



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Charles E. Grassley
Senate Finance Committee Consultative Consideration of
the U.S.-Singapore and U.S. Chile
Free Trade Agreement Implementation Acts
July 10, 2003

Good afternoon. Let me first welcome Ambassador Zoellick to the Finance Committee today. We appreciate your being here. Today we are reviewing two proposed bills – the U.S.-Singapore and the U.S.-Chile Free Trade Implementation Acts. These are the first two implementing bills the Finance Committee will be considering under the Trade Promotion Authority procedures which Congress approved last year. I understand we have a limited amount of time. I also know that senators have a lot of competing priorities today. To address this problem, Senator Baucus and I agreed, in informal discussions among all committee and personal office staff, to hold a vote on the Administration’s proposal at 2:15 today, or as soon as we have a quorum. So, as soon as we reach a quorum, I will stop proceedings and move that the Committee approve the Committee’s recommendations, subject to any modifications that we may vote on here. And I don’t expect any modifications at this point.

At the heart of TPA procedures is consultation. Here I think President Bush and Ambassador Zoellick have done an admirable job. The Congress was closely consulted throughout the negotiating process on both agreements. The result is two solid trade agreements which the vast majority of the Congress should be able to support on a bipartisan basis. Now we turn to implementation. There are a number of steps the Administration and Congress must now take to translate these trade agreements into law. First, Congress and the Administration need to work closely to develop legislation implementing the two trade agreements. Under TPA procedures, the proposed bills must contain provisions approving the trade agreement and the Statements of Administrative Action proposed to implement the agreements. Further, if changes to federal law are required to implement the agreements, these changes must be limited to only those laws which are “necessary or appropriate” to implement the agreements.

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. 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 today. 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.

Today’s review of the proposed implementing bills 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 bills will be formally submitted to Congress for expedited consideration, followed by an up or down vote on each agreement. It is our objective to complete consideration of both of these bills prior to the August recess. To facilitate the process, the committee staff has worked closely with the legislative assistants from your personal offices to review the substance of the bills and how Trade Promotion Authority procedures work. I trust your legislative assistants shared this information with you, so I would hope we would not need any questions on process or procedures. In order to complete consideration of these implementing bills by August, the Administration must formally submit these bills to Congress by next week. Once introduced, the bills will be formally reported by the Finance Committee. Thereafter, they will be considered by the full Senate. At this point, we will hear from our Ranking Member Senator Baucus, followed Ambassador Zoellick. Following Ambassador Zoellick’s remarks we will have staff provide an oral summary of the implementing bills.