



1 EXECUTIVE COMMITTEE MEETING ON WHETHER TO CONSIDER
2 FAVORABLY APPROVING THE COMMITTEE'S RECOMMENDATION, AS
3 AMENDED, TO IMPLEMENT THE U.S.-AUSTRALIA FREE TRADE
4 AGREEMENT

5 THURSDAY, JUNE 24, 2004

6 U.S. Senate,
7 Committee on Finance,
8 Washington, DC.

9 The meeting was convened, pursuant to notice, at
10 6:11 p.m., in room S-216, the Capitol, Hon. Charles E.
11 Grassley (chairman of the committee) presiding.

12 Also present: Senators Hatch, Nickles, Lott, Snowe,
13 Kyl, Thomas, Santorum, Frist, Smith, Bunning, Baucus,
14 Rockefeller, Daschle, Breaux, Conrad, Graham, Jeffords,
15 Bingaman, and Lincoln.

16 Also present: Kolan Davis, Republican Staff Director
17 and Chief Counsel; Russ Sullivan, Democratic Staff
18 Director; Everett Eissenstat, Chief Trade Counsel; and
19 Carla Martin, chief clerk.

20
21
22
23

1 OPENING STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S.
2 SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON FINANCE

3

4 Senator Grassley. The meeting will come to order.

5 Good afternoon. Yesterday we met in open executive
6 session to review and make recommendations on proposed
7 legislation implementing the U.S.-Australia Free Trade
8 Agreement Act. We were unable to complete our work
9 yesterday, so we are continuing the executive session
10 this afternoon.

11 Today we will be voting on whether to consider
12 favorably approving the committee's recommendation, as
13 amended. Let me first say that I strongly support this
14 agreement. While it may not be perfect, it is a solid
15 agreement that will bring significant benefits to the
16 United States and my home State of Iowa.

17 I also support the bulk of the implementing
18 legislation that we reviewed yesterday. In fact, Senator
19 Baucus and I worked closely together with the White House
20 and the House of Representatives to make improvements to
21 the legislation in an attempt to craft an implementing
22 bill that would receive broad bipartisan support.
23 Unfortunately, during our informal committee review, an
24 amendment was very narrowly adopted to the committee
25 recommendations which I simply cannot support.

1 This amendment would make the exercise of the beef
2 safeguard waivers subject to approval of the Finance
3 Committee and Ways and Means Committees. While not
4 binding, this amendment, according to a legal analysis
5 provide by the impartial and bipartisan Congressional
6 Research Service, violates the U.S. constitution. I ask
7 that this analysis be included in the record.

8 [The analysis is appended to the transcript.]

9 The Chairman. I cannot in good conscience recommend
10 that the President include an unconstitutional provision
11 in the formal implementing bill, and for that reason
12 alone am voting "no" on our recommendation today.
13 Therefore, we will not be sending a favorable
14 recommendation on the committee-amended product.

15 I understand that the House of Representatives
16 favorably reviewed the proposed legislation which is
17 identical to the bill we have before us today, but
18 without the constitutional infirmities caused by the
19 adoption of the Conrad amendment.

20 I highly recommend the favorable consideration of the
21 House legislation reviewed by the administration.

22 I move that the committee now consider favorably
23 approving the committee's recommendation, as amended, to
24 implement the U.S.-Australia Free Trade Agreement. I
25 vote no.

1 The Clerk will call the roll.
2 The Clerk. Mr. Hatch?
3 Senator Hatch. No.
4 The Clerk. Mr. Nickles?
5 Senator Nickles. No.
6 The Clerk. Mr. Lott?
7 Senator Lott. No.
8 The Clerk. Ms. Snowe?
9 Senator Snowe. No.
10 The Clerk. Mr. Kyl?
11 Senator Kyl. No.
12 The Clerk. Mr. Thomas?
13 Senator Thomas. No.
14 The Clerk. Mr. Santorum?
15 Senator Santorum. No.
16 The Clerk. Mr. Frist?
17 Senator Frist. No.
18 The Clerk. Mr. Smith?
19 Senator Smith. No.
20 The Clerk. Mr. Bunning?
21 Senator Bunning. No.
22 The Clerk. Mr. Baucus?
23 Senator Baucus. Aye.
24 The Clerk. Mr. Rockefeller?
25 Senator Rockefeller. No.

1 The Clerk. Mr. Daschle?
2 Senator Daschle. No.
3 The Clerk. Mr. Breaux?
4 Senator Breaux. Aye.
5 The Clerk. Mr. Conrad?
6 Senator Conrad. No.
7 The Clerk. Mr. Graham?
8 Senator Graham. Aye.
9 The Clerk. Mr. Jeffords?
10 Senator Jeffords. Aye.
11 The Clerk. Mr. Bingaman?
12 Senator Bingaman. Aye.
13 [Senator Kerry votes aye by proxy.]
14 The Clerk. Mrs. Lincoln?
15 Senator Lincoln. Aye.
16 The Clerk. Mr. Chairman, the vote is 7 ayes and 14
17 nays.
18 The Chairman. The recommendation is defeated.
19 The meeting is adjourned.
20 [A CRS Analysis is appended to the record.]
21 [Whereupon, at 6:45 p.m. the meeting was concluded.]
22
23
24