

S. 47. An act to provide for the exchange of certain Federal land in the Santa Fe National Forest and certain non-Federal land in the Pecos National Historical Park in the State of New Mexico.

S. 52. An act to direct the Secretary of the Interior to convey a parcel of real property to Beaver County, Utah.

S. 54. An act to amend the National Trails System Act to require the Secretary of the Interior to update the feasibility and suitability studies of four national historic trails, and for other purposes.

S. 55. An act to adjust the boundary of Rocky Mountain National Park in the State of Colorado.

S. 56. An act to establish the Rio Grande Natural Area in the State of Colorado, and for other purposes.

S. 97. An act to provide for the sale of bentonite in Big Horn County, Wyoming.

S. 101. An act to convey to the town of Frannie, Wyoming, certain land withdrawn by the Commissioner of Reclamation.

S. 128. An act to designate certain public land in Humboldt, Del Norte, Mendocino, Lake, and Napa Counties in the State of California as wilderness, to designate certain segments of the Black Butte River in Mendocino County, California as a wild or scenic river, and for other purposes.

S. 136. An act to authorize the Secretary of the Interior to provide supplemental funding and other services that are necessary to assist certain local school districts in the State of California in providing educational services for students attending schools located within Yosemite National Park, to authorize the Secretary of the Interior to adjust the boundaries of the Golden Gate National Recreation Area, to adjust the boundaries of Redwood National Park, and for other purposes.

S. 152. An act to enhance ecosystem protection and the range of outdoor opportunities protected by statute in the Skykomish River valley of the State of Washington by designating certain lower-elevation Federal lands as wilderness, and for other purposes.

S. 153. An act to direct the Secretary of the Interior to conduct a resource study of the Rim of the Valley Corridor in the State of California to evaluate alternatives for protecting the resources of the Corridor, and for other purposes.

S. 156. An act to designate the Ojito Wilderness Study Area as wilderness, to take certain land into trust for the Pueblo of Zia, and for other purposes.

S. 161. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership.

S. 176. An act to extend the deadline for commencement of construction of a hydroelectric project in the State of Alaska.

S. 178. An act to provide assistance to the State of New Mexico for the development of comprehensive State water plans, and for other purposes.

S. 182. An act to provide for the establishment of the Uintah Research and Curatorial Center for Dinosaur National Monument in the States of Colorado and Utah, and for other purposes.

S. 205. An act to authorize the American Battle Monuments Commission to establish in the State of Louisiana a memorial to honor the Buffalo Soldiers.

S. 207. An act to adjust the boundary of the Barataria Preserve Unit of the Jean Lafitte National Historical Park and Preserve in the State of Louisiana, and for other purposes.

S. 212. An act to amend the Valles Caldera Preservation Act to improve the preservation of the Valles Caldera, and for other purposes.

S. 214. An act to authorize the Secretary of the Interior to cooperate with the States on

the border with Mexico and other appropriate entities in conducting a hydrogeologic characterization, mapping, and modeling program for priority transboundary aquifers, and for other purposes.

S. 225. An act to direct the Secretary of Agriculture to undertake a program to reduce the risks from and mitigate the effects of avalanches on recreational users of public land.

S. 229. An act to clear title to certain real property in New Mexico associated with the Middle Rio Grande Project, and for other purposes.

S. 231. An act to authorize the Bureau of Reclamation to participate in the rehabilitation of the Wallowa Lake Dam in Oregon, and for other purposes.

S. 232. An act to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to assist in the implementation of fish passage and screening facilities at non-Federal water projects, and for other purposes.

S. 244. An act to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming.

S. 252. An act to direct the Secretary of the Interior to convey certain land in Washoe County, Nevada, to the Board of Regents of the University and Community College System of Nevada.

S. 253. An act to direct the Secretary of the Interior to convey certain land to the Edward H. McDaniel American Legion Post No. 22 in Pahrump, Nevada, for the construction of a post building and memorial park for use by the American Legion, other veterans' groups, and the local community.

S. 263. An act to provide for the protection of paleontological resources on Federal lands, and for other purposes.

S. 264. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize certain projects in the State of Hawaii.

S. 272. An act to designate certain National Forest System land in the Commonwealth of Puerto Rico as a component of the National Wilderness Preservation System.

