

of excessive regulations coming from this administration sends the wrong signal to our entrepreneurs, our investors, and our small business people, the very people we need to create jobs. It sends the signal that America is not open for business. And there is a sense that we may be falling behind other nations in the global marketplace.

We face big challenges, but America has always stood up when times were tough. We are a country of entrepreneurs and innovators. Madam Speaker, it is time to energize our small businesses and job creators and get the economy growing again.

When House Republicans released our plan for America's job creators, we outlined our ideas to get our economy back on track, to promote an environment for job creation, and to ensure America remains the land for opportunity without raising taxes or adding to the deficit. And part of that plan was passage of the free trade agreements with Colombia—yes, Panama, and yes, South Korea.

But our support for passing these agreements is not new. On December 22, 2009, I, along with other House Republican leaders, wrote to President Obama outlining what we called the "No Cost Jobs Plan." In that letter, we noted that passage of these trade agreements would, according to experts, increase exports by 1 percent. That 1 percent increase in exports equates to a quarter of a million new jobs. We noted in our letter that the only thing standing in the way of creating those jobs was for the President to submit the trade agreements to Congress for approval. Since then, we have repeatedly called on the President to move forward with these agreements so we can clear the way for thousands of new jobs and create an environment for economic growth. Nearly 2½ years later, on October 3, the President finally submitted all three agreements.

I am glad that the administration has recognized the importance of expanding market access for American companies, both small and large. As majority leader, I introduced all three agreements the very same day the President submitted them, and I am pleased today that the House will approve all three agreements.

By moving forward on these agreements, Madam Speaker, we will help manufacturers in my home State of Virginia and those across the country increase exports and increase production. The more manufacturers produce, the more workers they need, and that means more jobs.

Our action today is proof that when we look for common ground and work together, we can produce results. I'd also like to note that today, Madam Speaker, the House is acting on another bill that is part of the President's jobs plan. The House will pass the VOW Act, the Veterans Opportunity to Work Act, to help our soldiers and veterans with the challenges of reentering the workforce.

Madam Speaker, there is no more time to waste. We have said over and over again that we should not let our differences get in the way of producing results, and we want to find common ground so that we can work together to improve the economy. I hope today's action will encourage the Senate and the President to join us in helping to pass these trade agreements and other pro-growth measures to help the American people get back to work.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 425, the previous question is ordered on the bill.

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

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BRADY of Texas. Madam Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### UNITED STATES-KOREA FREE TRADE AGREEMENT IMPLEMENTATION ACT

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the bill (H.R. 3080) to implement the United States-Korea Free Trade Agreement will now resume.

The Clerk read the title of the bill.

Mr. CAMP. Madam Speaker, I yield 2 minutes to the distinguished member of the Ways and Means Committee, the gentleman from Louisiana, Dr. BOUSTANY.

Mr. BOUSTANY. I rise in support of all three of these very important agreements because they promote U.S. engagement in strategically important countries around the world. Also, they promote U.S. leadership. They open new markets for American farmers, ranchers, and businesses. This means American jobs, good-paying American jobs. These agreements constitute a signature jobs bill, a jobs promotion bill.

South Korea is a critical U.S. ally in Asia and one of the fastest growing economies in the world. Multiple agreements have occurred throughout Asia over the past few years while America sat on the sidelines. This agreement is the largest free trade agreement for the U.S. and could result in an increase of our exports by \$9.7 billion, according to the International Trade Commission, by lowering tariffs and other barriers to U.S. goods and services. We must pass this agreement in order to gain leverage in Asia and to show support for one of our key allies in Asia.

This expansion of U.S. engagement will serve as a platform to build further commercial relationships, creating more jobs for American workers by opening new markets. Upon implementation, more than one-third of Louisiana's exports will be duty free, and that's just a starting point. This alone will give Louisiana companies a significant advantage over similar products made in countries that don't have an FTA with South Korea.

We know small and medium-size businesses are the key to creating new jobs. Over 18,500 companies of this size, small and medium companies, export to South Korea. And they will be able to grow and hire new workers here in the United States, right here at home.

□ 1520

These agreements are about creating jobs. In fact, President Obama estimates that the passage of these bills will create over 250,000 new jobs right here at home as a starting point.

Madam Speaker, I urge voting to promote all of these agreements because it will promote American competitiveness and American jobs. It will promote American credibility with our trading allies. It will promote American confidence in our international engagement. And it will promote American leverage as we work with our trading partners. And most importantly, it will promote American leadership in the 21st century.

Mr. LEVIN. I yield 3 minutes to the gentleman from Washington (Mr. McDERMOTT), ranking member on Trade.

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

Mr. McDERMOTT. Madam Speaker, I rise in support of the Korean free trade agreement.

We should all be proud of Korea. We created Korea. Our troops went to Korea at the beginning of the Korean War and saved South Korea from becoming North Korea. That's how the Koreans look at it.

I took a trip with the Commerce Secretary, Gary Locke, who's now the Ambassador to China. And the Koreans said, we're very grateful and we want to have this relationship with you. And they have come—because we opened our markets to them, they are the most successful country in Asia in coming from nowhere to an average income of around \$33,000 per person.

Now, making an agreement with them is making an agreement more with an equal. And when we went from Seattle, we know about our regional relationship with them, we are the third-largest State exporter to Korea. In 2010, Washington State exported more than \$55 billion worth of goods; more than half of all that went to Asia. Hundreds of thousands of jobs in my State depend on this trade relationship. So this is not something where we're going to lose jobs.

I believe it's important to move ahead because I think it's equally important to move ahead right. And what

is amazing is how the Bush administration went into this thing and never figured out the biggest problem, that it was a one-way trading operation. We said to them, send us anything you want, and they did. And now we were going to go for an agreement where we were going to turn it around and say, we're going to send some things to you.

The Bush administration ignored that. Had it not been for CHARLIE RANGEL and SANDY LEVIN and the Democrats, we would never have gotten them to sit down and renegotiate. They didn't want to reopen. They had actually passed it and felt badly, and kind of—they lost some face because we didn't respond. But we said, no, it's not good enough. So we brought this agreement back and got an agreement that is much fairer and much more equitably deals with our economy, particularly our automobile industry, but also beef and some other things.

And this is an agreement between equals. This is not going out looking for cheap labor. They were that once. Back in the mid-1950s, when we said send us anything, they made all the textiles. They were the textile bunch. But they don't make textiles anymore. That's not what they're doing. They're dealing with high-end exports. And we have to have an agreement with them that makes it possible for us to have a level playing field.

This agreement does it, and from that point of view, I think this is one that everybody can support. I urge my colleagues to support this free trade agreement with the People's Republic of Korea.

Mr. MICHAUD. Madam Speaker, I yield myself 15 seconds.

In response to the two previous speakers, I just want to highlight at this time the lunch bucket that I carried with me for over 29 years at Great Northern Paper Company in the mill. The Korea free trade agreement is bad for the workers who carry a lunch bucket similar to this.

At this time I would like to yield 1 minute to the gentlewoman from California (Ms. SÁNCHEZ).

Ms. LINDA T. SÁNCHEZ of California. Madam Speaker, I rise today to speak in opposition to this fatally flawed trade agreement. During a time when our top priority should be job creation, Congress is instead considering free trade agreements that will ship more American jobs overseas.

Making matters worse, we need to make sure that our current trade laws are being enforced. This Korea FTA will allow China to dump even more cheap goods into the U.S. without paying proper duties. And we're not talking about just a couple of dollars here either.

Chinese companies fraudulently labeled many of their products as "Made in Korea" to the tune of \$153 million last year. This fraud will mean lost jobs and lost revenue here in the United States. If this agreement passes, more Chinese companies will

ignore our trade laws. I think we can all agree that we should be working toward supporting our manufacturing sector, not making it easier for China to cheat us.

Working families in this country deserve better than this flawed agreement. For that reason, I'm urging my colleagues to vote against it.

Mr. CAMP. I yield 1 minute to the gentleman from Texas (Mr. MARCHANT), a distinguished member of the Ways and Means Committee.

Mr. MARCHANT. Madam Speaker, I rise today in support of these free trade agreements. Simply put, the trade agreements create more jobs, increase exports, and broaden economic growth. At a time when the United States unemployment hovers around 9 percent, including 8½ percent in Texas, engines of job growth are needed.

As the independent International Trade Commission points out, the three trade agreements would increase U.S. exports by \$13 billion. While more jobs are good news for the country as a whole, Texas, in particular, stands to benefit from increased trade. In today's globalized economy, Texas depends more than ever on world exports.

Businesses in the Dallas-Fort Worth area are positioned for big gains. DFW Airport, one of the world's leading trade gateways, already handles almost 65 percent of all international air cargo in Texas. The trade agreements would increase shipments of goods from DFW to some of the most lucrative Latin American and Asian markets.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CAMP. I yield the gentleman an additional 15 seconds.

Mr. MARCHANT. DFW alone has five direct flights every week to South Korea. Madam Speaker, I am in support of the trade agreements.

Mr. LEVIN. Madam Speaker, I yield 2 minutes to the gentleman from the great State of Oregon (Mr. BLUMENAUER), another distinguished member of our committee.

Mr. BLUMENAUER. On balance, the package of measures moving forward is a constructive development for America's economy, and particularly for my State of Oregon. The people I represent will see increased sales abroad of machinery, technology, and agricultural products. This, in turn, will lead to increased activity at our ports. Beef exports from Oregon will increase to help our State's farmers and ranchers. Services ranging from engineering, design, to the legal sector, all will increase. The Korean free trade agreement means jobs for Oregonians.

Some people have complained this process took too long, but I commend this administration and, particularly, my colleague, Mr. LEVIN, who didn't rush to approve trade deals that weren't good enough. Dramatic improvements have been made to the Korean free trade agreement where blatant unfairness towards American automobile sales in Korea have been

addressed. Indeed, this agreement is now supported by the American workers who make cars. And I commend Mr. LEVIN for his untiring efforts.

In total, these agreements represent improvements that we can build upon, but do not signal that we can relax our efforts. There's more that can be done. We need to redouble our efforts to ensure the benefits of trade are more widely distributed, and in the spirit with which we discussed today, that they, in fact, are enforced.

I've been encouraged by the renewed commitment to use the tools as they're supposed to be. I was pleased the Senate has acted on Chinese currency manipulation, and that the administration's decision to impose tariffs on illegal Chinese activity in the tire market was sustained by the WTO. I look forward to helping ensure a continued focus on appropriate trade enforcement.

Our economy has grown increasingly interdependent around the world, especially in Oregon. Our best efforts are needed to make sure we realize the promise of international trade. It is not a one-way street. The years spent to improve these agreements were an important step in that direction.

□ 1530

Mr. MICHAUD. Madam Speaker, the Korea trade agreement is bad for workers who carry a lunch bucket like this one.

At this time I would like to yield 1½ minutes to the gentleman from North Carolina (Mr. KISSELL).

Mr. KISSELL. Madam Speaker, I rise in strong opposition to the Korean free trade agreement, and I want to make two points. One, Korea is a very important ally, a good friend of ours. It's just that their name is on the latest of these NAFTA-type template deals that we've been asked to pass. Two, I love exports, but if you look at our trade deficit, you've got to figure out that we don't know how to get our exports higher than our imports, not even get close.

I want to talk about the textile industry today. I spent 27 years of my life working in textiles. Hundreds of thousands of good Americans were working there. Their only mistake was in believing their American Dream could be fulfilled in an industry that our government decided to give away in trade deals. Now we're at it again. The South Korean free trade agreement will eliminate around 40,000 textile jobs. How much more can one industry be asked to give? They give good solid jobs, and, once again, we give those jobs away.

We heard last week the average American working family is now effectively down to a standard of living of the mid-1990s. I simply ask this question: How much more of the American Dream of our American working families should they have to give up, have to delay, until we figure out how to get this right, until we quit trying to give

our jobs away to other parts of the world and we concentrate on this great American economy and make it here in America?

Mr. CAMP. Madam Speaker, I would just note that in countries that we have trade agreements with, we have a surplus in manufacturing exports.

With that, I would yield such time as he may consume to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. Thank you, Mr. Chairman.

Being from Georgia's Third Congressional District, we have been blessed to have a robust manufacturing industry. We have both Kia Motors and a large textile presence in my district.

I would like to ask the chairman if he would enter into a colloquy.

Mr. CAMP. Yes, I would be glad to.

Mr. WESTMORELAND. Mr. Chairman, what will the Ways and Means Committee do to ensure no textile jobs in the U.S. are lost due to the Korea free trade agreement?

Mr. CAMP. If the gentleman would yield, first of all, the agreement includes a robust safeguard that allows the United States to raise tariffs if imports from South Korea surge and injure the domestic textile industry.

Second, the agreement includes a number of provisions to prevent transshipment of products from China or other third countries to ensure that U.S. companies are competing only against South Korean imports.

Third, KORUS uses a "yarn forward" rule of origin, which requires that the yarn production and all operations forward occur either in South Korea or in the United States. This stringent rule is consistent with other U.S. trade agreements.

Fourth, the agreement will open up significant new commercial opportunities for U.S. textile and apparel exporters and support the creation of new textile and apparel jobs in the United States.

South Korea is the 10th largest market for U.S. textile and apparel exports. The ITC estimates that U.S. textile exports would increase by \$130 million to \$140 million, that's 85 to 92 percent, and apparel exports would increase by \$39 million to \$45 million, that's 125 to 140 percent.

U.S. textile and apparel exporters are currently at a significant disadvantage vis-a-vis European textile and apparel exporters. U.S. companies currently face average tariffs in South Korea of 10.2 percent on U.S. textile and apparel exports. As a result of the EU-South Korea FTA entering into force, EU textile and apparel exporters now face an average tariff of just 0.1 percent.

Mr. WESTMORELAND. Further, Mr. Chairman, what has the Ways and Means Committee done to ensure textiles from China do not illegally enter the U.S. through Korea?

Mr. CAMP. If the gentleman would yield, we are currently working with U.S. Customs and with the Koreans to avoid this problem. The agreement

itself includes a number of aggressive provisions to address transshipment. In addition, U.S. Customs and South Korean Customs have worked closely to develop state-of-the-art procedures, including advanced risk management techniques. For example, textile products are automatically categorized as "high risk" and subject to a greater level of scrutiny by U.S. Customs.

In addition, the agreement authorizes textile-specific fraud detection and verification programs. For example, article 4.3 of the agreement requires the South Korean Government to share detailed information about textile manufacturers in South Korea, including production capacity, supplier information, and machinery. This allows U.S. Customs to quickly and accurately estimate likely production and to flag suspicious shipments and companies.

The agreement also allows U.S. Customs to send inspectors to South Korea to conduct on-site verifications to prevent evasion and transshipment. These inspectors are allowed to make unannounced visits; and if the South Korea firm refuses to allow U.S. Customs officials to inspect, Customs can suspend preferential tariff treatment for goods from that company.

U.S. Customs maintains a permanent Customs liaison in our Seoul Embassy who focuses closely on transshipment issues. South Korea has already started implementing its commitments in preparation for the trade agreement. South Korea has dramatically increased resources to address transshipment, including tasking 157 Customs employees to work exclusively to verify the accuracy of country of origin information to products going to countries in which South Korea has a trade agreement.

I will continue to work with Customs and the Koreans to ensure that trade enforcement is a high priority in the Ways and Means Committee.

Mr. WESTMORELAND. I thank the gentleman, and I appreciate his commitment to bolster the customs enforcement and close the loopholes in the customs process that have negatively impacted U.S. textiles, including taking up the Textile Enforcement and Security Act, which I'm sure the chairman would do.

It is my understanding that Korea's tariffs on U.S. textiles are subject to a 5-year phaseout, but the U.S. tariffs would go to zero immediately, allowing for free entry for Korean textiles. What is your committee doing and will it do to ensure an equal playing field for U.S. textiles in Korea and there's not a flood of Korean textiles into the U.S. market?

Mr. CAMP. If the gentleman would yield, actually the tariff asymmetry works the other way around. By value, 73 percent of U.S. textile exports to South Korea would receive duty-free treatment immediately upon entering into force. In contrast, only 52 percent of South Korean textile exports to the U.S. by value would become duty-free immediately.

So, in addition, it's worth noting that South Korean exports to the United States have fallen by 50 percent over the past 5 years, while U.S. exports to South Korea have nearly doubled.

Mr. WESTMORELAND. I'd like to ask the chairman, will you promise to work with the Textile Caucus to ensure that the textile provisions of the Korean free trade agreement are not used as a model of future free trade agreements, especially the Trans-Pacific Partnership?

Mr. CAMP. If the gentleman would continue to yield, I look forward to continuing to work together with you and your colleagues in the Textile Caucus to work to address your concerns and ensure that the USTR is aware of industry concerns and that Customs adequately prioritizes its trade enforcement responsibility, particularly as it relates to textiles.

Mr. WESTMORELAND. I thank the chairman for the colloquy.

I would like to submit two articles about the impact of the Korea free trade agreement on the textile industry.

[From Bloomberg Businessweek, Sept. 15, 2011]

KOLON LOSES \$920 MILLION VERDICT TO DUPONT IN TRIAL OVER KEVLAR

(By Jef Feeley, Gary Roberts and Jack Kaskey)

Kolon Industries Inc. lost a \$919.9 million jury verdict to DuPont Co. over the theft of trade secrets about the manufacture of Kevlar, an anti-ballistic fiber used in police and military gear.

Jurors in federal court in Richmond, Virginia, deliberated about 10 hours over two days before finding Gyeonggi, South Korea-based Kolon and its U.S. unit wrongfully obtained DuPont's proprietary information about Kevlar by hiring some of the company's former engineers and marketers. The award yesterday is the third-largest jury verdict this year, according to data compiled by Bloomberg.

DuPont, based in Wilmington, Delaware, is spending more than \$500 million to boost Kevlar production and meet rising demand for armor and lightweight materials that reduce energy use. Kevlar and Nomex, a related fiber used in firefighting gear, accounted for about \$1.4 billion of DuPont's \$31.5 billion in sales last year.

The "jury decision is an enormous victory for global intellectual property protection," Thomas L. Sager, DuPont's general counsel, said in a statement. "It also sends a message to potential thieves of intellectual property that DuPont will pursue all legal remedies to protect our significant investment in research and development."

DuPont rose 86 cents, or 1.9 percent, to \$45.52 in New York Stock Exchange composite trading yesterday. The shares have declined 8.7 percent this year.

Kolon said it disagrees with the verdict and will appeal.

#### MULTIYEAR CAMPAIGN

The "verdict is the result of a multiyear campaign by DuPont aimed at forcing Kolon out of the aramid fiber market," Kolon said in a statement e-mailed by Dan Tudesco of Brodeur Partners, a public relations agency. "Kolon had no need for and did not solicit any trade secrets or proprietary information of DuPont, and had no reason to believe that

the consultants it engaged were providing such information. Indeed, many of the 'secrets' alleged in this case are public knowledge."

