

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 349, noes 55, not voting 28, as follows:

[Roll No. 1059]

**AYES—349**

Abercrombie	Dreier	Lee
Ackerman	Edwards	Levin
Aderholt	Ehlers	Lewis (GA)
Akin	Ellsworth	Lewis (KY)
Alexander	Emanuel	Linder
Allen	Emerson	LoBiondo
Andrews	Engel	Loeb sack
Arcuri	English (PA)	Lofgren, Zoe
Baca	Eshoo	Lowey
Bachmann	Etheridge	Lucas
Bachus	Everett	Lungren, Daniel
Baird	Fallin	E.
Baker	Farr	Lynch
Barrett (SC)	Fattah	Mack
Barrow	Feeney	Mahoney (FL)
Bartlett (MD)	Ferguson	Maloney (NY)
Barton (TX)	Flake	Manzullo
Bean	Forbes	Marchant
Becerra	Fortenberry	Markey
Berkley	Fossella	Marshall
Berman	Fox	Matheson
Berry	Frank (MA)	Matsui
Biggett	Franks (AZ)	McCarthy (CA)
Bilbray	Frelinghuysen	McCarthy (NY)
Bilirakis	Gallely	McCaul (TX)
Bishop (GA)	Garrett (NJ)	McCollum (MN)
Bishop (NY)	Gerlach	McCreery
Blackburn	Gilchrest	McDermott
Blumenauer	Gillibrand	McGovern
Blunt	Gingrey	McHenry
Bonner	Gohmert	McHugh
Bono	Gonzalez	McKeon
Boozman	Goodlatte	McMorris
Boswell	Gordon	Rodgers
Boustany	Granger	McNerney
Boyd (FL)	Graves	McNulty
Brady (PA)	Green, Al	Meek (FL)
Brady (TX)	Hall (TX)	Meeke (NY)
Broun (GA)	Harman	Melancon
Brown (SC)	Hastert	Mica
Brown, Corrine	Hastings (FL)	Miller (MI)
Buchanan	Hastings (WA)	Miller (NC)
Burton (IN)	Heller	Miller, Gary
Butterfield	Hensarling	Mitchell
Calvert	Herger	Moore (KS)
Camp (MI)	Herse th Sandlin	Moore (WI)
Campbell (CA)	Higgins	Moran (KS)
Cannon	Hill	Moran (VA)
Cantor	Hinche y	Murphy (CT)
Capito	Hirono	Murphy, Patrick
Capps	Hobson	Murtha
Capuano	Hodes	Musgrave
Cardoza	Holt	Nadler
Carnahan	Honda	Napolitano
Carney	Hooley	Neal (MA)
Carter	Hoyer	Neugebauer
Castle	Hulshof	Nunes
Castor	Inglis (SC)	Obey
Chabot	Inslee	Olver
Chandler	Israel	Ortiz
Clarke	Issa	Pascrell
Clay	Jackson (IL)	Pastor
Cleaver	Jackson-Lee	Pearce
Clyburn	(TX)	Pence
Coble	Jefferson	Peterson (PA)
Cohen	Johnson (GA)	Petri
Cole (OK)	Johnson (IL)	Pickering
Conaway	Johnson, E. B.	Pitts
Cooper	Johnson, Sam	Platts
Costa	Jones (OH)	Poe
Cramer	Jordan	Pomeroy
Crenshaw	Kagen	Porter
Crowley	Kanjorski	Price (GA)
Cuellar	Keller	Price (NC)
Cummings	Kilpatrick	Pryce (OH)
Davis (AL)	Kind	Putnam
Davis (CA)	King (IA)	Ramstad
Davis (KY)	King (NY)	Rangel
Davis, David	Kingston	Regula
Davis, Lincoln	Kirk	Rehberg
Deal (GA)	Klein (FL)	Reichert
DeGette	Kline (MN)	Renzi
Delahunt	Knollenberg	Reyes
Dent	Kuhl (NY)	Reynolds
Diaz-Balart, M.	Lamborn	Richardson
Dicks	Lampson	Rodriguez
Dingell	Lantos	Rogers (AL)
Doggett	Larsen (WA)	Rogers (KY)
Donnelly	Larson (CT)	Rogers (MI)
Doolittle	Latham	Rohrabacher
Drake	LaTourette	Ros-Lehtinen

Roskam	Simpson
Ross	Sires
Rothman	Skelton
Roybal-Allard	Slaughter
Royce	Smith (NE)
Ruppersberger	Smith (NJ)
Rush	Smith (TX)
Ryan (OH)	Smith (WA)
Ryan (WI)	Snyder
Salazar	Solis
Sali	Souder
Sarbanes	Space
Saxton	Spratt
Schiff	Sullivan
Schmidt	Tancredo
Schwartz	Tanner
Scott (GA)	Tauscher
Scott (VA)	Terry
Sensenbrenner	Thompson (CA)
Serrano	Thompson (MS)
Sessions	Thornberry
Sestak	Tiahrt
Shadegg	Tierney
Shays	Towns
Shea-Porter	Tsongas
Shimkus	Turner
Shuster	Udall (NM)

Upton	Watt
Van Hollen	Waxman
Velázquez	Weiner
Visclosky	Welch (VT)
Walberg	Weldon (FL)
Walden (OR)	Weller
Walsh (NY)	Westmoreland
Wamp	Wexler
Wasserman	Wicker
Schultz	Wilson (NM)
Watt	Wilson (OH)
Waxman	Wilson (SC)
Weiner	Wolf
Welch (VT)	Woolsey
Weldon (FL)	Wynn
Weller	Yarmuth
Westmoreland	
Wexler	
Wicker	
Wilson (NM)	
Wilson (OH)	
Wilson (SC)	
Wolf	
Woolsey	
Wynn	
Yarmuth	

**NOES—55**

Altmire	Grijalva
Baldwin	Gutierrez
Boyd (KS)	Hall (NY)
Brown-Waite,	Hare
Ginny	Hayes
Burgess	Hoekstra
Conyers	Holden
Costello	Hunter
Courtney	Jones (NC)
Culberson	Kaptur
Davis (IL)	Kennedy
DeFazio	Kildee
DeLauro	Kucinich
Doyle	Langevin
Duncan	Lipinski
Ellison	McCotter
Filner	McIntyre
Goode	Michaud
Green, Gene	Mollohan

Pallone	Sánchez, Linda
Payne	T.
Perlmutter	Sanchez, Loretta
Peterson (MN)	Schakowsky
Rahall	Sherman
Sánchez, Linda	Shuler
T.	Stupak
Sanchez, Loretta	Sutton
Schakowsky	Taylor
Sherman	Tiberi
Shuler	Walz (MN)
Stupak	Waters
Sutton	Whitfield
Taylor	Wu
Tiberi	
Walz (MN)	
Waters	
Whitfield	
Wu	

**NOT VOTING—28**

Bishop (UT)	Giffords
Boehner	Hinojosa
Boren	Jindal
Boucher	LaHood
Bralley (IA)	Lewis (CA)
Buyer	Miller (FL)
Carson	Miller, George
Cubin	Murphy, Tim
Davis, Tom	Myrick
Diaz-Balart, L.	Oberstar

Paul	Young (AK)
Radanovich	Young (FL)
Stark	
Stearns	
Udall (CO)	
Watson	
Young (AK)	
Young (FL)	

**ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE**

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 2023

Mr. MOLLOHAN, Mr. GRIJALVA, Ms. WATERS and Mr. PAYNE changed their vote from “aye” to “no.”

Messrs. WAMP, PETERSON of Pennsylvania, HALL of Texas, and GOHMERT changed their vote from “no” to “aye.”

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

**MESSAGE FROM THE SENATE**

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 2602. An act to name the Department of Veterans Affairs medical facility in Iron Mountain, Michigan, as the “Oscar G. Johnson Department of Veterans Affairs Medical Facility”.

The message also announced that the Senate, having had under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3043) “An Act making appropriations for the Departments of Labor, Health, and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2008, and for other purposes.”, it was

*Resolved*, That the Senate defeated the conference report on a point of order raised under Rule XXVIII, paragraph 3; be it further

*Resolved*, That the Senate recedes from its amendment, to the aforesaid bill, with an amendment.

**LEGISLATIVE PROGRAM**

Mr. HOYER. Mr. Speaker, I know this will come as an extraordinary disappointment to all of the Members in the House, but in consultation with my friend the minority whip, and in consultation with Mr. LEVIN, the chairman of the subcommittee, and Mr. RANGEL, and I have not talked to Mr. MCCREERY and I apologize for that, but I think that the way we will proceed, we will proceed to debate tonight, I’m trying to elongate this announcement because so many times people are so angry at me for scheduling. I think it’s one of the few opportunities I get to make people a little bit happy. But we will save 20 minutes of debate. We will do all but 20 minutes of the allocated debate. There are four sides to this. Five, five, five and five, we will save for tomorrow, and we will commence that at the conclusion of the 1-minute. There are 10 a side. So that will take about 20, 25 minutes, and we will commence the closing of debate, and then we will have the vote on this bill immediately following that debate.

Mr. RANGEL. Would the gentleman vote on this?

Mr. HOYER. I yield to the gentleman.

Mr. RANGEL. You know, the committee’s put a lot of time on this bill, but after considerable thought, I just thought it would be fair to tell the majority leader that I agree with you 100 percent.

Mr. HOYER. I knew this was going to be a good night.

**UNITED STATES-PERU TRADE PROMOTION AGREEMENT IMPLEMENTATION ACT**

Mr. RANGEL. Mr. Speaker, pursuant to House Resolution 801, I call up the bill (H.R. 3688) to implement the United States-Peru Trade Promotion Agreement, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3688

*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 “United States-Peru Trade Promotion 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. Disclosure of incorrect information; false certifications of origin; denial of preferential tariff treatment.  
 Sec. 206. Reliquidation of entries.  
 Sec. 207. Recordkeeping requirements.  
 Sec. 208. Enforcement relating to trade in textile or apparel goods.  
 Sec. 209. 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 Peru.

**TITLE IV—PROCUREMENT**

- Sec. 401. Eligible products.

**TITLE V—TRADE IN TIMBER PRODUCTS OF PERU**

- Sec. 501. Enforcement relating to trade in timber products of Peru.  
 Sec. 502. Report to Congress.

**TITLE VI—OFFSETS**

- Sec. 601. Customs user fees.  
 Sec. 602. Time for payment of corporate estimated taxes.

**SEC. 2. PURPOSES.**

The purposes of this Act are—

- (1) to approve and implement the free trade agreement between the United States and

Peru 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 and Peru for their mutual benefit;

(3) to establish free trade between the United States and Peru 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 United States-Peru Trade Promotion Agreement approved by Congress under section 101(a)(1).

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

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

(4) **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-C 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), Congress approves—

(1) the United States-Peru Trade Promotion Agreement entered into on April 12, 2006, with the Government of Peru, as amended on June 24 and June 25, 2007, respectively, by the United States and Peru, and submitted to Congress on September 27, 2007; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on September 27, 2007.

(b) **CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.**—At such time as the President determines that Peru has taken measures necessary to comply with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Peru providing for the entry into force, on or after January 1, 2008, of the Agreement with respect to the United States.

**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 in-

valid 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 on which 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 on which 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 the committees referred to in paragraph (2) 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 21 of the Agreement. The office shall 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 2007 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 21 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), this Act and the amendments made by this Act take effect on the date on which 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 THE AGREEMENT.—On the date on which the Agreement terminates, 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 2.3, 2.5, 2.6, 3.3.13, and Annex 2.3 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, on the date on which the Agreement enters into force, terminate the designation of Peru as a beneficiary developing country for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.).

(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 Peru regarding the staging of any duty treatment set forth in Annex 2.3 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 with respect to Peru 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 2.3 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.

(d) TARIFF RATE QUOTAS.—In implementing the tariff rate quotas set forth in Appendix I to the Schedule of the United States to Annex 2.3 of the Agreement, the President shall take such action as may be necessary to ensure that imports of agricultural goods do not disrupt the orderly marketing of commodities in the United States.

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

(a) DEFINITIONS.—In this section:

(1) APPLICABLE NTR (MFN) RATE OF DUTY.—The term “applicable NTR (MFN) rate of duty” means, with respect to a safeguard good, a rate of duty equal to the lowest of—

(A) the base rate in the Schedule of the United States to Annex 2.3 of the Agreement;

(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; or

(C) 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.

(2) SCHEDULE RATE OF DUTY.—The term “schedule rate of duty” means, with respect to a safeguard good, the rate of duty for that good that is set forth in the Schedule of the United States to Annex 2.3 of the Agreement.

(3) SAFEGUARD GOOD.—The term “safeguard good” means a good—

(A) that is included in the Schedule of the United States to Annex 2.18 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.

(b) ADDITIONAL DUTIES ON SAFEGUARD GOODS.—

(1) IN GENERAL.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (2), on a safeguard good 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 that is imported into the United States in that calendar year exceeds 130 percent of the volume that is provided for that safeguard good in the cor-

responding year in the applicable table contained in Appendix I of the General Notes to the Schedule of the United States to Annex 2.3 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 years 1 through 12, an amount equal to 100 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty; and

(B) in years 13 through 16, an amount equal to 50 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.

(3) 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 this subsection, the Secretary shall notify the Government of Peru in writing of such action and shall provide to that Government data supporting the assessment of the additional duty.

(c) 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—

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

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

(d) 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 2.3 of the Agreement.

#### 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 Peru or the United States).

(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 Peru, the United States, or both;

(2) the good—

(A) is produced entirely in the territory of Peru, the United States, or both, and—

(i) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 3-A or Annex 4.1 of the Agreement; or

(ii) the good otherwise satisfies any applicable regional value-content or other requirements specified in Annex 3-A or 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 Peru, the United States, or both, 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:

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

(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:

$$\text{RVC} = \frac{\text{VOM}}{\text{AV}} \times 100$$

(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 shall be calculated by the importer, exporter, or producer of the good, on the basis of the following net cost method:

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

(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 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 one 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 the United States or Peru.

(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 motor vehicles, and is produced in the same plant in the territory of Peru or the United States, 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 Peru or the United States, 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 Peru or the United States 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 materials 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) the fiscal year of the producer of such goods,

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 such goods that are exported to the territory of Peru or the United States.

(E) CALCULATING NET COST.—The importer, exporter, or producer of an automotive good shall, consistent with the provisions regarding allocation of costs provided for in generally accepted accounting principles, determine the net cost of the 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 these 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 (19 U.S.C. 3511(d)(8)), 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 by the producer; 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 Peru, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Peru, the United States, or both, 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 Peru, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Peru, the United States, or both, 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 Peru, the United States, or both.

(e) ACCUMULATION.—

(1) ORIGINATING MATERIALS USED IN PRODUCTION OF GOODS OF ANOTHER COUNTRY.—Originating materials from the territory of Peru or the United States that are used in the production of a good in the territory of the other country shall be considered to originate in the territory of such other country.

(2) MULTIPLE PRODUCERS.—A good that is produced in the territory of Peru, the United States, or both, 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)(i) 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 forth in Annex 4.1 of the Agreement),

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

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

(iii) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement for the good; or

(B) the good meets the requirements set forth in paragraph 2 of Annex 4.6 of the Agreement.

(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 any 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 chapter 15 that is used in the production of a good provided for in any of headings 1501 through 1508, or any of headings 1511 through 1515.

(F) 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.

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

(H) Except as provided in subparagraphs (A) through (G) 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.

(I) A nonoriginating material that is a textile or apparel good.

(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 forth in Annex 3-A 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 Peru, the United States, or both.

(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 country in which the production is performed (whether Peru or the United States); 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 such 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 forth 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 such accessories, spare parts, or tools are specified or are 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 re-

quirement, 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 forth in Annex 3-A or 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 territory of Peru or the United States, 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 Peru or the United States; or

(2) does not remain under the control of customs authorities in the territory of a country other than Peru or the United States.

(m) GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 3-A and 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 (19 U.S.C. 3511(d)(8)), 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) 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.

(3) 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.

(4) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term “generally accepted accounting principles” means the recognized consensus or substantial authoritative support in the territory of Peru or the United States, as the case may be, 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.

(5) GOOD WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF PERU, THE UNITED STATES, OR BOTH.—The term “good wholly obtained or produced entirely in the territory of Peru, the United States, or both” means any of the following:

(A) Plants and plant products harvested or gathered in the territory of Peru, the United States, or both.

(B) Live animals born and raised in the territory of Peru, the United States, or both.

(C) Goods obtained in the territory of Peru, the United States, or both from live animals.

(D) Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of Peru, the United States, or both.

(E) Minerals and other natural resources not included in subparagraphs (A) through (D) that are extracted or taken from the territory of Peru, the United States, or both.

(F) Fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of Peru or the United States by—

(i) a vessel that is registered or recorded with Peru and flying the flag of Peru; or

(ii) a vessel that is documented under the laws of the United States.

(G) Goods produced on board a factory ship from goods referred to in subparagraph (F), if such factory ship—

(i) is registered or recorded with Peru and flies the flag of Peru; or

(ii) is a vessel that is documented under the laws of the United States.

(H)(i) Goods taken by Peru or a person of Peru from the seabed or subsoil outside the territorial waters of Peru, if Peru has rights to exploit such seabed or subsoil.

(ii) Goods taken by the United States or a person of the United States from the seabed or subsoil outside the territorial waters of the United States, if the United States has rights to exploit such seabed or subsoil.

(I) Goods taken from outer space, if the goods are obtained by Peru or the United States or a person of Peru or the United States and not processed in the territory of a country other than Peru or the United States.

(J) Waste and scrap derived from—

(i) manufacturing or processing operations in the territory of Peru, the United States, or both; or

(ii) used goods collected in the territory of Peru, the United States, or both, if such goods are fit only for the recovery of raw materials.

(K) Recovered goods derived in the territory of Peru, the United States, or both, from used goods, and used in the territory of Peru, the United States, or both, in the production of remanufactured goods.

(L) Goods, at any stage of production, produced in the territory of Peru, the United States, or both, exclusively from—

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

(ii) the derivatives of goods referred to in clause (i).

(6) IDENTICAL GOODS.—The term “identical goods” means goods that are the same in all respects relevant to the rule of origin that qualifies the goods as originating goods.

(7) INDIRECT MATERIAL.—The term “indirect material” means a good used in the production, testing, or inspection of another good but not physically incorporated into that other good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of another 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 other good but the use of which in the production of the other good can reasonably be demonstrated to be a part of that production.

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

(9) 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.

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

(11) NET COST.—The term “net cost” means total cost minus sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost.

(12) 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 country in which the producer is located.

(13) 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.

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

(15) PREFERENTIAL TARIFF TREATMENT.—The term “preferential tariff treatment” means the customs duty rate, and the treatment under article 2.10.4 of the Agreement, that are applicable to an originating good pursuant to the Agreement.

(16) PRODUCER.—The term “producer” means a person who engages in the production of a good in the territory of Peru or the United States.

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

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

(19) 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.

(20) REMANUFACTURED GOOD.—The term “remanufactured good” means an industrial good assembled in the territory of Peru or the United States, or both, that is classified under chapter 84, 85, 87, or 90 or heading 9402, 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 good that is new.

(21) TOTAL COST.—

(A) IN GENERAL.—The term “total cost”—

(i) means all product costs, period costs, and other costs for a good incurred in the territory of Peru, the United States, or both; and

(ii) does not include profits that are earned by the producer, regardless of whether they are retained by the producer or paid out to other persons as dividends, or taxes paid on those profits, including capital gains taxes.

(B) OTHER DEFINITIONS.—In this paragraph:

(i) PRODUCT COSTS.—The term “product costs” means costs that are associated with the production of a good and include the value of materials, direct labor costs, and direct overhead.

(ii) PERIOD COSTS.—The term “period costs” means costs, other than product costs, that are expensed in the period in which they are incurred, such as selling expenses and general and administrative expenses.

(iii) OTHER COSTS.—The term “other costs” means all costs recorded on the books of the producer that are not product costs or period costs, such as interest.

(22) USED.—The term “used” means utilized 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 forth in Annex 3-A and Annex 4.1 of the Agreement; and

(B) any additional subordinate category that is 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-B of the Agreement in an unrestricted quantity, as provided in article 3.3.5(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 3-A 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 3-A of the Agreement).

(4) FABRICS, YARNS, OR FIBERS NOT AVAILABLE IN COMMERCIAL QUANTITIES IN PERU AND THE UNITED STATES.—

(A) IN GENERAL.—Notwithstanding paragraph (3)(A), the list of fabrics, yarns, and fibers set forth in Annex 3-B 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 Peru, 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 observed by the Government of the United States.

(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 Peru and the United States and to add that fabric, yarn, or fiber to the list in Annex 3-B 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 Peru or the United States; or

(II) any interested entity objects to the request.