S. 276. An act to revise the boundary of the Wind Cave National Park in the State of South Dakota.

S. 279. An act to amend the Act of June 7, 1924, to provide for the exercise of criminal jurisdiction.

S. 301. An act to authorize the Secretary of the Interior to provide assistance in implementing cultural heritage, conservation, and recreational activities in the Connecticut River watershed of the States of New Hampshire and Vermont.

S. 706. An act to convey all right, title, and interest of the United States in and to the land described in this Act to the Secretary of the Interior for the Prairie Island Indian Community in Minnesota.

S. 1480. An act to establish the treatment of actual rental proceeds from leases of land acquired under an Act providing for loans to Indian tribes and tribal corporations.

S. 1481. An act to amend the Indian Land Consolidation Act to provide for probate reform.

S. 1482. An act to amend the Act of August 9, 1955, to provide for binding arbitration for Gila River Indian Community Reservation Contracts.

S. 1483. An act to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to modify the definition of "Indian student count".

S. 1484. An act to amend the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990.

S. 1485. An act to amend the Act of August 9, 1955, to extend the authorization of certain leases.

## PROVIDING FOR CONSIDERATION OF H.R. 3283, UNITED STATES TRADE RIGHTS ENFORCEMENT ACT

Mr. PUTNAM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 387 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 387

*Resolved*, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3283) to enhance resources to enforce United States trade rights. The bill shall be considered as read. The amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Florida (Mr. PUTNAM) is recognized for 1 hour.

Mr. PUTNAM. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. PUTNAM asked and was given permission to revise and extend his remarks.)

Mr. PUTNAM. Mr. Speaker, House Resolution 387 is a closed rule that provides 1 hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule waives all points of order against consideration of the bill and provides that the amendment in the nature of a substitute printed in the Committee on Rules report accompanying the resolution shall be considered as adopted. H. Res. 387 also provides one motion to recommit.

Mr. Speaker, I rise today in support of this rule and the underlying bill, H.R. 3283, the United States Trade Rights Enforcement Act. The legislation passed the House of Representatives yesterday by a majority vote of 240 to 186, but did not garner the necessary two-thirds vote to pass under suspension of the rules.

Over the past 25 years, U.S.-China trade has risen from \$5 billion to \$231 billion, and China is now our third largest trading partner. In 2001, China joined the World Trade Organization by notifying the WTO they had formally ratified the WTO agreements. However, a report released in December of 2004 by the U.S. Trade Representative stated that while China has worked hard to comply with its WTO commitments, they have not always been satisfactory.

Major areas of concern identified in the report included intellectual property rights, agricultural services, industrial policies, trading rights and distribution, and transparency of trade laws. This legislation addresses these concerns by creating concrete mechanisms to ensure that China abides by its previous commitments and that we renew our efforts to level the playing field for American manufacturers competing against subsidized Chinese goods.

Specifically, the bill would establish a monitoring system to track China's compliance with its trade obligations on intellectual property rights, market access for U.S. goods, services, and agriculture, and accounting of Chinese subsidies so that we open it up and have that transparency that has been lacking to date. The system would require that the President issue semi-annual reports to Congress on China's progress in meeting these commitments.

Mr. Speaker, our domestic goods manufacturers are currently at a disadvantage because they are forced to compete with imported goods subsidized by foreign governments or public entities that can be sold at lower prices. H.R. 3283 would apply U.S. countervailing duty law to exports from nonmarket economies, such as China, to give our manufacturers the tools they need here in America to compete with nonmarket economies in those countries.

The bill also tightens the rules on antidumping duties by requiring cash deposits, and suspending for 3 years the availability of bonds for new shippers in antidumping cases in order to prevent those shippers from defaulting on their obligations.

H.R. 3283 increases funding for the U.S. Trade Representative to improve the monitoring and enforcement of U.S. trade agreements, something that we hear about an awful lot on this floor, the lack of enforcement of prior trade agreements. This directs the trade representative to make that a priority.

The bill also authorizes funding for the U.S. International Trade Commission and requires the commission to conduct a comprehensive study on the sensitivity of U.S. trade and jobs to current policies.