Kolon said it will continue to pursue an antitrust case against DuPont, which is scheduled for a March trial. DuPont will file motions later this year to have the case dismissed, Sager said in a telephone interview.

DuPont will pursue recovery of the award "wherever we can find Kolon assets," Sager said. The company also will seek punitive damages for each of the 149 stolen secrets, reimbursement of more than \$30 million in attorney's fees and an order barring Kolon from making products with DuPont's information, Sager said.

#### BODY ARMOR

DuPont, the largest U.S. chemical company by market value, sued Kolon in February 2009 alleging it stole confidential data about Kevlar. DuPont began selling the bullet-resistant fiber in 1965 and it's used in body armor, military helmets, ropes, cables and tires. Kolon began making its own version of the para-aramid fiber in 2005.

DuPont argued in court filings that Kolon executives conspired with five former employees of the U.S. chemical maker or its Japanese joint venture, DuPont-Toray Co., to gain access to Kevlar information.

To spur sales of its Heracron aramid fiber, Kolon hired Michael Mitchell, a former DuPont engineer who also had served as a Kevlar marketing executive, DuPont said in court papers. DuPont contended that Mitchell, hired as a consultant, provided Kolon with proprietary information about Kevlar.

#### HOME COMPUTER

Mitchell "retained certain highly confidential information on his home computer" and passed the information to Kolon, DuPont alleged in court filings.

After learning about Mitchell's activities, DuPont executives alerted the Federal Bureau of Investigation, according to U.S. Justice Department officials.

During a search of Mitchell's Virginia home, FBI agents uncovered DuPont documents and computers containing confidential information belonging to his former employer, federal prosecutors said last year.

Mitchell pleaded guilty to theft of trade secrets and obstruction of justice and was sentenced in March 2010 to 18 months in prison.

Kolon recruited other former DuPont workers, including engineers and researchers, as part of a "concerted effort" to obtain information about Kevlar, according to court filings.

"DuPont's investment in developing this information, amounting to hundreds of millions of dollars over many years, was thereby essentially lost," the company said in a filing in October. "Kolon is now able to compete against DuPont in the aramid marketing using DuPont's own information against it."

[From the New York Times, Oct. 11, 2011]

#### TEXTILE MAKERS STRUGGLE TO BE HEARD ON SOUTH KOREA FREE TRADE PACT

(By Binyamin Appelbaum)

WASHINGTON.—There are still a few textile mills in the Carolina piedmont, making futuristic fabrics that cover soldiers' helmets and the roofs of commercial buildings.

There is also a new threat on the horizon. A proposed free trade agreement with South Korea, which the House and Senate are scheduled to consider this week, would open the American market to a manufacturing powerhouse that has its own high-technology textile industry.

The South Korea deal, and companion pacts with Colombia and Panama, are sailing

toward approval. Both political parties are eager to show they are doing something to revive the ailing economy, and there is a broad consensus among the Obama administration, Republican leaders in Congress and many moderate Democrats that the deals will reduce costs for American consumers and increase foreign purchases of American goods and services.

That has left opponents of trade deals, like the textile industry, struggling to be heard. They say past trade agreements, which remove tariffs and other protections for domestic manufacturers, have eroded the nation's industrial strength. The new round of deals will repeat that pattern, they say, allowing South Korean companies to flood the domestic market without creating significant export opportunities for American manufacturers.

"We are very much in favor of global trade, but we're just not about having agreements that are unfair to the U.S. textile industry," said Allen E. Gant, Jr., chief executive of Glen Raven, a family-owned company that employs 1,500 people in the United States. "The U.S. needs every single job that we can get."

The Obama administration renegotiated some elements of the deals—first authored by the Bush administration—to address concerns raised by trade unions and industries including automakers. The agreements are a centerpiece of its strategy to increase exports as a driver of faster economic growth, and the White House is pushing to seal the deals in time for a state visit to Washington this week by President Lee Myung-bak of South Korea.

Votes in both chambers of Congress could come as soon as Wednesday, during Mr. Lee's scheduled visit.

"These agreements will support tens of thousands of jobs across the country for workers making products stamped with three proud words: Made in America," President Obama said in a statement last week when he submitted the deals to Congress.

Economists generally argue that free trade agreements benefit all participating countries by creating a larger market for goods and services. But that benefit derives in part from the movement of some activities to the lower-cost countries. In other words, even if the deal is good for the United States as a whole, it is likely to create clear losers.

The government estimated in 2007 that the deals would increase annual economic output by up to \$14.4 billion, or about one-tenth of one percent. Most of that demand would come from South Korea, which would join a short list of developed nations that have free trade pacts with the United States, including Australia, Canada, Israel and Singapore.

But the study by the United States International Trade Commission found that the deals would cost jobs in some industries, and it singled out the textile industry as one likely to face the largest blow.

Highland Industries, a Greensboro, N.C., company that employs 680 people at two factories, manufactures a kind of fabric that is used to reinforce the roof coverings on commercial buildings like big-box stores. The massive rolls of fabric can be 12 feet wide and 5,000 yards in length.

South Korean companies already sell similar material at prices 15 to 20 percent below Highland's. Bret Kelley, the company's marketing manager, said Highland was able to compete on speed and customer service, but he said that could change if the trade agreement passed, because the tariff reductions would allow South Korean companies to lower prices by another 10 percent.

"We're quick and nimble, and we forge strong relationships, but what we're selling is a commoditized product," Mr. Kelley said.

"Those companies will start looking away for savings of 25 and 30 percent."

Textile industry executives are particularly incensed that for some products, like the roofing fabric produced by Highland, the deal requires the United States to reduce tariffs more quickly than South Korea.

The administration says there are only about two dozen such cases, and that the deal on the whole favors American companies. South Korea must eliminate tariffs immediately on 98 percent of the roughly 1,500 listed products in those categories, and to complete the process within five years. The United States, by contrast, would eliminate tariffs immediately on 87 percent of listed products, and complete the process within 10 years.

But many in the textile industry say they have a broader concern. Even once all the tariffs are gone, a deal between a large economy and a smaller one inevitably favors the smaller one, because it gains access to a much larger market. South Korea's economy is less than one-tenth the size of the American economy.

"There's not a market for our products there," Mr. Kelley said. "We don't have an opportunity."

All of this is a familiar story for the textile industry. The production of shirts and sheets has shifted steadily from the United States to countries with lower-cost labor. Economists argue that this process strengthens the economy as companies and workers shift to more productive and lucrative kinds of work.

The American Apparel and Footwear Association, a trade group that includes many members who have shifted some production overseas, is among the supporters of the trade deals. The group's president, Kevin M. Burke, has said the deal would "create more jobs here at home," because American workers still run textile companies, and design, transport and sell the products.

But from the perspective of the dwindling ranks of domestic manufacturers, putting existing jobs in jeopardy seems like an act of senseless destruction.

"We have felt for many years that our government isn't supporting the idea of keeping manufacturing alive in the United States," said Ruth A. Stephens of the United States Industrial Fabrics Institute, a trade group that represents companies with domestic factories.

Critics also see little evidence that American workers are moving on to better jobs in more competitive industries. The primary benefit of the deals, they say, is that corporations are able to produce goods more cheaply for consumption in the United States.

"We don't have a free trade agreement with Great Britain, which could actually buy American products," said Auggie Tantillo, executive director of the American Manufacturing Trade Action Coalition, which opposes the agreements. "Instead we have this penchant for doing free trade agreements with countries that are low-cost manufacturing centers. Why? Because multinational companies aren't looking at this and saying, 'It will be great to make things in Ohio and send it to South Korea.' No, they're looking at this and saying, 'It will be great to make things in South Korea and send it to Ohio.'"

Mr. Tantillo said he expected it would be clear even a year from now that the benefits predicted by the government were overstated.

Mr. LEVIN. First, I yield 10 seconds to the gentleman from Washington.

Mr. McDERMOTT. Thank you, Mr. Chairman.

Madam Speaker, in a letter to the president of the Committee to Support

U.S. Trade Laws, the Ambassador of the Trade Representative, Mr. Kirk, said there is nothing in the trade treatment that will weaken the international rules or U.S. laws to address unfairly traded imports that injure U.S. industry and workers. The specific trade remedies provisions you raise are carefully crafted by our negotiators to mean that they will not adversely affect the efficacy of relief under U.S. anti-dumping and countervailing duty laws.

EXECUTIVE OFFICE OF THE PRESIDENT, THE UNITED STATES TRADE REPRESENTATIVE,

Washington, DC, April 13, 2011.

GILBERT B. KAPLAN,  
President, Committee to Support U.S. Trade Laws, c/o King & Spalding, LLP, Washington, DC.

DEAR MR. KAPLAN: Thank you for your recent letter regarding certain provisions in the trade remedies chapter of the U.S.-Korea trade agreement (KORUS). Let me assure you that the Administration is committed to maintaining strong and effective trade remedy laws. There is nothing in KORUS that will weaken the international rules or U.S. laws to address unfairly traded imports that injure U.S. industries and workers.

The specific trade remedies provisions you raise in your letter were carefully crafted by U.S. negotiators to ensure that they would not adversely affect the efficacy of relief under U.S. antidumping and countervailing duty laws, and would not impinge upon the rights of U.S. petitioners to seek and obtain relief from unfairly traded imports. None of the provisions mentioned in your letter—relating to undertakings, pre-initiation notification and consultation, and the committee on trade remedies—will require any change in current U.S. laws or regulations or any substantive change to current U.S. practice. Furthermore, the dispute settlement provisions of the agreement do not apply to the antidumping and countervailing duty provisions of the trade remedies chapter.

With regard to undertakings, which are currently permitted under U.S. law, KORUS does not require that any special consideration be given to requests for undertakings from Korean exporters or the Korean government or otherwise obligate the U.S. Department of Commerce to enter into undertakings. The only requirement in KORUS that does not already exist in current practice involves the provision of written information on the procedures for requesting an undertaking, as well as the timeframes for offering and concluding such an undertaking. This information is readily available in U.S. law and regulations. The requirement to provide a copy of this information at the time an investigation is initiated will in no way affect our ability to enforce our trade remedy laws.

With respect to the pre-initiation notification and consultation provisions in KORUS, these are procedural provisions that will not require any changes to U.S. law. Under current law and practice, the Commerce Department notifies the government of the exporting country when an antidumping or countervailing duty petition is filed. Pre-initiation consultations are already required under U.S. countervailing duty law. In the antidumping duty context, the agreement clearly states that the provisions are to be applied consistent with U.S. law. Accordingly, these provisions do not alter current laws or regulations in any way.

As you note in your letter, KORUS establishes a Committee on Trade Remedies, the purpose of which is to exchange information

and discuss issues related to trade remedies; enhance each country's knowledge and understanding of the other country's trade remedy laws and practices; and improve cooperation on trade remedy matters. This forum will allow U.S. trade law administrators and experts an opportunity to exchange information and views with their Korean counterparts, and could provide us a basis to address matters of common concern and better advocate on behalf of the commercial interests of U.S. exporters, manufacturers and workers. Moreover, the United States succeeded in obtaining a commitment from Korea to use this Committee as a forum to discuss industrial subsidies, which will enhance our ability to obtain information on Korean government subsidy practices to the benefit of U.S. companies and workers.

Thank you again for sharing your views on these important issues. Please do not hesitate to contact me if you have any additional concerns.

Sincerely,

AMBASSADOR RON KIRK.

Mr. LEVIN. I now yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

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

Mr. KIND. I rise in strong support of the U.S.-Korea trade agreement today as I have in support of Colombia and Panama as well.

Madam Speaker, the Korea trade agreement is another example of President Obama and his team at USTR, led by Ambassador Kirk, inheriting what I thought were three pretty good trade agreements when they assumed office, but realizing there was room for improvement, and much to the credit of the chairman and the ranking member of the Ways and Means Committee, we got that crucial improvement with Korea over two vital sectors of the U.S. economy—automobiles and beef.

More specifically for the State of Wisconsin, which is the largest cranberry-producing State in the Nation, this enables us to get back into the game with meaningful exports going into the Korean market. Each day we wait to pass this agreement, Chile captures more market share, affecting the ability to export and the job creation that we desperately need back home.

□ 1540

It's also true for one of the largest manufacturers and, therefore, one of the largest employers in my district in western Wisconsin, located in my hometown of La Crosse. Right now, the goods and products that they're making at that La Crosse plant face an 8 percent tariff barrier to the export into the Korean market. With the passage of this agreement, that tariff goes down to zero, which is the point of all of these trade agreements, that we're leveling the playing field for our workers and our businesses so they can compete more effectively and fairly in gaining greater market access to Korea, to Colombia, and to Panama.

These won't be the panaceas to the job creation we need at home, but they are important steps in the right direction. They all contain vital inter-

national labor and environmental standards in the bulk of the agreements, fully enforceable with all other provisions. That has been a significant improvement as far as the elevation of standards globally and the leveling of the playing field for our businesses and our workers at home, which cannot be discounted.

Again, I commend the members of the Ways and Means Committee, the leadership there, and especially President Obama and his USTR team in taking these three trade agreements, improving upon them, and making sure that the "open for business" sign is over the United States of America again so we can pursue a meaningful economic engagement throughout the rest of the world.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. KIND. I do subscribe to Cordell Hull's theory on trade. He once stated that trade is more than just goods and products crossing borders because, when that occurs, armies don't.

These are an important tool in our diplomatic arsenal and also part of the answer to the economic growth that we need desperately in this country.

Mr. MICHAUD. I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. My friend who preceded me talked about the reduction in tariff exports. Well, guess what? That will be blown away if they manipulate their currency, and Korea is one of only three nations on Earth identified as a currency manipulator by our own U.S. Treasury. Does this agreement preclude currency manipulation? No, it does not.

Secondly, they rebate their national taxes, a Value Added Tax, to all their exports. Build a car in Korea, you don't have to pay taxes in Korea. Guess what? Build a car in the U.S., we can't rebate the taxes under these crummy trade laws we've bound ourselves to, and when the U.S. car gets to the border of Korea, they have to pay a 10 percent tax. So we're going to be able to export autos to Korea if they're 20 percent cheaper than those produced by cheaper labor in Korea. Not very likely, but let's say we could do that. Then there are a couple of other problems.

If you buy a U.S. car and if you're a Korean citizen, they will audit your taxes. Most employers do not allow the owners of foreign automobiles, which are mostly luxury automobiles over there—there are very few foreign automobiles—to have parking spaces at work. Also, Korea does not buy very many cars. They have a 65 percent mix: 65 percent of the cars they produce are exported.

This is not about U.S. exports to Korea. Once again, it's a platform for them to say to us stop here—it's cheaper—and displace American jobs.

Even the U.S. International Trade Council, the wildest cheerleader in the

world for all of these failed agreements, says we're going to have a bigger deficit in autos. These are the same people who said we were going to have huge trade surpluses with Mexico. Whoops, got it wrong. They can't even mess around with this and pretend we're going to benefit from this—\$300 million, they say, of additional auto exports to Korea and \$1.7 billion of more auto exports from Korea to the U.S. That's what the cheerleader is saying. Imagine what the real numbers are going to be like.

We're talking about 160,000 to 200,000 U.S. jobs. Kiss the remainder of the auto industry and auto parts goodbye with this agreement.

Mr. CAMP. I would just note that this agreement is endorsed by the three big automakers as well as by the United Auto Workers.

With that, I would yield 1 minute to a distinguished member of the Ways and Means Committee, the gentlewoman from Kansas (Ms. JENKINS).

Ms. JENKINS. I thank the chairman for his leadership on this important issue and for yielding time.

Madam Speaker, many Americans believe that Congress can't agree on anything; but if there is one thing Washington can agree on, it's that we're in a jobs crisis and that we should be doing everything in our power to create an environment that encourages the private sector to thrive and create jobs.

If we are looking to make a dramatic and immediate impact on our job market, we need to look no further than the South Korean trade agreement. Ratifying this deal will secure at least 70,000 American jobs as we increase our exports by more than \$10 billion, adding \$12 billion to our GDP. This agreement also means jobs for Kansas. Our agriculture sector is looking at a multibillion-dollar expansion in our processed foods, chemical and transportation industries, which do well over \$150 million of business with South Korea each year, and are prime to expand further under this deal.

If our focus is on jobs, jobs, jobs, then let's pass this South Korean trade agreement, and let's get America back to work.

Mr. LEVIN. Madam Speaker, I yield 3 minutes to another member of our committee, the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. I rise today in support of this agreement between the United States and Korea. I especially want to thank my colleague, Mr. LEVIN of Michigan, for his tireless efforts to improve the agreement, along with Chairman CAMP and Congressman BRADY of Texas in a bipartisan way.

A lot of credit for the concept of this agreement should also go to President Obama. The Bush administration was willing to submit an agreement that heavily favored Korea, but the Obama administration held out until we got a better deal—a more fair deal, a more fair agreement.

For a long time, our roadways have been home to cars named Hyundai. Now, because of this agreement, South Korean roadways will see more American cars on them. It's only right that Fords and Chevys have the same access that Hyundai has here in America. This agreement will not only break down barriers for American car manufacturers, but American services and goods, such as insurance, legal, finance, television, and movies will now be available in South Korea. Korean services companies have always had the right to operate here, but this agreement is about making sure that American companies have the same ability to operate in South Korea.

That's good news for American businesses and good news for American workers. For a State like mine, which depends so much on the service industries, it is important that we are able to export our products throughout the world. It is no secret that the number one reason to support this agreement is that it tears down barriers for U.S. exporters and will create jobs right here in the United States.

But the number two reason is just as important. I have often discussed with my Korean American constituents back in Queens and in the Bronx the importance of there being a strong South Korea. This is as much about diplomacy. This is as much about our geopolitics. South Korea is in an area of the world that is dangerous and unpredictable. America needs strong allies in this region, and this agreement acknowledges South Korea as a friend and stalwart ally of the American Government and, more importantly, of the American people. Since we stood shoulder to shoulder during the Korean war against the advancement of Communism to our joint efforts today to stop terrorism throughout the world, South Korea has been a true ally of the United States.

This agreement sends a message to countless other countries around the world that, if you want to be treated like South Korea, act like South Korea.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. CROWLEY. South Korea has strong labor and environmental laws. South Korea is committed to a representative democracy, and South Korea recognizes that trade is a two-way street that must benefit Americans as well as South Koreans.

I strongly urge the passage of this agreement.

□ 1550

Mr. MICHAUD. I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. I rise to voice my strong opposition to this trade agenda with South Korea.

Like the two other NAFTA-style trade agreements before us, we know

this deal will lead to the outsourcing of American jobs, potentially displacing 159,000 U.S. workers, according to the Economic Policy Institute. It will provide Chinese businesses engaged in the transshipment of goods through third countries an easy opportunity to take advantage of tariff rates that are intended for South Korean goods.