(iii) The President may, within the time periods specified in clause (iv), proclaim that the fabric, yarn, or fiber that is the subject of the request is added to the list in Annex 3-B of the Agreement in an unrestricted quantity, or in any restricted quantity that the President may establish, if the President has determined under clause (ii) that—

(I) the fabric, yarn, or fiber is not available in commercial quantities in a timely manner in Peru and the United States; 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 a 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-B 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 Peru and the United States.

(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 speci-

fied 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-B 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-B 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) of this paragraph; or

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

(ii) 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.

(iii) 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 Peru or the United States.

(iv) A proclamation 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 (17) the following:

“(18) 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 United States-Peru Trade Promotion 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. 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 (10) as paragraph (11); and

(B) by inserting after paragraph (9) the following new paragraph:

“(10) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES-PERU TRADE PROMOTION 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 United States-Peru Trade Promotion 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 with respect to that good.”; and

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

“(i) FALSE CERTIFICATIONS OF ORIGIN UNDER THE UNITED STATES-PERU TRADE PROMOTION 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 PTPA certification of origin (as defined in section 508(h)(1)(B) of this Act) that a good exported from the United States qualifies as an originating good under the rules of origin provided for in section 203 of the United States-Peru Trade Promotion 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 PTPA 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 shall not be considered to have violated paragraph (1) if—

“(A) the information was correct at the time it was provided in a PTPA 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:

“(i) DENIAL OF PREFERENTIAL TARIFF TREATMENT UNDER THE UNITED STATES-PERU TRADE PROMOTION AGREEMENT.—If U.S. Customs and Border Protection or U.S. Immigration and Customs Enforcement of the Department of Homeland Security 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 provided for in section 203 of the United States-Peru Trade Promotion Agreement Implementation Act, U.S. Customs and Border Protection, in accordance with regulations issued by the Secretary of the Treasury, may suspend preferential tariff treatment under the United States-Peru Trade Promotion Agreement to entries of identical goods covered by subsequent representations by that importer, exporter, or producer until U.S. Customs and Border Protection determines that representations of that person are in conformity with such section 203.”.

#### SEC. 206. RELIQUIDATION OF ENTRIES.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended in the matter preceding paragraph (1)—

(1) by striking “or”; and

(2) by striking “for which” and inserting “, or section 203 of the United States-Peru Trade Promotion Agreement Implementation Act for which”.

#### SEC. 207. RECORDKEEPING REQUIREMENTS.

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

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

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

“(h) CERTIFICATIONS OF ORIGIN FOR GOODS EXPORTED UNDER THE UNITED STATES-PERU TRADE PROMOTION 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) PTPA CERTIFICATION OF ORIGIN.—The term ‘PTPA certification of origin’ means the certification established under article 4.15 of the United States-Peru Trade Promotion Agreement that a good qualifies as an originating good under such Agreement.

“(2) EXPORTS TO PERU.—Any person who completes and issues a PTPA 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.—The person who issues a PTPA certification of origin shall keep the records and supporting documents relating to that certification of origin for a period of at least 5 years after the date on which the certification is issued.”;

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

(A) by striking “(f) or (g)” and inserting “(f), (g), or (h)”;

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

**SEC. 208. 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 Peru to conduct a verification pursuant to article 3.2 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 of the Secretary that—

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

(B) 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, or

(ii) is a good of Peru,

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 that 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 that 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 that 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 that 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 that 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 that 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.—In accordance with article 3.2.6 of the Agreement, the Secretary may publish the name of any person that the Secretary has determined—

(1) is engaged in 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. 209. 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) PERUVIAN ARTICLE.—The term “Peruvian article” means an article that qualifies as an originating good under section 203(b).

(2) PERUVIAN TEXTILE OR APPAREL ARTICLE.—The term “Peruvian textile or apparel article” means a textile or apparel good (as defined in section 3(4)) that is a Peruvian article.

**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 Peruvian 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 Peruvian 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 Peruvian article if, after the date on which the Agreement enters into force, import relief has been provided with respect to that Peruvian 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.

(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.—



(1) IN GENERAL.—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.

(2) LIMITATION ON RELIEF.—The import relief recommended by the Commission under this subsection shall be limited to the relief described in section 313(c).

(3) VOTING; SEPARATE VIEWS.—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 referred to in paragraph (1) and any finding or recommendation referred to in paragraph (2).

(e) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public the report (with the exception of information which the Commission determines to be confidential) and shall publish a summary of the report 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 2.3 of the Agreement in the duty imposed on the article.

(B) An increase in the rate of duty imposed on the 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 8.2.2 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 provides under this section may not be in effect for more than 2 years.

#### (2) EXTENSION.—

(A) IN GENERAL.—Subject to subparagraph (C), 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 by up to 2 years, 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) INVESTIGATION.—Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date that is 9 months, and not later than the date that 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) NOTICE AND HEARING.—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) REPORT.—The Commission shall submit 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.

(C) PERIOD OF IMPORT RELIEF.—Any import relief provided under this section, including any extensions thereof, may not, in the aggregate, be in effect for more than 4 years.

(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 2.3 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 such termination occurs shall be, at the discretion of the President, either—

(A) the applicable rate of duty for that article set forth in the Schedule of the United States to Annex 2.3 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 forth in the Schedule of the United States to Annex 2.3 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 that is subject to import relief under—

(A) subtitle B; or

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

(2) any article on which an additional duty assessed under section 202(b) is in effect.

#### 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 forth in the Schedule of the United States to Annex 2.3 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 (19 U.S.C. 2251 et seq.).

#### 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 United States-Peru Trade Promotion Agreement Implementation Act”.

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

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

(a) IN GENERAL.—A request for action 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 publish 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 Peruvian textile or apparel article 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 losses, and investment, no one of which is necessarily decisive; and

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

(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), the import relief that the President provides under section 322(b) may not be in effect for more than 2 years.

(b) **EXTENSION.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle for a period of not more than 1 year, if the President determines that—

(A) 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

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

(2) **LIMITATION.**—Any relief provided under this subtitle, including any extensions thereof, may not, in the aggregate, be in effect for more than 3 years.

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

The President may not provide import relief under this subtitle with respect to an 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 (19 U.S.C. 2251 et seq.).

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

On the date on which 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 such Act (19 U.S.C. 2251 et seq.).

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

The President may not release information received in connection with an investigation or determination 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, the party 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 PERU.**

(a) **EFFECT OF IMPORTS.**—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), 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 Peru 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 PERU.**—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the President may exclude from the action goods of Peru with respect to which the Commission has made a negative finding under subsection (a).

**TITLE IV—PROCUREMENT**

**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 (v);

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

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

“(vii) a party to the United States-Peru Trade Promotion Agreement, a product or service of that country or instrumentality which is covered under that agreement for procurement by the United States.”.

**TITLE V—TRADE IN TIMBER PRODUCTS OF PERU**

**SEC. 501. ENFORCEMENT RELATING TO TRADE IN TIMBER PRODUCTS OF PERU.**

(a) **ESTABLISHMENT OF INTERAGENCY COMMITTEE.**—Not later than 90 days after the date on which the Agreement enters into force, the President shall establish an Interagency Committee (in this section referred

to as the “Committee”). The Committee shall be responsible for overseeing the implementation of Annex 18.3.4 of the Agreement, including by undertaking such actions and making such determinations provided for in this section that are not otherwise authorized under law.

(b) **AUDIT.**—The Committee may request that the Government of Peru conduct an audit, pursuant to paragraph 6(b) of Annex 18.3.4 of the Agreement, to determine whether a particular producer or exporter in Peru is complying with all applicable laws, regulations, and other measures of Peru governing the harvest of, and trade in, timber products.

(c) **VERIFICATION.**—

(1) **IN GENERAL.**—The Committee may request the Government of Peru to conduct a verification, pursuant to paragraph 7 of Annex 18.3.4 of the Agreement, for the purpose of determining whether, with respect to a particular shipment of timber products from Peru to the United States, the producer or exporter of the products has complied with applicable laws, regulations, and other measures of Peru governing the harvest of, and trade in, the products.

(2) **ACTIONS OF COMMITTEE.**—If the Committee requests a verification under paragraph (1), the Committee shall—

(A) to the extent authorized under law, provide the Government of Peru with trade and transit documents and other information to assist Peru in conducting the verification; and

(B) direct U.S. Customs and Border Protection to take any appropriate action described in paragraph (4).

(3) **REQUEST TO PARTICIPATE IN VERIFICATION VISIT.**—The Committee may request the Government of Peru to permit officials of any agency represented on the Committee to participate in any visit conducted by Peru of the premises of a person that is the subject of the verification requested under paragraph (1) (in this section referred to as a “verification visit”). Such request shall be submitted in writing not later than 10 days before any scheduled verification visit and shall identify the names and titles of the officials intending to participate.

(4) **APPROPRIATE ACTION PENDING THE RESULTS OF VERIFICATION.**—While the results of a verification requested under paragraph (1) are pending, the Committee may direct U.S. Customs and Border Protection to—

(A) detain the shipment that is the subject of the verification; or

(B) if the Committee has requested under paragraph (3) to have an official of any agency represented on the Committee participate in the verification visit and the Government of Peru has denied the request, deny entry to the shipment that is the subject of the verification.

(5) **DETERMINATION UPON RECEIPT OF REPORT.**—

(A) **IN GENERAL.**—Within a reasonable time after the Government of Peru provides a report to the Committee describing the results of a verification requested under paragraph (1), the Committee shall determine whether any action is appropriate.

(B) **DETERMINATION OF APPROPRIATE ACTION.**—In determining the appropriate action to take and the duration of the action, the Committee shall consider any relevant factors, including—

(i) the verification report issued by the Government of Peru;

(ii) any information that officials of the United States have obtained regarding the shipment or person that is the subject of the verification; and

(iii) any information that officials of the United States have obtained during a verification visit.

(6) NOTIFICATION.—Before directing that action be taken under paragraph (7), the Committee shall notify the Government of Peru in writing of the action that will be taken and the duration of the action.

(7) APPROPRIATE ACTION.—If the Committee makes an affirmative determination under paragraph (5), it may take any action with respect to the shipment that was the subject of the verification, or the products of the relevant producer or exporter, that the Committee considers appropriate, including directing U.S. Customs and Border Protection to—

(A) deny entry to the shipment;

(B) if a determination has been made that a producer or exporter has knowingly provided false information to officials of Peru or the United States regarding a shipment, deny entry to products of that producer or exporter derived from any tree species listed in Appendices to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington March 3, 1973 (27 UST 1087; TIAS 8249); or

(C) take any other action the Committee determines to be appropriate.

(8) TERMINATION OF APPROPRIATE ACTION.—Any action under paragraph (7)(B) shall terminate not later than the later of—

(A) the end of the period specified in the written notification pursuant to paragraph (6); or

(B) 15 days after the date on which the Government of Peru submits to the United States the results of an audit under paragraph 6 of Annex 18.3.4 of the Agreement that concludes that the person has complied with all applicable laws, regulations, and other measures of Peru governing the harvest of, and trade in, timber products.

(9) FAILURE TO PROVIDE VERIFICATION REPORT.—If the Committee determines that the Government of Peru has failed to provide a verification report, as required by paragraph 12 of Annex 18.3.4 of the Agreement, the Committee may take such action with respect to the relevant exporter's timber products as the Committee considers appropriate, including any action described in paragraph (7).

(d) CONFIDENTIALITY OF INFORMATION.—The Committee and any agency represented on the Committee shall not disclose to the public, except with the specific permission of the Government of Peru, any documents or information received in the course of an audit under subsection (b) or in the course of a verification under subsection (c).

(e) PUBLICLY AVAILABLE INFORMATION.—The Committee shall make any information exchanged with Peru under paragraph 17 of Annex 18.3.4 of the Agreement publicly available in a timely manner, in accordance with paragraph 18 of Annex 18.3.4 of the Agreement.

(f) COORDINATION WITH OTHER LAWS.—

(1) ENDANGERED SPECIES ACT; LACEY ACT.—In implementing this section, the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Homeland Security, and the Secretary of the Treasury shall provide for appropriate coordination with the administration of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and the Lacey Act Amendments of 1981 (16 U.S.C. 3371 et seq.).

(2) OTHER LAWS.—Nothing in this section supersedes or limits in any manner the functions or authority of the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Homeland Security, or the Secretary of the Treasury under any other law, including laws relating to prohibited or restricted importations or possession of animals, plants, or other articles.

(3) EFFECT OF DETERMINATION.—No determination under this section shall preclude any proceeding or be considered determina-

tive of any issue of fact or law in any proceeding under any law administered by the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Homeland Security, or the Secretary of the Treasury.

(g) FURTHER IMPLEMENTATION.—The Secretary of Agriculture, the Secretary of the Interior, the Secretary of Homeland Security, and the Secretary of the Treasury, in consultation with the Committee, shall prescribe such regulations as are necessary to carry out this section.

(h) RESOURCES FOR IMPLEMENTATION.—Not later than 90 days after the date on which the Agreement enters into force, and as appropriate thereafter, the President shall consult with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the resources, including staffing, needed to implement Annex 18.3.4 of the Agreement.

#### SEC. 502. REPORT TO CONGRESS.

(a) IN GENERAL.—The United States Trade Representative, in consultation with the appropriate agencies, including U.S. Customs and Border Protection, the United States Fish and Wildlife Service, the Animal and Plant Health Inspection Service, the Forest Service, and the Department of State, shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on—

(1) steps the United States and Peru have taken to carry out Annex 18.3.4 of the Agreement; and

(2) activities related to forest sector governance carried out under the Environmental Cooperation Agreement entered into between the United States and Peru on July 24, 2006.

(b) TIMING OF REPORT.—The United States Trade Representative shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives under subsection (a)—

(1) not later than 1 year after the date on which the Agreement enters into force;

(2) not later than 2 years after the date on which the Agreement enters into force; and

(3) periodically thereafter.

#### TITLE VI—OFFSETS

##### SEC. 601. CUSTOMS USER FEES.

(a) Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(A)) is amended by striking “October 21, 2014” and inserting “December 13, 2014”.

(b) Section 13031(j)(3)(B)(i) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(B)(i)) is amended by striking “October 7, 2014” and inserting “December 13, 2014”.

##### SEC. 602. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 (26 U.S.C. 6655 note) is amended by striking “115 percent” and inserting “115.75 percent”.

The SPEAKER pro tempore. Pursuant to House Resolution 801, the gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCRERY), or their designees, each will control 45 minutes in favor of the bill; and the gentleman from Maine (Mr. MICHAUD) and the gentleman from Ohio (Mr. BOEHNER), or their designees, each will control 45 minutes in opposition to the bill.

The Chair understands that the gentleman from Louisiana (Mr. MCCRERY) also is the designee of Mr. BOEHNER. As such, Mr. MCCRERY controls a total of 90 minutes.

The Chair recognizes the gentleman from New York.

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

Mr. Speaker, I rise in support of this historic, indeed, piece of legislation, and soon I would ask unanimous consent that you allow me to yield the balance of this time to Mr. LEVIN, who may not be able to be here the remainder of the night, and then I will come back to manage the rest of the time.

But I really want to thank Speaker PELOSI for having the broad understanding that this great Nation of ours cannot afford the luxury of having a Republican or Democratic trade policy.

What makes this Nation great is that people perceive us as being a country that will speak when we have any trade agreement, and that when the Democrats took the majority, we certainly did not want a Democratic trade bill. It was so embarrassing to have foreign trade ministers talk to Republicans and talk with the Democrats and saw we're a divided Nation.

She authorized those of us to work with the administration to see whether or not we can bring something that sounded as though it was the United States Congress speaking and being directed to allow them to be the delegations and negotiators.

I can tell you that JIM MCCRERY played such an important role, along with WALLY HERGER, and of course, I can't say enough about SANDY LEVIN being able to work with me and the staffs for the first time in over a decade. And on this issue, as so many other issues, you could not find a difference as we found the Republican staff and the Democratic staff in working not just during the day but working at night, working with the Peruvians and even going over there with some of us, with Mr. LEVIN and Ms. SCHWARTZ, went to talk with President Garcia and to see the respect and admiration they had with this great country, that they wanted to show their friendship and to have exchanges and to have us a stronger country.

□ 2030

I know that, politically speaking, there are some people that find it very difficult to talk about supporting trade. They made commitments to a lot of people. Therefore, they have to do what they think is best.

It's absolutely ridiculous to believe that we can create jobs without trade. If we just are able to consume everything we manufacture, all the food that we grow, and not be able to have markets abroad, then this is not the great Nation that she is or hopes ever to be. So what we are talking about now is what's good for the country. We have to admit that we have done a terrible job in not recognizing the needs of people who have lost their jobs, lost their families, lost their industry, lost their community, lost their pride.

Mr. MCCRERY and I, we think that we have been able to convince the administration, as we go before the Business

Roundtable and say our multinationals can't do just what's good for their shareholders, they have to do what's good for America. And if globalization and technology have hurt some of these communities and destroyed their will to want to be able to say that in this great country they have opportunities for themselves or their children, well, treat us just as good as you treat the developing countries. Bring your ideas, bring the technology and the Ways and Means Committee will provide the incentives to make certain that we can get back, and these communities may not be doing the same thing, but God knows they would be able to do something.

Here we have a bill that you don't have to be a trade specialist to know that if people are manufacturing and growing in the United States, and we are dealing with a developing country, and they are not only our friends, but they want to work with us, then we have an opportunity to tear down the trade barriers and to be able to get into their markets as they are able to get into our markets so easily.

And so there are those people that cannot vote for it, but I think that because our great Speaker and the Republican leadership allowed Mr. MCCRERY and I and SANDY and WALLY HERGER to negotiate something, it doesn't mean that every trade agreement is going to be one that everyone can agree to. What it does mean is that in every trade agreement, America's trade policy is going to be a part of it. How do you treat human beings? How do you treat child labor? How do you treat American investors? And how do you treat the environment? That's a great step forward.

I would hope, as the Speaker said, that as people are listening to who is calling in, remember the world is calling in. The world is watching how we treat friends, and people all over this country would not want us to believe that we are anti-fair trade and trade that creates jobs.

Some people thought I was being personal when I said don't say this trade agreement loses jobs, this is the only place that people are doing anything, growing anything, can work with people who want to do business with us. It's a great, historic opportunity.

Mr. Speaker, I do hope that people would want to be a part of this changing thing, where once again people would know that when you do business with the people of the United States, you're not doing business with Democrats because we control the House and Senate, and you're not doing business with Republicans, you're doing business with Americans who want to do the best for them, the best for this great country, to improve our quality of life. We can't do it by party, but we can do it by principle.

I thank you for this opportunity and I would ask consent to yield the balance of this time to Mr. LEVIN to be able to control until such time as he has to leave.

The SPEAKER pro tempore. The gentleman reserves the balance of his time.

Without objection, the gentleman from Michigan will control the time.

There was no objection.

Mr. MCCRERY. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, I first want to endorse the remarks of my colleague, the chairman of the Ways and Means Committee, Mr. RANGEL.

Indeed, had it not been for his efforts and Chairman LEVIN's efforts, we would not be here on the floor about to pass the Peru Free Trade Agreement. There is no reason why this country should not have a bipartisan trade policy that is endorsed by both the executive branch and the legislative branch of government.

For too long, for whatever reasons, we have avoided trying to create that agreement that a majority of both major political parties in this country could stand behind and promote breaking down barriers to trade around the world.

I am hopeful that through the chairman's work and through Chairman LEVIN's work with the administration, we have at least gotten to first base on creating a policy that will allow us to move forward as one Nation trying to create a freer flow of goods and services around the world for the betterment, not just of this country, but for all the world.

I want to echo the words of Chairman RANGEL and say that I couldn't agree more with his words or his sentiment.

I also want to express my appreciation for the majority staff and the minority staff of the Trade Subcommittee of the Ways and Means Committee for lending their considerable talents to this effort. I think it's safe to say that without their efforts, without their cooperation, we wouldn't be here today. We wouldn't have the bipartisan framework that we announced back in May to allow us to get this far. I want to thank the staff for their hard work.

Needless to say, I rise in very strong support of this free trade agreement. I am glad we are here. I wish we had been here sooner, but we are here today, and it's a great day for that reason.

On May 10, precisely, Congress and the administration established that framework for advancing the four free trade agreements the United States has negotiated, Peru, Colombia, Panama and Korea. The Peru Free Trade Agreement is the first of those four trade agreements that Congress is considering.

As the Speaker said earlier, at least we have that framework in place that can allow us to look at free trade agreements that have been negotiated. Then each one, yes, of course, must be considered on its own merits. At least we have that framework in place, and that will allow us to, I am very hopeful, consider later in this Congress the

Colombia FTA, the Panama FTA and the Korea FTA.

Trade is often blamed for the loss of jobs in this country, and certainly we know that there are losses of some jobs directly related to trade. But the truth is that trade creates a great many jobs in this country, and those jobs generally are high-paying jobs.

Trade also significantly increases the standard of living for Americans, as well as the peoples of other nations around the world by providing us with a wide variety of affordable goods, goods that are not only affordable but available.

