



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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## MEMORANDUM

To: Reporters and Editors  
Fr: Jill Gerber for Chairman Grassley, 202/224-6522  
Da: Thursday, Sept. 15, 2005

Today the Senate approved a key trade amendment from Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over international trade, and rejected an amendment from Sen. Byron Dorgan that would have hurt the United States' ability to open foreign markets to U.S. exports. The amendments were filed to the Commerce, Justice, Science appropriations bill. Grassley made the following comment on these amendments.

"Today, the Senate reaffirmed its commitment to open markets and free and fair trade. By passage of my amendment by a vote of 99 to 0, the Senate confirmed its continued support for efforts to negotiate strong trade agreements that will open new markets for American goods and services while preserving our ability to utilize our trade remedy laws to defend against unfair trade competition. By a vote of 39 to 60, the Senate rejected an amendment by Senator Dorgan that would have taken U.S. trade remedy laws off the negotiating table. Such a result would have inevitably led to other nations' taking entire sectors off the negotiating table, thus cutting off our ability to use *Trade Promotion Authority* to eliminate market access barriers to U.S. goods and services. Today's votes demonstrate that the U.S. Senate remains committed to the principles articulated in the *Bipartisan Trade Promotion Authority Act of 2002* and to continued U.S. leadership in world trade talks."

Following is Grassley's floor statement on his amendment.

Statement of Senator Chuck Grassley  
Regarding Grassley Amendment #1713 to Dorgan Amendment #1665

Mr. President, I rise to offer a relevant amendment to Dorgan amendment 1665. Mr. President, my amendment number 1713 will ensure that we maintain the strength of our trade remedy laws. My amendment makes it clear that no funds may be used to negotiate trade agreements that do not enable the United States to preserve our ability to enforce rigorously our trade laws, including our antidumping and safeguard laws.

In addition, under my amendment our trade negotiators must avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, or that lessen the effectiveness of domestic and international safeguard provisions. It is

a good amendment that will ensure that our trade remedy laws remain strong and that U.S. workers have effective protection against unfair import competition.

Now, there is another amendment pending to this bill, the Dorgan amendment number 1665, that purports to do the same thing. And, it might -- but it also has some very serious and, perhaps, unintended consequences. The Dorgan amendment says that no funds may be used to negotiate or modify any law of the United States that provides safeguards from unfair trade practices. Sounds pretty good. But if you look a little deeper at the Dorgan amendment you can see it has some serious problems. This sweeping amendment would prohibit our negotiators from entering into trade agreements, even if the trade agreement resulted in stronger trade remedy laws.

For example, we could not negotiate bilateral agricultural safeguards, similar to those included in our bilateral agreements with Chile and Australia for example, or in plurilateral agreements such as CAFTA. And, we could not negotiate multilateral agreements, like the OECD steel negotiations, that could strengthen our trade remedy laws. At the same time, the Dorgan amendment would severely hamper our ability to negotiate trade agreements that benefit U.S. exporters. Once we start down a slippery path, where we cannot even discuss trade remedies -- even to strengthen them -- our trading partners will respond by demanding that other items be taken off the table. And those other items are likely to be very important to the economic interests of the United States.

The Dorgan amendment would only serve to hamstring our negotiators just as we are pushing the Europeans, the Brazilians, the G20, the G10, and every other G-number group out there, to get serious and start making meaningful concessions in these negotiations, especially in agriculture. Today, foreign agricultural markets are among the most protected sector in world trade. I understand the average global tariff for agriculture is about 62 percent. Thus, America's farmers and ranchers have much to gain if we can deliver a comprehensive multilateral trade agreement that lowers tariffs across the board and forces subsidizing nations to harmonize and reduce their subsidies. But we don't stand a chance of achieving that goal if we force our negotiators to take issues off the table.

And I'm not alone in expressing this concern. Many, many groups have come out in opposition to the Dorgan amendment. Let me just name a few: The American Farm Bureau, the Business Roundtable, the Coalition of Service Industries, the Comprehensive Market Access Coalition, the Emergency Committee for American Trade, the National Association of Manufacturers, the National Foreign Trade Council, the U.S. Chamber of Commerce, the U.S. Council for International Business, and the Corn Refiners Association. All of these groups have expressed their strong opposition to the Dorgan amendment.

And, even more import for those who want this bill to become law, the Administration has weighed in strongly against the Dorgan amendment. Allow me to quote from a letter I received from our Commerce Secretary Carlos Gutierrez and our U.S. Trade Representative, Ambassador Rob Portman:

“Senator Dorgan’s amendment would undermine our efforts to protect our workers and firms from unfair trade practices and to open foreign markets to America’s goods and services ... the amendment would prevent us from negotiating agreements to improve protections against unfair trade practices where current rules may not be fully effective.”

The letter continues: “The amendment could also prevent us from negotiating stronger disciplines

on foreign subsidies and protections for U.S. exporters against abuses by foreign users of trade remedies laws.”

In fact, Secretary Gutierrez and Ambassador Portman feel so strongly about the damage this amendment could do, they sent a letter saying they would recommend that the President veto the Commerce, Justice, Science appropriations bill if the Dorgan Amendment is included.

So, really the choice is pretty simple. If Senators want to take away an opportunity to strengthen our trade remedy laws, and, at the same time ensure a veto of this bill, support the Dorgan amendment. If Senators want to preserve strong trade remedy laws and avoid a veto, support my amendment.

I urge my colleagues to carefully consider the stakes in this vote. The stakes are high. There is a way to both preserve and improve our trade remedy laws and avoid a Presidential veto — by voting yes on Grassley amendment 1713 and no on Dorgan amendment 1665.