorrect information, the exporter or producer voluntarily provides written notice of such incorrect information to every person to whom the certification was issued.

“(3) EXCEPTION.—A person may not be considered to have violated paragraph (1) if—

“(A) the information was correct at the time it was provided in a CAFTA-DR certification of origin but was later rendered incorrect due to a change in circumstances; and

“(B) the person promptly and voluntarily provides written notice of the change in circumstances to all persons to whom the person provided the certification.”

(b) DENIAL OF PREFERENTIAL TARIFF TREATMENT.—Section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) is amended by adding at the end the following new subsection:

“(h) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT.—If the Bureau of Customs and Border Protection or the Bureau of Immigration and Customs Enforcement finds indications of a pattern of conduct by an importer, exporter, or producer of false or unsupported representations that goods qualify under the rules of origin set out in section 203 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, the Bureau of Customs and Border Protection, in accordance with regulations issued by the Secretary of the Treasury, may suspend preferential tariff treatment under the Dominican Republic-Central America-United States Free Trade Agreement to entries of identical goods covered by subsequent representations by that importer, exporter, or producer until the Bureau of Customs and Border Protection determines that representations of that person are in conformity with such section 203.”

#### SEC. 207. RELIQUIDATION OF ENTRIES.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended—

(1) in the matter preceding paragraph (1), by striking “or section 202 of the United States-Chile Free Trade Agreement Implementation Act” and inserting “, section 202 of the United States-Chile Free Trade Agreement Implementation Act, or section 203 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act”; and

(2) in paragraph (2), by inserting “or certifications” after “other certificates”.

#### SEC. 208. RECORDKEEPING REQUIREMENTS.

Section 508 of the Tariff Act of 1930 (19 U.S.C. 1508) is amended—

(1) by redesignating subsection (g) as subsection (h);

(2) by inserting after subsection (f) the following new subsection:

“(g) CERTIFICATIONS OF ORIGIN FOR GOODS EXPORTED UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT.—

“(1) DEFINITIONS.—In this subsection:

“(A) RECORDS AND SUPPORTING DOCUMENTS.—The term ‘records and supporting documents’ means, with respect to an exported good under paragraph (2), records and documents related to the origin of the good, including—

“(i) the purchase, cost, and value of, and payment for, the good;

“(ii) the purchase, cost, and value of, and payment for, all materials, including indirect materials, used in the production of the good; and

“(iii) the production of the good in the form in which it was exported.

“(B) CAFTA-DR CERTIFICATION OF ORIGIN.—The term ‘CAFTA-DR certification of origin’ means the certification established under article 4.16 of the Dominican Republic-Central America-United States Free Trade Agreement that a good qualifies as an originating good under such Agreement.

“(2) EXPORTS TO CAFTA-DR COUNTRIES.—Any person who completes and issues a CAFTA-DR certification of origin for a good exported from the United States shall make, keep, and, pursuant to rules and regulations promulgated by the Secretary of the Treasury, render for examination and inspection all records and supporting documents related to the origin of the good (including the certification or copies thereof).

“(3) RETENTION PERIOD.—Records and supporting documents shall be kept by the person who issued a CAFTA-DR certification of origin for at least 5 years after the date on which the certification was issued.”; and

(3) in subsection (h), as so redesignated—

(A) by inserting “or (g)” after “(f)”; and

(B) by striking “that subsection” and inserting “either such subsection”.

#### SEC. 209. ENFORCEMENT RELATING TO TRADE IN TEXTILE OR APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the government of a CAFTA-DR country to conduct a verification pursuant to article 3.24 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination—

(A) that an exporter or producer in that country is complying with applicable customs laws, regulations, and procedures regarding trade in textile or apparel goods, or

(B) that a claim that a textile or apparel good exported or produced by such exporter or producer—

(i) qualifies as an originating good under section 203 of this Act, or

(ii) is a good of a CAFTA-DR country,

is accurate.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a)(1) includes—

(1) suspension of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines there is insufficient information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines there is insufficient information to support that claim;

(2) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines that the person has provided incorrect information to support any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has

been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines that a person has provided incorrect information to support that claim;

(3) detention of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines there is insufficient information to determine the country of origin of any such good; and

(4) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines that the person has provided incorrect information as to the country of origin of any such good.