Mr. Speaker, in today's global marketplace, it is vital that trade obligations be enforced and that our manufacturers and producers be allowed to fairly compete in our markets here at home and those abroad. I urge my colleagues to support this rule and support the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I want to thank my friend, the gentleman from Florida (Mr. PUTNAM), for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, yesterday, the House decided that this time it would not ac-

cept the practice of approving bills that materialize out of nowhere. This time, the House decided it wanted a real debate on China's unfair trade practices and how best to remedy them.

□ 1045

So the House did not approve the two-thirds majority needed for passage under suspension of H.R. 3283, a bill that has never gone before committee, never had a hearing, never had the benefit of expert testimony, never had a markup, and has never been open to amendment. Instead, this House demanded that the bill be taken up under regular procedure. That is why we are here today. But even under regular order, the Republican majority has done all it can to stifle debate.

Last night the Republican majority on the Rules Committee reported out a closed rule for H.R. 3283, a closed rule that only allows for 1 hour of debate and no amendments; well, except for the one amendment offered by the back room author of this bill in the first place, the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

Last night the Committee on Rules heard testimony on three amendments that would seriously address some of the major challenges facing U.S. trade with China and other nonmarket economy nations. First, there was the amendment modeled on the bipartisan bill originally introduced by the gentleman from Ohio (Mr. RYAN), the gentleman from California (Mr. HUNTER) and the gentleman from Alabama (Mr. DAVIS). This amendment might actually provide needed remedies to tackling China's currency manipulation.

Then there was an amendment offered by the distinguished ranking member of the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL), a comprehensive amendment that addresses the real problems facing America in its trade with China, currency manipulation, export surges, barriers to U.S. export of goods and services, and the right of American private sector companies and workers to challenge China's agricultural and manufacturing subsidies.

Finally, there was an amendment offered by the gentleman from Maryland (Mr. CARDIN) which would have shut down the loopholes in the countervailing duties in the Thomas bill. Each of these concrete proposals presented to the Committee on Rules last night deserve debate, and would significantly enhance the underlying do-nothing legislation. But the Republican leadership shut them out and shut down debate.

Sadly, Mr. Speaker, the Committee on Rules has become a place where democracy comes to die. Heaven forbid that this House might take up amendments that actually address the real issue surrounding China's unfair trade practices and provide genuine remedies. Heaven forbid that this House

might actually have a real debate on these matters, and heaven forbid that the Republican majority might actually allow votes on these serious unfair trade practices.

What is the majority afraid of, a straight up-or-down vote?

Mr. Speaker, I have sat in this Chamber and heard over and over Members on the other side of the aisle give 1-minute speeches demanding that the Senate have up-or-down votes on judicial nominations. Well, Mr. Speaker, if up-or-down votes are good for the Senate, why are they not good for the House of Representatives?

This House has had enough time this week to provide 40 minutes of debate each to the naming of half a dozen post offices, but we do not have enough time or interest to give the Ryan-Hunter-Davis amendment 10 or 15 minutes, or the courtesy to give the ranking member of the Committee on Ways and Means 10 or 15 minutes to offer a substitute amendment?

The Chinese Government must be laughing with glee at the Republican leadership's blatant abuse of power in their lock-step rejection of democratic debate. Instead, we are forced to settle for the Thomas bill, a bill that fails to offer solutions and fails to take action. Instead, it calls for more reports, more studies and more dialogue. In fact, when the Thomas bill does take action, it actually opens up more loopholes for China to exploit, more ways for China to hide its subsidies, and more opportunities for China to manipulate and falsify its trade and economic data.

Mr. Speaker, standing up for American businesses and workers against America's unfair trade practices should be one of our top trade priorities. The growth of China's economy and its trade with the rest of the world is one of the most significant developments of the 21st century, and the Bush administration and the Republican leadership of this House have no effective policy for dealing with it.

Last year the U.S. trade gap with China was \$162 billion. This year it is expected to climb to \$225 billion. And China continues to engage in unfair trade practices, with billions lost to Chinese piracy of U.S. intellectual property, Chinese subsidies for its manufacturers, and Chinese currency manipulation harming U.S. exports.

I urge my colleagues to oppose this rule and let this House debate the thoughtful, meaningful amendments that have been offered. That is how democracy is supposed to work.