According to the Korea Customs Service, the quantity of products illegally labeled "Made in Korea" doubled from 2008 to 2010. These transshipped products come primarily from China and southeast Asian nations.

Chinese companies have a history of transshipping goods to the U.S. through other countries so that they can avoid duties that are levied against them for illegal trading practices. Korea's proximity and 16 ports, including the world's fifth-largest, makes them a usual target for Chinese companies.

Investigations by U.S. Customs in recent years have resulted in indictments and convictions for a variety of duty evasion schemes that hurt America, including cases concerning steel, wire garment hangers, and honey from China. There are no provisions in this agreement to guard against a potential flood of Chinese products shipped through Korea.

That means we can expect an increase of cheap Chinese goods into our market, again to the detriment of U.S. workers, if we pass this agreement. Millions of jobs have been lost or displaced because of our trade deficit with China, and Chinese products from chicken to toys have posed serious public health concerns.

What American families need right now is real job creation. We should be focused on policies that will put Americans back to work here at home in good, well-paying jobs that cannot be outsourced. And what we do not need are shortsighted trade deals that open a back door for Chinese companies to exploit.

I urge my colleagues: Stand up for struggling Americans and oppose this agreement.

DISTRICT LODGE 26, INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO,

Kensington, CT, March 22, 2011.

Hon. ROSA DELAURO,  
House of Representatives,  
Washington DC.

DEAR REPRESENTATIVE DELAURO: I am writing to you, and all members of the Connecticut Congressional delegation, to make certain that we have conveyed clearly to you the position of the International Association of Machinists regarding the proposed South Korea Free Trade Agreement.

It is our understanding that you have already declared your opposition to this unacceptable treaty. Thousands of IAM members across the state and the country thank you for your decision to protect working families rather than cave in to global corporate interests. Hopefully, the material in this letter will give you more ammunition with which to actively encourage defeat of this flawed pact.

Let me start by stating plainly and without equivocation—the Machinists Union nationally and in Connecticut is strongly opposed to this proposed agreement. Much has



been written about this pact, so I will not repeat arguments unnecessarily. Attached to this correspondence is a statement from our national leadership declaring their opposition. Our main concern, and one that has been borne out by the results of a series of regrettable so-called "free trade" agreements, is further loss of US jobs, and a mounting US trade deficit.

The Economic Policy Institute estimates that the US will lose approximately 159,000 jobs as a result of this pact. We cannot afford to lose any jobs, and certainly not here in Connecticut.

Our state is particularly vulnerable in regards to this agreement. As you may know, South Korea has embarked on an ambitious renewable energy program, and one of their favored technologies is the fuel cell. While neither our state nor our federal government has seen fit to invest significantly in fuel cells, South Korea is now the largest consumer of the technology.

Fuel Cell Energy has already located production facilities in South Korea, and there is no doubt that other producers, including UTC Power, are continually evaluating the location of their production in relation to markets.

The US State Department, in its 2010 Investment Climate Guide, states:

The Korea-U.S. Free Trade Agreement (KORUS-FTA) would be a major step to enhance the legal framework for U.S. investors operating in Korea. All forms of investment would be protected under the KORUS-FTA agreement, including enterprises, debt, concessions and similar contracts, and intellectual property rights. With very few exceptions, U.S. investors will be treated as well as Korean investors (or investors of any other country) in the establishment, acquisition, and operation of investments in Korea. In addition, these protections would be backed by a transparent international arbitration mechanism, under which investors may, at their own initiative, bring claims against a government for an alleged breach of the KORUS-FTA chapter. Submissions to investor-state arbitration tribunals would be made public, and hearings would generally be open to the public.

Such re-assurances about the ease & safety of investing in Korea are, in fact, alarming to workers whose jobs will be the "collateral damage" when such investments occur. That includes Connecticut working families.

The 35% content provision—allowing goods with up to 65% content produced outside of South Korea to be treated as South Korean exports—makes the agreement a conduit for sweatshop products from all over Asia. These are not provisions that help workers either in the US or South Korea.

There has been some small confusion, exacerbated by proponents of the treaty, about where the US trade movement generally stands on this issue. It is true that the United Auto Workers and the United Food & Commercial Workers have stated their support—but labor's support stops there. The AFL-CIO and its affiliates oppose this treaty—period.

Just as importantly, the South Korean labor movement also vigorously opposes the pact. Given the claims that workers' rights are enhanced in the agreement, the Koreans' opposition is a sobering reality check. In fact, the International Metal-Workers Federation (IMF), of which the IAM is a part, stated in 2009 that "Union repression in South Korea is among the worst in the world." That article is attached, as is a recent piece concerning a huge struggle taking place at a South Korean shipyard where thousands of workers are losing their jobs, despite contractual commitments from the employer.

Incidentally, the conduct of large Korean corporations, even outside of Korea, calls into question their attitude towards workers. Attached is an article describing the ongoing hardship being endured by employees of the South Korean ship building HANJIN in the Philippines. The situation is, in a word, shameful.

South Korea, and the rights of workers internationally, is of such importance to our Union and its members that Eastern Territory General Vice President Lynn Tucker recently traveled to Korea for a conference of ship-building unions, to speak to delegates. General Vice President Tucker was appalled at the accounts of abuse of South Korean workers. He asks very pointedly how President Obama can give assurances that the "re-negotiated" treaty protects workers, when here in the US workers in states like Wisconsin and Ohio are being trampled into the ground. "Does Obama know how to get to Wisconsin or Ohio and demand from those Governors a fair agreement for workers? I think not," GVP Tucker concluded.

Please dispense with any notion that the labor movement is supportive or ambivalent about the South Korea Free Trade Agreement. We urge you to remain steadfast against the treaty and to work on persuading your colleagues to do the same, in the best interests of our great country and our beleaguered state.

Thank you. Please contact me if you have any questions or concerns about this matter. I can be reached at 860 459-5381.

Sincerely,

JOHN W. HARRITY.

Mr. CAMP. Madam Speaker, I yield 1 minute to the distinguished chairman of the Select Revenue Subcommittee, the gentleman from Ohio (Mr. TIBERI).

Mr. TIBERI. I rise in support of the three agreements before us today and would like to read a recent quote from our President, Barack Obama:

"If Americans can buy Kias and Hyundais, I want to see folks in South Korea driving Fords and Chevys and Chryslers. I want to see more products sold around the world stamped with three proud words: 'Made in America.'"

Madam Speaker, this is about jobs, and I support the President's effort, our chairman's effort in crafting these three agreements before us today. In fact, I asked Ambassador Kirk earlier this year in our full committee, how many jobs did he think would be created if these three agreements were passed? And his answer was 250,000 new American jobs would be supported with these three agreements.

In Ohio, Madam Speaker, agriculture is still the number one industry. We believe, the trade ambassador believes, that we will see an increase in exports to South Korea and the three other countries of 55 million per year.

This is about jobs, Madam Speaker. This is about exports. This is about leveling the playing field.

I urge my colleagues' support of the agreements.

Mr. LEVIN. It is my pleasure to yield 1½ minutes to the gentleman from California (Mr. COSTA).

Mr. COSTA. Madam Speaker, I rise in support of the U.S.-Korea free trade agreement, as well as the Panama and Colombia agreements before us today.

Economic growth depends upon a number of factors, including growing access to foreign markets. These agreements do that. Foreign goods enter our country under few restrictions, but around the world our products face product tariffs and other prohibitive barriers to trade. The current situation is neither free nor fair trade.

This changes that. The barriers are against our products. This reduces and eliminates those barriers.

The pending agreements will allow American products to better compete globally and drive job creation here at home. That's why I support these agreements.

Perhaps no industry stands to gain more than agriculture throughout America, and especially in California, the number one agricultural State in the Nation. Passage of these agreements with South Korea means American-grown raisins, asparagus, almonds, pistachios, and wine will benefit from immediate duty-free access to the world's 12th-largest economy. Many other crops, including citrus, will also benefit. Recognizing the agreement's potential to create over 70,000 American jobs, it's been endorsed by the United Auto Workers, United Food and Commercial Workers, and many of the agricultural trade associations.

With Panama, American exports will gain duty-free access to Latin America's fastest-growing economy. The agreement with Colombia will eliminate most barriers to trade for U.S. products entering Central and South America, its third-largest economy, and strengthen our ties with a key ally in that region.

Simply put, expanding access to emerging foreign markets will boost agricultural revenue and, in turn, help put Californians back to work.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVIN. I yield the gentleman an additional 15 seconds.

Mr. COSTA. But simply passing these agreements is not enough. We must build on the current and future administration's accountability to ensure these trade agreements are enforced. We cannot afford to sit on the sidelines while other countries forge their own pacts with emerging markets. Increased exports mean more jobs for here at home and for America.

I ask you to support these measures.

Mr. MICHAUD. Madam Speaker, I yield 1 minute to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. I thank the gentleman.

These are the same promises that we heard during NAFTA and during the Most Favored Nation trade status debate with China.

We hear a lot of statistics about job creation. We don't need statistics. Come to Ohio. Go to Toledo. Go to Pittsburgh. Go to Fayetteville, North Carolina. Go to Youngstown, Ohio. Go to Akron. Go down the Ohio River. All

these promises were made before, and it didn't pan out. It didn't work.

And these trade issues are sideshows. The number one issue facing this Congress is whether or not we're going to deal with China and their currency manipulation. That bill came to the floor, this floor, last year. We had 99 Republicans vote for it. It passed with 350 votes. It just passed the Senate.

We need to bring that bill to the floor and take on the beast in the middle of the room, and that's the Chinese, and drive investment back.

When we put a tariff on oil country tubular goods in China, countervailing duties and anti-dumping, we had \$2 billion of investment that now came into the United States in steel mills.

We know what to do. We just need the courage to do it. And to all my friends here who are going to help all these multinational corporations, they're going to get the money that they made, and they're going to utilize the Citizens United case, and they're going to invest it in your campaigns to beat you.

It's time we have the courage to take on the beast and do what's right.

Mr. CAMP. Madam Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentleman from Washington (Mr. REICHERT).

Mr. REICHERT. Thank you, Mr. Chairman, for yielding.

Well, the beast in the room is jobs, and that's what these bills are about: jobs.

We need to pass these trade agreements just like President Obama said. Pass these trade agreements now. Pass these jobs bills now. That's what these are, jobs bills.

Korea alone, 70,000-plus jobs. And how does that work? Well, 95 percent of the tariffs that we pay currently to Korea disappear. They're eliminated almost immediately.

What happens then? Guess what. Our prices go down. More demand for our goods. More demand for our goods, what does that mean? Produce more products. When you produce more products, what happens? This is Economy 101.

□ 1600

You have to hire more workers, more workers to make more products. Guess what. The unemployment rate goes down.

That's what we need to do today. We have to come together, and we know this is a bipartisan effort. We know that people have come together on both the Democrat side and the Republican side. We know that the White House has supported these trade agreements.

What happens if we don't pass these bills? We lose. The European Union has already made their agreement with Korea. It went into effect on July 1. Their exports to Korea have already increased by 17 percent. We are losing market share. Ninety-five percent of

our market is outside of this country. We need to sell America. We need to pass these trade agreements now. We need to pass these jobs bills now.

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

Mr. MICHAUD. I yield 1½ minutes to the gentleman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. I would like to thank my colleague, Congressman MICHAUD, for his tireless work to promote responsible trade policy.

Madam Speaker, I rise in strong opposition to the U.S.-South Korea free trade agreement. Nearly 14 million Americans remain out of work; and instead of considering a job creation bill, we are voting today on a trade bill that the Economic Policy Institute estimates will cause the loss of an additional 159,000 U.S. jobs.

This trade deal will further devastate the American manufacturing sector which has already lost 6 million jobs since 1998; 55,000 factories have closed in the last decade. The three Bush-negotiated trade deals under consideration today are an expansion of the NAFTA trade model, which has decimated cities and towns across America. Agreements like the Korea FTA have accelerated the outsourcing and offshoring, sending American jobs and plants overseas.

This trade agreement is a bad deal for American workers. Trade can be a valuable tool to bolster the U.S. economy, but only if we utilize a trade model that promotes U.S. jobs. If we want to create jobs, we need to create jobs, not pass another trade agreement that will ship even more U.S. jobs abroad.

Mr. CAMP. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Indiana (Mr. PENCE).

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

Mr. PENCE. I thank the gentleman for yielding.

Madam Speaker, this is a difficult time in the life of our Nation—9.1 percent unemployment nationally, and millions of Americans families are hurting. And the American people are looking to Washington, D.C., more for solutions than for fights. And today with the Korea free trade agreement, with the Colombia trade promotion agreement and the Panama trade promotion agreement, Washington, D.C., in a bipartisan way is coming together with a solution that will help to create jobs and get this economy moving again, and I heartily support it.

I want to commend Chairman CAMP, Ranking Member LEVIN, Speaker BOEHNER, Leader CANTOR, and even the President of the United States for working together in common purpose to bring us to this important moment. I've always believed that trade means jobs. And I say with some pride, that's especially true in the Hoosier State.

Indiana is uniquely poised to take advantage of the free trade opportunities

provided in these agreements, and I'm grateful for the chance to elaborate on that. I often say in Indiana we do two things well: we make things and we grow things. The truth is that in the State of Indiana, we do a lot more than that. But in Indiana, what we grow and what we build is really at the heart of the Hoosier economy, and expanding global markets for what we make and for what we grow is going to create jobs in Indiana, in the city and on the farm.

The American Farm Bureau estimates that implementing these three agreements will increase agricultural exports in Indiana by nearly \$55 million a year, creating 500 new agricultural-related jobs.

The Korea agreement that we debate at this moment will eliminate \$1.3 billion in tariffs on U.S. exports that cover many products Indiana is known for, like feed corn, soybeans, and dairy. It will eliminate those duties while other duties on products like pork will be phased out. Other industries, like Indiana's growing life sciences sector, will benefit.

Let me say again, I rise in support of these agreements because I believe that trade means jobs. And America and Indiana need jobs like never before. I urge my colleagues in both parties to join in this bipartisan effort, and let's move this bill.

Mr. MICHAUD. Madam Speaker, may I inquire how much time remains.

The SPEAKER pro tempore. The gentleman from Maine has 11 minutes remaining, the gentleman from Michigan (Mr. LEVIN) has 8 minutes remaining, and the gentleman from Michigan (Mr. CAMP) has 6½ minutes remaining.

Mr. MICHAUD. Thank you.

At this time I would like to yield 2 minutes to the gentleman from North Carolina (Mr. JONES).

Mr. JONES. I thank the gentleman for the time.

Every time a President, Democrat or Republican, asks Congress to approve a trade deal, they give us these wild optimistic projections for how many jobs these deals are going to create.

Sadly, this administration is no different. President Obama has suggested that the Korea free trade agreement will create 70,000 new jobs. The record shows just how wrong that claim is.

In the 1990s, President Clinton suggested that NAFTA would create over 200,000 jobs. Well, here's the reality: Since NAFTA passed in December 1993, America has lost 5.15 million jobs. Lost 5.15 million manufacturing jobs. And 384,000 of these jobs were lost in my home State of North Carolina.

In 2005 President Bush claimed that CAFTA was a "pro-jobs bill" that would stem the tide of U.S. manufacturing job losses. But since CAFTA passed in September of 2005, America has lost 2.4 million manufacturing jobs.

Here we have roughly 9.1 percent unemployment in this country, due in no small part to the Washington elite jamming these job-destroying trade agreements down our throats.



Americans do not want more “free trade.” A recent NBC-Wall Street Journal poll showed that 69 percent of the American people believe that free trade has cost American jobs. The poll shows that 61 percent of Tea Party supporters believe that trade agreements have hurt this Nation.

It's time we started listening to the will of the American people and doing what is in the best interests of the American people, not in the best interests of the foreign nationals who desperately want to take our jobs.

Madam Speaker, I hope my colleagues on both sides of the aisle will show their true American colors and vote “no,” “no,” and “no” on these three trade agreements.

Mr. CAMP. I yield 2 minutes to the gentleman from Illinois (Mr. ROSKAM), a distinguished member of the Ways and Means Committee.

Mr. ROSKAM. Madam Speaker, as the public is listening to this, I think they're kind of collectively going, Whew, finally there's something that's going on in Congress. Finally there's something going on with the other body. Finally there's something going on with the White House that is common ground around a very simple premise, and that's this: no-cost job creation. It doesn't cost a single dime.

For my home State, the proof is in the pudding. This means it's going to help 145,000 Illinois jobs right now that are tethered within 650 companies that are dealing with exports. This deal helps them. Twenty-five percent of all manufacturing jobs in my home State of Illinois are related to exports. And let's face it, 95 percent of the world's consumers live outside of the United States. So you know what this trade deal does, this says: game on. The U.S. can compete. Give us a fair playing field, and game on. We can compete.

These were hard-headed, hard-nosed negotiations led by Chairman CAMP and the White House and Ranking Member LEVIN and others. These were tough deals that were put together that were not just weak handshakes. This was staring down opponents and finally coming to common ground and putting something together that has a great deal of possibility, a great deal of promise in a country that is desperate, I mean absolutely desperate, for solutions; and this is a remedy. This is a way for us to move forward.

□ 1610

It's important from a strategic point of view. We've got one of our Nation's best friends poised in Asia, the 10th largest economy in the world, a country that has moved from the devastation of the Korean War, that has transcended all of that and is now a donor nation, and we've got the opportunity to be in a unique and strategic relationship with them.

This is our opportunity to move forward. I think we need to support all of these FTAs. I urge their passage.

Mr. LEVIN. I continue to reserve the balance of my time.

Mr. MICHAUD. Madam Speaker, at this time I would like to yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR), who has fought harder and longer for fair trade than any Member I have served with.

Ms. KAPTUR. I thank my dear colleague Mr. MICHAUD, who has fought equally hard.

I'm proud to stand here on behalf of the communities and workers and businesses of our country that want to compete on a level playing field. The problem with our trade policies is they export more U.S. jobs than products.

The gentleman talks about possibility. I don't want possibility. I want results. When you look at what's happened over the last quarter century, we don't have any balanced trade accounts. They're all in the red. And these trade deficits snuff out economic growth. Didn't anybody here take math? Look at the balance sheet. It's all negative.

This is Korea today. All negative. Our trade accounts with them have been negative. They're already negative. What difference does this deal make? It only says “maybe.” Maybe Korea will allow us to sell more than 7,450 cars in their market when they're selling half a million here already. Shouldn't reciprocity be at the heart of our trade deals?

We've got a half a trillion dollar trade deficit. How many times do you have to be hit over the head before you say, You know what? This isn't working.