(c) ACTION ON COMPLETION OF A VERIFICATION.—On completion of a verification under subsection (a), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make the determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (c) includes—

(1) denial of preferential tariff treatment under the Agreement with respect to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), if the Secretary determines there is insufficient information to support, or that the person has provided incorrect information to support, any claim for preferential tariff treatment that has been made with respect to any such good; or

(B) the textile or apparel good for which a claim of preferential tariff treatment has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B), if the Secretary determines there is insufficient information to support, or that a person has provided incorrect information to support, that claim; and

(2) denial of entry into the United States of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A) or a claim described in subsection (a)(2)(B), if the Secretary determines there is insufficient information to determine, or that the person has provided incorrect information as to, the country of origin of any such good.

(e) PUBLICATION OF NAME OF PERSON.—The Secretary may publish the name of any person that the Secretary has determined—

(1) is engaged in intentional circumvention of applicable laws, regulations, or procedures affecting trade in textile or apparel goods; or

(2) has failed to demonstrate that it produces, or is capable of producing, textile or apparel goods.

#### SEC. 210. REGULATIONS.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (n) of section 203;

(2) the amendment made by section 204; and

(3) any proclamation issued under section 203(o).

### TITLE III—RELIEF FROM IMPORTS

#### SEC. 301. DEFINITIONS.

In this title:

(1) CAFTA-DR ARTICLE.—The term “CAFTA-DR article” means an article that qualifies as an originating good under section 203(b).

(2) CAFTA-DR TEXTILE OR APPAREL ARTICLE.—The term “CAFTA-DR textile or apparel article” means a textile or apparel good (as defined in section 3(5)) that is a CAFTA-DR article.

(3) DE MINIMIS SUPPLYING COUNTRY.—

(A) Subject to subparagraph (B), the term “de minimis supplying country” means a CAFTA-DR country whose share of imports of the relevant CAFTA-DR article into the United States does not exceed 3 percent of the aggregate volume of imports of the relevant CAFTA-DR article in the most recent 12-month period for which data are available that precedes the filing of the petition under section 311(a).

(B) A CAFTA-DR country shall not be considered to be a de minimis supplying country if the aggregate share of imports of the relevant CAFTA-DR article into the United States of all CAFTA-DR countries that satisfy the conditions of subparagraph (A) exceeds 9 percent of the aggregate volume of imports of the relevant CAFTA-DR article during the applicable 12-month period.

(4) RELEVANT CAFTA-DR ARTICLE.—The term “relevant CAFTA-DR article” means the CAFTA-DR article with respect to which a petition has been filed under section 311(a).

#### Subtitle A—Relief From Imports Benefiting From the Agreement

#### SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a CAFTA-DR article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the CAFTA-DR article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any CAFTA-DR article if, after the date that the Agreement enters into force, import relief has been provided with respect to that CAFTA-DR article under this subtitle.

#### SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall

make the determination required under that section. At that time, the Commission shall also determine whether any CAFTA-DR country is a de minimis supplying country.

(b) **APPLICABLE PROVISIONS.**—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) **ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.**—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c). Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) **REPORT TO PRESIDENT.**—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) **PUBLIC NOTICE.**—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

#### **SEC. 313. PROVISION OF RELIEF.**

(a) **IN GENERAL.**—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(b) **EXCEPTION.**—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

#### (c) **NATURE OF RELIEF.**—

(1) **IN GENERAL.**—The import relief that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 3.3 of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) **PROGRESSIVE LIBERALIZATION.**—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization (described in article 8.2.3 of the Agreement) of such relief at regular intervals during the period of its application.

#### (d) **PERIOD OF RELIEF.**—

(1) **IN GENERAL.**—Subject to paragraph (2), any import relief that the President is authorized to provide under this section may not, in the aggregate, be in effect for more than 4 years.