Mr. Speaker, I reserve the balance of my time.

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

One of the items that the gentleman from Massachusetts (Mr. MCGOVERN) mentioned that I agree wholeheartedly with is the rise of China is one of the most significant developments of the 21st century, and that is why it is so critically important that we make sure that the trade agreements that exist

between our country and theirs are enforced and are monitored. That is what this bill does.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. ROGERS), a man from a heavy industry and manufacturing State who understands well the challenges imposed by the lack of enforcement of these agreements.

Mr. ROGERS of Michigan. Mr. Speaker, George Washington in his Farewell Address warned of some of the problems that would be created with two strong party systems, and today I see it. It is unfortunate that my colleagues would spend so much of their time both yesterday and today debating about how they did not have time to debate the issue that is so important.

This bill for the first time will change trade policy toward somebody like China, who is cheating our economy and stealing our jobs. We have the ability today to make a statement, to stand up for every worker in America who gets up, plays by the rules, goes to work and tries to build the best products in the world, and they do. Given a level playing field, we will compete with any Nation on the face of the Earth. Our workers are that good. You should have the faith and confidence in them to stand up today and say, we are going to help you by leveling the playing field.

Trade is important. It is the engine of prosperity. Commerce is our best diplomat, and today we send that very clear message to places like China that are cheating. It is amazing, and I want to talk just a minute about counterfeit goods, because in this bill for the first time we say you have to have a trade enforcement officer who gets up in the morning, and her whole job for the whole day is going to make sure that countries like China are living up to their WTO and the world trade arrangements and agreements and the rule of law, the protection of intellectual property.

Mr. Speaker, 750,000 jobs are lost every year to counterfeit products, mainly from China. This product right here, you cannot tell the difference in these two products except what is on the inside. This product steals one job. It steals the opportunity for a company here to compete. It takes tax revenues away from us. This is our chance to give our workers the ability to do this. But is not just about an oil filter. This puts our jobs at risk, cheats our economy and puts Americans at risk. The FAA estimates that 2 percent of all airline parts are counterfeit.

This is the day that we stand up for America and say, We will not take it anymore.

Windshields in China, a group of auto companies went together and said you cannot counterfeit these things, it puts Americans at risk. There are no safety factors in your glass. After three convictions in China, that company is still producing automobile glass.

Brake pads, there was a woman killed in Saudi Arabia because they put formed grass in brake pads and sold them as a counterfeit part; and, unfortunately, took her life. This is awfully important stuff.

Mr. Speaker, I urge my colleagues to get over the partisanship and get over the debate about debating, and for the first time send a very clear message that we will stand up for American workers, we will stand behind their products, stand for the future of trade and prosperity, and we will not allow countries like China to cheat our economy and steal our jobs.

Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just respond to the gentleman from Michigan (Mr. ROGERS) by saying we are very concerned about the fact that China is cheating and not keeping its word with its trade obligations. Our problem with this bill is it is largely symbolic. It does not do what we want it to do.

In fact, if press reports are to be believed, this bill is being brought to the floor today, as ineffective as it is, so Members on the other side of the aisle can have some cover to vote for CAFTA later on today. This bill is largely symbolic. This bill is not tough. It is ineffective.

The gentleman complains that those on our side are criticizing the way this rule has been put together. We are criticizing because we have amendments that will actually make this bill tough and will strengthen this bill.

We are sending a great message to China about democracy when the Committee on Rules last night shut off all debate, when it says to Members who have legitimate amendments that have bipartisan cosponsorship on amendments, by the way, you cannot have an opportunity to offer your amendments on the floor.

We have spent an entire week debating naming of post offices, but we do not have the time to have a serious debate on this. It is ridiculous.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. SLAUGHTER), the ranking member of the Committee on Rules.

Ms. SLAUGHTER. Mr. Speaker, I rise in strong opposition to the rule before us this morning because, as was pointed out yesterday, the Republican leadership, in a clear attempt to circumvent the democratic process, tried to sneak the United States Trade Rights Enforcement Act through the House under suspension of the House rules.

