



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Praises Final Passage of Miscellaneous Tariff Bill

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today praised the Senate’s final passage of the *Miscellaneous Trade and Technical Corrections Act of 2004*. The Senate approved the measure by unanimous consent this afternoon, clearing the way for the President’s consideration.

Grassley’s floor statement on the measure follows.

STATEMENT FOR THE RECORD

Senator Charles E. Grassley

FLOOR STATEMENT ON THE MISCELLANEOUS TARIFF BILL

November 19, 2004

Mr. President, I rise in strong support of the Conference Report to H.R. 1047, the Miscellaneous Trade and Technical Corrections Act of 2004, commonly called the miscellaneous tariff bill.

This legislation has traveled a long and difficult road to get to the floor today. In fact, the journey began over two and a half years ago when Senator Baucus chaired the Finance Committee. The Senate historically passes a miscellaneous tariff bill at the end of every Congress. The bill under consideration today was supposed to pass at the end of the 107th Congress. However, it was left as unfinished business for the current Congress. Upon resuming the chairmanship of the Finance Committee, my intention was to complete unfinished business from the 107th Congress as quickly as possible. To that end, we passed the bill out of Committee by voice vote on February 27, 2003.

We hoped that early passage of this bill would pave the way for consideration of another miscellaneous tariff bill in the 108th Congress. But that was not meant to be. Throughout the remainder of the Congress we faced significant delays and stall tactics. In March 2004, over a year after the bill was reported out of the Finance Committee, we reached agreement and passed the bill by unanimous consent. But quick conference consideration was not meant to be. We were forced to wait another six months before we could go to conference with the House. The conference committee quickly reached an agreement in October and the House passed the Conference Report

shortly thereafter. However, Senate action was further delayed until today. Happily, it looks like the bill is finally near the end of its journey as we appear to be on the verge of passing this bill as one of the last orders of business for the 108th.

At this point, it might be interesting to reflect on what the Senate Finance Committee has been able to accomplish on trade during the time it took to pass this bill. During the first session of the 108th Congress, we were able to complete work on the Clean Diamond Trade Act, legislation designed to help thwart trade in conflict diamonds. We also implemented two free trade agreements with Chile and Singapore. In addition, we enacted the Burmese Freedom and Democracy Act, which put in place an import ban on products from Burma in an effort to help stop human rights abuses and the repression of democracy in that country.

During the second session of the 108th Congress we enacted the Africa Growth and Opportunity Acceleration Act, which continues trade preferences for some of the poorest nations in sub-Saharan Africa. We also implemented two trade agreements with Australia and Morocco and brought the United States into compliance with an adverse WTO ruling in the FSC/ETI case through passage of the American Jobs Creation Act of 2004. There is no doubt that Senate passage of the conference report on the MTB will be a nice capstone to what has already been a highly successful Congress on trade.

This package contains many trade provisions, primarily duty suspensions, reductions and extensions, for products that are not produced domestically. This bill supports American factories and workers by allowing manufacturers to save money when they import these products.

Each of these provisions went through an extensive vetting process including a public notice and comment period to ensure that they did not compete with domestic manufacturers. The bill also contains a number of liquidations or reliquidations for certain entries.

The general rule for inclusion here is that the product entered the country under an incorrect duty rate due to Customs or other administrative error. These provisions allow those entries to enter the country at the correct duty rate.

There are several other very important provisions in this bill. The bill grants the President the authority to provide permanent normal trade relations (PNTR) for Armenia. Armenia recently joined the World Trade Organization. But, in order to reap the benefits of their accession, the United States needs to extend PNTR to Armenia. This legislation provides the President with the authority to grant that extension. I also hope we will be able to consider similar treatment for Azerbaijan in the very near future.

The bill also extends normal trade relations to Laos. Last year the Bush Administration signed a comprehensive bilateral trade agreement with Laos, an agreement that was negotiated during the Clinton years. The agreement will promote U.S. interests by protecting U.S. intellectual property rights and opening the Laotian market to U.S. goods and services. It is a good agreement. But, to

enable the United States to benefit from it, we must extend normal trade relations to Laos. Doing so will also benefit the Laotian people. Laos is one of the poorest nations in Asia. Yet, exports from Laos are subject to some of the highest tariffs when they enter the United States. This agreement will help alleviate poverty, help bring Laos out of the Vietnam War era, and further integrate Laos into the global marketplace.

We also included in this bill a provision that extends preferences under the Generalized System of Preferences (GSP) to allow duty-free treatment for hand-knotted and hand-woven carpets. This provision is designed primarily to help the citizens of Afghanistan and Pakistan. I believe that allowing these products to be considered as eligible articles under GSP will help beneficiary countries that have joined the United States in the fight against global terrorism.

Further, H.R. 1047 corrects a mistake in the Trade Act of 2002 that inadvertently and temporarily raised duties on Andean originating handbags, luggage, flat goods, work gloves and leather wearing apparel under the Andean Trade and Preferences and Drug Eradication Act (ATPDEA). This provision retroactively reinstates the reduced duty treatment for eligible products that entered the U.S. from August 6, 2002, the date ATPDEA was signed, and the time in which these products met the import sensitivity test, several months later. It provides for continued duty-free treatment for these eligible products, which was the intent of the Trade Act.

I am also pleased that the bill includes the Emergency Protection for Iraqi Cultural Antiquities Act. I introduced the EPIC Antiquities Act to authorize the President to continue emergency import restrictions to protect the archaeological and ethnological materials of Iraq. The purpose of this bill is simple – to close a legal loophole which could allow looted Iraqi antiquities to be brought into the United States.

If Congress does not act to ensure the continuing means for banning trade in antiquities that may have been stolen, the door could be opened to imports of looted Iraqi antiquities into the United States. Already the press has reported allegations that European auction houses have traded in looted Iraqi antiquities. The last thing that we in Congress want to do is to fail to act to prevent trade in looted Iraqi artifacts here in the United States.

Other important provisions in the bill include modifications to the cellar treatment of natural wine and repeal of the 1916 Act. Repeal of the 1916 Act will bring the United States into compliance with its WTO obligations. We have also improved and extended the wool trust fund and added a provision that simplifies some processing U.S. Customs processing procedures, thereby resulting in increased efficiency and productivity for both the government and the trade community.

I also want to point out that the provisions I have covered are not the only important provisions contained in this bill. This bill makes a number of other technical yet meaningful changes to our trade laws.

I am very pleased that we are going to be able to pass this bill today.