Soybean exports aren't enough. Cranberries aren't enough. Look at the job outsourcing of America from coast to coast. Our people's wages are going down. Their standard of living is going down. Their jobs have been outsourced. They're losing their homes. Unemployment is stuck. GDP isn't rising. Is anybody here listening? Is anybody paying attention?

This is just another example of powerful Washington elites being totally out of step with Main Street and the American people.

I'm proud of the Tea Partiers who are out there organizing and I'm proud of the Occupy Wall Street rallies because they're saying, You folks, you are out of step up here in Washington. Pay attention to what is happening on Main Street.

I oppose this agreement with Korea as well as Colombia and Panama and ask this Congress to have some real common sense and move to trade balance rather than trade deficit. Create jobs in America by balancing our trade accounts.

Mr. CAMP. I yield 1 minute to the distinguished gentleman from Texas (Mr. CANSECO).

Mr. CANSECO. Madam Speaker, I rise in strong support of the South Korea free trade agreement, which is the most significant trade agreement the United States has negotiated in more than 16 years, and I thank the leadership of our chairmen, Mr. CAMP,

Mr. BRADY, and Mr. DREIER, in this regard.

The International Trade Commission's analysis shows that the South Korean agreement will increase U.S. exports to South Korea by at least \$9.7 billion annually, the tariff cuts alone will add \$10.1 billion to the U.S. economy annually, and that U.S. exports to South Korea will increase by nearly 30 percent more than imports from South Korea.

The economic activity that will result from the South Korean agreement will mean thousands of new jobs here at home. The Commerce Department has estimated that every \$1 billion in exports creates 6,000 new jobs.

In particular, the South Korean agreement is especially beneficial for agriculture. In the 23rd District of Texas, I have the privilege to represent many agricultural producers. This agreement would be a huge win for American farmers and ranchers by ensuring that our competitors who are also seeking trade agreements with Korea are not at an advantage in South Korea's \$15 billion per year agricultural market.

Mr. LEVIN. Madam Speaker, would you tell us each our remaining time?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. LEVIN) has 8 minutes. The gentleman from Michigan (Mr. CAMP) has 3½ minutes. The gentleman from Maine (Mr. MICHAUD) has 7½ minutes.

Mr. LEVIN. I continue to reserve the balance of my time.

Mr. CAMP. I reserve the balance of my time.

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

I rise today as a former mill worker who punched a time clock for over 29 years at the Great Northern Paper Company in East Millinocket, Maine. What I've seen firsthand is the devastation that these free trade agreements can do to our communities.

This agreement is the most economically significant since NAFTA, and its consequences for America's middle class will be enormous. Since NAFTA, we have lost more than 5 million manufacturing jobs. We've seen more than 50,000 factories close in the last 10 years alone. The Korea FTA will bring more of the same. It will cost us more manufacturing jobs, it will shut down more factories, and it will ship more jobs overseas, all at a time of 9 percent unemployment when the American middle class can least afford it.

My colleagues have already highlighted the many reasons to oppose the Korea FTA, but I want to highlight two of those issues again. First, it does nothing to protect the U.S. in the face of Korea's currency manipulation. Second, this agreement isn't just a giveaway to Korea; it's also a giveaway to China.

Korea has a history of manipulating its currency to boost its exports. Once in 1988 and twice in 1989, the U.S.

Treasury Department officially labeled Korea a currency manipulator. Even though the Treasury stopped officially identifying currency manipulators, in their February and May report of 2011 they stated explicitly, "Korea should adopt a greater degree of exchange rate flexibility and less intervention."

The International Monetary Fund agrees. In August of this year, the IMF stated that the won was undervalued by 5 to 20 percent. The fact is, Korea manipulates its currency. Our own Treasury Department recognizes it. But the FTA does nothing to protect American businesses and workers from it.

You only have to look at Mexico's 1994 devaluation of the peso to see how effectively an undervalued currency can wipe out an FTA's benefits. Our trade balance with Mexico has never been positive since.

Without a provision to protect us from the won undervaluation, Korea's exports will continue to be cheaper than our own exports. This Korean advantage will wipe out the FTA's tariff benefits for American companies and cost American workers their jobs.

□ 1620

Candidate Barack Obama recognized this threat, claiming that as President he would "insist that our trade deals include prohibition against illegal subsidies and currency manipulation." But this FTA includes no such prohibition at all.

And, second, this agreement is not just good for Korea; it's great for China too. Today, we're actually voting on an FTA that will be an outright boon for China's auto parts sector. The agreement's rules of origin require that only 35 percent of the car's content value come from Korea or the U.S.

We have two FTAs with car-producing countries: NAFTA and the Australia FTA. In the Australia FTA, the content requirements are 50 percent. And in the NAFTA, the content requirements are 62.5 percent. Korea's car production in 2010 was almost equal to that of Canada's and Mexico's combined; yet the Korea FTA content requirements are much lower than NAFTA's. By allowing 65 percent of a car's content value to come from a third country, we're opening the door for that 65 percent to come from—guess who—China. As a result, these rules of origin will be devastating to the American auto parts industry.

The U.S. auto supply chain is already facing challenges from China. According to the Commerce Department 2010 report titled, "On the Road," China auto parts exports to the U.S. have increased 43 percent from 2004 to 2009, and they're expected to account for an increased share of U.S. automotive parts in the future. In fact, Commerce predicts that many auto parts companies will continue to move production to China in an effort to reduce costs and remain competitive. If this FTA passes, that's not a prediction; that's a guarantee.

I've already mentioned the fact that we have lost more than 50,000 factories since 2001. Before voting today, I urge you to imagine how many more factories will close if we are to pass this agreement, and to think about the devastation that will be brought to those towns when that happens.

I oppose it because it will devastate our manufacturing sector at a time when we need to rebuild it. I oppose it because this President promised hope and change, not more of the same. I oppose it because in my home town, unemployment is more than 28 percent. I oppose it because I want to create jobs in the United States, not South Korea, and definitely not in China.

As a former mill worker from East Millinocket and on behalf of America's middle class, I urge my colleagues to oppose the Korea FTA agreement.

I would like to insert into the RECORD a letter from the AFL-CIO in opposition to all three free trade agreements.

AMERICAN FEDERATION OF LABOR  
AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, July 7, 2011.

DEAR REPRESENTATIVE: On behalf of the AFL-CIO, I write to urge you to oppose the proposed trade agreements with Colombia, Korea and Panama. Working people, in the U.S. and around the world, are bearing the brunt of decades of flawed trade policy. We need Congress and the White House to focus on creating the millions of good jobs at home that we so desperately need—not passing more flawed trade deals. These trade agreements, negotiated by the Bush Administration, incorporate too many of the disastrous policies of the past, rather than laying out a new and progressive vision for the future.

Instead of using valuable time and effort advancing these flawed agreements, Congress should instead focus on effective job creation measures, including currency rebalancing and enforcing existing trade laws. We need to invest in a modern, functional infrastructure; in a high-tech, high-skilled workforce; and in clean renewable energy. It is time to update our trade model for the 21st century so that it strengthens labor rights protections for all workers, safeguards domestic laws and regulations, and promotes the export of U.S. goods rather than jobs.

#### COLOMBIA FREE TRADE AGREEMENT

Violence: Colombia is the most dangerous place in the world for trade unionists. In 2010, 51 labor leaders were killed in Colombia, an increase over 2009 and more than in the rest of the world combined. So far in 2011, another 17 have been killed. The government of Colombia—despite renewed efforts—has been unable to effectively guarantee the rule of law allowing workers to exercise their legal rights without fear of violence.

Impunity: Impunity in cases of violence against trade unionists remains high, with more than 95% of cases unsolved.

No Opportunity to Exercise Fundamental Rights: As a result of this campaign of violence, as well as weak labor laws and inconsistent enforcement, only four percent of Colombian workers are unionized today, and only one percent of workers are covered by a collective bargaining agreement. Most workers lack freedom of association, the ability to engage in collective bargaining, and the right to strike effectively.

Labor Action Plan Inadequate: In April 2011, the Obama Administration negotiated a

Labor Action Plan with the Colombian government to address long-standing concerns about violence, impunity, and weak and unenforced labor laws. Unfortunately, the Labor Action Plan does not go nearly far enough in addressing these issues. It fails to require sustained, meaningful, and measurable results with respect to reductions in violence and improvements in impunity prior to ratification or implementation of the agreement, and it does not address the need for broad labor law reform. In addition, the Action Plan is not enforceable under the trade agreement itself.

Need to Wait for Results: Once the agreement is in force, the United States will have lost its most important leverage to improve the human rights situation in Colombia. The Labor Action Plan will not fix Colombia's problems overnight. Congress should wait to see if it is implemented as promised, and if conditions for working families in Colombia actually improve as a result.

#### KOREA-US FREE TRADE AGREEMENT

Job Loss: The Korea FTA is the largest trade deal of its kind since NAFTA. If enacted, the Economic Policy Institute estimates the Korea FTA would displace 159,000 U.S. jobs—mostly in manufacturing.

Kaesong: The Korea FTA does not adequately protect against goods from the Kaesong Industrial Complex, a sweatshop zone in North Korea where workers have few rights and earn an average wage of \$61 a month. Kaesong provides \$20 million a year to a dangerous North Korean regime.

Weak Rules of Origin: In order to qualify for reduced tariff under the Korea FTA, automobiles need only have 35% U.S. or South Korean Content—meaning up to 65% of the content of autos traded under the deal could be from other any other country, including China.

Transshipment: South Korea has already reported an increase in transshipped goods (primarily from China) illegally and improperly labeled "made in South Korea." This illegal transshipment is likely to increase further as unscrupulous businesses try to take advantage of reduced U.S. tariff rates specified in the Korea FTA.

#### PANAMA FREE TRADE AGREEMENT

Investment, Financial Services, and Procurement Problems: The Panama FTA contains similar flaws as other past trade agreements, including:

Investment provisions that give foreign investors the right to bypass U.S. courts while they challenge our domestic health, safety, labor, and environmental laws.

Provisions that reduce our ability to regulate the financial sector; prevent banks from becoming "too big to fail"; and even use taxpayer money to "buy American" and create local jobs.

Labor Rights: Panama has a history of failing to protect workers and enforce labor rights.

Tax Haven: Panama is known as a "tax haven," with a history of attracting money launderers and tax dodgers. The Tax Information Exchange Treaty that Panama recently signed does not go into effect for another year and may be too weak to fix the problems. Only time will tell if Panama will live up to its promises.

American families need a new way forward on trade, not more of the same. So long as these agreements fall short of protecting the broad interests of American workers and their counterparts around the world in these uncertain economic times, we will oppose them.

Sincerely,

WILLIAM SAMUEL,  
Director,  
Government Affairs Department.

I yield to the gentleman from North Carolina (Mr. KISSELL) for the purpose of making a unanimous consent request.

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

Mr. KISSELL. I thank my friend for yielding.

Madam Speaker, I would like to insert into the RECORD 27,000 petitions from American Textile Workers expressing opposition to the Korean free trade agreement.

Mr. MICHAUD. I yield to the Congresswoman from Ohio (Ms. SUTTON) for the purpose of making a unanimous consent request.

(Ms. SUTTON asked and was given permission to revise and extend her remarks.)

Ms. SUTTON. Madam Speaker, I would like to insert into the RECORD a letter from the AFL-CIO on Korea's labor violations.

AMERICAN FEDERATION OF LABOR  
AND CONGRESS OF INDUSTRIAL OR-  
GANIZATIONS,

Washington, DC, July 6, 2011.

#### LEGISLATIVE ALERT

DEAR REPRESENTATIVE: As you will soon be asked to ratify the U.S.-Korea Free Trade Agreement, I would like to share important information regarding serious labor violations in South Korea.

The AFL-CIO has learned disturbing allegations from our colleagues in the Korean Metal Workers Union (KMWU). These allegations call into question the Government of South Korea's commitment to promote and defend not only the ILO Declaration on Fundamental Principles and Rights at Work (as promised in Chapter 19 of the U.S.-Korea Free Trade Agreement), but human rights more generally.

The allegations center on concerted actions against two different employers. The first involves Hanjin Heavy Industries, which in December 2010 unilaterally dismissed 170 workers in violation of the employment security agreement with KMWU. Later that month, the union local began a strike, which included a sit-in protest inside the factory. We understand that, in June, Hanjin hired some 400 private contractors, who, together with 2000 riot police, forced most of the peaceful protestors out of the building. In addition, it is alleged that, for the protestors who remain on site in "Crane 85," these security forces have limited the food and water available and cut off electricity.

Instead of helping these workers, we understand that the Government of South Korea has imprisoned one striker, issued arrest warrants for four union leaders, and issued police summonses for an additional 240 union members in connection with its "Obstruction of Business" law. The ILO has repeatedly called on Korea to revise this law to bring it into conformity with the internationally recognized right of workers to exercise their freedom to associate.

The second incident involves Yuseong Piston Ring (YPR), a major supplier for Hyundai Motors. On May 18, workers at YPR engaged in a two-hour work stoppage in order to protest management's apparent failure to implement a "2-day shift system" per an agreement signed with the workers in 2009. That day, YPR instituted a lockout that remains in place. When workers attempted to return to work on June 22, 150 private contractors physically attacked union workers with iron pipes, fire extin-

guishers, and other weapons. Some 20 union members were seriously injured, and four arrest warrants were issued for KMWU leaders.

These allegations are made all the more disturbing with the impending vote on the Korea FTA. If these types of violations are occurring at a time when Korea should be putting its best foot forward in hopes of gaining trade concessions from the U.S., it is unlikely that the government will feel the need to better uphold its promises to guarantee fundamental rights for workers once the agreement is in place and Korea's internal labor relations are no longer under a microscope.

While opinions differ on the underlying merits of the Korea FTA, the AFL-CIO asks that you oppose Congressional consideration of the FTA at least until the fundamental rights of South Korean workers to organize and bargain collectively are respected.

I urge you to contact the Korean Government and make your views known on this important matter.

Sincerely,

WILLIAM SAMUEL,  
Director,  
Government Affairs Department.

Mr. MICHAUD. I yield to the Congresswoman from California (Ms. LINDA T. SANCHEZ) for the purpose of making a unanimous consent request.

(Ms. LINDA T. SANCHEZ of California asked and was given permission to revise and extend her remarks.)

Ms. LINDA T. SANCHEZ of California. Madam Speaker, I would like to insert into the RECORD a resolution from the League of United Latin American Citizens expressing opposition to the free trade agreement.

#### TO SUPPORT A FAIR TRADE MODEL AND OPPOSING THE COLOMBIA, PANAMA AND SOUTH KOREA FREE TRADE AGREEMENTS

Whereas, the League of United Latin American Citizens is this nation's oldest and largest Latino organization, founded in Corpus Christi, Texas on February 17, 1929; and

Whereas, LULAC throughout its history has committed itself to the principles that Latinos have equal access to opportunities in employment, education, housing and healthcare; and

Whereas, LULAC supports a new U.S. trade policy that creates living-wages, sustainable jobs for people in the U.S. and trade partners countries while promoting democracy, human rights, labor standards, a healthy environment, and access to essential services; and

Whereas, LULAC opposes the U.S. Korea Free Trade Agreement (FTA), U.S. Colombia FTA and U.S. Panama FTA, and it has in the past opposed the U.S. Peru FTAs and the Central America FTA (CAFTA) because these pacts did not meet these goals; and

Whereas, LULAC has succeeded in bringing to national attention how agriculture provisions in the North American FTA (NAFTA) and CAFTA have forced rural Latin Americans to leave their countries and families, risking their lives crossing the U.S. border to be able to support their loved ones back home; and

Whereas, since NAFTA the U.S. has lost over 5 million family-supporting manufacturing jobs and whereas the country cannot sustain further job loss of this magnitude, especially when unemployment disproportionately affects Latino families and other people of color; and

Whereas, the foreign investor provisions and their private enforcement included in pacts like NAFTA and CAFTA threaten the sovereignty and the environment of Latin

American nations, and their control of their natural resources; and

Whereas, President Obama committed during his campaign to create a new American trade model that could deliver benefits to more people and remedy these problems, but to date has not implemented these commitments; and

Whereas, a comprehensive, bipartisan reform bill—the Trade Reform, Accountability, Development and Employment (TRADE) Act—that would deliver on Obama's commitment by addressing agricultural displacement, job loss and other past trade deal problems was supported by LULAC and over 150 members of Congress; and

Whereas, the Obama administration has announced that it will send to Congress three NAFTA-style trade deals with Colombia, Panama and South Korea; and

Therefore be it resolved, that the League of United Latin American Citizens will continue to fully and actively support a new fair trade model based on the TRADE Act; and

Be it further resolved, opposes ratification of FTAs with Colombia, Panama and South Korea leftover from the Bush administration; and

Be it further resolved, that a copy this resolution be provided to the President of the United States, the Members of the appropriate Congressional committees, the U.S. Trade Representative, the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture and the Administrator of the U.S. Environmental Protection Agency.

Approved this 1st day of July 2011.

MARGARET MORAN,  
LULAC National President.

Mr. MICHAUD. I yield to the Congressman from Pennsylvania (Mr. CRITZ) for the purpose of making a unanimous consent request.

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

Mr. CRITZ. Madam Speaker, I would like to insert into the RECORD a letter from the United Steelworkers in opposition to the Korea free trade agreement.

UNITED STEELWORKERS,  
June 20, 2011.

Re oppose the free trade agreements with Korea, Panama and Colombia

U.S. SENATE,  
HOUSE OF REPRESENTATIVES,  
Washington, DC.

DEAR SENATOR/REPRESENTATIVE: On behalf of the 1.2 million active and retired members of the United Steelworkers (USW) I write to urge you to vigorously oppose the Free Trade Agreements with Korea, Panama and Colombia. These three FTA's will undermine our economic recovery, further decimate American manufacturing and jobs and deepen the economic insecurity and devastation faced by workers across the country.

International trade and the consequences of accelerated globalization are matters of long-standing and deep concern to the USW, as an overwhelming portion of our members work in import-sensitive manufacturing sectors and all too often have lost their jobs due to bad trade deals and unfair and predatory trade practices. Promises made by administrations past and present touting the benefits of free trade have simply not materialized for America's manufacturing workers. This is clearly reflected in the nation's massive trade deficit—a deficit fueled by trade deals that grease the path for greater and greater out-sourcing and off-shoring of jobs and capacity—and every bit as dangerous as our federal deficit.

The results of “free trade” deals are all too clear: In the last decade alone six million manufacturing jobs and 55,000 plants have been lost. Multinational companies easily set up operations overseas and export back to the U.S. market. Numbers tell the story. New Department of Commerce data show that large U.S. multinational companies cut their workforces in the U.S. by 2.9 million during the 2000s while increasing employment overseas by 2.4 million. This continues even as workers and families wrestle with a tepid and uncertain economic recovery that is generating insufficient job growth with millions still unemployed or underemployed. It's no wonder—our trade policies encourage job growth overseas. Trade deals force working Americans to assume all the risk and encourage big multinationals to reap all the rewards.