#### (2) **EXTENSION.**—

(A) **IN GENERAL.**—If the initial period for any import relief provided under this section is less than 4 years, the President, after receiving a determination from the Commission under subparagraph (B) that is affirmative, or which the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), may extend the effective period of any import relief provided under this section, subject to the limitation under paragraph (1), if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) **ACTION BY COMMISSION.**—(i) Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date on which any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) The Commission shall transmit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(e) **RATE AFTER TERMINATION OF IMPORT RELIEF.**—When import relief under this section is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which such termination occurs shall be the rate that, according to the Schedule of the United States to Annex 3.3 of the Agreement would have been in effect 1 year after the provision of relief under subsection (a); and

(2) the rate of duty for that article after December 31 of the year in which termination occurs shall be, at the discretion of the President, either—

(A) the applicable rate of duty for that article set out in the Schedule of the United States to Annex 3.3 of the Agreement; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set out in the Schedule of the United States to Annex 3.3 of the Agreement for the elimination of the tariff.

(f) **ARTICLES EXEMPT FROM RELIEF.**—No import relief may be provided under this section on—

(1) any article subject to import relief under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.); or

(2) imports of a CAFTA-DR article of a CAFTA-DR country that is a de minimis supplying country with respect to that article.

#### **SEC. 314. TERMINATION OF RELIEF AUTHORITY.**

(a) **GENERAL RULE.**—Subject to subsection (b), no import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) **EXCEPTION.**—If an article for which relief is provided under this subtitle is an article for which the period for tariff elimination, set out in the Schedule of the United States to Annex 3.3 of the Agreement, is greater than 10 years, no relief under this subtitle may be provided for that article after the date on which that period ends.

#### **SEC. 315. COMPENSATION AUTHORITY.**

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act.

#### **SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.**

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking “and”; and

(2) by inserting before the period at the end “, and title III of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act”.

#### **Subtitle B—Textile and Apparel Safeguard Measures**

#### **SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.**

(a) **IN GENERAL.**—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) **PUBLICATION OF REQUEST.**—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of

the request and the dates by which comments and rebuttals must be received.

**SEC. 322. DETERMINATION AND PROVISION OF RELIEF.**

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the elimination of a duty under the Agreement, a CAFTA–DR textile or apparel article of a specified CAFTA–DR country is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(3) DEADLINE FOR DETERMINATION.—The President shall make the determination under paragraph (1) no later than 30 days after the completion of any consultations held pursuant to article 3.23.4 of the Agreement.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as provided in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

**SEC. 323. PERIOD OF RELIEF.**

(a) IN GENERAL.—Subject to subsection (b), any import relief that the President provides under subsection (b) of section 322 may not, in the aggregate, be in effect for more than 3 years.

(b) EXTENSION.—If the initial period for any import relief provided under section 322 is less than 3 years, the President may extend the effective period of any import relief provided under that section, subject to the limitation set forth in subsection (a), if the President determines that—

(1) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment by the domestic industry to import competition; and

(2) there is evidence that the industry is making a positive adjustment to import competition.

**SEC. 324. ARTICLES EXEMPT FROM RELIEF.**

The President may not provide import relief under this subtitle with respect to any article if—

(1) import relief previously has been provided under this subtitle with respect to that article; or

(2) the article is subject to import relief under—

(A) subtitle A; or

(B) chapter 1 of title II of the Trade Act of 1974.

**SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.**

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief.

**SEC. 326. TERMINATION OF RELIEF AUTHORITY.**

No import relief may be provided under this subtitle with respect to any article after the date that is 5 years after the date on which the Agreement enters into force.

**SEC. 327. COMPENSATION AUTHORITY.**

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of that Act.

**SEC. 328. CONFIDENTIAL BUSINESS INFORMATION.**

The President may not release information received in connection with a review under this subtitle which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the President, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information, it shall also provide a nonconfidential version of the information in which the confidential business information is summarized or, if necessary, deleted.

**Subtitle C—Cases Under Title II of the Trade Act of 1974**

**SEC. 331. FINDINGS AND ACTION ON GOODS OF CAFTA–DR COUNTRIES.**

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974, the Commission makes an affirmative determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the article of each CAFTA–DR country that qualify as originating goods under section 203(b) are a substantial cause of serious injury or threat thereof.

(b) PRESIDENTIAL DETERMINATION REGARDING IMPORTS OF CAFTA–DR COUNTRIES.—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974, the President may exclude from the action goods of a CAFTA–DR country with respect to which the Commission has made a negative finding under subsection (a).