Now, suspension rules are supposed to be reserved for noncontroversial measures. They are most often employed for renaming post offices and honoring sports teams, but not for bills which attempt to alter America's trade policy. But this leadership wanted to force this bill through the House without a proper hearing in the committee, without the appropriate debate, and without any opportunity for amendment or improvement.

Fortunately for all Americans, that plot failed, and the measure was defeated on the floor. But to no one's surprise, they are back at it again this morning. The leadership once more has shut the door on the delivery of democracy by providing just 1 hour of debate on this measure. And more importantly, on a party-line vote, the Republicans voted to prevent any amendment by any Member of Congress from even being considered on the House floor today which would strengthen this bill.

That means they want all 435 Members of the House to accept the leadership's version of the bill; no changes, no arguments, no additions, no recommendations for improvement, just yes or no. This is like being given an opportunity to vote in an election with only one candidate on the ballot. It is a stretch to call that democracy.

The question is what is the House leadership afraid of? They do not want the membership of the body to have an opportunity to strengthen trade policies for American companies. This China trade bill is merely a public relations effort, and it is part of a last-ditch attempt to pick up votes for CAFTA which will come up later today, and nothing more.

It has no teeth, and that is exactly how the majority wants it: Long on rhetoric and short on substance. Even though it is called the United States Trade Rights Enforcement Act, the bill provides little for those concerned about the ballooning trade deficit with the China and the destruction of U.S. jobs. It fails to include real solutions proposed by Members on both sides of the aisle.

It fails to include solutions such as strengthening remedies for American industries that were hurt by China's unfair trade practices. This is a very serious issue that the leadership is trivializing as a protection for a vote for CAFTA. But real American jobs are hanging in the balance, and a perfect example of this can be found in Buffalo, New York.

After 100 years of business, the Buffalo Color Company, the last domestic producer of indigo dye used to make blue jeans, is in the final throes, to quote the vice president, of bankruptcy. Buffalo Color is the victim, and it has already been adjudicated, of illegal Chinese dumping of indigo dye on the American market. For 2 years, we have been asking for help from the administration to stop the Chinese companies from circumventing our trade laws by shipping their cheap dye to the United States through Korea and Mexico. I have tried repeatedly to personally discuss this case with Commerce Secretary Gutierrez, and have yet to even hear back from him.

I want Members to understand that the unfair trade practices are going on because this administration will not stop them. The Secretary has been so busy going to China to give away more jobs and working up here to get CAFTA passed, he cannot even answer

a letter. We have called, we have written, we have issued press releases, but we cannot get the Bush Commerce Department to lift one finger to save an iconic American industry from annihilation at the hands of Chinese price dumping, which is already illegal.

The bottom line is that, much like the Bush administration, this bill will do nothing to help Buffalo Color Company or its employees. As a result, the only remaining producer of the dye for blue jeans, a powerful American icon, will be driven into bankruptcy by illegal price dumping, and more American jobs will be lost. Let me repeat that they have already won their case against China. The Commerce Department simply refuses to allow it to survive.

□ 1100

I hope the sad irony of this is not going to be lost on anybody here today, because Buffalo Color should be able to count on its Federal Government to provide protection from unfair trade practices. With this bill, the Republican leadership is failing to meet that responsibility.

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just take one moment to correct something that was said by my friend from Massachusetts about this week being filled with renaming of post offices. We have also managed to find time this week to pass the first comprehensive postal reform in years. There is the strong likelihood of at least a couple of appropriations conference reports; the Central American Free Trade Agreement; a highway conference report; an energy conference report; and a bill to get strict with China about enforcing our trade agreements.

The gentlewoman from New York is correct. This bill was up for a vote yesterday on the suspension calendar. Under House rules it requires a two-thirds vote to be passed. It garnered 240 votes, shy of two-thirds, but a clear majority, with 19 Democrats also believing that it was important to enforce trade agreements with China. It was our mistake, apparently, to believe that there would be even broader bipartisan support, to believe that there would be more than 19 Democrats who would want to enforce our trade agreements with China. So it is back today where it requires a majority vote to pass. So for the second day, we will have an opportunity to devote the time and resources to debate the need for our country to enforce trade agreements with China; to keep our commitments that have been negotiated and passed in the Congress; to make sure that the resources are in the Department of Commerce and the resources are in the ITC, the International Trade Commission, and the resources are in the Trade Representative's Office to make sure that we are monitoring the compliance of the Chinese Government with preexisting laws, with preexisting

trade agreements so that our manufacturers, our employers, our jobs in America do not suffer. That is why we are back here today.