USW members have sacrificed enough. We oppose these trade deals because they do not adequately address the changing nature of trade and accelerating globalization. They are based on the failed NAFTA model. We need to update and reform our nation's trade policies, not simply continue on the present course.

The following comments provide an overview of our objections to these three agreements. They touch upon only some of the issues which undermine our nation's interests.

#### US-KOREA FREE TRADE AGREEMENT.

The Steelworkers have spent considerable time and effort analyzing the proposed FTA and engaged in a substantive and extensive dialogue with the Administration and leaders on the Hill regarding the FTA's provisions. Regrettably, the US-Korea FTA (KORUS) will undermine America's economic interests and lead to higher trade deficits and greater job loss.

While the focus of the Obama Administration's activities relating to KORUS was on improving the provisions relating to trade in autos, their efforts came up short for the vastly larger US auto supply chain. The final provisions allow for a vehicle to be eligible for the preferences of KORUS with only 35% of the content, by value, coming from the signatory countries. So, a Korean vehicle, to be eligible for duty-free treatment entry into the U.S., could have almost 2/3rds of its content, by value, coming from another country—like China. And, KORUS gives automakers the discretion to choose among three different methods to calculate content allowing them to choose whichever method is best for them, not for job retention or creation.

Americans want the term “Made in USA” to mean something. Indeed, the Federal Trade Commission's standard for Made in USA is that “all or virtually all” of the content should be of U.S. origin. The KORUS will accelerate the off-shoring and outsourcing of auto parts production, jeopardizing not only the jobs of the 350,000 Steelworkers that make products that can be used in the auto supply chain, but those of other workers across the country.

These provisions alone make the FTA fundamentally flawed, but, there are other problems that will cause serious economic consequences with the KORUS:

It will jeopardize jobs across the economy. The Economic Policy Institute estimates that KORUS will cause the loss of 159,000 jobs;

It will increase the trade deficit in seven high-paying sectors, according to the International Trade Commission;

It undermines our trade laws by allowing for the diversion of dumped or subsidized components to be shipped to the U.S. from third countries. The agreement lacks suffi-

cient safeguards to address this serious problem and provides new procedures that could advantage Korean producers.

It does not include provisions to ensure reciprocal market access—the Korean market is one of the toughest markets in the world for foreign products to compete in. Tariffs are often buttressed by a labyrinth of non-tariff barriers that will continue to impede our exports.

It fails to address Korea's ongoing currency manipulation.

It fails to include a comprehensive and annual review mechanism that will allow for comprehensive oversight of the workings of the FTA to ensure that the provisions that are adopted, and fully and faithfully enforced. It largely leaves to the private sector the job of demanding compliance, rather than an ongoing review mechanism that identifies and addresses problems before the injury is inflicted on our workers, farmers and businesses.

#### U.S.-PANAMA FREE TRADE AGREEMENT

The U.S.-Panama FTA is not an economically meaningful agreement in terms of providing a robust market for U.S. exports and job creation. But, its flawed provisions continue to expand the existing trade model that has proven to undermine our economic and employment interests. Thus, it further jeopardizes our economic recovery and expands an unacceptable trading framework.

Among the reasons the U.S. Panama FTA should be rejected are:

It fails to provide significant economic opportunities to promote our economic recovery and job creation;

It fails to reform the existing FTA approach to investment allowing for Panamanian investors to challenge many of our most important health, safety, environmental and other laws;

It fails to ensure adequate provision of labor rights despite recent changes adopted by the Panamanian government;

It does not do enough to address Panama's historic role as a tax haven or center for narco-trafficking.

#### US-COLOMBIA FREE TRADE AGREEMENT

The U.S.-Colombia Free Trade Agreement puts in jeopardy America's moral leadership by sacrificing the lives and livelihoods; the worker and human rights of the Colombian people at the altar of free trade. Trade has the power to lift people up and to advance America's values—it also has the power to entrench the status quo.

In Colombia, the status quo has made that country the most dangerous place in the world to be a union member. Indeed, as the ITUC concluded in its most recent, 2011 world survey of anti-union violence, Colombia, in the words of the ITUC, continues “to maintain the lead in a grim record of murder and repression of workers involved in trade union activities.”

Moreover, the Colombian government continues to fail miserably at effectively prosecuting those responsible for anti-union violence. Thus, impunity for anti-union killings remains at 96%, while impunity for other forms of anti-union violence remains at an incredible 99.8%.

Colombia should not be rewarded with a trade agreement until it has a proven track record of bringing to justice those who have perpetrated crimes against union activists and has adopted and enforced workers' rights throughout the country. In recent weeks, since the Action Plan was announced between our two countries—violence against union activists and worker repression has continued unabated. And, while the Action Plan purports to improve Colombia's existing framework of laws and regulations, there is no reason to believe that these changes

will have any real positive impact on workers. The US is giving away the one tool it has to effect change in Colombia, by voting to pass the agreement before there is time to see if the Santos Administration will live up to its commitments under the Action Plan. Only time, and additional improvements in the operation of their laws and judicial system and the enforcement of their labor laws, will position Colombia as an appropriate free trade agreement partner.

Among the reasons that the US-Colombia FTA should be rejected are:

Violence against union leaders and activists continues;

Colombia has not developed a sufficient investigatory and judicial infrastructure to bring the perpetrators of this violence to justice;

Significant opportunities exist for employers to deny workers their most basic organizing rights. Employers can continue to use cooperatives, temporary contracts and other means to thwart union organizing and the ability of workers to exert their rights;

The Action Plan is not part of the FTA and, as a result, Colombia's adherence to its terms may be subject to the discretion of this and future Administrations. The provisions of the Action Plan need not only to be given time to be fully and faithfully implemented but must be subject to specific mechanisms and commitments to ensure that they will be effective—now and in the future;

The FTA, through its agricultural provisions and its encouragement of further corporate exploitation of Colombian land, will only accelerate internal displacement in Colombia which just overtook the Sudan as the country with the largest internally displaced population (over 5 million) in the world.

America's economic recovery is still tenuous. We face a significant jobs and trade deficit which will only deepen if these agreements were to pass. And, indeed, passage of the Colombia agreement will create a moral leadership deficit—where America's promotion of internationally-recognized workers' rights is put in jeopardy. At any time, but certainly at this time, these three agreements should be rejected.

The American people, in increasing numbers, reject the approach our policymakers have taken on the trade issue. They will remember, at the next election, those who stood by their side and those who put their jobs, their families and their communities at risk.

Sincerely,

LEO W. GERARD,  
*International President.*

Mr. MICHAUD. I yield to the Congresswoman from Maine (Ms. PINGREE) for the purpose of making a unanimous consent request.

(Ms. PINGREE of Maine asked and was given permission to revise and extend her remarks.)

Ms. PINGREE of Maine. Madam Speaker, I would like to insert into the RECORD a letter from the Building and Construction Trades Department of the AFL-CIO in opposition to all three FTAs.

#### BUILDING AND CONSTRUCTION

##### TRADES DEPARTMENT,

Washington, DC, June 27, 2011.

DEAR HOUSE OF REPRESENTATIVES: As President of the Building and Construction Trades Department of the AFL-CIO, I strongly oppose the Free Trade Agreements (FTAs) with Colombia, Panama, and South Korea, and I urge you to oppose each of these trade agreements because they represent an expansion of failed trade policies that will cause great harm to workers in the building and construction trades.

In 1993, President Bill Clinton worked to pass the North America Free Trade Agreement (NAFTA) that was negotiated by President George H.W. Bush. NAFTA has contributed to the erosion of America's industrial base and been a disaster for our members who build America's factories and retool and service them. Many of our unions represent manufacturing workers, as well as those in the construction trades, and our members have lost jobs as well as line workers in America's shuttered factories. The loss of manufacturing jobs also undermines our nation's ability to finance the public infrastructure (roads, bridges, schools) on which we all rely.

When unfair trade policies destroy our manufacturing base and erode the tax base for infrastructure, our jobs in the building and construction trades disappear too.

With that experience, I am very disappointed that Congress may soon consider the free trade agreements for Colombia, Panama and South Korea. These trade agreements, negotiated by President George W. Bush, replicate the failed trade policies of the past that have exploded our trade deficit, destroyed millions of jobs, driven down U.S. wages, undermined the Buy America policies that reinvested our taxes in our communities, and exposed our domestic laws to repeated attacks in foreign tribunals.

From the extreme violence against labor leaders in Colombia to the tax havens in Panama and the failure to address currency manipulation in South Korea, these trade deals are a bad deal for U.S. workers. In addition, efforts to provide expanded Trade Adjustment Assistance benefits are a recognition that jobs will be lost as a result of these trade agreements.

The Building and Construction Trades Department supports a more equitable trade model. Our nation can and must do better to enact fair trade policies that expand economic opportunities for all Americans. With unacceptable unemployment levels and working families struggling to recover from the Great Recession, our members want Congress to pass real job-creation legislation, not more job-killing trade agreements. In the end, working families will remember who is working for them.

Thank you for your consideration.

Sincerely,

MARK H. AYERS,  
President.

Mr. MICHAUD. I yield to the Representative from North Carolina (Mr. JONES) for the purpose of making a unanimous consent request.

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

Mr. JONES. Madam Speaker, I would like to insert into the RECORD two letters opposing the Korean free trade agreement, one from the American Manufacturing Trade Action Coalition and another from the United States Industrial Fabrics Institute.

AMERICAN MANUFACTURING  
TRADE ACTION COALITION,  
October 7, 2011.

#### AMTAC URGES "NO" VOTE ON KORUS

DEAR MEMBER OF CONGRESS: The American Manufacturing Trade Action Coalition (AMTAC) urges you to vote NO on the U.S.-South Korea Free Trade Agreement (KORUS). The agreement was submitted to Congress on October 3, and a vote is expected in both the House and Senate on Wednesday, October 12.

AMTAC strongly opposes KORUS for three main reasons:

the agreement is flawed in concept;

the terms of the agreement are unfavorable to key industries such as textiles; and, the textile and apparel provisions in the agreement are unlikely to be adequately enforced.

These problems are why as many as an estimated 40,000 U.S. jobs are expected to be lost in the first seven years after implementation just as a result of textile concerns with the agreement.

If Congress is serious about creating jobs, passing trade-law enforcement measures like the stalled anti-currency manipulation legislation, strengthening our "buy American" laws, and eliminating trade distortions caused by foreign border-adjusted taxes should be targeted instead.

#### (1) KORUS IS A CONTINUATION OF A JOB-DESTROYING U.S. TRADE POLICY

KORUS replicates a fatal flaw contained in almost every free trade agreement (FTA) that the United States has implemented: our FTA partners can (and do) sell more to us than we to them. During the lifetime of our existing FTAs, the United States has run a cumulative \$2.1 trillion deficit with our trade partners. This flaw drives up the U.S. production shortfall manifested in our trade and current account deficits that have destroyed so many middle-class American jobs.

The disparity in market opportunities is immense for several reasons. South Korea's population is less than one-sixth of the United States. Its GDP of \$986.3 billion is less than 7 percent of the U.S. GDP of \$14.6 trillion in 2010.

Despite the South Korean economy's smaller size, it is an export superpower in many important industries such as autos, electronics, and textiles.

With respect to textiles, South Korea has a highly sophisticated, vertically integrated industry that is a world-class manufacturer of even the most technical products. In 2010, South Korea was America's 8th largest supplier of textiles and apparel by volume. For just yarns and fabrics, the largest component of the U.S. industry, South Korea is America's 2nd largest source of imports.

In addition, South Korea has a long history of unfair trading practices. Currently, there are 16 antidumping and countervailing duty orders in place against U.S. imports of goods from South Korea.

Moreover, despite its obligations under the World Trade Organization (WTO), South Korea has been hostile to imports. It has raised non-tariff barriers for those goods where there is sizeable Korean production, autos being the prime example.

We would also note that while KORUS will give South Korean goods duty-free entry into the U.S. market, U.S. exports to South Korea will still be subjected to a 10 percent Value Added Tax (VAT). Through their VAT system, South Korea will be allowed to maintain what amounts to a permanent 10 percent tariff on U.S. exports to their market. Moreover, South Korea has complete freedom to raise their VAT rate above the current 10 percent at any point in the future. It was a major error on the part of our negotiators not to address this inequity as part of KORUS, as border taxes are another persistent example of foreign practices that place domestic companies at a competitive disadvantage.

Finally, the agreement is geographically disadvantageous to the United States. South Korea faces roughly the same logistical challenges as its other Asian competition when it exports to the United States. In contrast, the United States must ship its exports of manufactured goods several thousand miles across the Pacific Ocean to a market where our competitors in China and Japan are right next door.

The disparity in market opportunity is one reason why the United States ran a \$10 billion trade deficit with South Korea in 2010. Of that total, the U.S. ran a \$10.6 billion deficit in motor vehicles and motor vehicle parts and a \$600 million deficit in textiles and apparel. It is also why the U.S. textile industry and some other sectors expect few export opportunities for their products under KORUS.

In the face of these unfavorable factors, KORUS will eliminate U.S. tariffs on 95 percent of current trade in industrial products within three years of implementation of the agreement while not guaranteeing reciprocal U.S. access to the South Korean market for key industrial products such as autos and textiles.

With South Korea's current capabilities as a major producer and exporter of industrial products, its close proximity to China, and its traditional hostility to imports, KORUS will hurt U.S. manufacturers and exacerbate our trade deficit.

No wonder the Economic Policy Institute predicts the KORUS agreement will increase the total U.S. trade deficit with South Korea by about \$16.7 billion annually and displace approximately 159,000 American jobs within the first seven years after it takes effect.

#### (2) KORUS'S TEXTILE CHAPTER HURTS U.S. TEXTILE MANUFACTURERS

The United States International Trade Commission (USITC) estimates that U.S. textile and apparel output will decline by the largest percentage of any sector as a result of KORUS and cites expected increases in U.S. imports from South Korea as the driving factor.

According to the U.S. International Trade Commission's initial analysis of entering into an agreement with South Korea, "The largest gains for Korean exports to the United States are anticipated in textiles, apparel, and leather goods, and other manufacturing (e.g., chemicals and allied products, electronics, and transportation)." Various studies cited in the 2007 USITC report on KORUS uniformly predict declines in U.S. textile and apparel output ranging from 0.4 to 1.5 percent.

AMTAC estimates that 9,300 to 12,300 U.S. textile and apparel manufacturing jobs are expected to be lost in the first seven years after implementation as result of flaws in the textile chapter of KORUS. Moreover, because U.S. government figures show that approximately three additional jobs are lost to the U.S. economy for each textile job that is eliminated, the total estimated job loss climbs to nearly 40,000. It is also important to note that these figures do not account for job losses as a result of a likely surge in illegal Chinese transshipments via South Korea, which we expect to be significant.

One highly sensitive market where South Korea competes head-to-head with U.S. producers in the U.S. market is in industrial textiles, a sector with employment of more than 25,000.

U.S. industrial textile manufacturers are particularly concerned about this agreement and its impact on the extended domestic supply chain for coated and laminated membranes used in industrial and military applications such as fuel cells, oil booms, rapidly deployable shelters/tents, radar attenuating covers, safety and protective gear, and many more advanced applications, including automotive fabrics. Many companies participating in this supply chain also support the military needs of our warfighters. Their ability to innovate and responsively supply the military is dependent on an overall healthy domestic market and industry.

Our principal concerns with the text include (1) accelerated tariff phase-outs that

do not give U.S. producers time to adjust, (2) non-reciprocal tariff phase-outs that favor the South Korean textile industry in key products, and (3) exclusion of certain textile components from the rule of origin.

The aforementioned reasons and others are why, as the auto provisions of KORUS were being reopened, AMTAC and other industry associations made a request to the Obama administration in August 2010 that they also reopen the textile and apparel chapter of the agreement to fix the problems therein. Textile concerns, however, were never raised with South Korea and these damaging provisions remain unchanged.

#### PROBLEMATIC ACCELERATED TARIFF PHASE-OUTS

Contrary to the precedent established in the NAFTA, 86 percent of textile and apparel product lines are duty free immediately under KORUS and an additional 10 percent will be duty free on January 1 of Year 5 of the agreement. This is the first time a large number of sensitive products from a country with a large, sophisticated textile industry have received immediate access to the U.S. market. Tariff phase-outs for sensitive products have traditionally been a key part of trade agreements in order to give companies time to adjust business models and minimize large-scale potential job displacement. For example, South Korea exports of polyester fiberfill have entered the United States under anti-dumping orders for the past 15 years. This dumping case passed two sunset reviews, the last of which was successfully completed prior to the end of the KORUS negotiations. Nevertheless, KORUS immediately removes the U.S. duty on polyester fiberfill, defeating the purpose of the anti-dumping rule and defying logic of equitable trade negotiations.

In the U.S. technical textile market, South Korea has emerged as the number one exporter of advanced textile reinforcements, and this sensitive tariff line is scheduled for immediate tariff phase out. U.S. industrial textile producers have already lost significant market share to South Korean manufacturers, and this FTA will do significant harm to the industrial textile industry and greatly diminish the sustainability of our fragile domestic supply base.

Socks are another sensitive product where most tariff lines go to zero immediately. South Korea was the 6th largest exporter of socks to the United States in 2010 by volume, shipping more than 152 million pair.

#### NON-RECIPROCAL TARIFF PHASE-OUTS

The agreement also provides South Korea with a more generous and expedited tariff elimination schedule than what is afforded U.S. producers and exporters for certain products. One example is para-aramid fiber, which is used to produce tough, flame-retardant fabrics for industrial and military applications including body armor. Under KORUS, South Korea will be allowed to export aramids to the United States with immediate duty free treatment. U.S. producers do not get duty free access to the Korean market as South Korea is allowed to phase out its tariff to be duty free on January 1 of Year 5. This puts U.S. manufacturers at a direct disadvantage.

#### JOB-DESTROYING LOOPHOLES IN RULE-OF-ORIGIN

The rule of origin is a critical element of any free trade agreement because it defines which products qualify for preferential treatment and whether countries not party to the agreement will receive benefits. The KORUS contains a "yarn forward" rule of origin. While we support a basic yarn forward rule, certain specific exemptions to the product origin rules under KORUS are very problematic.

In essence, the rule applies only to the component that determines the tariff classification of the apparel or home furnishing good (in other words, the main or essential fabric) plus certain visible lining fabrics. Applying origin rules in this manner means that key component yarns, threads and fabrics are not adequately covered under the rule of origin and therefore do not have to be of U.S. or South Korean origin. This conflicts with the majority of our recent agreements including CAFTA-DR, Peru, Colombia and Panama which apply the yarn forward rule beyond just the essential character fabric.