**TITLE IV—MISCELLANEOUS**

**SEC. 401. ELIGIBLE PRODUCTS.**

Section 308(4)(A) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)(A)) is amended—

(1) by striking “or” at the end of clause (i);

(2) by striking the period at the end of clause (iii) and inserting “; or”; and

(3) by adding at the end the following new clause:

“(iv) a party to the Dominican Republic–Central America–United States Free Trade Agreement, a product or service of that country or instrumentality which is covered under that Agreement for procurement by the United States.”.

**SEC. 402. MODIFICATIONS TO THE CARIBBEAN BASIN ECONOMIC RECOVERY ACT.**

(a) FORMER BENEFICIARY COUNTRIES.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraph:

“(F) The term ‘former beneficiary country’ means a country that ceases to be designated as a beneficiary country under this title because the country has become a party to a free trade agreement with the United States.”.

(b) COUNTRIES ELIGIBLE FOR DESIGNATION AS BENEFICIARY COUNTRIES.—Section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b)) is amended by striking from the list of countries eligible for designation as beneficiary countries—

(1) “Costa Rica”, effective on the date the President terminates the designation of Costa Rica as a beneficiary country pursuant to section 201(a)(3);

(2) “Dominican Republic”, effective on the date the President terminates the designation of the Dominican Republic as a beneficiary country pursuant to section 201(a)(3);

(3) “El Salvador”, effective on the date the President terminates the designation of El Salvador as a beneficiary country pursuant to section 201(a)(3);

(4) “Guatemala”, effective on the date the President terminates the designation of Guatemala as a beneficiary country pursuant to section 201(a)(3);

(5) “Honduras”, effective on the date the President terminates the designation of Honduras as a beneficiary country pursuant to section 201(a)(3); and

(6) “Nicaragua”, effective on the date the President terminates the designation of Nicaragua as a beneficiary country pursuant to section 201(a)(3).

(c) MATERIALS OF, OR PROCESSING IN, FORMER BENEFICIARY COUNTRIES.—Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by striking “the Commonwealth of Puerto Rico and the United States Virgin Islands” and inserting “the Commonwealth of Puerto Rico, the United States Virgin Islands, and any former beneficiary country”.

(d) DEFINITIONS AND SPECIAL RULES.—Section 213(b)(5) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)(5)) is amended by adding at the end the following new subparagraphs:

“(G) FORMER CBTPA BENEFICIARY COUNTRY.—The term ‘former CBTPA beneficiary country’ means a country that ceases to be designated as a CBTPA beneficiary country under this title because the country has become a party to a free trade agreement with the United States.

“(H) ARTICLES THAT UNDERGO PRODUCTION IN A CBTPA BENEFICIARY COUNTRY AND A FORMER CBTPA BENEFICIARY COUNTRY.—(i) For purposes of determining the eligibility of an article for preferential treatment under paragraph (2) or (3), references in either such paragraph, and in subparagraph (C) of this paragraph to—

“(I) a ‘CBTPA beneficiary country’ shall be considered to include any former CPTPA beneficiary country, and

“(II) ‘CBTPA beneficiary countries’ shall be considered to include former CBTPA beneficiary countries,

if the article, or a good used in the production of the article, undergoes production in a CBTPA beneficiary country.

“(ii) An article that is eligible for preferential treatment under clause (i) shall not be ineligible for such treatment because the article is imported directly from a former CBTPA beneficiary country.

“(iii) Notwithstanding clauses (i) and (ii), an article that is a good of a former CBTPA

beneficiary country for purposes of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or section 334 of the Uruguay Round Agreements Act (19 U.S.C. 3592), as the case may be, shall not be eligible for preferential treatment under paragraph (2) or (3), unless—

“(I) it is an article that is a good of the Dominican Republic under either such section 304 or 334; and

“(II) the article, or a good used in the production of the article, undergoes production in Haiti.”

**SEC. 403. PERIODIC REPORTS AND MEETINGS ON LABOR OBLIGATIONS AND LABOR CAPACITY-BUILDING PROVISIONS.**

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than the end of the 2-year period beginning on the date the Agreement enters into force, and not later than the end of each 2-year period thereafter during the succeeding 14-year period, the President shall report to the Congress on the progress made by the CAFTA-DR countries in—

(A) implementing Chapter Sixteen and Annex 16.5 of the Agreement; and

(B) implementing the White Paper.