I am happy to yield, Mr. Speaker, 5 minutes to the gentleman from Indiana (Mr. SOUDER), another leader on this issue.

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Speaker, I would like to address a few questions on process and some on policy. There is a big difference between talk and actually getting something done. This is not an ideal bill. I would have liked to have had a lot more in this bill. I wish we could have had more. I hope we can get some additional provisions in as it moves through the Senate. But the fact is, with all due respect, the most powerful lobby, or at least one of the most powerful lobbies, in this Congress is the China lobby, with quotes around that, those people who believe that trade with China and expanding trade with China is absolutely essential. They rolled us on vote after vote, and we cannot get their attention.

Some people have alleged that the only reason this bill is coming up is because of CAFTA. Well, big shock. It is hard to get different bills up unless you can use your leverage at different times when the majority of Congress, of the leadership, President Clinton when he was President, President Bush when he was President, the leadership of both political parties, has not been willing to aggressively confront China. They view it as a paper dragon. This bill is not perfect.

If I can move into policy for a few minutes, because it is very difficult to figure out how to deal with a country that is cheating in their currency manipulation. If they do not float the manipulation, is it 20, 40, 80 percent? We do not know. It is not floating. So how do you peg it? If you do not have any data like this bill is asking us to collect, when I went in and worked with the gentleman from Pennsylvania (Mr. ENGLISH) and others to try to put this bill together in the beginning, the main problem is that most of the proposals on the table are not workable. They are not workable under WTO because we do not have the functional data with which to match it up to try to prove that there is currency manipulation. We know there is currency manipulation because they are propping it up, but that is very difficult to prove in a world court.

Furthermore, as I worked with Ambassador Zoellick and with now Ambassador Portman and Josette Shiner and others who are working and lobbying China is that as you confront them on these issues, it was questionable whether they had the power to invoke countervailing duties.

This bill incorporates the English bill that I was an original cosponsor of and helped in drafting with the modifications of the Ways and Means Com-

mittee, with the numbers collection, so that we can have the first steps to be able to not just be a paper dragon.

Now, for all the rhetoric that comes through, and we come down here on the floor and we pound on China and lose another vote, and pound on China and lose another vote, the fact is they have reevaluated their currency this past week. Sure, 2.1 percent. If they are cheating by 80 percent, 2.1 percent is not much. But it is a step. All the rhetoric of Congress got nothing, but when we leveraged on CAFTA, which, quite frankly, is a little tiny peanut compared to a great big elephant when we are talking about China, very important in Central America, very important to those democracies, important to a few people in our country and certain trading agreements, but just a little tiny trade thing, and China is a huge trade thing, but they will not talk to me or others about China, either party, unless you leverage your vote when it becomes a critical time.

China, as I talked to the DCM a few weeks ago, says, we are not going to reevaluate. The pressure was so great out of Congress on the markets and manipulation that they made a small concession. They need to make more.

The plain truth is that for all my criticism of China, they have been helping to prop up our currency. As Arab countries back out of our currency and move to the euro because of our support for Israel and other elements in the Middle East, China has helped prop it up. If they suddenly float it, it is uncertain what would happen to our economy from interest rates and inflation, but they need to reevaluate. American industry cannot compete with environmental standards, clean air, clean water, parental leave, the minimum wage, ADA and all this type of stuff, then add to that a currency manipulation of 20 to 80 percent. We cannot compete. It is not a matter of putting tariffs up and us asking for trade advantages. We cannot compete when other people cheat.

Now, we appreciate the Chinese Government moving 2 percent. They need to move faster. This bill gives us a tool.