Anybody who appreciates fresh produce in the winter or coffee with their breakfast should be a fan of free trade. Too often trade is portrayed as only having negative consequences for the United States' economy. But the facts are clear that today, more than ever, trade is the engine of economic growth in the United States.

As a senior economist at Goldman Sachs was saying last week, "Trade is the only thing holding up manufacturing." This is why passing this legislation, and then, I hope, moving expeditiously to pass the free trade agreements with Colombia, Panama and Korea is so critical to the economic well-being of the United States.

By the same token, we should also make sure that any workers adversely affected by trade have access to training and support. I am hopeful we will move in this Congress a bipartisan trade adjustment assistance reauthorization.

In light of the significance of trade to the United States' economy, Congress should promote our continued economic growth by passing the United States-Peru Trade Promotion Agreement. Today, virtually all imports from Peru come into the United States duty-free, while United States exports of goods and services to Peru face significant barriers, tariffs in Peru. It's a one-way street in favor of Peru today because of the trade preferences that are in effect.

This legislation before the House today will create a two-way street so that our goods and services can go to Peru with the same preferences, no tariffs, or very low tariffs that Peru goods and services come today to the United States. Not passing this agreement would perpetuate the competitive disadvantage faced by United States exporters into Peru.

Therefore, the impact of passing this bill should be crystal clear. This trade agreement will result in increased United States exports and an improvement in the United States trade balance with Peru.

I had the opportunity to travel to Peru recently with several of my colleagues and Secretary of Commerce Gutierrez earlier this fall. I saw firsthand how important this agreement is to Peru and to the entire region and how this agreement will strengthen an important ally of ours in that region.

Peru is resisting the efforts of Venezuela's authoritarian President Hugo Chavez to wage a war of words and ideas in Latin America against the United States. In fact, Chavez blatantly intervened in Peru's democratic elections, espousing sentiments against the United States and the principles for which America stands, democracy, free markets, liberty. On June 4, 2006, Peruvian voters decisively rejected Chavez's candidate in Peru and instead chose Alan Garcia to be their next president. The election was a sign of support from Peru that they reject Chavez's fiery populism and instead continue supporting Peru's current policies of economic engagement with the United States and market reform.

Congress should acknowledge the support of the people of Peru and pass this legislation by a strong margin. We should then turn to the remaining FTAs that have been negotiated.

I hope that the bipartisan spirit that resulted in the May 10 framework and the imminent passage of this legislation can help us make clear to all Americans that trade is a benefit for this country and that we must continue to pursue trade agreements that open markets for United States exports or risk letting our companies and workers being left behind in the global economy.

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

Mr. MICHAUD. Mr. Speaker, I would like to yield 1 minute to a gentleman who has been a strong advocate for fair trade deals, Mr. WU of Oregon.

Mr. WU. Mr. Speaker, I want to express my great respect to Chairman LEVIN and Chairman RANGEL and deep appreciation for the improvements that they have achieved in this bill compared to past trade bills. I came to Congress, ran for a Federal office, substantially to promote democracy, human rights and the rule of law, both at home and abroad. Trade agreements are one of the few, one of the key levers to promote democracy, human rights and the rule of law abroad.

So I regret that I cannot vote for this bill tonight because it does not put human rights on an equal footing with environmental and labor protections. But I do hope to work with the chairman and people on both sides of the aisle of goodwill to reach a day, some day, when human rights will be included in trade deliberations on an equal footing with environmental and labor protections.

Mr. MCCRERY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois, a member of the Ways and Means Committee, Mr. WELLER.

Mr. WELLER of Illinois. Let me begin by congratulating the chairman of this committee, Mr. RANGEL, and the chairman of the Trade Subcommittee, Mr. LEVIN, as well as the two ranking Republicans, Mr. MCCRERY and Mr. HERGER, for their leadership in bringing this important trade agreement to the floor. I also want to congratulate

Ambassador Susan Schwab, our trade negotiator, as well as her predecessor, Rob Portman, in their good work and frankly also congratulate the leadership of Peru, particularly President Garcia and former President Toledo and their administrations.

Mr. Speaker, trade is important to my State of Illinois. One out of five jobs in Illinois is dependent on exports, and 40 percent of the agricultural products in the State of Illinois are dependent on exports.

□ 2045

In fact, 17,000 Illinois companies export. And trade agreements are working for Illinois. My State benefits, my district benefits. In fact, if you look at the nations that we have free trade agreements with, they represent almost half of all our exports today, even though they represent only 7 percent of all the nations. And free trade, in the last 10, 12 years has created 16 million jobs nationwide, thousands in my own State. And this trade agreement here is good for Illinois manufacturers; it's good for Illinois farmers.

You know, my friend Mr. MCCRERY pointed out that the current status quo, which was renewed recently by this Congress, gives Peru a pretty good deal. Their manufactured goods, their farm products come into the United States duty free. But our products made in Illinois, manufactured goods and farm products, face tariffs going into Peru.

Well, this trade agreement makes trade with Peru a two-way street. On day one of this trade agreement going into effect, 80 percent of the tariffs on manufactured products from Illinois are eliminated.

Now, I have 8,000 workers, 8,000 union workers who make yellow construction equipment, well-recognized household name, in my district. And half of the product they produce is exported. This agreement's good for them.

But under the current status quo, those mining trucks, those off-road construction equipment that are produced in Joliet and Decatur, they face a 12 percent tariff. And that equipment's a \$1 million piece of equipment. That's \$120,000 tariff tax imposed on that yellow piece of equipment when it's exported to Peru today.

And under this trade agreement, that tariff is eliminated on day one, allowing U.S.-made, Illinois-made construction equipment to be more competitive with their Japanese and Asian competition. It means jobs in Illinois.

And I would note, if you care about agriculture in Illinois, farmers will tell you that the Peru and Colombia trade agreements are the best ever for agriculture. This agreement deserves bipartisan support.

Mr. LEVIN. I now yield 2 minutes to our caucus Chair, and a member of the Ways and Means Committee, the very distinguished Member from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I first want to thank both the chairman of

the Ways and Means Committee, also Congressman LEVIN, as well as the minority leader, Congressman MCCRERY, for their leadership on this issue.

This bill picks up exactly where the last trade agreement with Singapore and Jordan was, where we were putting a human face on globalization; that is, having labor environmental standards inside those trade agreements. The last 6 years we walked away from that bipartisan agreement. This restores that bipartisan agreement and again returns America to where, when it comes to opening markets around the world to American products, we stand together for that opportunity.

But make no mistake about it. While that is one piece of an overall economic strategy, this is a good piece, it's an important piece, opening markets to American-made products.

But, in addition to this, we must have an economic strategy that deals with people's retirement insecurities, their health care insecurities as it relates to their costs and opportunities, as well as educational opportunities for their children. If you don't have that as part of this strategy, we only have one piece of that economic strategy. This is an important piece, and it continues, I think, the responsibility we have to open markets across the world to American-made products.

But we must finish our effort on dealing with globalization as it relates to the opportunity, not just the opportunities abroad, but the challenges here at home to make sure people and more and more Americans have an opportunity to be winners in this globalization rather than see globalization as a threat to their own economic security.

So, although I do support this, and I support this aggressively because this is a good deal, it returns us to the bipartisanship, and most importantly, in my view, this begins to once again put a human face on globalization and allows the American employees and workers who are struggling every day to see this as globalization, not as a threat to their economic security, but as an opportunity. If we do that, globalization and more people will be winners.

Mr. MCCRERY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota, a valued member of the Ways and Means Committee (Mr. RAMSTAD).

Mr. RAMSTAD. I thank the ranking member for yielding. And I, too, want to applaud Chairman RANGEL, Chairman LEVIN, and Ranking Member MCCRERY for the new spirit of bipartisanship and collaboration on the committee, which has resulted in this agreement getting here this evening, remarkable accomplishment. The Ways and Means Committee voted this out on a unanimous vote, unanimous bipartisan vote.

And, Mr. Speaker, I rise in strong support of H.R. 3688, the U.S.-Peru Trade Promotion Agreement Implementation Act. I've long been an ardent supporter of trade expansion.

Mr. Speaker, the bottom line is jobs. Fully 95 percent of the world's population lives outside the United States. The global economy's projected to grow at three times the rate of the United States economy. So, it doesn't take a mathematician to figure that we must take steps to make sure American farmers, manufacturers and service providers remain competitive in the international marketplace.

We also must make sure our products have fair access to foreign markets. Job creation depends upon both factors.

But this agreement is about more than expanding markets for U.S. goods and services. In fact, it's about more than job creation. It will also have a significant geopolitical impact.

As we all know, and as has been said on the floor tonight, South America's on the precipice of choosing between the free market, democratic West and the autocratic, dictatorial model being peddled by Venezuelan President Hugo Chavez.

Chavez continues to lure Latin American countries into his fold through false promises and blatant, unabashed bribery. This agreement that we're debating here tonight offers a legitimate alternative for Peru, an alternative to make significant economic strides and alleviate poverty, while providing increased market opportunities for both countries, U.S. businesses as well as Peruvian businesses, because, you see, Mr. Speaker, as most people in this body understand, trade is a win-win proposition. Both win when we expand trade, both countries.

The empirical data, Mr. Speaker, clearly shows the benefits to both countries, both economies. And as a Member who has a personal history with the Peruvian people, who's gone on several missions with our mission group from home, I urge Members not to ignore the humanitarian benefits as well as the geopolitical benefits that come along with passage of this agreement.

Finally, Mr. Speaker, I want to send my sincere thanks and gratitude to our Peruvian counterparts who worked so hard to make this agreement a reality. Former President Toledo and former Ambassador Ferraro worked tirelessly to address the concerns of many of us here in this body, especially on the Ways and Means Committee, came and met with us at least three times. Many of us went over to Peru to meet with them. Also President Garcia and Ambassador Ortiz.

Mr. Speaker, let's do the right thing for American workers and vote "yes" on this trade agreement.

Mr. MICHAUD. Mr. Speaker, I now would yield to a gentleman who has been in this body for a number of years, who has seen firsthand the devastation of bad trade deals such as Peru, the gentleman from Michigan (Mr. KILDEE) for 3 minutes.

Mr. KILDEE. Mr. Speaker, all trade agreements suffer from the same fun-

damental flaw: They are not self-enforcing. Trade agreements depend upon vigorous enforcement, which requires official complaints be made when violations occur.

None of the six Presidents with whom I have served here in the Congress have shown any eagerness to file complaints when agreements are violated. I certainly have no faith in President Bush to show any enthusiasm to enforce this agreement.

Congress should not hand this administration yet another trade agreement because past agreements have been more efficient at exporting jobs than goods and services.

My city of Flint, Michigan, has dropped in population from 190,000 to 118,000. Much of this loss is due to trade agreements. If you want to put the human face on trade, come and look at the sad faces in Flint, Michigan.

Mr. Speaker, shortly after NAFTA was passed, workers at Delphi in Flint were ordered to package up manufacturing machinery for transport to Mexico. They were actually exporting their jobs to another country in packing crates.

And to add insult to injury, the following year, the U.S. Department of Commerce was reporting the increase of exports to Mexico, and they included that machinery from Flint, Michigan. They included that exportation of jobs as progress. This was the United States Department of Commerce. This was not the Mexican Department of Commerce bragging how jobs had been exported to Mexico.

I appeal to all Members of Congress to vote "no" on this. But I appeal especially to my fellow Democrats not to turn their backs on those American workers who suffer from the export of their jobs. They want a paycheck in Flint, Michigan, not a TAA unemployment check. And the chance of TAA becoming law is far from certain.

I urge you, particularly on this side of the aisle, to stop the exportation of American jobs and vote "no" on this free trade agreement.

Mr. MCCRERY. Mr. Speaker, at this time I would yield 5 minutes to the distinguished minority whip, the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding. I thank him for his hard work, the hard work of my good friend, the chairman of the committee, Mr. LEVIN, of Mr. HERGER, for working to bring this important bill to the floor.

Americans can and do compete all over the world. They can and do compete successfully all over the world. And it's particularly important that we compete in our own neighborhood.

Many of us, over the last several years, have begun to look at what's happened in the last two decades to our neighbors to the south and their relationships with us, and we saw those relationships drifting away. One way to strengthen those relationships is to strengthen this opportunity to work

together, this opportunity to trade together, this opportunity to have legal systems that encourage investment and trade. And we can do that.

The point's been made already by speakers on both sides of the aisle that for some time now, Peru, Colombia, Panama, the CAFTA countries that are now moving in and have moved into a permanent trade relationship with us, for some time now they've been able to ship all of the things into our market without duties that they could possibly ship into our market.

In fact, as we've discussed these trade bills in the past, I've had Members on both sides of aisle ask me, well, if they can send everything in here they want to send in, why would they even want this arrangement?

Of course, the reason is not the immediate economics to them, because the immediate economics to them are already very good. The reason is the long-term tie and relationship of their economy to our economy, the strength it gives them in this hemisphere to be a partner, a trading partner with the United States. And we see that happen.

The projection on this opportunity alone is that U.S. exports to Peru will increase by over \$1 billion a year; not much projection on increase early on from Peru, because, remember, they're already sending everything here that they want to without tariffs. This removes the barriers not for them; they've already been removed. This removes the barriers for us.

And our neighborhood's important. Our hemisphere is important. The United States has been blessed in many, many ways. And as we see the opportunities grow for people in all of the Americas, that's actually good for us. One billion dollars in exports means \$1 billion in manufactured goods from this country, some services from this country going to Peru. And I think that Peru should only be the beginning of what we do over the next few months.

Following on CAFTA, Peru, Panama, Colombia, all of which have, at this moment, the access to our markets they would have after the agreement, we need access to their markets.

□ 2100

We need that permanence of relationship. We need that reaching out to say that we are in this hemisphere together, we are in a global economy, and the part of that economy that we should all benefit from the most is the economy closest to us. And Mr. MCCRERY and Mr. RANGEL have worked hard to establish a framework here that's the framework for the work we do tonight and tomorrow but also is the framework for what we do in the rest of this Congress.

I urge my colleagues to look not just at the economic impact of these agreements but also the geopolitical impact, the impact in our neighborhood, the impact in our hemisphere, the opportunity of these countries to work to

eliminate illegal trade and particularly to eliminate illegal drug trade, the opportunity in these countries to open their markets to us as we have opened our markets to them. I urge my colleagues to give support to this agreement as we look at the future of other agreements and other opportunities.

Americans can compete. Americans are competing. And this agreement will prove the American ability to compete in yet one more country.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to another distinguished member of the Ways and Means Committee, Mr. TANNER.

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

Mr. TANNER. Mr. Speaker, trade is not a political issue; trade is an economic issue. The economics of this agreement are such that Peru, if you voted for the Andean trade preference, already has access to our markets without regard to tariffs and duty. This is the other side of the coin and will allow us to immediately export into Peru cotton, soybeans, soybean meal, crude soybean oil, beef, wheat, sorghum, peanuts. This is the other side of the Andean Trade Preference Act. So if you believe, as I do, that in this country we can grow more food than we can consume, we can make more stuff than we can buy and sell to each other, then it's not a political argument; it's an economic fact of capitalism that whoever is engaged in that excess production is going to lose their job because we cannot eat all the food we can grow and we can't buy and sell to each other all the stuff we make.

So how do we save jobs in this country? By exporting manufactured goods and agricultural products that we can grow and that we can make. This allows us to do better than current law.

Now, if you want to vote "no," what do you get? You get status quo. I thought that's what we were trying to change. We don't like status quo. We want more jobs in America. How do you get more jobs? You get more jobs by allowing people who are engaged in excess production to sell it to somebody else out of this country. That's what it's about.

There is one more aspect that I would like to touch on briefly, the national security aspect. South America is going to go one way or the other. I was just in Colombia, South America this last weekend. Chavez and Venezuela is against this. Are you with Chavez or are you with America? That really is basically what I am trying to talk about.

Mr. MCCRERY. Mr. Speaker, I yield 5 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. I thank the gentleman for yielding.

I must tell you, Mr. Speaker, I have seen this FTA evolve and I have watched it, representing as I do an area

of the country where we have seen both the positives and the negatives of globalization and of trade, and I watched this FTA fully prepared to be skeptical.

Mr. Speaker, I am very pleased today to rise in strong support of this free trade agreement on the strength of the fact that it clearly will further advance America's economic as well as political and foreign policy interests.

As you know, Mr. Speaker, since 1991 our country's commercial partnership with Peru has been driven by unilateral preferences extended to Peru under the Andean Trade Preference Act. Over the past 16 years, Peru clearly has demonstrated its commitment to that agreement in both terms of political and institutional resources. After making significant strides in shifting away from production and shipment of illegal drugs, Peru has become a proven ally and has established itself as a steadfast partner in combating narcotics trafficking, countering regional terror groups, and helping to supply America's energy needs. Approval of this trade agreement will be a critical signal to the Peruvian people and not only help to promote closer ties but to open the door to a new era of trade for our country.

We recognize that the Peruvian economy is roughly the size of the State of Louisiana that the distinguished ranking member represents. It is roughly the size of Louisiana as of 2005. While Peru is not an enormous market, it is still a significant opportunity for U.S. exports.

In 2006, 98 percent of Peruvian exports entered the United States duty-free under the Andean trade pact. The U.S.-Peru Trade Promotion Agreement levels the playing field by moving beyond one-way preferences to full partnership and reciprocal commitments under which U.S. exports also benefit from duty-free treatment. Under this agreement, 80 percent of U.S. exports would become duty-free from day one and other tariffs on exports would be phased out.

The International Trade Commission has estimated that U.S. exports to Peru will grow by \$1.1 billion, or more than double the estimated growth of imports from Peru. Additionally, the ITC estimates that the big winners in the U.S. economy will be value-added products, especially in the machinery and equipment sector. The largest import gains from Peru, the ITC estimates, will be inputs, such as basic metals as gold and copper.

In addition to being economically complementary, this agreement will provide substantial new opportunities for American farmers' agricultural exports, break down barriers facing U.S. service providers, and strengthen protections for workers. In fact, the U.S.-Peru Trade Promotion Agreement marks a significant milestone with its inclusion of the most advanced labor obligations of any bilateral or regional trade agreement.

Specifically, this trade pact will require Peru to adopt and maintain fundamental labor rights, as stated in the International Labor Organization Declaration Principles and Rights at Work. This includes freedom of association, collective bargaining rights, the abolition of child labor, among others. Mr. Speaker, these standards are an enforceable part of the agreement, and that is in itself a seminal reform.

Mr. Speaker, there are additional components that I think make this FTA particularly compelling, including enforceable environmental standards. This is a high standard agreement that furthers the commercial and foreign interests of the United States of America.

What this is not, and I emphasize this to my constituents, this is not another NAFTA. This is not a threat to our manufacturing base. I think this is precisely the kind of agreement that many of us have argued for for years.

Isn't it time, if we want a stronger trade policy, that we take "yes" for an answer? If we embrace this free trade agreement, we have an opportunity to use it as a model for future trade agreements, and that in turn will strengthen the hand and level the playing field for American companies and American workers.

For all of my colleagues who share that goal, please vote for this FTA. Please send that message.

Mr. MICHAUD. Mr. Speaker, I now would yield 3 minutes to a gentleman who is very outspoken about fair trade deals, the gentleman from Ohio, Congressman KUCINICH.

Mr. KUCINICH. I thank the gentleman from Maine for his own leadership.

The U.S.-Peru Free Trade Agreement continues the destructive trade policies that spur the exodus of good-paying jobs and undermine the ability of working people to protect their living standards.

Our workers and our communities have been hurt by the devastating impacts of our flawed trade policies. Since 2001, over 3 million valuable manufacturing jobs have been lost by U.S. workers due to the unsound NAFTA model of trade analogous to the U.S.-Peru Free Trade Agreement we are considering tonight. Yet the Bush administration insists on continuing to implement the same policies that have off-shored jobs and left hard-working Americans in precarious circumstances.

Common sense suggests that our trade policies must continue to promote and expand Buy American practices that support American competitiveness. Instead, this agreement undermines Buy American programs.

This destructive trade bill requires that all firms in Peru, Peruvian or otherwise, be granted equivalent access to outsourced U.S. Government work and Buy American program contracts as our own U.S. firms. Suggesting that Buy American should include Peruvian

businesses indicates that the multinational corporations are the real beneficiaries of the free trade agreement.

This body successfully fended off the Bush administration's attempts to privatize our Social Security system in 2005. It should follow that this body would hold firm on this principle for other nations as well.

However, there are provisions in the Peru FTA that would allow U.S. firms to exact compensation if the Peruvian Government reverses the partial privatization of their own social security system. Citibank would reap a windfall if Peru did what the U.S. Congress has voted to do, roll back the privatization of Social Security.

Furthermore, the U.S.-Peru FTA threatens the citizens and workers of Peru. The two main labor federations of Peru have expressed opposition to the agreement over concerns for the workers of both of our nations.