Under KORUS, components including sewing thread, pocketing and narrow fabrics, all of which are in plentiful supply from U.S. producers, are allowed to come from anywhere. This allows third parties, such as China, to benefit without making any market concessions of their own. Domestic producers of these types of component yarns and fabrics provide thousands of U.S. jobs, which will be put into jeopardy if KORUS is implemented.

#### (3) HIGH LIKELIHOOD OF MASSIVE CUSTOMS FRAUD DUE TO INADEQUATE ENFORCEMENT PROVISIONS

In addition to the flaws in the textile chapter of KORUS, there is strong evidence that Customs' ability to enforce this agreement will be ineffective.

Due to South Korea's history of transshipment paired with significant cross-border investment with China, upgraded customs enforcement provisions are essential to prevent large-scale customs fraud under KORUS. China already exports nearly \$4 billion annually in textiles and apparel to South Korea, and South Korea was labeled by U.S. Customs as a major transshipment point for Chinese exporters when quotas were in place.

Instead of strengthening enforcement, however, the customs language in KORUS was significantly weakened compared to other high risk agreements such as the Singapore PTA.

Key enforcement provisions that were dropped under KORUS include the ability for U.S. Customs to (1) seize goods from repeat offenders, (2) reduce South Korea's access if it does not enforce the rules of the agreement, and (3) deny fraudulent companies import privileges for several years.

The substandard customs provisions in the KORUS leave the U.S. textile industry and its workers vulnerable to large-scale illegal imports from China through South Korea. As a result, the industry fully expects Chinese textile exporters to be a primary beneficiary of KORUS.

In addition to its direct threat to the U.S. market, the specter of increased illegal transshipments likely to be generated by KORUS represents a significant attack on the hemispheric textile production structure encouraged by U.S. policy for the past three decades.

The KORUS threatens to damage the Western Hemisphere because South Korea's textile and apparel exports are expected to surge and displace orders currently being sourced in the region. When finished product orders are lost by manufacturers in the Western Hemisphere, U.S. mills also lose the orders for the yarns and fabrics that go into garments and made-up articles.

The potential loss of business is enormous. As a result of trade preference programs and the NAFTA/CAFTA/Peru FTAs, nearly two million textile and apparel workers in those regions produce garments, home furnishings, and the textile components incorporated into those products. The U.S. textile and apparel industry is a critical link in the supply

chain. We export more than \$12 billion a year to our preferential partners in the Western Hemisphere, predominantly in components such as yarns, threads, and fabrics. This trade accounts for more than 60 percent of total U.S. textile and apparel exports.

#### CONCLUSION

AMTAC urges Members of Congress to vote NO on KORUS due to the expedited tariff reductions, lack of reciprocity in certain key product areas and overall negative impact on U.S. companies and jobs. Congress should prioritize fixing U.S. trade policy, stopping manufacturing job loss, and closing the trade deficit before considering any new trade deals including KORUS.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to contact us.

Sincerely,

AUGGIE TANTILLO,  
Executive Director,  
American Manufacturing Trade Action  
Coalition.

USIFI,  
April 6, 2011.

Hon. DAVE CAMP,  
Chairman.

Hon. SANDER LEVIN,  
Ranking Member, Ways and Means Committee  
Office, 1102 Longworth House Office Building,  
Washington DC.

DEAR CHAIRMAN CAMP AND RANKING MEMBER LEVIN: The United States Industrial Fabrics Institute (USIFI) submits the following comments for the record in conjunction with the Ways and Means Hearing on the U.S.-Korea Free Trade Agreement.

The United States Industrial Fabrics Institute (USIFI) has fifty company members, each with significant U.S. manufacturing. The member companies supply technical textiles and made-up products for advanced industrial and military applications. USIFI is a sub-set of the 2,000 member not-for-profit Industrial Fabrics Association International (IFAI).

The United States technical textile industry (also known as specialty or industrial textiles) continues to be a pawn in the chess game of international trade agreements. Our own government, in its analysis of the pending U.S. Korea Free Trade Agreement, states "The expected increase in imports from Korea will likely be concentrated in goods for which Korea is a competitive, and major supplier, and U.S. tariffs are high, such as man-made fibers, yarns, fabrics, and hosiery, and will likely displace domestic production of such goods and especially imports of such goods from other sources. . . . The expected increase in U.S. imports of textiles and apparel from Korea under the FTA will likely be concentrated in man-made fibers and goods made of such fibers, for which Korea is a major world producer and has a "proven advantage."

In fabrics, the expected growth in U.S. imports from Korea will likely be concentrated in knit and woven industrial and specialty fabrics and will likely displace domestic production of such fabrics. Korea was the third-largest source of U.S. fabric imports in 2006 with 11 percent (\$953 million) of the total, reflecting significant positions in knit fabrics (27 percent import share or \$203 million) and specialty fabrics (13 percent or \$116 million). Korean producers reportedly are expanding output of industrial and specialty fabrics that use information technology and biotechnology for use in tire-cord fabrics and engineering, construction, and medical applications. Industrial fabrics include high-strength reinforcements, textile reinforcements, and laminated sheet goods that use



the textile reinforcements to make them stronger. The fabrics are used in awnings, tents and shelters, signs and banners, tarpaulins, commercial roofing membranes, health-care mattress and seating covers, truck covers, conveyor belting, fabrics for package handling and treadmills, and geotextiles for water-containment linings and erosion control.

Committee Members, these are the products our member companies produce in the United States.

U.S. companies in the specialty technical textile industry manufacture highly specialized products for protection (ballistic, shelter, chemical-biological-radiation-nuclear protection textiles, potable water and fuel fabrics and bladders); partner with our military and academic institutions to develop new textile fibers, fabrics, and finishes; and employ highly skilled workers in almost every state in the Union. The U.S. technical textile industry is a success story—expanding, efficient, and leading the world in innovation. These are the jobs that will disappear if you ratify the U.S. Korea Free Trade Agreement.

A USIFI member, one of the largest U.S. military tent manufacturers, shared this comment:

The technical textile military shelter supply base consists of suppliers of fibers, yarn, woven fabrics, specialty chemical films and technical coatings, all of which are combined by our technical fabric suppliers to our end products manufacturers for use in the manufacture of military tent liners, covers and flooring materials in broad range military tent shelters as well as a large family of related products made from technical fabrics. This supply chain employs unique and highly sophisticated processes that require major capital investments, thus making their sustainability extremely sensitive to the loss of volume.

The severe constriction that has already occurred in the U.S. technical fabrics supply chain has greatly diminished the sustainability of the industry. This proposed FTA will further reduce the sustainability of our extremely fragile domestic supply base upon which our U.S. military relies for shelters and related personal protection products.

—J.C. Egnaw, President, Outdoor Venture Corporation, Stearns, KY.

The technical textile segment of the U.S. textile and apparel industry has grown; in 1998, this segment made up 25% of the market by volume. Now it comprises 43% of the domestic market. In contrast, the apparel market in 1998 had 38% share and now is only 20%, directly due to imports and the move to off-shore manufacturing.

According to the U.S. Bureau of Labor Statistics, there are 393,000 textile and apparel jobs left in the United States as of February 2011. Five years ago, this segment employed 617,500 (February 2006), a loss of 224,500 jobs (–36%). Ten years ago, the textile and apparel industry employed 1,028,900 (February 2001), making a cumulative loss of 635,900 good paying, skilled jobs (–62%) in the last decade. It is estimated that U.S. domestic textile mills and finishers producing fabrics specifically for the technical textile market employ approximately 160,000. USIFI member companies account for more than 25,000 of this number. This figure does not include made-up products nor does it include the raw materials like fiber or chemicals for dyes and finishes. The U.S. textile industry predicts that the threat placed on us by the substantial increase in Korean imports if KORUS is ratified will jeopardize 40,000 technical textile and related jobs. The Economic Policy Institute estimates that 159,000 good paying American manufacturing jobs across

all sectors will be lost if the KORUS agreement is passed.

With South Korea's current capabilities as a major producer and exporter of industrial products, its close proximity to China, and its traditional hostility to imports, the Agreement is not in the best interests of American manufacturing. USIFI has been tracking imports from Korea for more than a decade; their data, compiled from the U.S. Department of Commerce (DOC) and the USITC, shows that Korea is the largest supplier to the U.S. of advanced textiles reinforcements, the second largest supplier of yarns and fabrics, and second largest supplier of coated and laminated membranes.

Specifically, we have three main concerns with the Agreement:

Customs enforcement;

Tariff phase-out schedule;

Product coverage of the rules of origin.

Customs Enforcement: Korea is a known illegal transshipment axis for Asia, especially China. The Agreement as drafted leaves the U.S. and its workers vulnerable to large-scale fraud. The long history between the South Korean and Chinese textile industries and the documented cases of transshipment cooperation between producers in these countries are major sources of concern. Korea's position as a transit hub for Chinese goods will make the enforcement of the KORUS particularly challenging. The Korean port of Busan is the 5th largest container port in the world and is the largest transshipment port in northeast Asia, handling more than 13 million twenty-foot equivalent unit (TEU) containers annually. The port handles cargo from 500 ports and 100 countries with an expansive feeder vessel operation connecting Busan with China, Japan and Russia. The U.S. Customs and Border Patrol, while its budget has increased, has decreased its commitment to its customs textile enforcement program as priorities have shifted to other areas.

Tariff Phase-Out Schedule: Korean textile products are provided a much more generous phase-out schedule than U.S. products, allowing many Korean products immediate duty-free access to the enormous U.S. market (96% of their products go to zero duty within three years). Access to the much smaller Korean market for those same U.S.-made products will be phased in over ten years. The disparity in the phase-out schedule is particularly concerning because Korea is already the largest supplier to the U.S. of technical textiles and has a sophisticated, government supported technical textile industry, with excess capacity, just waiting for this agreement to pass so they can flood the U.S. market with their products.

Product Coverage of the Rules of Origin: The rules of origin under the KORUS agreement exclude certain components such as sewing thread, narrow fabrics and pocketing fabrics, items that are required under the CAFTA-DR and Panama Agreements and are important to U.S. textile manufacturers. Allowing these inputs to be sourced from countries not party to the Agreement is a departure from recent FTAs and it is illogical that these and other products were excluded in this Agreement.

You have seen the Agreement and studied its analysis. You read in government documents that whole segments of the U.S. economy will not be helped by this Agreement, including technical textiles. We are asking that you address this flaw now with your vote against the U.S. Korea Free Trade Agreement, ending the chess match where U.S. textile manufacturing never wins.

Sincerely,

RUTH A. STEPHENS,  
Executive Director, U.S. Industrial  
Fabrics Institute (USIFI).

Mr. MICHAUD. I yield to the gentleman from Illinois (Mr. LIPINSKI) for the purpose of making a unanimous consent request.

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

Mr. LIPINSKI. Madam Speaker, I rise in opposition to this job-killing trade bill, and I would like to insert into the RECORD a letter from the International Federation for Professional and Technical Engineers in opposition to the Korea FTA.

INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS,

Washington, DC, February 7, 2011.

Hon. HILDA L. SOLIS,

U.S. Department of Labor, Washington, DC.

Hon. RON KIRK,

Office of the U.S. Trade Representative, Washington, DC.

DEAR SECRETARY SOLIS AND AMBASSADOR KIRK: The International Federation of Professional and Technical Engineers (IFPTE) applauds the Obama Administration, most notably the Department of Labor (DOL) and the office of the United States Trade Representative (USTR) for your willingness to include labor in last year's discussions preceding the Administration's announced agreement on the US-South Korea (KORUS) Free Trade Agreement. That said, and after a long review and analysis of this FTA, I am writing to express IFPTE's concerns with the final proposal. While some improvements compared to the Bush Administration negotiated KORUS FTA were achieved, IFPTE continues to believe that the proposed agreement falls short in several key areas and fails to put US workers and businesses in a better position to compete.

First and foremost, KORUS does not include enforceable labor protections. Granted, the language urges the United States and South Korea to adhere to the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. However, like the 2007 Bush Administration negotiated Korea deal, as well as the Panama, Peru and Colombia FTAs, the practical implication of this provision is the exclusion of any enforceable ILO labor protections. The fact is that the ILO Declaration itself has no teeth and is not enforceable. Instead, it is the eight ILO Conventions themselves that are enforceable. Yet, and despite the urging of labor to include the ILO Conventions, they are not included in KORUS. The resulting compromise allows potential FTA panels the flexibility to ignore, or even weaken through misguided interpretations, the true labor protections called for by the ILO.

It is IFPTE's long-standing position that any trade framework should be reflective of a broader US industrial policy whose foundation is enhancing the rights of workers not only here in the US, but worldwide. Consequently, the mere fact that the ILO Conventions are absent from this agreement is reason enough for IFPTE to oppose the KORUS FTA.

We have many other concerns as well, including our skepticism with claims of a limited negative impact on American workers. The basis for these claims stems from an analysis of KORUS by the United States International Trade Commission (USITC), which attempts to predict the impact that specific trade agreements will have on the US economy. The USITC suggests that KORUS will have no negative impact on US jobs, and will have a limited impact on the US trade deficit with South Korea over the

first seven years. However, USITC estimates have historically underestimated the damage that past trade agreements have had on US workers and the economy. For example, when China sought membership in the World Trade Organization (WTO), the USITC predicted that our trade deficit with China would increase by \$1 billion, and it would have a negligible impact on jobs. Instead, from the time China entered the WTO in 2001, through 2008, our trade deficit with China ballooned to \$185 billion annually and resulted in the loss of 2.4 million American jobs. In other words, IFPTE warns against relying on the USITC metric.

We at IFPTE believe that a more reliable, and realistic, estimate of the impact of KORUS is outlined by the Economic Policy Institute (EPI). Contrary to the USITC findings, EPI found that over the first seven years of implementation, KORUS will result in 159,000 lost American jobs and increase the US trade deficit with Korea by \$16.7 billion. To put this into practical terms, an analysis by the United Steelworkers of America (USW), for example, suggests that KORUS will only enflame our trade deficit with Korea. In expressing their opposition to KORUS, the USW issued a statement saying, "auto parts, petroleum products, tires and iron and steel, for example—have contended with fast growing imports from Korea this year, and the FTA will only ensure a continuation of the negative impact of this import flood on domestic production and employment."

Equally troubling is that KORUS mirrors NAFTA when it comes to foreign investor privileges and Buy America policies. Among the foreign investor problems with this bill are the following:

Gives foreign investors the right to enforce FTA privileges by suing the U.S. government in foreign tribunals for violations of FTA rights;

Opens up U.S. environmental, health, zoning and other policies to challenge by foreign investors in foreign tribunals;

Requires that foreign based companies in South Korea, like those in all FTA nations, have the same access to state and federal government contracts as that of U.S. based companies; and,

Forbids the reinvestment of U.S. taxpayer dollars back into the domestic economy by governments at the state and federal levels through, "Buy America" policies.

It is worth noting that the Korean Confederation of Trade Unions (KCTU), South Korean Farmers organization, and civil and human rights groups have also lined up in opposition to KORUS. Indeed, our national experiment with free trade agreements has been negative for workers in America, as well as those around the world. There has been enough suffering from one sided trade deals that are great for business, but are disastrous for American and foreign workers alike. Therefor IFPTE opposes the KORUS FTA and will encourage Congress to reject it.

I thank you for your consideration. Should you have any questions please feel free to contact me, or IFPTE Legislative Director Matt Biggs.

Sincerely,

GREGORY J. JUNEMANN,  
President.

Mr. MICHAUD. I yield to the gentlewoman from North Carolina (Ms. FOXX) for the purpose of making a unanimous consent request.

(Ms. FOXX asked and was given permission to revise and extend her remarks.)

Ms. FOXX. Madam Speaker, I would like to insert into the RECORD a state-

ment from the National Council of Textile Organizations in opposition to the Korea free trade agreement.

TEXTILE WORKERS DELIVER 27,000 PETITIONS  
URGING "NO" VOTE ON U.S.-KOREA FTA

UNITED STATES REPRESENTATIVE VIRGINIA  
FOXX (R-NC)

2,584 PETITIONS SIGNED

The U.S. textile industry has witnessed firsthand the damage that poorly constructed trade agreements inflict on textile and apparel producers in our country. The industry requested that the Obama Administration renegotiate the textile and apparel chapter of the Korea FTA and was ignored.

At a time when our country's unemployment rate remains at record high levels, the industry would like to count on you to stand up for textile jobs and vote NO when this poorly negotiated agreement comes up for a vote.

The textile industry is creating jobs in the United States. Exports have increased more than 16 percent this year alone. The industry is experiencing a shift of sourcing by brands and retailers out of China and into the Western Hemisphere in order to take advantage of the hemisphere's unique trading relationship and its ability to quickly supply major retailers in the U.S.

Enacting the Korea FTA will reverse this positive trend. The reality is that this agreement benefits China and a select group of Korean exporters while it hurts U.S. textile workers.

PLEASE VOTE NO ON H.R. 3080, THE U.S.

KOREA FREE TRADE AGREEMENT

Mr. MICHAUD. I yield to the Congresswoman from California (Ms. WOOLSEY) for the purpose of making a unanimous consent request.

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Madam Speaker, I would like to insert into the RECORD a letter from the International Union of Painters and Allied Trades and a letter from the National Farmers Union in opposition to the Korea FTA.

INTERNATIONAL UNION OF PAINTERS  
AND ALLIED TRADES, AFL-CIO,

Hanover, MD, June 30, 2011.

DEAR REPRESENTATIVE: On behalf of the 140,000 active and retired members of the International Union of Painters and Allied Trades (IUPAT), I am writing you regarding the proposed Free Trade Agreement between the United States and the Republic of Korea (KORUS FTA). I have serious concerns about duty free construction materials entering the United States and the devastating effect that this and all free trade agreements have on the manufacturing sector.

The IUPAT represents men and women working in the finishing trades as commercial and industrial painters, drywall finishers, wall coverers, glaziers, glass workers, floor covering installers, sign makers, display workers, convention and show decorators, and many more occupations. Our union is made up of over 400 local union halls throughout the United States. While the IUPAT is working overtime to make sure our membership has the ability to provide for their families through this time of chronic and crippling unemployment, I find it unimaginable that this job killing trade agreement would even be considered. According to the Bureau of Labor Statistics, 13,700,000 Americans remain unemployed and nearly 2.5 million Americans have given up on finding work because job loss is so rampant in their communities. The United State Inter-

national Trade Commission (ITC) report from March 2010 projects that implementation of the Korea Free Trade Agreement would increase the U.S. goods trade deficit. This predicted increase in the U.S. trade deficit under the Korean FTA would risk the jobs of millions of Americans, including IUPAT members, employed in our industries.

