



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Sen. Chuck Grassley
Senate Finance Committee Consultative Consideration of
the U.S.-Australia Free Trade Agreement Implementation Act, Wednesday, June 23, 2004

Last week, the Finance Committee held a hearing to examine the substance of the U.S.-Australia and U.S.-Morocco Free Trade Agreements. The hearing provided an opportunity for members to delve into the details of the Australia agreement and to question the Administration regarding the text of the agreement itself. Today, in contrast, we are here to review the implementing legislation for the U.S.-Australia Free Trade Agreement. So I hope that members will focus their discussion today on the implementing legislation.

As I indicated last year during the implementation phase of the U.S.-Chile and U.S.-Singapore Free Trade Agreements, consultation is critical to successful utilization of TPA procedures. I will note here that the Administration consulted closely with the Finance Committee throughout the negotiations for the Australia agreement. While I may not agree with the substantive outcome of every aspect of those negotiations, I do believe that members and staff had ample opportunity to provide input into the agreement.

Now that the negotiations are concluded and the Agreement signed, we turn to implementation. There are a number of steps the Administration and Congress must take to translate the trade agreement into law. First, Congress and the Administration must work to develop legislation implementing the trade agreement. Under TPA procedures, the proposed bills must contain provisions approving the trade agreement and the Statement of Administrative Action proposed to implement the agreement. Further, if changes to federal law are required to implement the agreement, these changes must be limited to only those laws which are "necessary or appropriate" to implement the agreement.

In my view, the standard for what constitutes "necessary or appropriate" should be narrowly construed. TPA procedures alter the general structure under which the Senate considers legislation. TPA procedures are unique. Because they are unique, their use should be narrowly tailored. We strove to adhere to that standard in drafting the implementing bill we are now considering. Following consultation on the elements of the implementing legislation, the proposed bill is submitted to the committees of jurisdiction for their informal review. That is where we are in the process now. While not required by TPA procedures, the Finance Committee has traditionally conducted this review in an open and public forum. We are continuing that tradition here today.

This review of the proposed implementing bill continues and concludes the consultative process which is truly the heart of TPA. Once the Committee's recommendations on the proposed implementing legislation are sent to the Administration, the Administration will review the recommendations and then formally submit the bill to Congress. Once the bill is introduced, it must be formally reported from the Finance Committee. Only then will it be considered by the full Senate for an up or down vote. It is my intent to complete consideration of this bill prior to the August recess. I will note, however, that I am equally interested in seeing Congress implement the U.S.-Morocco Free Trade Agreement this summer. Thus, while I am comfortable conducting this informal review today, I am reluctant to officially report this legislation out of the Finance Committee until we see significant and substantial progress in moving the implementing legislation for the U.S.-Morocco Free Trade Agreement. I trust the Administration will work with me over the next several weeks to ensure quick consideration of the U.S.-Morocco agreement.