As corporations cut U.S. jobs and relocate in search of lower labor costs, the U.S.-Peru FTA threatens to expand sweatshop labor in Peru and casts doubt on the adequate enforcement of worker protections. In a country already fraught by high poverty levels and a growing gap between the wealthy and the poor, the U.S.-Peru FTA will further exacerbate Peru's difficulties with provisions that ultimately promote privatization and deregulation of basic necessities such as water and electricity.

Agricultural provisions of this agreement threaten the well-being of Peru's peasant farmers. These provisions are expected to cause displacement of farmers and increased hunger. Peru has over 7 million citizens living in rural communities, with agriculture helping to sustain one-third of its population. It is estimated that over 4.5 million Peruvians are malnourished and without much-needed income.

I urge the defeat of this trade agreement and standing up for the American worker.

Coca cultivation requires minimal technology, produces four yields annually and is profitable. Because the Peru FTA includes provisions requiring Peru to reduce tariffs on U.S. agricultural products it is predicted that many Peruvian farmers will turn to the illicit cultivation of coca to earn a living.

Experts predict that these agricultural provisions of this NAFTA style deal threaten an increase of undocumented migration into the U.S. This has implications for our immigration system, a system that is already badly in need of humane reform.

Terms in the U.S.-Peru FTA for drug makers will harm Peruvian patients who need life-saving medications. The provisions ensure that patients in Peru will struggle to afford necessary drugs.

Corporations will be able to challenge domestic environmental and public health laws in international tribunals. This gives corporations the ability to circumvent accountability and undermine laws that exist to protect people and the environment.

Failed trade policies that threaten natural resources and our environment have been the

status quo for too long and will only continue under the U.S.-Peru FTA.

Like prior trade agreements, the U.S.-Peru FTA will not bring global prosperity and well-being, but will instead bolster powerful corporations. I urge my colleagues to oppose the U.S.-Peru FTA.

Mr. LEVIN. How much time is there?

The SPEAKER pro tempore (Mr. SNYDER). The gentleman from Michigan has 29½ minutes remaining tonight. The gentleman from Louisiana has 56½ minutes remaining tonight. The gentleman from Maine has 33½ minutes remaining tonight.

Mr. MCCRERY. Mr. Speaker, I ask unanimous consent that the gentleman from California (Mr. HERGER), the ranking member of the Trade Subcommittee of the Ways and Means Committee, be allowed to allocate the remainder of my time.

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

There was no objection.

□ 2115

Mr. HERGER. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina, Mr. ROBIN HAYES.

Mr. HAYES. I want to thank Chairman RANGEL, Chairman HERGER and Chairman MCCRERY for their great work. Unfortunately, I must rise today in opposition to H.R. 3688, the U.S.-Peru Trade Promotion Agreement.

My opposition to this agreement stems from what the American Manufacturing Trade Action Coalition calls a continuation of a flawed trade policy of trade deficits, offshoring and job losses.

Auggie Tantillo, the executive director of AMTAC goes on to state, "Congress spending the entire year focusing on an unpopular Peru FTA instead of passing a strong anticurrency manipulation bill is an enormous disappointment to U.S. manufacturers desperate for relief from China's predatory trade practices." Folks, I could not agree more. I don't see where this particular legislation helps combat the largest threat to our Nation's manufacturing base, China.

As many of you know, manufacturing, the textile industry in particular, has taken a massive hit in both loss of jobs in businesses due directly to unfair trade practices by China and their fixed currency. Without a level playing field for our textile workers, businesses, and the manufacturing sector in general, the demise of our manufacturing industry will continue to take place all over the country.

I'm a cosponsor and strong supporter of the Currency Reform for Fair Trade Act, which was sponsored by Congressmen DUNCAN HUNTER and TIM RYAN. This important piece of legislation will level the playing field for American companies by stipulating that countervailing trade cases targeting government subsidies can be brought against nonmarket economies such as China, and it does it in a WTO-compliant manner.

Another issue I'm concerned with is the lack of enforcement of our current trade laws, in particular with textile enforcement. Textile enforcement is vital to the future of the U.S. textile industry and its workforce. The U.S. textile and apparel industry is critical to the economic national security of our Nation.

The industry contributes almost \$120 billion to our Nation's GDP. However, we are putting this industry and its workforce in harm's way if Customs does not continue to utilize all enforcement tools, such as seizures, detentions and special operations to help our Nation's industrial base.

Folks, we need to get our priorities right here. We need to focus on preserving American jobs and American businesses. We have lost too many jobs. Too many companies have been hurt because of unfair Chinese trade practices and lack of proper enforcement. It's time to start fighting back.

Mr. LEVIN. I yield to the gentlelady from New York for a unanimous consent.

(Mrs. MALONEY of New York asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY of New York. I thank the gentleman for yielding.

I congratulate the dean of our delegation for his leadership on this important agreement, and I rise in strong support.

Mr. Speaker, I rise in support of the U.S.-Peru Free Trade Agreement.

This agreement represents a new direction for trade agreements.

This agreement will provide greater market access for and remove tariffs on American goods with a country that already enjoys the export of a number of goods to the United States duty-free.

Working off the historic agreement negotiated by Democrats in May of this year, this agreement has been negotiated to include critical labor and environmental provisions and will help ensure the economic and national security of the region.

It was the lack of these environmental and labor standards that led me to vote against the North American Free Trade Agreement (NAFTA) and the Central American Free Trade Agreement (CAFTA).

Among the labor standards negotiated in this agreement are worker rights and protections for which we have fought these many years.

As a result of the May 10 agreement negotiated by House Democrats, the labor chapter of the Peru FTA includes a fully enforceable commitment that countries adopt and enforce the five basic international labor standards.

In addition, this agreement also includes commitments to enforce a sixth set of rights—those pertaining to acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.

This agreement includes critical new environmental provisions.

It requires Peru to adopt, maintain, and enforce obligations under seven common multilateral environmental agreements; specify numerous concrete steps that Peru must take to curb illegal logging and impose a clear schedule for doing so; and it gives the United States



an unprecedented set of enforcement tools to ensure that Peru meets its environmental commitments.

These provisions are a far cry from the “enforce your own laws” of NAFTA and CAFTA.

Beyond the labor and environmental standards negotiated in this agreement, I believe this agreement is a vital instrument towards economic and political security.

Having a strong and stable ally in Latin America will allow aid to the United States in our continued battle against narcotic trafficking.

Again, I support this agreement and I urge its passage.

Mr. LEVIN. Mr. Speaker, I yield myself 15 seconds.

I just want to say to our distinguished colleague from Ohio (Mr. KUCINICH), who raised the Social Security issue, it's simply not accurate. If you look at the language within the FTA, there is no basis for these claims regarding the inability of Peru to open doors to open doors for us. And I encourage my colleagues, who I have stood with, I am a 100 percent labor voter, but I stand here this evening to say, let's give them a chance, let's give them an opportunity, get broader and change our piece.

Mr. HERGER. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin, a member of the Ways and Means Committee, ranking member of the Budget Committee, Mr. RYAN.

Mr. RYAN of Wisconsin. I thank the distinguished ranking member of the subcommittee for yielding.

Mr. Speaker, if you're not going to vote for this trade agreement, you're probably not going to vote for any trade agreement that's before us.

This trade agreement is a no-brainer. This trade agreement is a bipartisan agreement. This trade agreement shows what you can get accomplished when we all work together.

This trade agreement recognizes the fact that we have one-way trade right now with Peru, and with this agreement we have two-way trade. Ninety-seven percent of all of Peru's exports come into the U.S. duty free; only 2.8 percent of our goods go to Peru duty free. This lets us send our stuff there duty free. This gives us the same opportunity to send our exports as we already give the Peruvians.

Now, what we hear often on the floor about why trade agreements are so bad, it's usually the trade deficit. Well, here is one interesting statistic, Mr. Speaker: 85 percent of the trade deficit comes from countries we don't have trade agreements with. You see, when we get trade agreements, we get good agreements for our country. We get the rule of law. We get enforceable contracts. We get access to their markets. Why is that important? It's important to get access to other markets because 97 percent of the world's consumers are not here in America; they're overseas. Ninety-seven percent of the world's consumers are elsewhere outside of this country.

We are a mature country, a fast economy, a mature economy. We have a high standard of living relative to the rest of the world. And if we want to enjoy that high standard of living, if we want to build on that high standard of living, if we want to fulfill the American Dream, which our parents and grandparents always taught us, which is, in America, you leave the

next generation better off than your generation, you've got to find more markets and more consumers for our products.

We cannot possibly consume all that we make and all that we do because only 3 percent of the world's consumers are here. That's why we have to open markets; that's why we have to have access.

This is a good agreement for foreign policy reasons. This is saying to the reformers in Latin America, we're with you. This is saying to the human rights movement, to individual rights, to democracy, we are with you. America stands with you. That is so important at a time when you have a threat knocking on the door from people like Chavez next door in Venezuela.

Let me just read a few statistics of some of the recent successes of some of our recent free trade agreements with respect to our exports, which creates jobs, and how this has helped grow America's standard of living.

Since we've had free trade agreements with these countries, here is the success: Our exports to Jordan, up 92 percent; our exports to Chile, up 150 percent; our exports to Singapore, up 49 percent; our exports to Australia, up 25 percent; our exports to Morocco, up 67 percent; our exports to Bahrain, up 40 percent. Our exports are up 15 percent this year alone. That's one of the reasons why our economy grew at an astounding rate of 3.9 percent last quarter alone, because of exports. And we all know, the statistics are very clear, that exports produce good-paying jobs.

So, Mr. Speaker, this is a chance to strike a blow for enforceable contracts, for the rule of law, for worker rights in Latin America, and for jobs here in America.

Again, as I mentioned in the start, this is a no-brainer. I want to thank the chairman of the Ways and Means, Mr. RANGEL, for his work on this. I want to thank our ranking member, Mr. MCCRERY, for his work on this. And I also want to thank the people who really sweat this thing out at the negotiating table, the people at the USTR, and our Ambassador, Susan Schwab, for all of the hard work they put into this. This is one step in the right direction. Panama and Colombia are two more steps in the right direction.

I urge adoption of this.

Mr. MICHAUD. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts, Representative LYNCH.

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

Mr. LYNCH. I don't know what it means when someone calls something a no-brainer and then he takes credit for it, but I rise in opposition.

First of all, I want to say that I have enormous respect for the gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. LEVIN), and Mr. NEAL, who is also part of this, Mr. MCCRERY, Mr. HERGER. Look, while

I commend my friends for their work in incorporating the International Labor Standards in this agreement, and that is an accomplishment, and I concede that, I must say that, for the record, Peru has already adopted the eight core International Labor Standards in their country already, and yet the record also indicates that, number one, based on the ILO reports, that we've got 2 million children working right now in Peru. It also indicates, the same reports, that 33,000 people are currently subject to forced labor in the Amazon region. Our own State Department reports that there is extensive non-compliance with the minimum wage guidelines, and that more than half of the population in Peru earns the minimum wage. You know what the minimum wage in Peru is? \$3.60 a day. There was a gentleman up here earlier tonight who said that Peru's economy was the size of Louisiana. I just beg to differ on that point. The World Factbook indicates it's less than half. But these conditions are far from free trade.

Here's what it boils down to. And I appreciate the work that's been done here today, but I work with a lot of the financial services companies in the United States in an effort to try to get fair treatment of our financial service companies around the world. I fly into places like Afghanistan, Pakistan, Jordan and Turkey to try to get those central bankers in those countries to treat our financial institutions, our banks and our investors fairly. We asked them to specifically adopt world standards that are reliable, adopt transparency standards that are reliable, and we force them, we compel, through our economic strength, to meet that standard. But here, when it comes to requiring free trade and fair treatment of American workers, we have a general statement here. We have no real tough enforceability and accountability standards like we require of people who deal with our financial services companies around the world, and I think that is a big mistake.

We don't export democracy through the Defense Department. We do it through these trade agreements. And we've got to fight for the American worker like we fight for these multinational corporations.

□ 2130

Mr. HERGER. Mr. Speaker, I yield now 4 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of this agreement and thank the gentleman for yielding.

Foreign trade is vital to the United States economy and to my home State of New Jersey. Since 1945, the world's markets have become progressively more open thanks in large part to leadership exhibited by our own country. Our Nation's citizens have benefited. Ambassador Susan Schwab, our United States Trade Representative, indicates that U.S. annual incomes are \$1 trillion

higher because of these trade promotion agreements, which equates to \$9,000 per year for the average American family. In just the last decade, such free trade agreements have helped raise our Nation's gross domestic product by nearly 40 percent and add more than 16 million jobs.

Additionally, trade creates more and better jobs. Manufactured exports support over one in six manufacturing jobs, an estimated 5.2 million jobs in the United States. Agricultural exports are responsible for 926,000 jobs. Interestingly enough, U.S. jobs supported by exports pay American workers more, an estimated 13 to 18 percent above the national average.

In my home State, international trade is a driving force in our economy. In 2006, merchandise exports from New Jersey were valued at \$27 billion, which places us ninth among all 50 States and represents a \$10 billion increase since 2002. Such increases benefit not just New Jersey's manufacturing sector, but also positively impact transportation, logistics and warehouse activity across our State. It is also worth noting that in 2006, New Jersey exported \$53 million in goods to Peru.

Indeed, a recent report presented to the New Jersey Commerce and Economic Growth Commission states, "New Jersey has the greatest opportunity of any State to prosper in the new global age due to its location within the global and continental grid and its systems-wide resources."

Beyond the economic benefits, trade builds important international partnerships that encourage security and prosperity abroad. This agreement, while relatively small in comparison to others, as well as other pending agreements with Colombia and Panama, present vital opportunities to expand our economic freedom, fight narco-terrorism, expand export opportunities, and build strategic alliances with key allies in the Americas.

In addition, this agreement would eliminate tariffs for U.S. companies, expand trade in areas such as textiles and agriculture and give our own financial services companies more market access. Failure to execute this pact and others like it would not bode well for our ability to take advantage of vast global markets. Indeed, as others have said, over 95 percent of the world's consumers are outside the United States.

But more importantly, limiting foreign trade counters America's long-held belief in free enterprise and open markets. We can compete as a nation in the global marketplace if we reject protectionism and continue to remove barriers to free and fair trade with countries around the world. If not, we will only have our own politics and shortsightedness to blame for the outcome.

I encourage my colleagues to join me in supporting this agreement.

Mr. LEVIN. It is now my pleasure to yield 2 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy as I appreciate his leadership.

Mr. Speaker, I have dedicated over 30 years to environmental efforts. As a Member of this Congress, I successfully fought to enhance environmental provisions in the Singapore Free Trade Agreement. I have carried these arguments and opportunities in China, Indonesia and Vietnam. I didn't support CAFTA because President Bush and the partisan Republican leadership abandoned efforts to work in a bipartisan fashion and rebuffed our efforts at environmental protection.

I can't express my appreciation to our chairman, Mr. RANGEL, and to the chairman of the subcommittee, Mr. LEVIN, for empowering members to work with the environmental community to make sure that their voices were heard. And we have been able to enshrine in this agreement enforceable, multilateral environmental agreements in the FTA for the first time in history. Absolutely unprecedented.

We have already been able to use the force of these agreements to clarify the protections of threatened Peruvian forest wilderness using the leverage we have already got even before it was enacted. This is not remotely NAFTA. We have all learned from that experience. It is not CAFTA, which I didn't support. We have given the critics what they said they wanted within labor protection and within the environment.

I urge in the strongest possible terms that we vote a new beginning in trade. Adopting these stringent labor and environmental protections in the agreement will serve as a foundation for United States trade policy from this point forward, and I urge its adoption.

Mr. HERGER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. KLINE).

Mr. KLINE of Minnesota. I thank the gentleman for yielding and for his leadership on this issue and so many others.

Mr. Speaker, a number of my colleagues have come to the floor today to argue passionately, as we have just heard, about the principles of free trade and whether we should pass the trade agreement between the United States and Peru. This is a historic moment for U.S.-Andean relations. The United States and Peru have agreed to formalize this mutually beneficial economic relationship with this groundbreaking U.S.-Peru trade promotion agreement.

This agreement opens new markets for U.S. businesses and provides strong protections for U.S. workers and companies. Additionally, it furthers the Peruvian market-oriented policies and advances the agenda that has made Peru one of the fastest growing emerging economies.

Mr. Speaker, this stands in sharp contrast to the policies of Venezuelan President Hugo Chavez. We are at the beginning of a new day in the Andean

region, and this trade agreement is the first step in a successful campaign to spread democracy, expand free trade, and stabilize the region while also taking a stand against poverty and crime.

For our part, this agreement builds on Peru's many strengths and solidifies an important economic relationship between our two nations, presenting new market access for U.S. businesses, farmers, ranchers and consumers. U.S. exporters currently face Peruvian tariffs while Peruvian exporters are not generally subjected to any tariffs. This point has been raised many times but cannot be raised enough. We are working in a one-way street that has been working against us. This is the time to fix that and make this trade fair.

In my home State of Minnesota, we exported over \$24 million worth of goods to Peru in 2006. These exports cut across all industries, from high tech computer manufacturers to our local farmers. Passage of this agreement would provide immediate elimination of tariffs on nearly 90 percent of current U.S. exports to Peru. This would allow producers and exporters the opportunity to not only preserve but to increase market share in Peru. As our market share increases, it naturally follows that prices and income increase and jobs.

A vote in favor of this bill supports job growth, sustains small- and medium-sized businesses and enhances agricultural competitiveness.

Mr. Speaker, I would ask that my colleagues here today join me in support of this important legislation and vote in favor of America's workers, America's farmers and American businesses.

Mr. MICHAUD. I am pleased to recognize the gentleman from California, Congressman SHERMAN, for 3 minutes.

Mr. SHERMAN. I thank the gentleman for yielding.

I have heard a lot of folks talk about the substance of this agreement. They started reading the agreement at the front. They saw the substance. They see the labor and the environmental standards. I think they are reading it in the wrong way. With an agreement like this, you need to start reading it from the back where the enforcement provisions are supposed to be.

So let us test the enforcement mechanisms in this agreement. Let me put forth an extreme possibility, an extreme example. Let's say there is a military coup in Peru. Let's say the junta is rounding up labor leaders. Let's say they start executing those labor leaders, God forbid. Let's say they televise those executions and they are being conducted by the head of the junta himself. What enforcement is there in this agreement? Only so much as George Bush decides to have. If he chooses to do nothing, then no action by any court of this country, no private action, no act by this Congress will be of any effect.

In contrast, importers will have an absolute right to enforce their rights

to low tariffs on the Peruvian goods they bring into this country because if the tariff is lower, no customs agent of the United States could try to collect a higher amount. President Bush has never inconvenienced a multinational corporation. When in Guatemala, labor leaders like Marco Ramirez and Pedro Zamora were killed, President Bush did nothing. When dozens and more, scores of labor leaders in Colombia are killed, President Bush tells us we should have a free trade agreement.

The only provisions in this agreement that provide for enforcement can be nullified at the whim of a man who has no intention of enforcing this agreement. If you vote for this agreement, it's because you have faith in George Bush to enforce it.

Mr. HERGER. Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. I thank the gentleman from California.

Like others before me, I want to say to Mr. RANGEL and to Mr. LEVIN, to Mr. MCCRERY and others on our side, thank you for working on this trade agreement. Absolutely I am opposed to it. I have been here for 14 years and for 14 years I have seen the American worker become less than a middle-class person and just trying to pay the bills. I don't know how with this Peru Free Trade Agreement that we can believe we are going to do a whole lot to help with the trade deficit of this nation, with the lost jobs of so many Americans.

The United States has lost more than 3.1 million jobs since 2001. The United States is projected to run a trade deficit of over \$200 billion with China. We even have a trade deficit with Mexico.

Where in the world is this country going? I said yesterday to a friend of mine, "I'm afraid we are in the last days of a great nation. When the basic Judeo-Christian values begin to crumble, the economy begins to fall apart, where is America going?"

This is not the right trade bill. We could have the right trade bill, just like we should have had with CAFTA. We almost defeated CAFTA on this floor but lost it by five or six votes. Peru has less than one-tenth of the U.S. population, and more than 50 percent of all Peruvians live in poverty.

Mr. Speaker, it is absurd to expect Peru to become a major consumer of U.S. finished products. If we really want to do something for America, why don't we do what is necessary and say to China, stop manipulating your currency to combat the predatory practices of trading partners like China; pass legislation to eliminate the \$379 billion disadvantage to U.S. producers and service providers caused by foreign VAT taxes. That is something we should be working on. Ensure the safety of foreign-made products sold to the United States from toys to food. We really need to do those kind of things before we start passing these trade agreements that some fat cat some-

where is going to make big bucks while the workers of America continue to go downhill and worry about paying their utility bills, paying for their children to go to school, paying the gasoline prices.

Mr. Speaker, one other point and then I am going to close. I am a conservative Republican. I have believed for so long that we could come together and we could work together for the good of the American people, that we are losing the middle class in America. And a lot of that loss is simply because of good-paying jobs.