Even the White House has ceded the point that this Free Trade Agreement will cost jobs when they demanded on May 16, 2011, that Trade Adjustment Assistance be a prerequisite to the ratification of any of the three pending Free Trade Agreements. While the IUPAT is supportive of the president's promise to provide burial insurance to thousands upon thousands of Americans who will lose their jobs due to the Korean Free Trade Agreement. A better policy would be to focus on rebuilding the frail U.S. economy by investing in American workers instead of workers from North Korea, Korea, China or any other country that imports component parts through Korean ports.

Approximately 20% of IUPAT members work in the manufacturing sector. They work to maintain factories and manufacture paint, plate glass, and floor covering materials, and fabricating glass systems. According to the ITC, these members' jobs and their livelihood would be directly threatened by the duty free importation of the products they proudly manufacture or fabricate as American made.

IUPAT members working in glass fabrication shops manufacture energy efficient shells for buildings and factories. Their product would be turned away in favor of duty free glass panels shipped from Korea. The ITC report indicates that IUPAT members who manufacture floor covering materials or wall coverings would be told to find a new career when cheap carpets, rugs, and wall covering materials flood the United States duty free. It is clear that duty free will destroy American communities and leave Americans families helpless.

Beyond the very troubling job loss predicted by the USITC, I am deeply concerned about the weak rule of origin that was negotiated by President George W. Bush in this Free Trade Agreement. In 2009, millions of pounds of toxic drywall entered the United States. That lack of oversight put thousands of IUPAT members and an estimated 60,000 families at risk. This was the direct result of allowing uninspected products from an under-regulated country. The weak rule of origin opens the United States, the members of the IUPAT, and American property owners up to the strong possibility that subpar and possibly dangerous building materials will enter the United States and be used in our homes and businesses.

In the interest of the United States economy and all of the families who wish to be working again, including the membership of the IUPAT, I strongly urge you to stand up for American made products and jobs by voting against the Republic of Korea/United States Free Trade Agreement.

Sincerely,

JAMES A. WILLIAMS,  
General President.

JULY 7, 2011.

DEAR MEMBER OF CONGRESS: As the House Ways and Means Committee conducts mark ups of the three pending Free Trade Agreements (FTAs), National Farmers Union (NFU) urges members of Congress to oppose these FTAs unless changes are made to make sure that the FTAs are fair for each party involved. As described in a policy resolution NFU's membership passed in the spring of 2011, in order for NFU to support the FTAs negotiated with South Korea (KORUS), Colombia and Panama, inequalities stemming

from lack of market access, weak labor standards, extraordinary foreign investor rights and currency manipulation must be addressed.

The U.S. International Trade Commission has released their analysis of the KORUS agreement. Losers under the agreement include all oilseeds (which include soybeans), wheat and specialty crops (which include forages, sheep, goats and horses). The report predicts that the agreement would lead to an increase in the overall U.S. good trade deficit of \$308 to \$416 million because seven U.S. industrial sectors will see net losses. The Economic Policy Institute projects the agreement will cost the U.S. 159,000 jobs in the first seven years. At a time of high unemployment, it would be irresponsible to pass this job-killing FTA.

The U.S. Treasury declared South Korea a currency manipulator in 1988 and 1999. In February 2011, the Treasury issued a warning that South Korea was taking the same steps as it did before past devaluations. Devaluing their currency could wipe out any gains achieved in any sector of the agreement. The KORUS agreement does nothing to address currency manipulation, which puts U.S. producers at an economic disadvantage.

Although U.S. agriculture has a substantial net trade surplus with the world as a whole, U.S. agriculture is currently running a net trade deficit with countries that have FTAs with the U.S. In fact, U.S. agriculture has actually done worse after FTAs have been entered into.

As your committee considers the pending FTAs, given our concerns, we strongly urge members to vote against the agreements.

Sincerely,

ROGER JOHNSON,  
*President, National Farmers Union.*

Mr. MICHAUD. I yield to the gentlewoman from Ohio (Ms. KAPTUR) for the purpose of making a unanimous consent request.

(Ms. KAPTUR asked and was given permission to revise and extend her remarks.)

Ms. KAPTUR. Madam Speaker, I would like to insert into the RECORD a letter from the hardest-working workers in America—the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers—in opposition to this Korean free trade agreement.

INTERNATIONAL BROTHERHOOD OF  
BOILERMAKERS, IRON SHIP BUILDERS,  
BLACKSMITHS, FORGERS &  
HELPERS,

*Kansas City, KS, December 16, 2010.  
House of Representatives,  
Washington, DC.*

DEAR REPRESENTATIVE: On behalf of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, I write to express our opposition to the U.S.-Korea Free Trade Agreement (KORUS FTA). This misguided agreement fails to address the long-standing concerns of American workers, will result in more lost American manufacturing jobs, and fails to establish an appropriate model for sustainable global trade. At a time when so many Americans are struggling in our weak economy, the KORUS FTA is the last thing our nation can afford to pursue.

We continue to be disappointed the U.S. Trade Representative has failed to negotiate positive changes in core aspects of this agreement. The provisions on investment, procurement, and services continue to constrain both governments' ability to regulate in the public interest, promote domestic job creation through responsible procurement

policies, and provide public services. The agreement's rules on procurement have the potential to restrict policy goals of vital importance to our union, including domestic sourcing requirements. It is inappropriate for trade agreements to restrict the ability of governments to invest tax dollars in domestic job creation and promote legitimate social objectives. In addition, the investment provisions of the agreement include provisions that allow foreign investors to claim rights above and beyond those granted to domestic investors.

With respect to the labor chapter, no effort was made to improve and strengthen the labor provisions with the Korean Government. Contrary to popular belief, Korean labor laws fail to conform to norms established by the International Labor Organization (ILO). In fact, dozens of trade unionists have been imprisoned for exercising basic labor rights. Further, the Korean Government passed legislation several years ago weakening basic labor protections, contrary to the recommendations of the ILO.

This trade agreement—the most significant in over a decade—fails to live up to the standards workers in both countries deserve. During the 2008 Presidential campaign, then candidate Obama promised to renegotiate the North American Free Trade Agreement (NAFTA). Instead, two years later, the Obama administration is asking American workers to once again turn a blind eye to yet another unfair and unbalanced trade agreement. It is time to abandon the flawed model on which the KORUS FTA is based, and move toward a new policy that creates good jobs, benefits the U.S. economy as a whole, and protects fundamental rights.

Thank you for your consideration of our views on this important matter.

Sincerely,

NEWTON B. JONES,  
*International President.*

Mr. MICHAUD. I yield to the Congresswoman from Ohio (Ms. SUTTON) for the purpose of making a unanimous consent request.

(Ms. SUTTON asked and was given permission to revise and extend her remarks.)

Ms. SUTTON. Madam Speaker, I would like to insert into the RECORD a letter from the International Brotherhood of Electrical Workers in opposition to the free trade agreement.

INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS,  
*Washington, DC, July 13, 2011.*

DEAR SENATOR OR REPRESENTATIVE: On behalf of the approximately 725,000 members of the International Brotherhood of Electrical Workers (IBEW), I write to express my strong opposition to the proposed trade agreements with South Korea, Columbia, and Panama. All three are North American Free Trade Agreement (NAFTA)-style pacts originally negotiated by President Bush. I urge you to vote no when they are considered by Congress.

As I stated in a letter I sent you in December, 2010 regarding the South Korea agreement: "It is long past due that common sense be applied to the issue of international trade. For the better part of two decades Americans have been told that free trade is good for workers and consumers. In reality, trade policies promulgated by both Democratic and Republican administrations have benefited multi-national corporations and their top executives. Although these policies have allowed consumers access to cheap (though sometimes toxic) products, they have come at a tremendous cost in the form of lost jobs, a shrunken tax base, diminished

access to health care, and a reduced quality of life." Now, in addition to the South Korea agreement, the Columbia and Panama pacts will perpetuate the same job-killing provisions that gained their greatest traction in NAFTA.

The problems with these agreements are well-documented. Adoption of the South Korea agreement will lead to the loss of approximately 159,000 jobs and expand our trade deficit with this country by \$16.7 billion during the first seven years of implementation. Additionally, South Korea is a proven currency manipulator having been declared so by the U.S. Treasury in 1988 and again in 1999. Unfortunately, the South Korea agreement does nothing to address currency manipulation.

Like South Korea, the Columbia agreement is another NAFTA-style pact, but in Columbia more is being lost than jobs. Columbia is the most dangerous place in the world for trade unionists. In 2010, 51 labor leaders were killed in Columbia, an increase over 2009. This is more than in the rest of the world combined. The government of Columbia has been unable to effectively guarantee the rule of law to allow workers to exercise their legal rights.

The last of the nations being considered for a NAFTA-style agreement, Panama, is a known "tax haven" with a history of attracting money launders and tax dodgers. Although the Tax Information Exchange Treaty that Panama recently signed looks to combat these issues, it does not go into effect for another year and may be too weak to fix the problems. Additionally, Panama has a history of failing to protect workers and enforce labor rights.

"Free trade" has proven to be a job-killer in the good-paying manufacturing sector. Lay-offs, closed factories, and lost tax base have been the legacy of NAFTA, CAFTA, and their associated trade agreements. This is why I urge you to vote no on the South Korea, Columbia, and Panama free trade agreements when they are brought to a vote in Congress.

Sincerely yours,

EDWIN D. HILL,  
*International President.*

Mr. MICHAUD. I yield to the gentleman from Pennsylvania (Mr. CRITZ) for the purpose of making a unanimous consent request.

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

Mr. CRITZ. Madam Speaker, I would like to insert into the RECORD a letter from the International Longshore and Warehouse Union in opposition to the Korea free trade agreement.

INTERNATIONAL  
LONGSHORE & WAREHOUSE UNION,  
*San Francisco, CA, Dec. 13, 2010.*

Hon. NANCY PELOSI,  
*House of Representatives, Cannon House Office  
Building, Washington, DC.*

DEAR MADAM SPEAKER: President Obama has reached a trade agreement with South Korea. That agreement must now be submitted for Congressional ratification. We anticipate that the President will aggressively shepherd this pact through Congress.

The International Longshore and Warehouse Union (ILWU) represents approximately 14,000 full time dockworkers and 14,000 part time dockworkers on the West Coast of the United States and in Hawaii and Alaska. Our members are in the business of moving cargo. By all accounts, the Korea-United States Free Trade Agreement (KORUS FTA) will increase trade between South Korea and the United States, which

will result in an increase in cargo movement between the two countries. An increase in cargo movement is good for dockworkers. However, this fact alone is insufficient to overcome the vast deficiencies of the KORUS FTA.

The KORUS FTA will cost jobs, lower environmental, labor, food and product quality standards, and empower corporations from the United States and South Korea to challenge public interests in both countries. The labor standards provision of the agreement only provides that each country enforce its own laws to adhere to the core labor standards identified by the International Labor Organization. The United States and South Korea's laws and enforcement in this area are completely inadequate and must be amended prior to the implementation of the agreement.

Labor supported President Obama and numerous other democratic candidates two years ago. In exchange for this support, we were promised a return to policies and practices that maintain, restore, and strengthen the middle class and working people across the United States. For two years, we have watched campaign promises be broken, one after the other, on this relentless march down the road of business as usual. Now, despite his campaign promise that he would only support trade agreements that "put workers first," the President is pushing a trade agreement, the largest since the NAFTA debacle, that undeniably puts workers in South Korea and the United States in jeopardy.

On December 10, 2010, the International Executive Board of the ILWU voted unanimously to oppose the KORUS FTA. The ILWU will not support trade policy that exacerbates inequities, awards special rights to foreign investors, allows banks to practice the same disastrous policies that resulted in the current economic downturn, opens domestic environmental laws to foreign challenge, increases the trade deficit, and costs jobs. We urge Congress to support the Trade Reform, Accountability, Development and Employment (TRADE) Act, which outlines a way forward to a new trade and globalization agenda that would be better for labor, the environment, the economy, consumers, and our trade partners.

If my letter serves but one purpose, let it be to communicate this basic message: we have had it. Today, we join the growing chorus of labor unions who oppose the KORUS FTA. We also ask that our representatives in the Democratic Party stand up, discard meaningless oration, and remind us, with action, what the Democratic Party stands for because we have forgotten.

The Democratic Party needs to reject the KORUS FTA and stop taking its base for granted.

Sincerely,

ROBERT McELLRATH,  
*International President.*

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

Mr. LEVIN. I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 8 minutes.

Mr. LEVIN. This is an important discussion, and I want to be clear what is really at stake here. It's the automotive industry of this country, but it's more than that. There's a basic principle involved in the Korea FTA issue, and that is whether we will replace one-way trade with two-way trade.

When this was negotiated by the Bush administration, it failed to take the most important step relating to Korea. They were shipping hundreds of thousands of cars to the United States. We were shipping, at that time, less than 10,000. So this, indeed, while it mainly involved automotive—and that was 75 percent of our deficit—it was even more than that, opening up markets for our goods produced in the United States of America. This was a Make It in America issue. And there was a Korean iron curtain against our products—by the way, not only automotive, but refrigerators and others.

The number one priority of the Koreans was to eliminate the 2.5 percent U.S. tariff, because if you ship 600,000 to 700,000 cars, that's a lot of money. We said to the administration, no way, we were not going to let the Korea free trade agreement be approved if it continued to embody one-way trade.

□ 1630

The Korean Ambassador met with Mr. RANGEL and me often, and the Trade Minister, and they said, We aren't going to talk about it. And we said, Well, if you don't talk, there will be no agreement.

And then what happened was that the new administration came into being, the Obama administration, and it began to work on this issue. And what happened was there were major changes in the agreement. Instead of the elimination of the tariff on most vehicles, immediately it was delayed to the 5th year, and on trucks it was delayed for 8 years to give time to make sure that the one-way street became a two-way street. That has been accomplished, and to make entirely sure of this, there were provisions to make sure that they could no longer use their tax provisions and their environmental standards to keep out our products.

And to make it even safer, we made sure that there was a safeguard, so if there's a surge of automotive products into the United States, we could defend ourselves. That was unique.

And that's why the big three are saying the following: "As representatives of the largest exporting sector, this FTA will help open up an important auto market for Chrysler, Ford, and GM exports. Our companies make the best cars and trucks on the road, and we are excited for the export opportunity this agreement represents." And that's why the UAW has indicated its support, because workers making their cars will now be able to see that their cars can be shipped to Korea. And Ford has said they're going to use Korea as a base to penetrate, with American products, the markets of the rest of Asia.

So that's what this is all about. No, it won't be China getting into the U.S. It will be the U.S. getting into Korea. That's really what this is all about.

I want to say a word about the issue relating to issues of transshipment. We

insisted in the FTA that there be provisions relating to transshipment, and I want to quickly refer to them.

If Customs has any doubt about a shipment, it can require Korean exporters to provide documentation showing that the goods qualify for FTA treatment. If a Korean exporter refuses or the document is not acceptable, Customs can deny FTA treatment to the good.

U.S. Customs can also do site visits—this is something different—to Korean factories to verify information. And if our Customs officials are denied access or the visit shows problems, they can deny entry to the Korean goods. And exporters who intentionally or repeatedly make false claims are subject to penalties.

I have a letter embodying this from the U.S. Customs and Border Protection that I would like to insert in the RECORD. I would also like to insert in the RECORD the letter that I referred to from the automobile association and from the UAW.

I also want to quote the statement from the Motor and Equipment Manufacturers Association. It says as follows: "The pending FTAs offer real opportunities for parts manufacturers and our employees in two of the fastest growing regions: Asia Pacific and South America. We can ill afford to neglect these and other markets as key competitors."

I would like to insert this letter from MEMA into the RECORD.

So that's what the issue is here today. We faced a one-way market with impenetrable barriers. These are now being torn down.

This is a jobs bill. This is a jobs bill. We have to be able to compete, and our auto industry can now compete. In order to be able to compete effectively, we have to tear down the markets of other countries and make sure that our markets are not only open to them, but their markets are open to us.

We worked very hard to make this happen. It wasn't an easy job. There were times when the administration, perhaps, the new one, the Obama administration, was going to settle for something less than was necessary. We pressed. We pressed effectively.

The Obama administration rose to the occasion and, in the end, said to Korea, You must agree to open the market or we will not send this agreement, this revised agreement to the U.S. Congress.

This revised agreement has now been sent here. I urge its support.

#### U.S. CUSTOMS AND BORDER PROTECTION

#### U.S.-KOREA FREE TRADE AGREEMENT: CBP'S ENFORCEMENT MECHANISMS

U.S. Customs and Border Protection (CBP) plays an integral role in the implementation and enforcement of free trade agreements, which provide duty-free or reduced duty access to the U.S. market for qualifying merchandise. CBP is responsible for assessing and collecting duties, taxes, and fees and ensuring compliance with all import laws. CBP works to ensure that the benefits afforded by

Trade Agreements accrue only to eligible importations.

CBP will utilize its layered trade enforcement approach to ensure compliance with the U.S.-Korea Free Trade Agreement's (KORUS) provisions. If CBP finds violations, CBP will take action to recover duty losses, pursue penalties when necessary, and establish enforcement criteria to prevent future potential fraudulent claims.

CBP will use the various enforcement mechanisms listed below to implement KORUS. Many of these mechanisms are used in the enforcement of all Trade Agreements, but will be tailored to take into consideration factors that are unique to Korea and the provisions listed in KORUS.

#### *Targeting High-Risk Imports*

CBP will conduct trend analysis to spot unusual trade patterns such as U.S. imports of products that South Korea does not produce.

CBP will monitor the emergence of new importers or changes in importer behavior.

CBP will review intelligence provided by other governments or industry.

Under KORUS, CBP can also take several other courses of action, including but not limited to: conducting comprehensive cargo exams or importer audits and performing laboratory analysis on the contents of imports.

#### *Trade Agreement Verifications*

Under KORUS, CBP will conduct extensive verifications as warranted of imports that seek preferential duty treatment to ensure that they legitimately qualify under the agreement.

CBP will request documentation from importers to substantiate their preference claims, as needed. If an importer cannot substantiate its preference claim, CBP will bill the importer for the duty amount owed, as well as other associated fees.

Under KORUS, CBP can visit South Korean factories to validate a factory's production capability as well as compliance of the goods with the requirements of KORUS. If a factory does not have the facilities to produce goods or documentation to support a KORUS claim, CBP can deny duty-free treatment under KORUS on future shipments.

CBP can also visit South Korean exporters or any other individuals or companies that may have evidence relative to the verification of a KORUS claim.

CBP can deny the preferential treatment granted under the agreement to any good when verification can not be completed because of a lack of cooperation from the foreign entity.

#### *Textiles and Apparel Goods*

KORUS includes provisions similar to other Trade Agreements that allow CBP to address major concerns of the U.S. business community, such as the transshipment of textile or apparel goods from China or other countries to take advantage of the duty preference.

Under KORUS, CBP can visit South Korean textile factories to validate a factory's production capability as well as compliance of the goods with the requirements of KORUS. If a factory does not have the facilities to produce goods or documentation to support a KORUS claim, CBP can deny duty-free treatment under KORUS on future shipments.