It was shocking to me last night when this bill went down. It should have been a unanimous vote. Yes, there was not normal participation. Normal participation going through the Ways and Means Committee means it would have been buried so deep, we would not have even seen the letters with the H.R. on it. It would not have ever come out to the House floor. It took leverage to come out. It is not a perfect bill, but we had a bill. Quite frankly, when I first saw that bill go down last night, I thought the China lobby won again, the China lobby on our side that wanted to bury it and the China lobby on the other side that wanted to bury it. I am thankful to our leadership that they agreed to come back today with a rule so we could pass it with a clear bipartisan majority. I appreciate them

moving forth. I believe this incrementally, and that is politics. It is not some dramatic speech. It is not denouncing China. It is actually making incremental policy changes. We just got the double. With this bill and the currency reevaluation, we have made the first progress with China that we have had in years. I think we should be commended, and I think we should try to get a unanimous vote after the politics are done.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Let me just say to the gentleman from Indiana that I share his anguish over the process. I share his frustration over the fact that many of us, we want to have more of a policy debate here. I would suggest to the gentleman from Indiana if he really wants a policy debate, that he will join with us on this side and vote "no" on the previous question so we can bring up some very reasonable, thoughtful amendments that will put some teeth into this bill.

I bet we will get bipartisan support for these amendments. I think one of the reasons why they are not being made in order is because the leadership on your side believes that, in fact, these amendments will actually carry the day.

I would say to the gentleman from Florida that just to make it clear that one of the reasons why so many of us voted against this bill yesterday, one is because it does not have any teeth in it. That does not mean it does not have reports; reports and dialogue, and that is it. We have had enough of that. We wanted something that had some teeth in it, that was actually going to send China the message we want to be sending.

But we also objected to the fact that this bill has never gone before a committee, never had a hearing, never had the benefit of expert testimony, never had a markup, has never been open to amendment. That is not the way this process is supposed to work. This is supposed to be a deliberative body. Flawed legislation like this can be made better. At least we should be given the chance to let the majority in this House work its will.

Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, the gig is up. On both sides of the aisle, regardless of how trade bills, and this is trade day, I guess, on the floor of the House, regardless of how these bills go up or down, the American public knows who is exposing and who is extending and who is sending jobs overseas. Both parties. We have had two administrations now that have given the store away, one Democrat and one Republican administration, and you come on this floor and want us to believe that you are going to pass this legislation and teach China a lesson.

I rise, and I rise to oppose this fig leaf, which is pathetic. The majority is using this fig leaf to cover the growing

crisis of our trade relationship with China years after the horse is out of the barn. China is obviously not playing by the rules. You tell me whether they are or they are not. The American people want to know where you stand. They want to know in your district where they stand. It has nothing to do with Democrat and Republican. The resulting imbalance is destroying family wage production jobs here in this United States. This bill does not contain the answers. It should be defeated again. That it is even being considered on this floor to buy a few votes is an embarrassment to the House of Representatives.

Let us look at the facts. Let us look at the data. Our trade deficit with China is rapidly growing. It reached \$162 billion last year. It was \$16 billion in the month of May alone. China is buying huge chunks of our Nation's growing debt. Do you know how much debt China owns of ours? Is that not embarrassing enough?

Human rights abuses continue to be a problem in China. People from both sides of the aisle have stated on the record what those abuses are. They are not hidden. They are exposed. Yet God knows what we do not know.

China continues its piracy of U.S. goods and products unabated. Unabated. Many factories in China still utilize child and prison labor. We cannot even get in to see what is going on in those factories.

China has only made a minor change in disconnecting its currency from the dollar. Another fig leaf. It is on the front page of the Financial Times and the Wall Street Journal and the New York Times. Who are those trade people kidding? They are not kidding the American people at all. Our Nation's manufacturing sector and the manufacturing capability throughout the world is being decimated by China's use of these low-wage, no-regulation, non-market conditions.

This free trade gig is up. It is exposed. Just today, 9:30 this morning, I can report to the Congress of the United States in New Jersey where the U.S. Chamber of Commerce has said, we are going to gain all of these jobs from this trade, we are going to gain all of these jobs from CAFTA. We did a survey of 180 small New Jersey manufacturers. One hundred four small manufacturing business owners told us they did not think CAFTA would have any impact on their business. One-quarter of the entire sample told us that CAFTA would have a negative impact and lead to job losses, and they were willing to document it. We will bring that up for another debate.

I ask you, taking such minor action today like this bill and the resolution condemning the Unocal bid, ho-ho-ho. And the majority thinks it can show American manufacturers and American workers that it is concerned about China at this stage? You are not fooling anybody.