Mr. Speaker, I know we will not defeat this, but I pray to God that we will not forget America's strength, and America's strength is the workers of this country.

□ 2145

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND), and I would ask unanimous consent that our very distinguished chairman of the Ways and Means Committee control the rest of the time.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 2 minutes.

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this Peruvian Trade Agreement. We know that it has been increasingly difficult to pass measures out of this Congress in a bipartisan fashion, and it is unfortunate. I still believe that this Congress functions best when you can work in a bipartisan manner.

The vote tomorrow on the Peruvian Trade Agreement will be different. It will be different because we are embarking upon a new historic template on these trade agreements, one that embodies core international labor standards and environmental standards for the very first time in these trade agreements, fully enforceable, like any other provision in the agreements.

This debate tonight isn't about whether the United States of America should remain positively engaged with other countries around the world, whether we should be trading. We are less than 4 percent of the world's population. Of course we have to trade.

Rather, the debate is what the rules of trade should be, and will we do everything we can to begin elevating standards upwards across the globe or to continue to see this race to the bottom for the lowest common denominator. With core labor standards and environmental standards in the body of the agreement, we are, for the first time, leveling the playing field for our workers so they can successfully compete in the global marketplace.

But I also believe that trade is more than just goods and products and services crossing borders. It is an important part of our diplomatic arsenal, because when goods and products do cross borders, I believe armies don't.

I commend the leadership of our committee, the leadership of our respective parties, and also the President and Susan Schwab, our USTR, for coming to agreement on this historic trade measure.

But there is one cautionary note I would give to the current administration and future administrations, and it is the best argument that the opposition has here tonight, and that is if administrations refuse to enforce these provisions, it will prove increasingly more difficult to pass future trade agreements out of this body and we will continue to lose the confidence of the American people.

Mr. Speaker, I encourage my colleagues to support the agreement.

Mr. HERGER. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. Mr. Speaker, I thank Ranking Member HERGER and the chairman of the Ways and Means Committee for leading, I think, a terrific bipartisan effort.

I rise today in support of expanding our Nation's export markets by passing the bipartisan Peru Trade Promotion Agreement. The agreement will create significant new opportunities for American farmers, ranchers, businesses and certainly consumers by opening new markets and reducing trade barriers, leveling that playing field.

More than two-thirds of current U.S. farm exports to Peru will become duty free immediately. This trade agreement gives U.S. farmers an advantage over competitors. For example, U.S. exporters of wheat and white corn currently pay a 17 percent tariff in Peru, while Argentina pays only 3.4 percent and controls two-thirds of Peru's market.

You eliminate the 17 percent tariff and give U.S. grain exporters a leg up. According to the American Farm Bureau Federation, U.S. agriculture exports could exceed \$705 million, an increase of over 1,000 percent from current levels. In addition, Peru has committed to recognize the U.S. meat inspection system as the equivalent to its own, thereby allowing imports from facilities approved by our own USDA. Peru has committed to specific sanitary and phytosanitary terms, removing barriers to imports of U.S. beef, pork, poultry and rice.

Opening export markets has long been a priority of mine. Earlier this year I hosted an export seminar which drew forward-thinking individuals from across my district. They recognized just how vitally important access to foreign markets can be to our economy.

In 2006, Nebraska's agriculture exports worldwide were around \$3.3 billion. A total of 1,125 companies ex-

ported goods from Nebraska in 2005. Of those, 877 were businesses with fewer than 500 employees. Despite high tariffs and other barriers on most agriculture products, including beef, corn and soybeans, U.S. exporters shipped more than \$209 million in agriculture products to Peru.

Nebraska would benefit from this free trade agreement which provides U.S. suppliers with access to foreign markets and levels the playing field with our competitors. As the Omaha World Herald newspaper put it in today's edition, "Greater trade opportunities hold clear benefit for the Midlands. In terms of Nebraska's economic interests alone, tariffs would be sharply reduced on the State's primary exports to Peru: chemical manufactures, machinery, and processed foods."

But more than just economic interests, this agreement builds trust between two countries. By opening the doors for our exports, we also open lines of communication. We help improve lives. We foster a sense of community.

Agriculture markets are tremendously important to my district and the Nation as a whole, and I hope to help Nebraska's products continue to compete in the global marketplace. But I also want to help America remain the greatest Nation in the world. We can do so by opening the lines of trade and communications to trading partners across the globe.

Mr. Speaker, I urge support for this bipartisan measure.

Mr. MICHAUD. Mr. Speaker, I yield 6 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding. I only wish we could have had these moments before the Ways and Means Committee itself, the respect Members should be afforded when their State's lost over 200,000 jobs and our Nation millions of jobs to these trade agreements. At least we have earned the respect. I am sorry that we only get 5 minutes on the floor. So many people are depending on us.

We know that every time this country signs a free trade agreement with a developing country we end up outsourcing more wealth and middle-class jobs. U.S. companies are shuttering faster than we can count. If these trade agreements were working, America's trade deficit would not be ringing in at over \$800 billion this year, and for every billion, 20,000 more jobs lost in this country. What an unprecedented wipeout of productive wealth and of jobs and of lives. The sliding value of the dollar proves it, our staggering debt levels prove it, and the growing stock market instability proves it.

If we put it in perspective, we were told that when NAFTA passed, and I voted against that in 1993, our Speaker voted for it, our majority leader voted for it, I remember that vote very clearly, we were told that though we had a

surplus with Mexico, it would grow. What happened? We have fallen into deeper and deeper deficit with Mexico every year. And over 2 million Mexican peasants were upended from their farmland, creating an endless flow of illegal immigration to this country, because we were not allowed to offer amendments to provide adjustment provisions in those agreements for the people of the Third World. Shame on us.

Then we were told, well, let's move to China. When the China PNTR was signed, we weren't in trade balance with China; we were actually in trade deficit. But after PNTR was signed, the deficit doubled and tripled. The Speaker talked about that tonight. It didn't get any better; it just got worse. And now we are getting all of the tainted food and the toys with lead and so forth.

The Jordan Free Trade Agreement had environmental and labor provisions. They said, that is the dawn of a new decade. Just what they are saying tonight. Guess what? No enforcement. We know that. They don't intend to do that. They never did.

Now tonight we look at Peru. Now, with Peru we are already in deficit; in fact, over \$3 billion in deficit with Peru. I hope the Ways and Means Committee staffer is adding this up, because, you see, the numbers are in the wrong direction. That is why the value of the dollar is terrible.

What is interesting about Peru, though, what is the largest export from Peru to the United States? Gold. Gold. How convenient. And Peru is the largest silver producing country in the world.

Look at the commodities markets. In whose interest would it be to bring in more of that here? And we have heard that Caterpillar now wants to move its production to serve those mines down in Peru. They are not going to send tractors from Illinois to Peru. They are going to move the production to Peru and pay those workers nothing. We have seen the pattern before. Now, please, don't take us to be idiots.

We think about Del Monte and Green Giant. They used to manufacture. They had all of their product processed in Watsonville, California. I have been there. My uncles used to work there. Guess what? It is gone down there.

Do you think they pay these farmers anything? No. We are going to lose 3 million Peruvian farmers. They are going to be upended just like the Mexican campesinos were. Have we no heart? Some people have no heart. We have heart. We are down here tonight. We can't forget them.

I remember Congressman KUCINICH was talking about Citigroup. Citigroup. They just wrote off \$11 billion Sunday night, in the wee hours of the night so maybe nobody would notice. Citigroup has got a little problem with subprime mortgages, so they want to manage now the pensions of the world.

They can't manage Social Security yet, so guess where they are going?

They are going to Peru. They want to manage those dollars, and lots of other pension funds in this country. They are in trouble. They made mistakes. They robbed the American people, and I sure hope they don't come to this Congress for help, because we shouldn't be paying to bail them out. They are going to go to Peru, and under this agreement, it makes it easier for them to do that.

Tonight I genuflect, not before the Ways and Means Committee, but before the mine workers of Peru who are on strike. They went on strike Monday because these gold exporting firms are making billions. They doubled their dividends in companies like Newmont, which just happens to be an American company that owns the biggest gold mine in Peru, in South America. Actually, it is the second largest gold mine in the world.

I genuflect before those mine workers because here is what they have been told. Though the company has doubled its dividends to its shareholders, they won't give the workers anything. That is one of the most dangerous jobs in the world. Do you think they care? They are cleaning up on Wall Street selling that gold. Go to New York. Watch how that happens. Will they help those workers? No. What the company has told them, what the government has told them, the government said, Go back to work or you lose your job in 3 days. You are fired.

That is who we are doing business with, my friends?

I am an old-line Democrat. I came here to represent the majority of people in this country who are being dispossessed by Wall Street, dispossessed by the global corporations that think they are worth nothing. And we had best have a majority of a majority here tomorrow stand for the workers of this continent who still believe that we are the beacon of freedom and that they matter.

God bless this country, and God bless our workers.

Mr. HERGER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of U.S.-Peru Free Trade Agreement. I regret that heretofore the 110th Congress has been a decisively antitrade Congress, and that is why I want to thank Majority Leader HOYER and Chairman RANGEL for at least bringing this free trade agreement to the floor for a vote. It represents a modest step in the right direction.

One thing is very clear tonight when you look at the facts, and that is if a Member will not support the U.S.-Peru Free Trade Agreement, they will support no trade agreement. And as long as I have been a Member of Congress, I guess I never cease to be amazed, and I certainly have not been amazed that trade, still for some reason, seems to be controversial.

We have over 200 years of history teaching us that free trade delivers a

greater choice of goods and services to our American consumers, and those greater choices mean more competition. More competition has helped lower prices, and this allows American families to buy more using less of their hard-earned paychecks. It means more money to make a down payment on a home. It means more money to send a child to college. It means more money to help a parent with long-term care.

According to Federal Reserve Chairman Ben Bernanke, increased trade since World War II has helped boost U.S. annual incomes by over \$10,000 per household; yet the forces of protectionism want to take that away from the hard-working American family. He goes on further to say that eliminating all remaining trade barriers could raise U.S. incomes anywhere from \$4,000 to \$12,000 a year. Another opportunity for hard-working American families being denied by the forces of protectionism.

Let's specifically look at the trade agreement before us. In 2006, 98 percent of Peru's exports to the U.S. came into our markets duty free. Let me repeat that just in case somebody didn't hear; 98 percent of Peru's exports to the U.S. came into our markets duty free. But U.S. exports to Peru still face high tariffs.

Under the free trade agreement before us, 80 percent of U.S. exports of consumer and industrial goods will now enter Peru tariff free immediately, with the remaining tariffs to be phased out over the next 10 years.

I take particular note, representing the Fifth Congressional District of Texas, that this agreement is particularly good for American agriculture, whose success is heavily dependent upon the export market. Currently, 99 percent of Peruvian agricultural exports enter the U.S. duty free, again, 99 percent, while U.S. agricultural exports currently face an average tariff in excess of 16 percent.

Under this trade agreement, two-thirds of American agricultural exports will immediately enter Peru duty free, including beef, cotton, wheat and soybeans. And beef is particularly important to many of my constituents in the 5th Congressional District of Texas.

□ 2200

I simply don't understand the argument that claims that this trade agreement is somehow unfair. What's unfair is the status quo. That's what is unfair. The U.S.-Peru Free Trade Agreement turns what is currently a one-way trade street into a two-way street. And let's remember again, 98 percent of their goods already come to our country duty-free.

Mr. Speaker, competition works. Trade works. We have over 200 years of history to prove it. But beyond all of the obvious economic benefits of free trade, we must recognize that fundamentally this is an issue of personal freedom. Nations don't trade with nations, people trade with people. And with the exception of national security

considerations, every American ought to have the right to determine the origin of the goods and services they want to purchase, and that includes a sweater made in Peru. Who in this Chamber is going to go tell a hardworking schoolteacher in Mesquite, Texas: No, you can't buy that \$15 sweater from Peru, you have to buy that \$31 sweater that is made in Oklahoma. That is the sweater you have to buy. And if you can't afford it, I'm sorry, but your little child is just going to have to do without that sweater.

Mr. Speaker, maybe this institution has the power to do that, but does it have the right? I don't think so, Mr. Speaker. This is the land of the free. Countless generations have fought and sacrificed for the blessings of liberty, and that includes the liberty of trade. To be anti-trade is to be anti-freedom. It's that simple.

Mr. Speaker, we have 200 years of history to show that America has benefited from free trade. We need to support this trade agreement.

Mr. RANGEL. Mr. Speaker, I would like to recognize the gentleman from New Jersey (Mr. PASCRELL) who is not only one of the best informed members on the Ways and Means Committee on trade, but he has done a heck of a job around this country explaining why this particular free trade agreement is good for America and good for our trading partners, for 3½ minutes.

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

Mr. PASCRELL. Mr. Speaker, this is a great day. Tomorrow will be a great day, also. I have finally found a trade agreement I could agree with. And the reason why, for the first time, Members from both sides of the aisle have had a say in what that is. Article I, section 8 is alive and well.

I want to tell my friend from Texas, I'm sorry he left the floor, this is the United States-Peru Trade Promotion Agreement Implementation Act. This is not the United States-Peru free trade. See, that got us into trouble. I want to just correct him that we have the right title because free trade is what got us into trouble. We need fair trade. That's what this legislation is all about.

So I rise in strong support of H.R. 3688. This is a bipartisan bill. This is a carefully crafted measure that deserves broad support.

There is not a single group that I have dealt with recently who hasn't said, and I have sat with all of them, at the very least that real progress has been made in the Peru deal. Even the most vociferous opponents, who may be in this room right now, of this trade deal state clearly that noticeable achievements have, indeed, occurred.

The new provisions on workers rights and the environment represents significant accomplishments in crucial areas. And for that, Mr. RANGEL and Mr. LEVIN, Democratic leadership should be commended, and I salute you both.

You don't protect good-paying American jobs by freezing trade. You don't do it that way. You don't correct the imbalances in trade by stopping trade. For the first time in a trade agreement, we finally have fully enforceable obligations that require both FTA parties to adopt and effectively enforce core labor rights as stated in the 1998 ILO declaration.

By the way, my friends who oppose this legislation, take a look and put this in context. Since 1934, both parties have gone back and forth as to who believes in free trade more. Both parties. Neither party is privy to virtue on this issue of trade. Let's get that straight.

If you look back into the 1960s and 1970s, the same situation. Democrats were on this floor pointing fingers at the opposition saying: We need free trade. We need trade that is unbridled.

Check the record. Check the record.

And then we had just the opposite happen after Jimmy Carter became President. I believe that trade can yield broad benefits to many if done right. My belief is that trade agreements have been ill-conceived and crafted clearly not with the best interests of working families. I have voted against all of them. But this is a good one.

This trade agreement marks a significant step forward. The enemy of the good is the perfect. And while this trade agreement may not be perfect, and by the way no one on this floor is, no bill is. This is a good piece of legislation.

Mr. Chairman, I salute you. Mr. Ranking Member, I salute you. You've done a great job.

Mr. HERGER. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. I want to thank my great colleague for yielding to me. And let me just say, Mr. Speaker, that I am unalterably against this deal because I think it doesn't fix the basic defect that we have seen in every trade deal that we have made in recent years. That defect is, as most of my colleagues know and understand, that the competitors to American businesses get their value-added taxes rebated to them by their home governments and they in turn charge us what effectively is a tariff in the same amount as that value-added tax when our products go to their country, and we didn't change this in this Peru Free Trade Agreement. It's not really free trade, it's only free coming in one direction, and that's our direction.

Let me explain that very simply. If this podium costs \$100 and it is made in Peru and it is going to be shipped to the United States, their value-added tax is 19 percent. That means that as they build this podium in Peru, as they add wood and metal and labor, they pay their government 19 percent value-added tax. That is how they pay their tax burden. We have a direct tax burden known as an income tax and a corporate tax.

When they take this particular podium down to the docks to be shipped to the United States, the Government of Peru will give them their money back. They will rebate their taxes to them. Effectively that company will be working tax-free.

Now, if you made the other podium in the United States and we shipped it to them under this deal, when that podium gets to Peru to be sold on their showroom floors, the American manufacturer will face a 19 percent fee or tariff. So the Government of Peru under this deal will be allowed to subsidize their guys to the tune of 19 percent and penalize our guys to the tune of 19 percent.

Let me just say this is an unfair deal. This is the reason why America has massive trade deficits even to countries that have higher labor rates than the United States. Until we fix that basic defect, all these trade deals are bad deals and they accrue to the detriment of the American worker and the American businessman.

Vote "no" on this. And I regret I will not be here tomorrow. I have to be away from the floor. I wish the vote could have been held tonight. This is a bad deal.

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

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

Mr. RANGEL. I would like to yield 2 minutes to Mr. BECERRA, an outstanding member of the House leadership as well as an outstanding member of the Ways and Means Committee, and I thank him for all the fine work he has done.

Mr. BECERRA. I thank the chairman and also the ranking member, Mr. MCCRERY, and Mr. HERGER, the ranking member of the subcommittee, as well as Mr. LEVIN for the work that they have done to put before us a bill that we can support in a bipartisan fashion.

I think the gentleman from New Jersey said it best: There is nothing in life that is free. The longer we continue to talk about trade agreements as if they are free, we miss the mark. It is not about a free trade deal, it is having a deal that is good for both sides of that agreement.

And in this deal, while it is not perfect, we find improvements were made that for the first time in the history of this Congress will give us a chance to vote on something that says that we will treat workers as well as we treat widgets. We will treat people as well as we treat products. We will protect our workers as well as we protect these widgets. That is something we have never done before on the floor of this House. For me, that makes this deal worth voting for because while we would like to do much better, the perfect should not get in the way of making progress. Here what we have is a bipartisan deal that will move us forward.

It is difficult to believe, but in my first 14 years in this Congress, I saw us

have a policy and debate on trade descend to the point where it became a partisan tool that made it very difficult for all of us as Americans who represent 300 million other Americans to come forward together.

This is a chance for us to work together not as Republicans, not as Democrats, but as Americans to move forward an agenda for the people who work in this country who produce so many of those goods, for the people who produce all of those phenomenal products that make this a great Nation. It is our chance to prove that trade is an American agenda, not a political agenda, not a partisan agenda.

I am looking forward to the chance to move forward even better trade deals that recognize that we have to protect and promote the rights of workers.

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

Mr. MICHAUD. Mr. Speaker, I continue to reserve the balance of my time.

Mr. RANGEL. I would like to yield 2½ minutes to Mr. CROWLEY who makes our New York State proud and makes the Ways and Means Committee proud and is a great Member of this great Congress.

Mr. CROWLEY. I thank my good friend and colleague and the Chair of the Ways and Means Committee which I so proudly serve on.

I want to thank all those involved in this debate this evening. This has been a very good debate and one that I think has been fairly conducted.

I think, though, it is important to look back on the historic nature of this particular agreement. I say that coming to you as one who has not been a purist on this. I have not been blind in voting for or against free trade agreements. I have looked at free trade agreements and I have weighed them and I have balanced them.

I want to remind my colleagues, some of whom are new and don't know who I am and what I am about, I did not support WTO for China. I did not support PNT for China. I did not support a number of the free trade agreements in the past. But when you look at this free trade agreement as I have, I support this fair trade agreement, this fair trade agreement, because it is the right thing to do.

This is a good agreement. It is worthy of the support of every Member of this House. On May 10 of this year, the chairman of this committee and the chairman of the Subcommittee on Trade, along with our Speaker, reached agreement on a new template moving trade forward in this Congress. You have to remember that the agreement with Peru was reached in the last Congress. The Peruvian government agreed to that agreement. We had a change in government. We adopted a new template. The Peruvian government took that template, reopened their agreement and passed it again this year.

They adopted the labor standards and the environmental standards. The

labor standards include freedom of association, the right to collectively bargain, elimination of forced and compulsory labor, abolition of child labor, and elimination of employment discrimination, not to mention the advancements we have made in environmental protection. They are not just environmental and labor rights, they are part and parcel with human rights.

□ 2215

They are part of their rights and the values of our country that we'd like to have.

Now, just briefly on Peru. Peru has been a country that has been developing, and this is an opportunity for them to develop a middle class, a stronger middle class that will want more of our U.S. products.

As we mentioned earlier, they already have duty-free and quarter-free access to the United States. This is about opening up their borders to what we make.

Once again I want to thank the chairman for your hard work, Mr. LEVIN as well, the Speaker and the other side of the aisle for this joint effort that's been made in a bipartisan way. I wholeheartedly support this agreement.

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

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

Mr. RANGEL. Mr. Speaker, I have six speakers and it just seems to me that if other people are reserving their time, then I yield 2 minutes to the gentleday from Pennsylvania (Ms. SCHWARTZ), who not only served well on the committee but was a part of the team that went to Peru with Congressman LEVIN to make certain that we were able to convince the President, the corporate leaders and the Congress that America was their friend and wanted to do the right things. It is with great pride that I yield 2 minutes to the gentleday.