CBP can also visit South Korean exporters or any other individuals or companies that may have evidence relative to the verification of a KORUS claim.

CBP can deny the preferential treatment granted under the agreement to any textile or apparel good when verification can not be completed because of a lack of cooperation from the foreign entity.

Korea is required to provide CBP with an annual report detailing those factories that are involved in textile and apparel production. This information will be used to validate legitimate yarn, fabric, and apparel producers to assist CBP with their targeting.

#### AMERICAN AUTOMOTIVE POLICY COUNCIL

AAPC STATEMENT IN SUPPORT OF CONGRESSIONAL PASSAGE OF THE U.S.-KOREA FTA

WASHINGTON, D.C.—The American Automotive Policy Council (AAPC)—representing its member companies Chrysler Group LLC, Ford Motor Company and General Motors Company—strongly supports the passage of the U.S. free trade agreement with South Korea (U.S.-Korea FTA). AAPC and its member companies worked closely with the United States Trade Representative (USTR) throughout the negotiations to ensure that the agreement provides the opportunity for our companies to compete and succeed in the Korean auto market. Our full support for this agreement was secured through this ongoing collaboration and the important improvements made to the auto provisions late last year.

“As representatives of the largest exporting sector, this FTA will help open an important auto market for Chrysler, Ford and GM exports. Our companies make the best cars and trucks on the road and we are excited for the export opportunity this agreement represents,” AAPC President Matt Blunt said.

AAPC and its member companies support the agreement's automotive rule of origin (RoO), which is required to be met for auto products to receive the benefits of the FTA. When the high-level of integration of the North American auto market and the very narrow subset of costs that can be counted under the strict methodology used is considered, AAPC believes the automotive RoO content level maximizes its members' export opportunities from the United States, and allows America's automakers and its workers to fully benefit from the FTA.

“This agreement will help open a major Asian market that has been largely closed to U.S. auto exports. I urge members of Congress to vote for the U.S.-Korea free trade agreement. Not only is it good for the American auto industry and its workers, but it is good for the nation,” Blunt said.

The Motor & Equipment Manufacturers Association (MEMA) represents over 700 companies that manufacture motor vehicle parts for use in the light vehicle and heavy-duty original equipment and aftermarket industries. Motor vehicle parts manufacturers are the nation's largest manufacturing sector, directly employing over 685,000 American workers. MEMA represents its members through four affiliate associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and the Original Equipment Suppliers Association (OESA).

On behalf of this industry, I urge you to vote in favor of the free trade agreements (FTA) with Colombia, Panama and South Korea. These agreements are critical to helping America maintain its leading role in the world economy while promoting democratic and free market values.

The global economy has drastically changed, bringing greater competition which requires us to more actively engage our trading partners, be it through free trade agreements or other trade/investment partnerships, to help grow our economy. The pending FTAs offer real opportunities for parts manufacturers and our employees in two of the fastest-growing regions: Asia-Pacific and South America. We can ill afford to neglect

these and other markets as key competitors, such as the EU and Canada, forge stronger partnerships with key countries.

As manufacturers, MEMA members are ready to take advantage of the pending FTAs, a sentiment expressed in testimony by MEMA in April before the House Small Business Committee. As our members continue to readjust their business operations in response to the recession, the agreements with Colombia, Panama, and South Korea will provide significant business opportunities for the motor vehicle parts industry, creating jobs and helping to restore manufacturing to its rightful place in America's economy.

Thank you for your attention as Congress considers these important agreements.

INTERNATIONAL UNION, UNITED  
AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS  
OF AMERICA—UAW

Washington, DC, October 12, 2011.

DEAR REPRESENTATIVE: The House is expected to vote this week on legislation to implement pending free trade agreements and renewal of the 2009 Trade Adjustment Assistance program (TAA). The UAW urges you to vote for the U.S.-Korea Free Trade Agreement (KORUS FTA) and TAA, and to oppose the U.S.-Colombia Free Trade Agreement.

The automotive provisions of the original 2007 trade agreement with South Korea were substantially renegotiated by the Obama administration in 2010. The revised agreement creates the opportunity to address our Korean trade imbalance by providing greater market access for American exports and stronger safeguards to protect our domestic markets from harmful surges of Korean automotive imports.

The revised KORUS FTA keeps the 2.5 percent U.S. tariffs on automobiles and most auto parts in place until the fifth year after the agreement goes into effect. It also allows the U.S. to maintain the full 25 percent tariff on light trucks until the eighth year, and then phases this tariff out over three years. Korea will immediately reduce its electric car tariffs from 8 percent to 4 percent, and will phase out the tariff by the fifth year of the agreement. American automakers believe that the delayed tariff reductions will give them sufficient time to enhance their ability to compete in the historically-closed Korean market.

The revised KORUS FTA includes an auto-specific safeguard provision to protect against drastic increases in imported Korean vehicles that harm the domestic auto industry. The remedy for a finding of injury is the “snapback” to the original tariff levels prior to implementation of the FTA. The new agreement also addresses the pervasive use of Korean non-tariff barriers (NTBs). The KORUS FTA includes standards for the protection of worker rights, including obligations for South Korea to respect core International Labor Organization (ILO) labor rights and standards, to refrain from weakening any laws that reflect those rights in any way, and to effectively enforce labor laws designed to ensure a level playing field for American workers to compete. These labor standards are enforceable in the same manner as the commercial provisions of the FTA.

The UAW believes that the revised KORUS FTA will lead to an improvement in our economic relationship with South Korea and help to protect America's domestic auto industry and its workers from South Korea's tradition of engaging in unfair trade practices. Therefore, the UAW urges you to vote for the implementation of the KORUS FTA.

The UAW commends the Obama Administration's efforts to strengthen labor and human rights protections in Colombia through the recently negotiated Action Plan, and we are hopeful that the provisions in the Plan will result in significant changes on the ground in Colombia. We note, however, that the Action Plan is not included in the Colombia FTA. Moreover, we cannot support Congressional action on the Colombia FTA until there is significant progress on the paramount moral issues surrounding the continued violence against unionists and concrete evidence that the perpetrators of these crimes are being brought to justice.

Earlier this month, the International Trade Union Confederation (ITUC) released its new Annual Survey on Trade Union Rights, which confirmed that Colombia remains the most dangerous place on earth for unionists: last year 49 people were murdered for their trade union activities, more than the rest of the world combined; 75 additional individuals received credible death threats; at least 2,500 unionists were arrested; and thousands more fired from their jobs solely due to union membership. The Action Plan is not enforceable under the FTA, and the passage of the U.S.-Colombia FTA would seriously weaken the pressure on the Colombian government to fulfill its human rights obligations. The Colombian government has been unambiguously complicit in the abuse of labor and human rights and the signing of the FTA would be an insult to workers everywhere, and to the basic principles of freedom and justice. Therefore, we urge you to vote against the Colombia FTA.

The 2009 enhanced TAA program expired in February of this year. Since that time, tens of thousands of service workers and manufacturing workers whose jobs were shipped to China and India have been ineligible for TAA retraining benefits, and workers who have been certified for TAA have received reduced benefits. The UAW urges you to vote for legislation already passed in the Senate to reinstate the provisions of the 2009 TAA so that workers whose jobs have been offshored have an adequate opportunity to find reemployment.

Accordingly, the UAW urges you to vote for the KORUS FTA and TAA, and to vote against the U.S.-Colombia FTA. Thank you for considering our views on these very important matters.

Sincerely,

BARBARA SOMSON,  
*Legislative Director.*

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

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 3½ minutes.

Mr. CAMP. I yield to the gentleman from California.

Mr. ROYCE. I thank the gentleman.

This agreement will break down trade barriers. Frankly, it will level the playing field for 19,000 small and medium-sized businesses here in the United States and the farmers here who export into this market. It means 280,000 new American jobs and, frankly, it means \$10 billion in new exports.

And let's remember this: Europe has this trade agreement. It went into effect on July 1. They've seen a 17 percent increase in their exports into the market in South Korea at our expense. Why? Because, frankly, U.S. exports to Korea currently face an average tariff of 12.2 percent, and it's, frankly, 49 percent for agricultural products. If we

can bring that down—their tariffs are higher than ours. If we can bring that down, we can get that market share. We can increase that trade and develop these jobs.

And the agreement also removes the barriers and provides transparency. It provides property rights. It has rules on competition that make U.S. businesses much more competitive in Korea, that gives them access into that market.

Mr. CAMP. Madam Speaker, I do want to just touch on some points raised by the gentleman from Michigan (Mr. LEVIN). We did work closely together on the supplemental agreement last year with the administration, with automakers, with autoworkers, and that is incorporated in the legislation before us today.

It does address, as the gentleman from Michigan pointed out, key tariff and nontariff barriers, including numerous provisions to ensure that South Korea cannot use a regulatory system or process to block our exports.

The International Trade Commission estimates that the removal of nontariff barriers alone will add an additional between \$48 million and \$66 million in new exports. That's in addition to the \$194 million dollars in new exports expected from lower Korean tariffs on autos alone.

Inaction on the Korean trade agreement has allowed the European Union and other competitors to step in and take our market share. That's diminished our leadership in Asia. The Korean trade agreement is key to our engagement in Asia, and it will be a critical counter to Chinese influence in the region.

We've heard a lot about China today, but how do we counter Chinese influence in the region through this agreement?

□ 1640

This agreement, also, I think, is critically important because it deepens our ties with a strong and important ally. The United States and South Korea have had a 60-year history of standing together. This agreement is really a step forward in our bilateral relationship, and it is an important step that we need to take today.

I would urge passage of this agreement. It has been endorsed—and I have a 4-page list of organizations and associations, including the American Farm Bureau, the Business Roundtable, Heritage, and other groups, a 4-page list—by many organizations supporting the passage of this agreement.

[From The Committee on Ways and Means]

THE SUPPORT FOR JOB CREATING TRADE AGREEMENTS IS LARGE . . . AND GROWING

Aerospace Industries Association, Agri Beef Co., American Apparel & Footwear Association, American Automotive Policy Council, American Chamber of Commerce in Korea, American Chemistry Council, American Council of Life Insurers, American Farm Bureau Federation, American Feed Industry Association, American Forest & Paper Association.

American Frozen Food Institute, American International Automobile Dealers Association (AIADA), American Iron and Steel Institute, American Meat Institute, American Peanut Product Manufacturers, Inc., American Potato Trade Alliance, American Seed Trade Association, American Soybean Association, Americans for Tax Reform, Animal Health Institute, Asia-Pacific Council of American Chambers of Commerce.

Association of American Chambers of Commerce in Latin America, Association of Equipment Manufacturers, Blue Diamond Growers, Business Roundtable, Business Software Alliance, California Cherry Export Association, California Date Commission, California Dried Plum Board, California Fig Advisory Board, California Pear Growers.

California Strawberry Commission, California Table Grape Commission, California Walnut Commission, Campbell Soup Company, Cargill Incorporated, Club for Growth, Coalition of Service Industries, Commodity Markets Council, Computer & Communications Industry Association, ConAgra Foods, Inc., Corn Refiners Association.

Dairylea Cooperative Inc., Distilled Spirits Council of the United States, Dow Chemical Company, Emergency Committee for American Trade, Equity Cooperative Livestock Sales Association, Footwear Distributors & Retailers of America, FreedomWorks, Grocery Manufacturers Association.

Heritage Action, Hormel Foods Corporation, Idaho Barley Commission, Idaho Grain Producers Association, International Dairy Foods Association, International Intellectual Property Alliance, JBS USA, Kansas Association of Wheat Growers, Kentucky Small Grain Growers Association, Kraft Foods.

Land O'Lakes, Inc., Latin America Trade Coalition, Montana Grain Growers Association, Motion Picture Association of America, National Association of Manufacturers, National Association of State Departments of Agriculture, National Association of Wheat Growers, National Barley Growers Association, National Cattlemen's Beef Association, National Chicken Council.

National Confectioners Association, National Corn Growers Association, National Council of Farmer Cooperatives, National Fisheries Institute, National Foreign Trade Council, National Grain and Feed Association, National Grape Cooperative Association, Inc., National Meat Association, National Milk Producers Federation, National Oilseed Processors Association.

National Pork Producers Council, National Potato Council, National Renderers Association, National Sorghum Producers, National Sunflower Association, National Taxpayers Union, National Turkey Federation, North American Equipment Dealers Association, North Dakota Grain Growers Association, Northwest Dairy Association/Darigold.

Northwest Horticulture Council, Ocean Spray Cranberries, Inc., Oklahoma Wheat Growers Association, Outdoor Industry Association, Pet Food Institute, Produce Marketing Association, Recording Industry Association of America, Retail Industry Leaders Association, Seaboard Foods, Securities Industry and Financial Markets Association.

Smithfield Foods, South Dakota Wheat Inc., SPI: The Plastics Industry Trade Association, Sunmaid Growers of California, Sunsweet Growers, Inc., Sweetener Users Association, TechNet, Texas Wheat Producers Association, The Financial Services Roundtable, Third Way.

Travel Goods Association, Tyson Foods, Inc., U.S. Apple Association, U.S. Canola Association, U.S. Chamber of Commerce, U.S. Council for International Business, U.S. Dairy Export Council, U.S.-Korea FTA Business Coalition, U.S. Meat Export Federation, U.S. Premium Beef.



Unilever United States, United Egg Association, United Egg Producers, United Producers, Inc., US Dry Bean Council, US Wheat Associates, US-Colombia Business Partnership, USA Dry Pea & Lentil Council, USA Poultry & Egg Export Council, USA Rice Federation, Valley Fig Growers, Washington State Potato Commission, Welch Foods Inc., Western Growers Association.

I urge passage of this agreement, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 425, the previous question is ordered on the bill.

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

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

#### EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES

Mr. CAMP. Madam Speaker, I ask unanimous consent that the Speaker may postpone further proceedings on the motion to concur in the Senate amendment to H.R. 2832 as though under clause 8(a)(1)(A) of rule XX.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XIX, further consideration of the motion to concur in the Senate amendment to the bill (H.R. 2832) to extend the Generalized System of Preferences, and for other purposes, will now resume.

The Clerk read the title of the bill.

Mr. CAMP. At this time, Madam Speaker, I yield 2 minutes to a distinguished member of the Ways and Means Committee, the gentlewoman from Kansas (Ms. JENKINS).

Ms. JENKINS. I thank the chair for yielding.

Three and a half trade deals that we have taken up today have bipartisan support, the three pending free trade agreements and the GSP extension within this bill. Both parties in both Chambers agree that these important trade pacts will grow our economy, create jobs, and make America more competitive in the global marketplace.

Sadly, however, the bipartisan, bicameral approval of the merits of these trade deals did not keep the Washington gamesmanship at bay. For nearly 10 months, as they pushed for an expanded and enlarged TAA program, our colleagues in the Senate allowed the GSP to lapse, holding American jobs

hostage until their political allies could be pacified with a sufficient payoff.

This delay wasn't simply an intellectual exercise either. It hurt real businesses, real families, and cost us real jobs in my home State of Kansas. Take the Berger Company in Atchison, Kansas. The family-owned Berger Company manufactures leather goods for sale across the United States. But due to the increased cost of materials caused by the lapse in the GSP, Berger has lost customers to foreign competitors like China, causing lower profit and placing real Kansas jobs at risk.

I'm voting for this bill because we need GSP to be reauthorized immediately, but I'm extremely disappointed that Senate Democrats have again risked the continued lapse of this important program all for a TAA program that does not work.

The results of Washington brinksmanship have real life impacts across this country. So while I'm hopeful that we will finally extend the GSP package today, I'm disappointed Washington political games made our small businesses, like the Berger Company, wait so long.

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

I rise to express my strong support for H.R. 2832, which is extending what have been historically two programs that have received strong bipartisan support. Beginning in 1962, the TAA bill was originally put in under the Kennedy administration, and it has been extended for all these years. And the Generalized System of Preferences has also been there for a long time. Our importers and exporters have been using it as ways of getting things into the United States that have made real differences not only for our people but for people in developing countries.

Now, TAA provides critically needed assistance to workers who lose their jobs as a result of trade. It would be hard to find anybody on the floor of the House who wouldn't say that trade causes displacement of workers. There are jobs that move here, move there, and this is a recognition of that and a statement that we care about what happens to workers and that we give them some kind of help. It provides them with support, education, and training so that they can obtain new jobs in growth sectors. In my State, we used to do log exports. Logging was a big issue. Then it went away. Well, you have to retrain people, and community colleges have trained a lot of people in this kind of thing.

In 2009 Congress made some much-needed reforms in TAA, many of which addressed past criticisms of the program. These reforms included extending TAA to cover service workers and more manufacturing workers, offering long-term training and increasing training funds, and increasing the health care coverage tax credit.

This was probably the most important of the reforms. When people lose

their job, they have no health care. And everything that you have in your life can be wiped out by an illness or an injury. So the idea that you can get COBRA is a nice idea, but you've got to have money to do that. Most of the unemployment checks in this country don't make it possible for people to take advantage of the COBRA. So when we had this increase in support from the Federal Government for workers, we were really looking at the real problems that people face.

Now, unfortunately, last winter the House leadership let the 2009 reforms lapse, leaving a lot of workers just hanging out there. The Generalized System of Preferences was also permitted to expire, which harmed businesses that rely on the program both in developing countries and in the United States. While it's long overdue, I'm pleased to see we're finally moving the legislation to expand both of these programs.

I urge my colleagues to join me in supporting H.R. 2832, and I reserve the balance of my time.

Mr. CAMP. Madam Speaker, I yield 3 minutes to the distinguished chairman of the Rules Committee, the gentleman from California (Mr. DREIER).

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

Mr. DREIER. I thank my friend for yielding.

Madam Speaker, it's taken a long time for us to get here. We've had hours and hours of debate, last night and today, and literally years and years and years of discussion and of negotiation, and a lot of anguish and a lot of pain, but we have finally gotten here.

I want to begin by expressing my great appreciation to a man with whom I've been pleased to partner in cochairing what has been a long-standing group known as our Trade Working Group. It's sometimes partisan, sometimes bipartisan. It began two decades ago when Bill Archer was chairman of the Ways and Means Committee and Phil Crane chaired the Trade Subcommittee, and with every chairman of the Ways and Means Committee and the Trade Subcommittee, I've been privileged to join with them in working to build these coalitions for the very important goal of breaking down barriers to ensure that we can have access to consumer markets for union and nonunion workers in this country. And this is what it's all about.

DAVE CAMP has done a phenomenal job in negotiating these trade agreements and the issue which is before us today, which is trade adjustment assistance. Now I know that there's a lot of concern about it. I'm frankly not a huge enthusiast, but I recognize that while there is a net gain—a net gain—when it comes to the issue of global trade, there are some workers who are displaced.