(2) WHITE PAPER.—In this section, the term “White Paper” means the report of April 2005 of the Working Group of the Vice Ministers Responsible for Trade and Labor in the Countries of Central America and the Dominican Republic entitled “The Labor Dimension in Central America and the Dominican Republic - Building on Progress: Strengthening Compliance and Enhancing Capacity”.

(3) CONTENTS OF REPORTS.—Each report under paragraph (1) shall include the following:

(A) A description of the progress made by the Labor Cooperation and Capacity Building Mechanism established by article 16.5 and Annex 16.5 of the Agreement, and the Labor Affairs Council established by article 16.4 of the Agreement, in achieving their stated goals, including a description of the capacity-building projects undertaken, funds received, and results achieved, in each CAFTA-DR country.

(B) Recommendations on how the United States can facilitate full implementation of the recommendations contained in the White Paper.

(C) A description of the work done by the CAFTA-DR countries with the International Labor Organization to implement the recommendations contained in the White Paper, and the efforts of the CAFTA-DR countries with international organizations, through the Labor Cooperation and Capacity Building Mechanism referred to in subparagraph (A), to advance common commitments regarding labor matters.

(D) A summary of public comments received on—

(i) capacity-building efforts by the United States envisaged by article 16.5 and Annex 16.5 of the Agreement;

(ii) efforts by the United States to facilitate full implementation of the White Paper recommendations; and

(iii) the efforts made by the CAFTA-DR countries to comply with article 16.5 and Annex 16.5 of the Agreement and to fully implement the White Paper recommendations, including the progress made by the CAFTA-DR countries in affording to workers internationally-recognized worker rights through improved capacity.

(4) SOLICITATION OF PUBLIC COMMENTS.—The President shall establish a mechanism to solicit public comments for purposes of paragraph (3)(D).

(b) PERIODIC MEETINGS OF SECRETARY OF LABOR WITH LABOR MINISTERS OF CAFTA-DR COUNTRIES.—

(1) PERIODIC MEETINGS.—The Secretary of Labor should take the necessary steps to meet periodically with the labor ministers of the CAFTA-DR countries to discuss—

(A) the operation of the labor provisions of the Agreement;

(B) progress on the commitments made by the CAFTA-DR countries to implement the recommendations contained in the White Paper;

(C) the work of the International Labor Organization in the CAFTA-DR countries, and other cooperative efforts, to afford to workers internationally-recognized worker rights; and

(D) such other matters as the Secretary of Labor and the labor ministers consider appropriate.

(2) INCLUSION IN BIENNIAL REPORTS.—The President shall include in each report under subsection (a), as the President deems appropriate, summaries of the meetings held pursuant to paragraph (1).

Mr. GRASSLEY. Mr. President, the Senate has just passed S.1307, the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act. I am confident that history will record this moment as an important positive step in the development of democracy and prosperity in the CAFTA countries. And I am also confident that our leadership in passing CAFTA will be rewarded, through the benefits we will enjoy under this trade agreement and in terms of advancing our overall trade agenda.

First and foremost, today's vote reflects the leadership of President George W. Bush to advance the national economic and security interests of this country. This agreement is another important piece of the President's overall agenda to increase market access opportunities for America's farmers, ranchers, manufacturers, and service providers. By passing CAFTA we also strengthen our position in the ongoing Doha Development Agenda negotiations of the World Trade Organization. I hope our Trade Representative, Ambassador Portman, will build upon the momentum created today to press for meaningful progress in the Doha Round negotiations.

I want to thank the members of the Administration who delivered the comprehensive CAFTA agreement. At the top of that list is our former Trade Representative, Ambassador Zoellick, who managed to negotiate such a carefully balanced agreement without taking anything off the table. I firmly believe that the guiding principle for all our trade negotiations must be to deliver comprehensive agreements that do not take anything off the table. I expect our trade negotiators to continue delivering comprehensive agreements like CAFTA. Supporting Ambassador Zoellick closely were Ambassador Allen Johnson, our chief agriculture negotiator, and Regina Vargo, Assistant U.S. Trade Representative for the Americas. Of course, I am grateful too for the diligence with which Ambassador Portman has focused on CAFTA since taking over as our Trade Representative.