Ms. SCHWARTZ. Mr. Speaker, I thank the chairman for his kind words.

I rise in strong support of the Peru Free Trade Agreement which passed the Ways and Means Committee with an impressive unanimous vote. This agreement represents a new direction for trade policy in the United States.

For the first time, the trade agreement before us includes fully enforceable labor and environmental standards. The lack of these standards was exactly why many Democrats, including myself, opposed the Central American Free Trade Agreement in 2005.

Inclusion of such standards is a significant achievement and will mean better working conditions for Peruvian workers, a cleaner environment in Peru, and expanded economic opportunity for both of our countries.

That is why so many organizations who were previously opposed to bilateral trade agreements have praised the Peru FTA. For instance, the AFL-CIO called the Peru FTA, "an important

step toward a trade model that will benefit working people."

The United Auto Workers said the agreement represents, "substantial progress in achieving this long-standing objective of the labor movement."

Chairman RANGEL and Chairman LEVIN did remarkable work to advance a new kind of trade agreement. I'm proud of what we were able to accomplish to further this agreement when the three of us traveled to Peru in August and met with Peruvian President Alan Garcia.

President Garcia is a true friend of the United States. Building a strong economic relationship with Peru will also build a stronger political and diplomatic relationship with this important ally in Latin America.

Every Member who votes for this agreement can feel proud that they've supported a trade agreement that represents the interests of Americans.

I urge a "yes" vote on this agreement. It's pro-worker, it's pro-business development, and it's pro-environment. It is a new kind of trade agreement for the United States. Vote for the trade agreement with Peru.

Mr. HERGER. Mr. Speaker, could I inquire how much time each side has.

The SPEAKER pro tempore. The gentleman from California (Mr. HERGER) has 29½ minutes left tonight. The gentleman from New York (Mr. RANGEL) has 12¼ minutes left this evening. The gentleman from Maine (Mr. MICHAUD) has 22 minutes left this evening. I deducted 5 minutes, 5 minutes and 10 minutes to get to those numbers.

Mr. HERGER. Mr. Speaker, I reserve.

Mr. MICHAUD. Mr. Speaker, before I yield to the gentleday from California 5 minutes, I'll take 20 seconds to make very clear, there's not one labor organization that has sent a letter out saying that they support this trade deal. They don't support this trade deal, and to cherry-pick some of the language in the letter that they've sent I think is not correct.

Mr. Speaker, I yield 5 minutes to the gentleday from California (Ms. LINDA T. SANCHEZ).

Ms. LINDA T. SANCHEZ of California. Mr. Speaker, I rise in strong opposition to H.R. 3688, which would implement the U.S.-Peru Trade Promotion Agreement.

This is not a choice between trade and protectionism. It's a choice between fair trade, which can benefit working families across the Nation, and unfair trade, which benefits the wealthiest few at the expense of the rest of us.

While there are some welcome, but minor, improvements to the Peru FTA, as compared to NAFTA and CAFTA, the agreement essentially is not good enough. I feel like I'm at a used car lot and the dealer is trying to sell me a beat-up old NAFTA lemon with a brand new paint job and trying to tell me that it's a great car.

Well, we learned with NAFTA that there are no refunds for the American

people when they're sold a bad bill of goods. Let's learn from our mistakes and reject this Peru FTA junker.

To serve the American people, we must work for real trade reform, not just put a Band-Aid on a trade model that has been bleeding jobs from this country since 1994.

Supporting this new deal requires us to believe in two things: one, the actual benefits of the NAFTA free trade model; and two, the promises of the Bush administration.

Considering the first question, the actual benefits of the NAFTA model are about as real as the tooth fairy. NAFTA was supposed to solve illegal immigration by developing a robust economy in Mexico that would give hardworking people the opportunity to provide for their families without having to leave their homeland behind. That didn't work.

Instead, undocumented immigration has actually increased. Subsidized crops from the U.S. pushed millions of farmers off their land, and many of those displaced farmers ended up emigrating to the United States, whether or not they had proper documentation, just so they could find work to support their families.

CAFTA, another so-called improvement on the NAFTA model, was supposed to include bold new safety and wage protections for workers. But these protections are disappointingly weak, allowing countries to downgrade their own labor laws.

We've learned that the NAFTA free trade model is designed to favor the wealthiest few and corporate bottom line, at the expense of small businesses, workers, families and our communities.

As to the second question, I think this administration has made it pretty clear that it has no interest in enforcing labor laws.

The BP Texas City explosion, the Sago and Crandall Canyon mine disasters, and the failure to protect 9/11 first responders and cleanup workers who have developed serious breathing ailments, these are just a few of the more notorious examples of this administration's dereliction of duty to provide even the most basic protection to workers: the right to work in a safe environment.

So long as we have to rely on this administration to protect the rights and safety of working men and women, we will continue to be disappointed.

To some in this House, the only redeeming value of this trade agreement seems to be that it's not as bad as the deals with Colombia and Korea. But that argument misses the point. When they say "not that bad," we have to stand up for the American people and say "not good enough."

Finally, the Peru FTA offers inadequate protection for numerous endangered species that live in the forest of Peru, like the giant river otter and the jaguar. If it's such a great agreement, why has no environmental group gone

on record as supporting or embracing this agreement. I ask my colleagues that and I don't think they have an answer.

Let me just remind my colleagues that I've heard over and over on the floor tonight that the enemy of the good is the perfect. Well, from where I sit, the enemy of the good is the bad, and this is a bad agreement.

We now have a choice before us. We should choose to vote "no" to a non-democratic process, "no" to benefiting big business at the expense of the little guy, "no" to ignoring the will of the American people, and "no" on the Peru FTA.

Mr. HERGER. Mr. Speaker, I reserve the remainder of my time.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS), an outstanding member of the Ways and Means Committee and thank him for the support that he's given to us on all of our issues.

Mr. DAVIS of Alabama. Mr. Speaker, let me make two points, if I can, about this agreement tonight.

Almost everyone on the Democratic side of this Chamber has at some point in time in the last 7 years had some point to decry the Bush administration's tendencies toward unilateralism. Almost everyone on the Democratic side has had some occasion to say that we wish the Bush administration would abandon its tendency to go it alone in this world.

If we take that rhetoric seriously, Mr. Speaker, if we take seriously the idea that we cannot dig ourselves into a barricade and isolate ourselves when it comes to national security, the same logic has to apply when it comes to economics.

I fundamentally disagree with Mr. JONES's point earlier that the U.S. is in decline. We're not in decline. There's nothing wrong in this country that better policies in the White House would not fix. Because we're not in decline, because of our underlying strength and underlying robustness, we ought to be using the economic power that we have to lift up workers here and to see what we can do to lift up workers around the world, and that vision is exactly what this agreement is about.

Second point, Mr. Speaker, the template for this agreement was not written by this President or this USTR. It was written by CHARLIE RANGEL, the chairman of the Ways and Means Committee; co-signed by SANDY LEVIN, one of the strongest supporters of labor in this Chamber; and co-signed by the Speaker of the House who yields to no one in her support of organized labor. This is the template and the vision that the Democratic Caucus constructed.

And I hear some of my friends on the Democratic side of the aisle who say, well, we don't count on enforcement from the Bush administration. I don't. I count on the fact that beginning January 20, 2009, there's going to be a new sheriff in town.

I close, Mr. Speaker, by saying this. This agreement will be enforced by a new Democratic President of the United States. It will reflect Democratic values and sometimes, Mr. Speaker, principled leadership requires taking "yes" for an answer.

This agreement and the foundations around it are what this Democratic Caucus has been seeking for 5 years. Sometimes you have to take "yes" for an answer.

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

Mr. MICHAUD. Mr. Speaker, I reserve.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished Member from the State of Washington (Mr. SMITH).

Mr. SMITH of Washington. Mr. Speaker, in this debate tonight, it's almost like we're having two conversations. There's the conversation about the trade agreement and there is the conversation about larger economic issues, from environment to jobs to a whole lot of other issues.

On the Peru Free Trade Agreement, Mr. RANGEL and the Ways and Means Committee have done a great job of putting together a good agreement. It negotiates a reduction in tariffs and nontariff barriers to help us economically, and they've also added in labor protection, which we never got. I voted personally against CAFTA because they hadn't been included. As Mr. DAVIS just said, those agreements are exactly what those of us in the Democratic side of the aisle have been asking for for a long time.

But the issues that are raised tonight are about the economic challenges in this country, about jobs lost and transitions. And I totally agree with the people who raised those issues, that those are important issues and incredibly difficult challenges for middle-class workers in this country and for the working poor that we have not addressed.

Where I disagree with them is the convenient take of simply blaming trade agreements for that. Trade agreements simply reduce tariffs and nontariff barriers so that the cost of doing business goes down.

Now, if we have made any mistake on the pro-trade side of the aisle, it's overselling that. It's presenting it as a panacea that will grow the economy and benefit everyone and cause no pain. They can't solve that problem. The trade agreement can't solve all of the challenges that are presented for poor workers throughout the world. It's a step forward.

We have lost jobs in this country because of global competition and technology primarily, not because of trade. The rest of the world stepped up and decided to participate in the economy. China, the former Soviet Union, countries that were never there before, now they're there. They're competing and we're losing jobs.

But it is a mistake both to blame trade and to not focus on the issues

that could actually help: health care, a fairer tax policy, issues I know that the chairman is working on, issues that would actually help workers in this country instead of laying it all at the feet of the Peru Free Trade Agreement, an agreement that simply reduces tariff and nontariff barriers to free up the flow of goods and help grow the economy.

It's a good agreement, and we should support it.

□ 2230

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

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

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished Member from Utah (Mr. MATHESON).

Mr. MATHESON. I thank the chairman for yielding and I also commend Chairman RANGEL for his work on this agreement. I think it represents a great step forward on the trade agenda.

Mr. Speaker, I think that it's human nature to have difficulty accepting change. Change can be traumatic, and we are in a world that's changing. In a globalized world where technology is taking us to new places, this flatter world that Tom Friedman talked about in his book, that's a change. The question is, do you stick your head in the sand and ignore change, or do you embrace change and try to take advantage of it?

That's the fundamental issue I think we ought to be talking about in terms of engaging the rest of the world, engaging the rest of the world in economic opportunity in a changing world. Mind you, globalization is a mixed bag, and there are positives and negatives that come out of it, but the question is, as a country, do we want to try to embrace that opportunity?

This agreement represents a wonderful step in embracing that type of opportunity for this country. Beyond the economic benefits, which a lot of speakers have talked about today, there are also the benefits of relationships with these other countries. The eight living former Secretaries of State have all encouraged Congress, in fact, urged Congress to move ahead with this agreement, to build better ties with the country of Peru, a good democratic friend in a region of the world where there are some unsettled countries. This is good policy in terms of how we have those relationships in South America.

I encourage my colleagues to step away a bit from some of the rhetoric, as with many issues, that comes out that is not necessarily accurate. I encourage my colleagues to look at the substance of this agreement and see how Chairman RANGEL has made such progress in coming up with a responsible new agenda for trade with this Democratic majority.

As I started, I will close the same way, I commend the chairman, he has stepped up to the plate in a substantive way. He is moving forward.



I urge passage of the Peru FTA.

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

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

Mr. RANGEL. I yield 2 minutes to the outstanding gentlelady from Illinois (Ms. BEAN).

Ms. BEAN. Mr. Speaker, I rise in support of this agreement.

I commend Chairman RANGEL and Chairman LEVIN as well as Ranking Members MCCREERY and HERGER for their important leadership on this issue.

I am encouraged to see bipartisan support of the U.S.-Peru Trade Promotion Agreement which recognizes the opportunity to expand potential to 5,000 small and medium U.S. companies that export almost \$800 million of goods and services to Peru. These small and medium businesses represent 80 percent of U.S. exports to Peru. They will have an even greater opportunity with this agreement to compete on a more level playing field.

The current Andean trade preference allows Peruvian exporters access to our markets without tariffs while our own exporters are competitively disadvantaged by tariffs. Americans need not fear competition. When we remove barriers, we will innovate, we will adapt, we will compete, and we will succeed in the global market. For those who are rightfully concerned about jobs, we should remember that our small and medium businesses, these same businesses that export to countries like Peru, are creating 80 percent of our domestic job growth.

American employers will now have the ability to fairly compete to expand and enter new markets and, in the process, further strengthen our local and our national economies. I urge my colleagues on both sides of the aisle to support this agreement.

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

Mr. MICHAUD. I would like to recognize for 5 minutes a very outspoken, hardworking, freshman Member, Congressman HARE from Illinois.

Mr. HARE. I thank the gentleman.

Mr. Speaker, I think tonight on three occasions or maybe four, we have heard, we need to put a face on trade. I encourage all the Members, here is the face. It is the face of a refrigerator in Galesburg, Illinois, manufactured by 1,600 machinists, signed on the last day before their jobs were exported to Sonora, Mexico, thanks to a trade agreement that didn't work.

This, my colleagues, is the face of people. This trade deal, while I commend the framework of it, puts the sheriff, as we have been hearing, the President of the United States, in charge of it. I sit on the Education and Labor Committee of the House. We have had three mine disasters. The President won't do a single thing to protect our miners. He won't sign the Employee Free Choice Act to give people a right to collective bargain for it.

He will not stand up for America's workers. He has had to be sued by our own government for one OSHA standard.

Tonight we stand here ready to give this President oversight on this trade deal. I have been told, well, we'll just subpoena him. We're trying that. We're trying that with the legal counsel for this President and Josh Bolten. We'll see how far that gets us.

I take offense, to be honest with you, when people say you won't vote for any trade deal if you can't vote for this one. Let me say I'll vote for every trade deal, as long as it's fair, as long as it works for American workers, as well as the people that we seek to trade with.

How much longer are we going to continue to do this? Fifty-four percent of Republicans polled don't support this agreement. Almost 70 percent of Democrats don't support it, and 60 percent of Americans don't.

I ran on this issue. I am the product of a person whose dad lost their home, not because he did anything wrong, but because he lost his job. He made me promise two things, take care of your sisters and your mother, this is shortly before he died, and do not, whatever you do, PHIL, for a living, do not allow this to happen to another family.

I may only be in this Chamber for one term. I don't know. I ran on this issue. I stand on this issue. I'm proud of my voting record with this Democratic Caucus. I take a back seat to no one in party loyalty. But my first loyalty comes to the people who signed this refrigerator. I have no loyalty to the President of the United States when he has no loyalty to the people whose jobs he outsourced.

I tried to get an amendment before the Rules Committee that would say if you can get a free trade agreement, fine, but let's get the safety net for workers, one this Chamber passed that Mr. RANGEL worked so hard on, whom I give him a ton of credit for.

Let me tell you what happens. The next day he says he's going to veto it. He won't insure 10 million children, he won't sign a safety net for workers, and we are going to pass tomorrow a trade agreement and expect this President to enforce it. Let me ask you all tonight not to be looking at us as though we are naysayers. We're not.

I would love to put my card in tomorrow and hit the green button, but I will not, because if I do, I will not come back to this Chamber. I don't deserve to come back to this Chamber.

I ran to support these people. I have heard the term "protectionism" used this evening. If all of us, Democrats, Republicans, left, center and right are not going to stand up for the very people who sent us here, who are we going to stand up for? What are we as Members of Congress?

I ask you, tomorrow is a very big day. I guess I'm voting "no." I don't guess, and I told two people today, I do so proudly. I wish I didn't have to. But

I will remember Dave Bedard, who has been unemployed now after two wage concessions, no health care, a wife who has cancer.

One Member who is supporting this deal told me that I should go back to Dave Bedard. And when I said, what should I say to him, that Member said, You should talk about currency manipulation with him.

I should need a football helmet. He's going to punch me in the nose if I try.

Vote "no" on this bill.

Mr. Speaker, I rise in strong opposition to the Peru Free Trade Agreement and the implementing legislation before us today.

Mr. Speaker, my fight against the Peru FTA is a personal one. Districts like mine represent the very worst of unfair trade—jobs lost, economies devastated, and lives shattered. In 2004, the Galesburg Maytag Refrigeration plant relocated to Sonora, Mexico, leaving behind 1,600 unemployed workers—all innocent victims of bad trade policies.

On their last day, all the workers who were laid off signed the final refrigerator to roll off the assembly line. The inscription on the fridge reads, "The last top mount refrigerator produced in Galesburg, Illinois with pride by the members of IAM Local 2063, September 14, 2004." Although devastated, the pride and spirit of these workers remained strong—a testament to the incredible workers we have in this country.

This year marks the 5th anniversary of Maytag's announcement that it would be closing its Galesburg plant. Five years later, the city of Galesburg is still recovering from the loss of Maytag and many of the workers are still unemployed.

Unfortunately, the economic nightmare Galesburg has endured is not unique. NAFTA outsourced a total of 1 million U.S. jobs nationwide with casualties in every state.

Mr. Speaker, unfair trade is not just a Midwest issue, it is a national crisis.

Weary of more bad trade deals, last November voters swept fair trade Democrats into office—sending a clear mandate for a new direction on trade.

And yet here we are. Voting on another one-sided, so called "free trade" agreement crafted by the Bush administration under fast track authority.

President Bush's use of fast track has been nothing but a blatant abuse of power. It has allowed him to force through 4 trade deals built on the flawed NAFTA-CAFTA model, one of them being the Peru FTA we are currently debating.

And we all remember what was left behind from NAFTA: the decimation of the U.S. manufacturing industry and the loss of high paying jobs. One must look no further than Galesburg to see what the future holds for American jobs if the Peru FTA is passed.

We can also expect the Peru FTA to benefit big business, similar to NAFTA. If this agreement is passed, one thing is certain, the rich will continue to get richer at the expense of the average, hard-working American.

Some who support the agreement will say that the Peru FTA is not NAFTA. They will say that the inclusion of labor and environmental standards set it apart from all former trade deals. Not so fast.

With President Bush's poor track record of enforcing labor rights, it remains to be seen

whether these improvements will have any affect at all. In fact, the President of the U.S. Chamber of Commerce has said that he is "encouraged by assurances that the labor provisions in the [Peru agreement] cannot be read to require compliance with ILO Conventions." We should be more than skeptical.

Moreover, just today the Peruvian government declared a strike by national miners illegal. So much for real reform.

In short, without the threat of enforcement, our trading partners, including Peru, have no incentive to uphold international labor standards.

Mr. Speaker, the truth is that the proposed Peru FTA would replicate—and in some instances expand on—many of the most devastating provisions of the flawed NAFTA-CAFTA model.

Despite "fixes," the Peru FTA is nothing but a wolf in sheep's clothing.

The choice is crystal clear.

Today, Congress can choose to roll the dice when it comes to the loss of American jobs or we can choose to demand an agreement that bans off shoring.

Today, we can choose to entrust President Bush with enforcing labor and environmental standards as we did with the Jordan FTA or we can choose to accept that these standards will likely be ignored in Peru, just as they are in Jordan.

Today, we can choose to give big business another win or we can choose to stand with American middle class families.

Today, Congress can choose to expand the failed NAFTA-CAFTA model to Peru or we can choose to pursue a new trade policy.

I for one cannot go back to my district and explain that I voted for another bad trade deal that in all likelihood will result in more job loss.

I cannot in good conscience face the 1600 Maytag workers who lost their job and tell them that I voted to continue the hemorrhaging.

I came to Congress because I believe in fair trade that creates jobs and raises the standard of living for middle class families. I believe in keeping America competitive. But in my opinion, the Peru FTA does not pass the test.

For the sake of all workers, I will be voting NO on the Peru FTA. I urge my colleagues to do the same.

It is time that our trade policy starts serving the interests of America's working families.

Mr. HERGER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas, a member of the Ways and Means Committee, a very distinguished and active member of the Trade Subcommittee, Mr. BRADY.

Mr. BRADY of Texas. Mr. Speaker, I see faces of trade myself. I recently did a tour of our manufacturing plants. We have over 300 of them in the Eighth Congressional District of Texas from steel mills to paper mills. I watched the workers on those lines working every day to produce those products. Between one-third and one-half of those products are made for sales overseas.

What they find is that when they try to compete around the world, they aren't allowed to compete. America is so open for every product from every country. But when we try to sell our products and our goods, what we see

are America need-not-apply signs all throughout this world.

Our trade policy is to tear down those signs, to give those workers in my plants a chance to sell their products around the world. There is a principle applied to the trade that we deal with today. The principle is, if you or I build a better mousetrap, we should be free to sell it throughout the world without government interference. If someone else builds a better mousetrap, we should be free to buy it for our family or for our business, again without government interference. That freedom to buy, to sell and to compete our products and our skills is an important economic freedom.

This trade agreement opens Peru's market, gives us the freedom to sell our products and goods into that country, for our agriculture community, for our manufacturing workers, and for our service community. As importantly, it reaffirms America's long-term commitment to both growth and prosperity here and at home in Latin America.

