



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Submitted for the Record
Opening Statement of Chairman Chuck Grassley
Senate Finance Committee Executive Session
Wednesday, June 28, 2006

The Committee will now convene in open executive session to consider favorably reporting S. 3569, a bill to implement the United States-Oman Free Trade Agreement. Before addressing the merits of the bill, I want to discuss the process that's led to today's markup. The United States and Oman signed this Agreement on January 19th of this year. The U.S. International Trade Commission completed its investigation and issued its report on the likely economic effects of this Agreement in February 2006. The Subcommittee on International Trade of this Committee held a hearing on this Agreement on March 6, 2006. The full Committee met on May 18, 2006, to informally consider proposed legislation implementing this Agreement.

During the Committee's informal consideration, I introduced a Chairman's modification to the proposed Statement of Administrative Action. My modification called upon the Administration to monitor and report on the efforts of the Omani Government to prohibit compulsory or coerced labor. The Administration took my modification and broadened it. The Statement of Administration Action that accompanies the bill before the Committee today contains a commitment from the Administration to periodically update Congress on the progress that Oman achieves in realizing all commitments made to labor law reform. I think that's an improvement on my modification. It's an example of how the Committee's process of informal consideration of trade agreements works.

The Committee also adopted an amendment offered by Senator Conrad to prevent goods made with slave labor from benefitting from the Agreement. I supported the Conrad amendment because I shared some of his concerns. Those concerns motivated me to introduce my Chairman's modification. But at the time the amendment was adopted, I also noted the Administration's assertion that current law already provides a greater impediment to forced labor than the Conrad amendment. That's why I asked the Administration to respond to the Committee on that point in greater detail. The General Counsel of the Office of the United States Trade Representative responded to my request by letter dated June 22, 2006. I've shared that letter with the Members of this Committee in advance of today's markup. If there are further questions of the Committee regarding the Administration's position, we have officials from the Office of the United States Trade Representative here with us today to respond.

I'd now like to turn to the merits of the U.S.-Oman Free Trade Agreement. This is a strong agreement for U.S. farmers, manufacturers, and service providers. The Agreement will immediately provide duty-free treatment for almost all U.S. industrial and consumer products once it enters into force. Some 87 percent of U.S. agricultural exports to Oman will be given duty-free status upon

implementation. And the remaining tariffs will be eliminated in ten years. This Agreement will also open new markets for U.S. service providers. I realize that Oman is not a large market, but this agreement will indeed benefit people throughout the United States.

In addition, this agreement will be yet another important step in advancing the President's vision of building a Middle East Free Trade Area by 2013. And, it will cement our ties with an important ally in that part of the world. I urge my colleagues to support this important Agreement.