Today's successful outcome would not have been possible without the

hard work and sustained effort of a number of dedicated professionals. I want to take this opportunity to thank them for their efforts. From the White House Office of Legislative Affairs, I want to thank Mike Smythers, Special Assistant to the President for Senate Affairs. I also want to thank Matt Niemeyer, Assistant U.S. Trade Representative for Congressional Affairs. The long hours they put in to address Senate concerns and to maintain an open dialogue with Members and staff are very much appreciated. And supporting Mr. Niemeyer in those efforts was Jennifer Mulveny, Deputy Assistant U.S. Trade Representative for Congressional Affairs. David Oliver, of the Office of General Counsel at USTR, also provided significant legal and technical support both during and after the negotiations were completed.

I want to commend my colleague on the Finance Committee, the ranking member, Senator BAUCUS. Although we did not agree in our views on CAFTA, we maintained our positive working relationship throughout the process. I hope the folks at home will take note. People may think Washington is mired in partisan bickering, but I think we on the Finance Committee have demonstrated our ability to disagree and still maintain respect for each other and for committee process. I am grateful to Senator BAUCUS, and very proud of our committee.

My diligent staff on the Finance Committee has worked very hard to make today's vote possible. First and foremost, my chief counsel and staff director, Kolan Davis, deserves recognition. His skills in managing my lengthy legislative agenda are key to my success. The chief international trade counsel to the committee, Everett Eissenstat, also deserves special mention. Without Everett's tireless dedication to passing CAFTA, I really do not think we would be in this position today. I am also grateful for the strong support the rest of my trade staff provided. David Johanson and Stephen Schaefer, international trade counselors to the committee, were instrumental in providing legal advice and technical support, as were Tiffany McCullen Atwell, international trade policy advisor, Claudia Bridgeford, international trade policy assistant, and Russell Ugone, who is on detail to my staff from the Bureau of Customs and Border Protection in the Department of Homeland Security. And I want to note my gratitude for the many efforts of Zach Paulsen, former International trade policy assistant to the committee.

Senator BAUCUS' staff also deserves recognition for their professionalism and flexibility in helping to move the legislative process forward. I am grateful to Russ Sullivan, Democratic staff director, and Bill Dauster, deputy staff director, for their accommodation and dedication to the committee. I also appreciate the efforts of Brian Pomper, chief international trade counsel to

Senator BAUCUS, and the other members of the Democratic trade staff: Shara Aranoff, Demetrios Marantis, Anya Landau, Janis Lazda, and Chelsea Thomas.

Finally, I want to identify two people for special recognition. The first is Polly Craighill, senior counsel in the Senate's Office of Legislative Counsel. Her dedication to the Senate is profound. The Finance Committee benefits greatly from Ms. Craighill's expertise in legislative drafting, her tireless efforts, and her constructive perfectionism. Today's vote is in no small part a testament to her skills. I also want to extend my deep gratitude to Jeanne Grimmer, legislative attorney in the American Law Division of the Congressional Research Service. My staff and I repeatedly called upon Ms. Grimmer to prepare legal research and memoranda in connection with our development of this legislation, and her timely support was instrumental to our success today. I am very grateful.

I look forward to the enactment of this legislation and hope that President Bush will sign it into law very soon.

Mr. FRIST. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### SENATOR BURR RECEIVES THE GOLDEN GAVEL AWARD

Mr. FRIST. Mr. President, I wish to acknowledge an important feat of one of our Members. At 10 o'clock this evening, the distinguished Presiding Officer, the Senator from North Carolina, Mr. BURR, reached his 100th hour of presiding. I should clarify that it is 100 hours since the beginning of this year. I know sometimes it has probably felt like he has presided 100 hours in a week.

The reason this is important, according to the Senate Historian, is this is the fastest time in reaching the 100-hour mark since presiding records have been kept.

(Applause.)

Senator BURR will be the first Senator in the 109th Congress to receive the Golden Gavel Award. Most Members recognize that sitting in that chair is the best way to learn Senate procedure. He has done so with distinction and honor. He has done so with a firm but fair gavel. In addition to his regular presiding times, he has been here on many Mondays and Fridays, when a lot of us are at home and elsewhere. We thank him for that. We owe a debt of gratitude to him for doing that, and we thank him and congratulate him on this outstanding achievement.

(Applause.)

Mr. REID. Mr. President, if I may comment. The reason I like Senator BURR so much is because he pays attention while he presides. I am impressed with that.

#### ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2006

Mr. FRIST. Mr. President, at this juncture, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 130, H.R. 2419, the Energy and Water appropriations bill. I further ask that the committee substitute amendment be agreed to and considered as original text for the purpose of further amendment, with no points of order waived by this agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2419) making appropriations for energy and water development for the fiscal year ending September 30, 2006, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with an amendment.

(Strike the part shown in black brackets and insert the part shown in italic.)

#### H.R. 2419

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

**[That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2006, for energy and water development, and for other purposes, namely:**

#### **[TITLE I**

#### **[CORPS OF ENGINEERS—CIVIL**

#### **[DEPARTMENT OF THE ARMY**

#### **[CORPS OF ENGINEERS—CIVIL**

**[The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood and storm damage reduction, aquatic ecosystem restoration, and related purposes.**

#### **[GENERAL INVESTIGATIONS**

**[For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by law, surveys and detailed studies and plans and specifications of projects prior to construction, \$100,000,000 to remain available until expended: *Provided*, That, except as provided in section 101 of this Act, the amounts made available under this paragraph shall be expended as authorized in law for the projects and activities specified in the report accompanying this Act.**

#### **[CONSTRUCTION**

**[For expenses necessary for the construction of river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects authorized by law; for conducting detailed studies, and plans and specifications, of such projects (including those involving participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such detailed studies, and plans and specifications, shall not constitute a commitment of the Government to construc-**

**tion); and for the benefit of federally listed species to address the effects of civil works projects owned or operated by the United States Army Corps of Engineers, \$1,763,000,000, to remain available until expended; of which such sums as are necessary to cover the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund as authorized by Public Law 104-303; and of which \$182,668,000, pursuant to Public Law 99-662, shall be derived from the Inland Waterways Trust Fund, to cover one-half of the costs of construction and rehabilitation of inland waterways projects; and of which \$4,000,000 shall be exclusively for projects and activities authorized under section 107 of the River and Harbor Act of 1960; and of which \$500,000 shall be exclusively for projects and activities authorized under section 111 of the River and Harbor Act of 1968; and of which \$1,000,000 shall be exclusively for projects and activities authorized under section 103 of the River and Harbor Act of 1962; and of which \$25,000,000 shall be exclusively available for projects and activities authorized under section 205 of the Flood Control Act of 1948; and of which \$8,000,000 shall be exclusively for projects and activities authorized under section 14 of the Flood Control Act of 1946; and of which \$400,000 shall be exclusively for projects and activities authorized under section 208 of the Flood Control Act of 1954; and of which \$17,400,000 shall be exclusively for projects and activities authorized under section 1135 of the Water Resources Development Act of 1986; and of which \$18,000,000 shall be exclusively for projects and activities authorized under section 206 of the Water Resources Act of 1996; and of which \$4,000,000 shall be exclusively for projects and activities authorized under section 204 of the Water Resources Act of 1992: *Provided*, That, except as provided in section 101 of this Act, the amounts made available under this paragraph shall be expended as authorized in law for the projects and activities specified in the report accompanying this Act.**

**[In addition, \$137,000,000 shall be available for projects and activities authorized under 16 U.S.C. 410-r-8 and section 601 of Public Law 106-541.**

**[FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE**

**[For expenses necessary for the flood damage reduction program for the Mississippi River alluvial valley below Cape Girardeau, Missouri, as authorized by law, \$290,000,000 to remain available until expended, of which such sums as are necessary to cover the Federal share of operation and maintenance costs for inland harbors shall be derived from the Harbor Maintenance Trust Fund: *Provided*, That, except as provided in section 101 of this Act, the amounts made available under this paragraph shall be expended as authorized in law for the projects and activities specified in the report accompanying this Act.**

#### **[OPERATION AND MAINTENANCE**

**[For expenses necessary for the operation, maintenance, and care of existing river and harbor, flood and storm damage reduction, aquatic ecosystem restoration, and related projects authorized by law; for the benefit of federally listed species to address the effects of civil works projects owned or operated by the United States Army Corps of Engineers (the "Corps"); for providing security for infrastructure owned and operated by, or on behalf of, the Corps, including administrative buildings and facilities, laboratories, and the Washington Aqueduct; for the maintenance of harbor channels provided by a**