This agreement is important because for the first time in a long time, America is speaking as one voice on trade. Republicans and Democrats, this Congress and the White House are speaking as one voice to level the playing field for our farmers and our workers around the world. We are going from one-way trade to two-way trade.

These free trade agreements that we have with 14 to 15 countries are working. Today, they are only a small part of the world market, yet they buy nearly half of what my workers and America's workers export around the world. We are seeing growth in sales, growth in services, growth in products, and good-paying jobs in America.

One of the key points today is Peru is a great trading partner and they have been for 16 years. They have one of the most dynamic emerging economies in the Americas. They have instituted democratic reforms, they have decreased poverty, and they have improved their labor and environmental standards significantly. Why would we turn our back on a country and a partner like Peru?

It is time to go from a limited partnership of preferences to a full partnership of free trade with the country of Peru. Tonight I heard people say, well, the Peruvians don't support this. The workers don't support this.

How arrogant. The Peruvian Congress has twice voted overwhelmingly to ratify this agreement. They elected a President based on his support of this trade agreement. Their leading lawmaker's party ran on supporting this agreement. How arrogant it is for us to talk about Peru when their own elected leaders support this agreement.

It is important, not just about jobs for America, not just about jobs in Peru, it is important we remain engaged in Latin America. There is a reason why eight of our living Secretaries of State have implored this Congress to

stay engaged. Now is not the time to build walls to Latin America. Now is the time to build bridges.

Now is the time to continue to stay engaged as countries like Peru reject the influence of Hugo Chavez and embrace democracy and free speech and the rule of law and labor rights and human rights. They are doing the right thing. We ought to be reaching out and responding more to them.

I will make this point. America does create jobs through trade. In 1995, when NAFTA first took effect, our economy was less than \$7 trillion. Today it is more than \$13 trillion. Back then we had 115 million people working in America. Today we have over 140 million people working in America.

Trade creates jobs, and look at the top 10 trade States whose jobs are dependent upon our sales: Texas, California, New York, Washington, Illinois, Michigan, Florida, Ohio, New Jersey, Pennsylvania, all the top 10 States whose jobs are directly related to exports. Then we have the heartland States of agriculture and the high tech States throughout the country, all of which depend upon us opening new markets, tearing down that sign, and creating jobs. This is an agreement worth our support.

Mr. RANGEL. I would like to yield 2 minutes to the distinguished gentleman from Texas (Mr. CUELLAR).

Mr. CUELLAR. Mr. Speaker, I rise today to encourage my colleagues to support the Peru Trade Agreement. But first I want to thank Chairman RANGEL for the leadership, for providing a very balanced approach to trade here in the United States. Thank you, Mr. Chairman.

The objectives of the Peru Trade Agreement are two. One is to provide a substantial access for U.S. exports, and number two is to promote political stability in the western hemisphere and to strengthen U.S. national security.

Let's look at the purpose of a free trade agreement. The purpose of a free trade agreement is to lower tariffs.

□ 2245

But let's look at the current situation we're in. Right now, currently, 98 percent of the U.S. imports from Peru enter into the United States duty free under the most favored nation tariff rates and various preferences programs, including the Andean Trade Preference Act, the Generalized System of Preferences, GSP, and the Caribbean Basin Initiative. It is a one-way street where those imports come into the United States.

Upon implementation of this Peru trade agreement, 80 percent of all U.S. goods entering Peru will be immediately duty free, and the remaining 20 percent of goods will have the tariffs removed over the next 10 years. So what we're doing by this trade agreement is to make it into fair trade, into a two-way street. It's a one-way street coming in the United States, and what we want to do is make it two ways so

we can also have more exports and, therefore, make sure that we have a trade surplus with Peru.

The passage of this agreement will continue to remove barriers of trade of the Andean region and send a clear message to other nations that the establishment of democratic rights, the removal of restrictive tariffs, and the opening of markets to free trade will net positive results.

Peru is a market of almost 30 million people, and this presents opportunities for the U.S. businesses that they currently do not have at this time.

Although comprising 7.5 percent of the global, this will open up trade.

And I thank again, Mr. Speaker, the chairman for providing this legislation. Mr. HERGER. I reserve.

Mr. MICHAUD. I reserve.

Mr. RANGEL. How much time do I have, Mr. Speaker?

The SPEAKER pro tempore. You have a total, Mr. RANGEL, of 7¼ minutes, which means to preserve your 5 minutes for tomorrow you have 2¼ minutes left this evening.

Mr. RANGEL. Well, I am the last speaker, so whatever they want to do they can do. I may have to ask my friend on the other side for a minute or two to close, but I may not. So why don't I reserve and see what happens.

Mr. HERGER. I reserve my time to close as well on our side.

The SPEAKER pro tempore. And so, as I understand this current situation, Mr. RANGEL will use his 2¼ minutes to get down to 5 minutes. Reserve 5 minutes.

You will close and then yield all your time back except for 10 minutes for tomorrow.

And it now falls to you, the gentleman from Maine (Mr. MICHAUD).

Mr. MICHAUD. So if I understand you correctly, for debate purposes this evening, the gentleman from New York has 2¼ minutes.

The gentleman, how much time does he have this evening?

The SPEAKER pro tempore. He has a total of 3½ minutes left, and take off 10 minutes, so he has 2½ minutes left this evening.

Mr. MICHAUD. 2½ minutes.

Do you have any additional speakers? Mr. HERGER. Just myself to close on our side.

Mr. MICHAUD. Okay. Well, I would now recognize an outstanding freshman Member in the 110th Congress, the gentlelady from Ohio (Ms. SUTTON), who's done a great job on trade issues. I yield her 6 minutes.

Ms. SUTTON. Mr. Speaker, just over 11 months ago I arrived in these hallowed Halls as a Congresswoman representing the people of Ohio's 13th Congressional district.

During my campaign, and now as a Member of Congress, I have spoken with workers and their families in Akron and Lorain and other communities throughout northeast Ohio. And let me tell you about these proud, hardworking people who I am so hon-

ored to represent. All they really want is a government that works with them, not against them. They want a good job that will allow them to care for their families, put food on the table, and help them send their children to college.

And one of the many things that they understand very clearly is that our global trading system is broken, and our workers, and our businesses, our farmers, and our communities are being left at a devastating disadvantage.

In Ohio, we have lost over 200,000 manufacturing jobs since 2001, and that means a lot of families are suffering. And last November, my constituents and the American people across this country, they cast their ballots seeking a new direction on trade. And that's why it is so important that this Congress understand the connection between what we do here today and the impact that will have not only on people's livelihoods, but on their beliefs and on their ideas about what we stand for.

Mr. Speaker, people seldom look very hard for things they don't want to find. But Members of this esteemed body should not be so blinded by their yearning to support trade to not recognize the realities of its harmful effects on our families and communities.

Mr. Speaker, it may be easy to say that our current trade policies are working when you've not talked to families in Akron, looked into the eyes of their children, or walked down the streets in Lorain.

It may be easy to think that our broken system is benefitting our Nation's businesses when you ignore the voices of small businesses in Barberton and Elyria. And it may be easy to think we should continue down a crumbling path when you drown out the concerns of workers in Brunswick and Strongsville and Cuyahoga Falls.

But I learned, as we all do when we're young, that if something is broken, you fix it. You really fix it. If something no longer works, develop a new product that fits your needs and allows you to move forward. That's what we need to do with our trade policies. But, unfortunately, that's not what is happening here.

Mr. Speaker, the same promises that have been used over and over and over to justify passage of free trade agreement after free trade agreement are being heard here again tonight. Some are pleading that this is an historic breakthrough, and oh, how I wish that that were so. But it is not. And saying it is does not make it so.

It's clear that our current trade policies are not working, despite the same past promises made. We see this in the reality of a nearly \$1 trillion trade deficit, tainted imported food and products, currency manipulation, illegal subsidies, offshore jobs, and devastated families and communities.

Mr. Speaker, we could develop a new model that addresses these issues and

puts American workers and businesses in a position to compete on a level playing field and truly raises the standard of living for those in other nations, but, unfortunately, the Peru FTA fails to do this. It locks in problems with food safety, procurement, Social Security privatization, among others. And most importantly, we know very clearly it will not be enforced.

Just look at one of the agreement's strongest supporters, the U.S. Chamber of Commerce. They were very encouraged that the labor provisions in the bill could not be read to "require compliance." And today, in The Washington Post, we learned from the Columbia law professor, Mark Barenberg, that the Peru FTA actually imposes lighter sanctions for labor standard violations than current trade law requires. Now, proponents will say that's not true. But that's what Columbia Law Professor Mark Barenberg says. The Peru FTA actually imposes lighter sanctions for labor standard violations than current trade law requires.

So, Mr. Speaker, what are we going to do today for my constituents and those who elected us to move in a new direction on trade?

What will be the true legacy of this historic Congress? Will it be our legacy to pass more harmful trade policies and trade agreements like the one before us? Or will it be a different course, one of fairness, one of justice, one that will allow our workers and business a truly fair playing field?

I urge a "no" vote on the agreement.

Mr. HERGER. I yield myself so much time as I may consume.

I'd like to begin by just mentioning the last speaker, the gentlelady from Ohio, the Independent International Trade Commission estimates that Ohio's exports to Peru will grow by some 38 percent. And that 38 percent is in such areas as machinery equipment, chemical products, transportation equipment, computer and electronic equipment and plastic and rubber products.

Mr. Speaker and Members, I wish to express my strong support for H.R. 3688, the United States-Peru Trade Promotion Agreement Implementation Act. The Peru TPA will eliminate or significantly reduce Peruvian tariffs and address other trade barriers to U.S. goods. That Peru TPA also is an important means to promote democracy and stability in Peru and will further strengthen our relations with this strong partner of ours.

Today, nearly 6 months after reaching the May 10 bipartisan trade deal, we consider the Peru TPA on the House floor. I'm pleased for our farmers, ranchers, businesses, workers and consumers that this long-promised day is now a reality.

The Peru TPA will provide significant reciprocal market access benefits for these constituent groups. The International Trade Commission estimates that the Peru TPA will increase

U.S. exports to Peru by \$1.1 billion. But U.S. imports from Peru will only increase by less than half that, or \$439 million.

The ITC also estimates that the Peru TPA will add \$2.1 billion per year to the U.S. gross domestic product. According to the Office of the U.S. Trade Representative, the Peru TPA's many benefits include the following: 80 percent of U.S. exports of consumer and industrial goods will be duty free immediately, and all remaining tariffs eliminated within 10 years.

More than two-thirds of U.S. farm exports to Peru will become duty free immediately, including beef, wheat, soybeans, tree nuts, such as almonds, and various fruits and vegetables, such as peaches.

U.S. services firms will have substantial market access across Peru's service sectors, with very few exceptions. Almost all U.S. exports of information technology products will be duty free immediately, and there will be important protections for U.S. investors, intellectual property rights, worker rights and environment.

In my home State of California, the Peru TPA will offer tremendous market opportunities for our exporters. In 2006, California's farmers and businesses exported roughly 180 million in goods to Peru, including computers and electronic machinery, metal products and agricultural products. The elimination of tariffs and other trade barriers will help support the nearly 20 percent of manufacturing jobs and roughly 135,000 agricultural-related jobs in California alone that depend on exports.

The Peru TPA will also lead to a more substantial and reciprocal trading relationship between Peru and the United States. The current Andean trade preferences given by the United States to Peru have been important to its economic development and stability, but they provide little benefit to the U.S. exporters.

Today, for example, 97 percent of Peru's exports to the United States are already duty free. But only 2.8 percent of Peru's tariff lines are duty free for U.S. exporters.

□ 2300

The Peru TPA will level this uneven playing field. Given the importance of the Peru TPA as well as the pending free trade agreements with Panama and Colombia, I was pleased to participate in a recent bipartisan fact-finding trip to the region led by U.S. Commerce Secretary Carlos Gutierrez. This trip underscored to me that the Peru TPA will move our economic relationship to a new level and help make us even closer strategic allies.

I want to close by reminding my colleagues that our work is not done today. The May 10 bipartisan trade deal was designed to pave the way for a new bipartisan approach to trade policy and consideration of all four pending FTAs, not just the Peru TPA. In

fact, the May 10 deal amended all four pending FTAs, not just the Peru TPA. I urge the majority to now act on the commitments made with the May 10 deal and move the three pending free trade agreements with Colombia, Panama, and Korea.

We must not let this unique moment pass us by, especially when the E.U., China, and other countries are strengthening their trade ties in Latin America and Asia and threaten to pull ahead.

Mr. Speaker, at this time I would like to yield 3 minutes to my good friend the gentleman from New York (Mr. RANGEL). I want to thank the chairman, Mr. RANGEL, for your strong work and your leadership along with Chairman LEVIN of the Trade Subcommittee and the Democrat members on your side for working to have this bill come through the Ways and Means Committee with a unanimous "aye" vote. I commend you and for your many years of working in this area of fair trade.

With that, with the addition of the 3 minutes I yield, I yield back my time for this evening.

Mr. RANGEL. Let me thank my friend Mr. HERGER for the great work that he has done.

Mr. Speaker, as we wrap up this debate, I think that we have had tremendous success in what we have done because, regardless of which way the votes have come, isn't it wonderful, Mr. HERGER, that we do have a bill on the floor, that Republicans and Democrats are discussing it, and we broke this barrier that because of party label, people could decide how we felt about something?

And I have decided that we have a bigger job to do really than just talk about trade. I really think if the multinationals and the trade ambassadors and the Congress spent more time in feeling the pain of those people who were not the beneficiaries of trade, where people who worked hard for generations and life was always better for their kids and their grandkids, and how depressing it is to see all of that lost and the multinationals not bringing that technology and that innovation to our communities and our towns so that people could get their dignity restored. We have got to do a better job. And whether it's related to trade or whether it's not, when you're out of work and you've lost your dignity, what difference does it make?

And when you hear people say that they campaigned against trade, they campaigned against the indifference of our government to care about working people. They were campaigning against the spear because how could you possibly campaign against trade? You can't campaign against trade. You can't say everything we grow and everything that we manufacture, that we don't want someone to buy it. And you can't say that America can be as stable as it is. Somebody's working. Somebody's doing well. But the people who

campaign against trade are communities of people who are not doing well, and this country has not done well by them.

So we have got to make an appeal to the multinationals and to our government that they have to not sell trade where it's working; they have to sell trade where it is not working. Because, realistically, no one could have campaigned against the Peruvian agreement. It hadn't been decided. And if you campaign against trade, it's not realistic. But if you campaigned against making America strong and making certain that when you stamp an agreement, you see dignity in that agreement, you see a care for the environment, a care for workers, and you see a concern for those people who are going to be disadvantaged by that agreement. And if they are disadvantaged by anything even other than the agreement, which, as Mr. MCCREY said, when we were told by the United States Trade Representative and she said, Mr. Chairman, you know, a lot of people are complaining about loss of jobs. It has nothing to do with trade. And Mr. MCCREY said, What difference does it make? As long as they think it is, it's going to be very difficult to sell the question of trade.

So we've got a big job to do. This is only the beginning. And after you have said no, no, no to trade, we have to make certain that those towns come back. And I am not that good at projecting what's going on, but I was telling my dear friend JOE CROWLEY, I bet you that those who feel the strongest against the Peruvian agreement come from communities who have had a lot of economic pain, and those people who even think it was a bad trade agreement if they were doing good, they would allow a Member to make up their mind what they want to do. And so it means that we have got a long way to go but this is truly a beginning. We now have people expressing themselves and asking more from their government to help Americans that deserve better treatment than they have been getting.

The only thing that bothered me in the debate is the whole idea that the Speaker of this House and the members, Republican and Democrats, on this committee would bring forth a bill that they thought that Americans would suffer. It's one thing to differ with the contents of the bill; it's another thing to think that we are trying to sell CAFTA or NAFTA or bills that the Speaker has constantly been against. And speaker after speaker after speaker said that realistically if you take a look at Peru, how can it do anything except help us? How can it do anything that we're going to sell to them now, notwithstanding the tariff? Imagine how much more we can sell without the tariff? And when they sell, doesn't it mean that we're making it? If they're buying food, doesn't it mean we're growing it? And doesn't it mean in the communities that have it, we'll be doing well?

So let me thank the minority and let me thank the majority. It's been a great debate. Let's get on and say that this Peruvian bill is just the beginning of the cooperation we should expect.

Thank you, Mr. HERGER. And thank you, the majority.

The SPEAKER pro tempore. The gentleman from Maine now has the opportunity to utilize the rest of his time tonight. He has 6¾ minutes remaining this evening.

The gentleman is recognized.

Mr. MICHAUD. I thank the Speaker. I urge my colleagues to listen to their conscience and constituents by voting against this bill.

I worked at Great Northern Paper Company for over 28 years. My father worked there for 43. My grandfather before him for 40. Three days after I got sworn in as a Member of Congress, the very mill I worked at decided to close its doors because of trade.

Trade is not just a policy. It's a face, a name, a job, a family. The debate is, when will we change the course of trade policy so it can benefit the American economy, the American workers, the American families? When will we finally change our direction on trade and adopt a policy that makes sense for America?

A "no" vote on Peru means we want a new direction in trade. A "no" vote means we are sick of watching our jobs go overseas. A "no" vote means we reject imports made by child and slave labor.

Supporters of this trade agreement claim that strong labor and environmental protections are included. Then why does labor not support this bill? Why do the environmental groups not support this bill? And why does the President of the United States Chamber of Commerce support this bill? He made it very clear that the labor provisions are unenforceable. Those are his words.

This agreement is still based upon the same flawed NAFTA-CAFTA model. The proponents like to say it's not. But if you look at the investment chapter, the core investment chapter language, there are very little changes in that chapter in the core investment.

Now is the time for Congress to take a step back and consider what policies on trade is the best option, not the quickest one or the easiest one or the most politically expedient one.

In 2006, the American electorate voted overwhelmingly for Congress to move in a new direction. This is a golden opportunity to create a new policy, one that will help our workers achieve their highest potential, one that will protect our environment, one that will increase the standards of living for all countries involved.

Earlier this year, the Peruvian labor leaders had sent a letter to the Democratic leadership, and it gets to the point that Congressman KUCINICH made earlier, urging Congress to reject this bad trade deal. They said if we have to accept it, make one change for us, and

that has to do with privatization of Social Security. I would like to quote from that letter:

"By rejecting the Peru FTA, the United States Congress and the Democratic Party in particular can show the world that they can advocate in not only words but deeds."

We have failed when it deals with the issue of globalization that was talked about earlier. We have failed to put on the President's desk the currency manipulation legislation. We have failed to put on the President's desk the value-added tax that we heard earlier this evening. We have failed to put on the President's desk legislation that will eliminate the tax haven. We have not made the USTR enforce these labor agreements.

The American people were not fooled about NAFTA. We heard a lot of the discussions during the NAFTA debate this evening about Peru. Over 3 million jobs have been lost because of NAFTA. Illegal immigration has increased partly because of NAFTA.

The American people will not be fooled about this trade deal. They will understand over time what this trade deal will mean to America.

It's important for this Democratic Congress to start looking at trade in a different light, to make sure that we have a trade policy that is fair, not only in words but in actions.

And that's why labor does not support this. That's why a lot of the environmental groups do not support this. But that is why the U.S. Chamber of Commerce supports this trade deal, because it's good for the large multinational corporations.

Right now, with this Democratic Congress, we have a chance to embrace globalization and make it work, to make it work for America, not against America.

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As you heard earlier this evening from several of my colleagues who are opposed to this trade deal, it's about human faces. These individuals are just not numbers; they're human beings. And we, as a Congress, particularly a Democratic Congress, have to stand up for the individuals who cannot stand up for themselves.

This is a bad trade deal for America, and it is a bad trade deal for this Congress.

So, I implore my colleagues to vote against this trade deal tomorrow. I encourage you to continue to try to work with the Ways and Means Committee so we can come up with a new trade model that will actually work for America.

Mr. MORAN of Virginia. Mr. Speaker, I thank you for the time and rise in support of H.R. 3688, the U.S.-Peru Trade Promotion Agreement. Peru has been a longstanding ally in the region with the war against illegal narcotics and has committed to opening its markets and providing American businesses, farmers, ranchers and workers the opportunity to establish economical ties in that country.

Because of globalization and the benefits of growing business, cultural, and technological connectivity, Peru has become one of the fastest growing economies in Latin America with an 8 percent GDP growth in 2006. Our two-way trade with Peru has doubled over the last three years reaching \$8.8 billion in 2006, with U.S. exports reaching \$2.9 billion. However, because of the most-favored nation tariff rates and the various preference programs, including the Andean Trade Preference Act and the Generalized System of Preferences, 98 percent of Peru's exports enter the U.S. duty free.

While Peru's number one source of imports comes from the United States, U.S. products are subject to tariffs as high as 20 percent. With this agreement, the playing field will even out for U.S. businesses and move us from a one sided agreement to a full partnership. Once this agreement enters into force, 80 percent of U.S. consumer and industrial products will enter Peru duty free, while remaining tariffs phase out over ten years.

Like our past free trade agreements, Peru will prove to be beneficial to the U.S. economy. In the last 3 years, we have entered into several Free Trade Agreements with Chile, Singapore, Australia, Morocco, Bahrain, Oman, and several Central American nations and the Dominican Republic under CAFTA. And the results of these agreements have proven to be beneficial to the U.S. economy, businesses, and workers alike.

Three years after the U.S.-Chile FTA entered into force, our exports more than doubled reaching nearly \$7 billion last year. Likewise, our exports to Singapore nearly quintupled over the first three years also reaching \$7 billion. In 2006, one year after implementing the CAFTA-DR FTA, the United States exported \$19.6 billion worth of goods, up 16% from the previous year. In 2005, almost 4,000 companies exported goods from Virginia of which 82 percent were small and medium-sized enterprises (SMEs), with fewer than 500 employees.

But free trade agreements are more than just buying or selling products. They are also about adhering to sets of rules such as respect for intellectual property rights and with this agreement enforcement of international labor and environmental protections.

A free trade agreement with Peru will establish greater protection for Intellectual Property rights, a growing concern for U.S. businesses and a particular concern for the N. VA technology community. It is estimated that intellectual property piracy costs the U.S. economy between \$200 and \$250 billion per year in lost sales and is responsible for the loss of 750,000 jobs. This agreement will improve standards for defending intellectual property by including state-of-the-art protections for digital products such as U.S. software, music, text, and video.

Peru is the first free trade agreement that includes fully enforceable commitments to adopt and maintain fundamental labor rights as stated in the International Labor Organization's Declaration on Fundamental Principles and Rights at work. This agreement will also include critical provisions emphasizing our commitment to our environmental values by addressing the impacts of illegal logging and establishing specific and enforceable requirements to prevent the trade in illegally sourced timber.

Finally, this agreement will emphasize U.S. support for a country that values democracy,

economic freedom and growth. Trade with Peru will continue to significantly increase opportunities for economic growth and help Peru further develop and modernize its economy. Recently, Peru has experienced a decline in their poverty rate from 54.3 percent in 2001 to 49.5 percent in 2006.

As a friend of trade and of Peru, it is essential we continue to cultivate this partnership so our two nations can continue to prosper and be competitive in this growing global economy. I ask my colleagues to vote "yes" for the U.S.-Peru Trade Promotion Agreement.

Mr. STARK. Mr. Speaker, I rise in opposition to a Peru Free Trade Agreement that is neither free nor fair. Much like the North American and Central American Free Trade Agreements, this agreement will hurt both working families and the environment.

Building on the Bush Administration's framework for CAFTA, it promotes the offshoring of high-wage American manufacturing jobs by removing many of the risks firms face when relocating to Peru in pursuit of cheap labor.

Much like NAFTA, it enables foreign companies to challenge—in foreign courts—American laws that protect occupational health, safety, and the environment. Already, NAFTA signatories have paid more than \$35 million to corporations that have through this provision attacked bans on the use of toxic chemicals, limits on tobacco production and marketing, and regulations on deforestation.

In one case that hit particularly close to home, a foreign firm challenged

California's ban on the use of polluting gasoline additive MTBE. As a result, American taxpayers were forced to pay more than \$3 million in legal fees before the case was eventually dismissed on technical grounds.

This agreement also undercuts Congress' authority to ensure American tax dollars are spent to create jobs in America by enabling President Bush to waive existing 'Buy America' policies. And it enables foreign firms to challenge American procurement policies designed to promote recycling and renewable energy.

That's why numerous American labor, environmental, consumer, faith, family farm, and development groups oppose this agreement. Both of Peru's labor federations, its major indigenous people's organization, and a prominent Archbishop in the country oppose this agreement as well.

To be fair, this agreement does significantly improve upon the flawed framework provided of the North American and Central American Free Trade Agreements. For new labor and environmental protections that were absent from prior trade deals, I want to thank and recognize the hard work of my colleagues on the Ways and Means Committee.

Making measured alterations to the rules of the same old game, however, is the wrong approach. Rather than improve on President Bush's trade agreements at the margins, Democrats can and should set the terms of the President's negotiating authority in a way that honors our commitment to America's workers and the environment.

I urge my colleagues to vote "no."

Ms. HARMAN. Mr. Speaker, I believe in free and fair trade. Trade creates jobs in the United States and helps build our relationships with countries around the world.

But not all trade agreements are created equal.

That is why I evaluate trade agreements on a case-by-case basis. I voted against NAFTA in the face of enormous pressure from my own party, and against CAFTA because I felt it suffered from the same flaws as NAFTA. I stand by those votes and believe that subsequent events have proven them to be sound.

But on carefully reading the Peru FTA is worth supporting.

This FTA makes real strides in protecting workers and the environment, and the key is that core ILO standards and adherence to multilateral environmental agreements are enforceable obligations. For example, this means that Peru cannot violate the Convention on Marine Pollution or allow employers to use temporary contractors to substitute for striking workers. If it does, the United States can bring a case against Peru, and just like the other provisions of the agreement, the case could end with Peru being subjected to sanctions. This gives these provisions real teeth.

Chairman RANGEL has secured the protections many in my party have demanded. I urge us to take "yes" for an answer.

Mr. SKELTON. Mr. Speaker, agricultural trade is critical to the state of Missouri. Exports of farm products boost Missouri's farm prices and farm income. Such exports support about 17,900 Show-Me State jobs both on and off the farm in food processing, storage, and transportation. In 2006, Missouri agricultural exports amounted to \$1.4 billion and made an important contribution to Missouri's farm cash receipts that totaled \$5.6 billion that year.

The U.S.-Peru Trade Promotion Agreement would provide increased market access to Missouri's agricultural exports by making agricultural trade a two-way street. Currently, 98 percent of Peru's agricultural exports benefit from tariff-free access to the U.S. market. On the other hand, most U.S. farm and food exports to Peru are subject to high tariffs and other non-tariff restrictions.

Current tariffs on U.S. agricultural goods exported to Peru average 18 percent. As a result of this agreement, duties on more than 2/3 of these goods, such as prime and choice cuts of beef, soybeans, soybean meal, crude soybean oil, cotton, and wheat would be eliminated immediately. Duties on pork, dairy, corn, and beef varieties would be phased out over a period of time.

Because the U.S.-Peru Trade Promotion Agreement is so beneficial to American agriculture, it has been endorsed by four former Secretaries of Agriculture—John Block, Bob Bergland, Dan Glickman, and Clayton Yeutter.

Additionally, eight former Secretaries of State have endorsed the U.S.-Peru Trade Promotion Agreement because it is in the national security interest of the United States to maintain and build strong economic alliances with our Latin American neighbors. These former Secretaries include Colin Powell, Madeleine Albright, Warren Christopher, Lawrence Eagleburger, James Baker, George Shultz, Alexander Haig, and Henry Kissinger.

Over the past twenty years, Peru has transformed from bloody civil unrest to a democratic nation with freely elected leaders who are embracing reform and strengthening the rule of law. In that time, trade has fueled Peru's economic expansion and helped to increase per capita income levels. Peru has been a strong U.S. ally in our efforts to eradicate narcotics trafficking and to combat terrorism in the Western Hemisphere.

Because this agreement will benefit Missouri agriculture and strengthen our friendship with Peru, I am pleased to support the U.S.-Peru Trade Promotion Agreement and hope it will be quickly approved and signed into law.

Mr. HASTINGS of Washington. Mr. Speaker, it is with great frustration that I must speak out in opposition to the US-Peru Trade Promotion Agreement.

I am a strong supporter of fair trade and have voted to support every trade agreement during my time in Congress. The benefits of these agreements are clear. They lower barriers and open new markets for Central Washington farmers, and they create new opportunities for manufacturers and producers in Washington state and across the nation. Given a chance to compete fairly and our farmers will lead the world in exporting high-quality fruits and vegetables.

That is why I deeply regret the totally unfair provisions in this Peru agreement relating to asparagus. This agreement forces our American asparagus growers to pay the price for a failed anti-drug effort in South America that has actually resulted in more cocaine production.

The Peru Trade Promotion Agreement is preceded by the Andean Trade Preferences Act of 1991. This Act was a unilateral granting of access to American markets for the Andean countries of South America. Its purpose was to allow legal manufacturing and farm exports into our country in an effort to fight and reduce drug production and shipments from these countries. It has been an abysmal failure. Since this one-way trade system was put in place, cocaine production in the Andean countries is actually higher now than when the agreement was put in place.

However, since the Andean Act was enacted, imports of fresh asparagus from Peru went from 4 million pounds a year to over 87 million pounds in 2006. That's a 2000 percent increase! This flood of US-subsidized foreign imports cut asparagus production in Washington state from \$200 million in 1990 to approximately \$75 million today. American growers were given no transition period. No time to adjust. No consideration whatsoever.

Corporations have closed asparagus processing facilities in the United States, only to reopen them in Peru.

What our government's policies have done is magically create an industry in a foreign country under the flawed logic that Peruvians would grow asparagus instead of cocaine—when the two crops are grown in two totally different regions of that country.

When the United States and Peru completed negotiations on this agreement in December of 2005, I expressed my disappointment with the trade deal and the treatment of asparagus. This was after months of meeting with and encouraging American negotiators to fix it.

I regret that in the almost two years since then, the attention of the Administration to addressing the injustice wrong done to domestic asparagus growers has been non-existent. It's been up to those few of us in Congress, both Representatives and Senators, who represent asparagus producers to work together to try and bring some degree of fairness.

We are making progress and there is movement in the right direction, but we are still a long ways from it becoming reality. I hope we

are successful in our efforts and I would welcome the attention and assistance of the Administration.

American asparagus growers deserve better than to be ignored and placed at a competitive disadvantage by their own government. Until fair treatment and assistance to American asparagus growers is a reality, I am unable to support this agreement.

Mr. POMEROY. Mr. Speaker, I rise today in strong support of H.R. 3688, the United States-Peru Trade Promotion Agreement, and urge my colleagues to support this important legislation.

I would like to thank Chairman RANGEL and Subcommittee Chairman LEVIN for their hard work on the U.S.-Peru Trade Promotion Agreement. Through their leadership, for the first time in U.S. trade policy, the trade agreement we are considering today incorporates internationally recognized labor and environmental standards and other key priorities. This was a major achievement and I am pleased that this new Congress has pushed forward a trade policy that will expand and shape trade in ways that spread the benefits of globalization here and abroad by raising standards. Congress is resuming its proper role as an active and full participant in the development of U.S. trade policy.

Under these circumstances, a new approach to trade policy—one that better reflects American values and spreads the benefits of globalization broadly—is especially critical. This is the kind of approach that we have long espoused and will begin to implement with the Peru FTA. Once enacted into law, this FTA will lock in these gains and give us a basis to build on in the future.

Central among the changes to our current trade policy is a new bipartisan commitment to the inclusion of a fully enforceable commitment that countries adopt and enforce the five basic international labor standards in all future trade agreements. This includes the freedom of association; right to collective bargaining; elimination of forced and compulsory labor; abolition of child labor; and elimination of employment discrimination.

I think it is particularly important to note the importance of what we have established with this trade agreement by way of a labor template. The Peru FTA includes basic worker rights, because workers must be a key part of the trade equation. Accordingly, for the first time in any U.S. free trade agreement, the Peru FTA includes protections for the basic rights of workers in its core text. It also prohibits Peru from lowering its labor standards in the future. It also makes these labor obligations subject to the same dispute settlement processes and remedies as all other provisions in the FTA. If Peru fails to enforce fundamental labor rights, or fails to enforce its labor laws, the U.S. Government can sue Peru for not complying with the Agreement. These are the real labor standards that are applied by the International Labor Organization (ILO)—the exact standards we have sought for more than a decade. Notably, Peru has already changed its legal framework to comply with the FTA.

I urge my colleagues in joining me in voting “yes” for the U.S.-Peru Trade Promotion Agreement.

Mr. ETHERIDGE. Mr. Speaker, I rise today in support of H.R. 3688, the United States-Peru Trade Promotion Agreement Implementation Act.

Mr. Speaker, this legislation, better known as the U.S.-Peru TPA, has gone through an extensive and thorough legislative process that has been years in the making. For the first time, we have before us today a trade bill that contains legally binding worker rights and human rights provisions that have never before been a meaningful part of free trade legislation. This is a tremendous victory for American workers and a tremendous accomplishment of the Democratic Leadership of this Congress.

The U.S.-Peru TPA will guarantee that legally binding and enforceable labor and environmental standards be incorporated into this trade policy. This is a landmark piece of legislation for this reason alone.

Beyond the worker right provisions this bill is good for the people of Peru. In a region that for years has been plagued with the influence of the drug trade and political upheavals. A strong trade agreement with an economic ally such as the United States will help bring stability to this area through economic growth, increased job availability, and greater educational opportunities.

This trade agreement will also be a boon for the American worker. Currently U.S. agricultural imports to Peru face an average tariff of 18 percent. The U.S.-Peru TPA will eliminate all tariffs on U.S. agricultural and food products entering the Peruvian market and significantly reduce tariffs on exported goods manufactured and exported from the U.S. Market.

For my home state of North Carolina, this means significant increases in the exports from our \$2 billion dollar pork industry, as well as our poultry industry, which ranks in the top five in the Nation. This legislation will also result in an increase in the exports of the goods produced in the technology and manufacturing industry in and around the Research Triangle Park of North Carolina.

Mr. Speaker, this trade agreement is a good and carefully crafted piece of legislation and I urge my colleagues to support this bill and vote “yes” on H.R. 3688.

Mr. UDALL of Colorado. Mr. Speaker, I rise in support of H.R. 3688, the “United States-Peru Free Trade Agreement Implementation Act.” I believe the agreement contains a number of important benefits for the people of both the United States and Peru.

The agreement will provide each country immediate duty-free access for most industrial, agricultural and consumer goods. Remaining tariffs will be phased out gradually. This will bring an improved commercial relationship between our countries that will benefit a number of sectors in the U.S. economy, including high technology, machinery and agriculture.

The U.S.-Peru Free Trade Agreement will improve market access for information technology goods and service providers. Exports of U.S. products like computers and communications equipment to Peru will receive duty-free treatment. This will benefit Colorado because it will expand markets for our companies, which in 2006 sold more than \$4 billion in computers and electronic products worldwide, accounting for 51 percent of the state’s total international exports.

Passage of this agreement will also help small businesses in Colorado. More than 85 percent of the companies that export goods from our state have fewer than 500 employees. Adoption of this agreement is critical for these small firms that rely on foreign markets

and need additional international market access to grow.

While expanding markets for businesses and farmers is critical, it must be done in a manner that is responsible in the treatment and protection of workers and the environment. This agreement includes important provisions to assure this will occur.

President of the AFL-CIO John Sweeney’s comments on the agreement are instructive: “The new provisions on workers’ rights and the environment represent significant progress in crucial areas that we have fought together to achieve for many years.”

The inclusion of labor standards in the agreement’s main text will ensure that Peru will adopt, maintain, and enforce its own laws regarding the freedom of association, the right to collectively bargain, as well as the elimination of forced or child labor.

I am pleased the agreement provides a fully enforceable commitment that the U.S. and Peru will adopt, implement, and enforce in their environmental laws and practices obligations under major multilateral environmental agreements, including the Convention on International Trade in Endangered Species and the Montreal Protocol on Ozone Depleting Substances.

I commend Peruvian President Alan Garcia for the work the Peruvian government has done to modify domestic law to honor the commitments in this agreement. I urge the Administration and the United States Trade Representative (USTR) to ensure these obligations are honored. It is important that the United States takes step to ensure our trading partners provide workers with basic labor rights. By including such requirements we dedicate ourselves to this goal.

I am encouraged that the USTR and the Bush Administration have worked to resolve concerns raised by members of Congress along with outside groups and organizations in the course of this agreement negotiation. It is my hope the same kind of consideration can be given to issues of concern in future trade agreements.

While this agreement is largely about enhancing the exchange of goods and services, it is also about enhancing our relationship with an ally and democratic partner in Peru. Expanding the commercial relationship between the U.S. and Peru can help expand support in combating illegal immigration, narcotics trafficking and countering regional terror groups.

I welcome the beginning of a new chapter in our commercial partnership with Peru and urge the U.S.-Peru Free Trade Agreement be passed.

Mr. CALVERT. Mr. Speaker, I rise today to express my strong support for the U.S.-Peru Trade Promotion Agreement. This Agreement has a positive and significant impact on small business. More than 50,000 companies exported goods from California since 2005. This trade agreement is an important element which contributes to the growth of the California and American economy.

While the positive aspects of trade far outweigh the negatives, Congress must be firmly committed to help minimize any harmful effects that may come from greater trade. Since 2000, southern California has seen a 40 percent increase in container traffic on roads and rails, which is causing serious transportation problems for both business and constituents in my district. Congress must take a closer look

at infrastructure as it relates to trade. There are many barriers to trade, but transportation infrastructure should not be one of them.

This Agreement will also level the playing field of trade with Peru. Under the current trade preferences in place 99 percent of Peru's imports enjoy duty-free access to the U.S. In contrast, only 2 percent of U.S. agricultural products enjoy duty-free access to the Peruvian market. Once the Agreement enters into force, 90 percent of the current trade in U.S. agricultural products will enjoy duty-free access while the remaining products will be gradually phased out. California's exports have grown over 183 percent since the ratification of the U.S.-Chile Free Trade Agreement and I fully expect the U.S.-Peru Agreement to bring similar success to the California economy.

Mr. WAXMAN. Mr. Speaker, I rise in support of the U.S.-Peru Free Trade Agreement. This has not been an easy decision. This is not an ideal agreement. But it contains significant improvements negotiated by the Democratic leadership. And because of these changes the agreement represents a critical step toward a more progressive trade policy that raises standards for labor, the environment, and public health.

Under the Bush Administration, U.S. trade policy has gone from bad to worse. Instead of using trade agreements to raise standards of living, the U.S. Trade Representative has approached negotiations putting corporations ahead of consumers and profits ahead of people.

In recent agreements with Central America, Morocco, and others, labor standards an environmental rules have been made expendable and unenforceable on paper and in practice. Trade provisions aggressively pursued on behalf of the pharmaceutical industry have sought to delay generic competition in developing countries where the absence of affordable medicine can mean the difference between life and death.

Initially, the Peru FTA was no different. However, this spring the Democratic congressional leadership successfully negotiated substantial improvements to the agreement.

On the medicines issue, specifically, the revised FTA restores much of the flexibility needed to safeguard generic competition and protect public health. For example, patent extensions are no longer mandatory in the event of regulatory delays. The agreement directs patent disputes to be resolved through the court system, instead of forcing regulatory agencies to link marketing approval to the status of a drug's patent. Language was also added to make clear that the FTA does not and should not prevent Peru from taking measures to protect public health.

The Peru FTA is not perfect. There is a provision that delays the availability of generics for up to 5 years after a new drug is approved, even in the absence of a patent. USTR maintains that this "data exclusivity" provision is supposed to mirror a provision in U.S. law intended to incentivize research by allowing drug companies to recoup the costs associated with producing the clinical test data necessary for drug approval. But Peru is not a mirror image of the United States. It is a small developing market where the profitability for drug makers is minimal and the impact on a large population of poor and uninsured patients could be severe.

The revised Peru FTA does make clear that Peru can override this five-year restriction if public health needs demand it. Additionally, the new FTA has a mechanism for generic medicines to become available in Peru no later than they are available in the United States. However even with these key exceptions, I believe data exclusivity is a clear example of how further changes are necessary in our negotiations with developing countries.

Another area that needs reevaluation is the "investor-state" provisions that permit private investors to use trade tribunals to bypass regular legal channels in challenging government actions and regulations. While there have been some improvements to make the tribunals more transparent, greater reform is necessary to prevent abusive and unfair efforts by investors to undermine environment, health, safety and other laws and regulations. I would also like to see further progress to use trade agreements to strengthen adherence to core labor standards.

The bottom line is that overall the improvements to the Peru FTA are a real achievement. Today, we can finally put a stop to the Bush Administration's "one size fits all" approach to trade negotiations. While it will take more than a revised Peru FTA to overhaul our trade policy in broader ways, this trade agreement is an important first step in the right direction. For that reason I will support it today.

Mr. MICHAUD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SNYDER). All time has expired for debate this evening on this bill.

Pursuant to section 2 of House Resolution 801, further proceedings on the bill will be postponed.

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore (Mr. PATRICK J. MURPHY of Pennsylvania). Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

(Mr. MCDERMOTT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

(Mr. HOLT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. POE (at the request of Mr. BOEHNER) for today after 8 p.m. and until 1 p.m. on November 8 on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HARE) to revise and extend their remarks and include extraneous material:)

Mr. CUMMINGS, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. WATERS, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mrs. MCCARTHY of New York, for 5 minutes, today.