This is a fig leaf, Mr. Speaker.

Mr. PUTNAM. Mr. Speaker, before I respond to the figs and the gigs, may I inquire as to the time remaining?

The SPEAKER pro tempore (Mr. BONILLA). The gentleman has 15½ minutes remaining.

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

The gentleman on the other side of the aisle, for whom I have a great deal of respect, from New Jersey represents a major industrial State, lots of manufacturers. I would just say that this is clearly a bill that is more than a fig leaf. Application of U.S. countervailing duty law to exports from nonmarket economies is more than an empty gesture: \$6 million per year in additional money to USTR beyond the President's request, up to \$45 million and earmarked for the General Counsel, Office of Monitoring and Compliance; the suspension for 3 years of bonding authority; increased teeth, increased enforcement, increased compliance to make the Chinese follow the law and agreements that we have already signed and agreed to.

Mr. Speaker, I yield 3½ minutes to the gentleman from Pennsylvania (Mr. ENGLISH), the sponsor of this legislation, and someone who has worked for years very diligently on all the issues relating to China.

□ 1115

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me say I do not look particularly becoming in a fig leaf; and the gentleman from New Jersey, who is hanging his hat on the fig leaf that has been introduced by the other side, which is not taken seriously by anyone, does not look particularly becoming hanging back behind that either.

I would urge everyone who in this Chamber is as concerned as I am about the problems of China trade to vote for this rule and to vote for this bill. This bill should be allowed to move forward today. It got 240 votes yesterday, and I thank all of those involved who have made it possible.

This, I believe, is the key trade vote of the year. And contrary to the propaganda we have heard from elsewhere, it is not largely symbolic. Yet yesterday, over 270 of our colleagues from the other side of the aisle voted "no." Let me tell the Members what the significance was of their vote. They voted against extending countervailing duties to China and other nonmarket economies that we regularly apply to other market countries that we trade with.

They voted against closing the bond loophole under antidumping. They voted against a comprehensive audit system for China, how they follow their trade obligations. They voted against authorizing new funds for trade cops. They also voted against clarifying Congress's opposition to efforts to water down our domestic trade law protections in the current WTO rules negotiations.

And, finally, they voted against requiring the Treasury to clarify its definition of currency manipulation in the context of the very modest change that the Chinese have now put forward.

This is commonsense legislation. It was intended as consensus legislation, and it certainly did not materialize out of nowhere because all of these components we have been familiar with for years. It is just that the minority in the Committee on Ways and Means never had much interest in issues like CVD before.

The rule underlying this debate is consistent with Ways and Means traditions, sought and supported by both parties when they were in the majority. So this is not about stifling debate. This is about moving a bill forward.

Simply by offering silly process arguments like the other side did yesterday is not enough. Offering a fig leaf alternative, a bill dropped in the same day that we announced the consensus we had worked forward, is not enough. The truth was blurted out, may I tell the Members, Mr. Speaker, today in *The Hill* magazine in which it quoted a spokesman for the Committee on Ways and Means Democrats as saying: "The minority's near unified opposition to the bill stemmed as much from its role in the CAFTA battle as from the strength of its content."

This is all about cynicism. This is all about politics being played by their side of the aisle. They would rather stop a significant first step in dealing with China if it inconveniences their strategy on CAFTA. In other words, they are more worried about dealing with another trade agreement, dealing with five countries whose combined economy is smaller than that of the Czech Republic, than dealing with the real problem and the real threat in Beijing.

This is cynical. This is outrageous. And I urge all of my colleagues, including those intrepid Democrats who supported us on this bill yesterday, to join with us to get it through today; and if they want to vote "no," let them do it. That is democracy, but the voters will hold them accountable.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Florida just commended the gentleman from Pennsylvania for being the author of the bill. This is the bill that the gentleman from Pennsylvania introduced, and then, mysteriously, this is the bill that came out of nowhere out of the Committee on Ways and Means, no hearings, no markup, nothing. So we are talking about two different pieces of legislation. This bill that mysteriously has appeared before us weakens the countervailing duty section. It makes this bill that the gentleman from Pennsylvania introduced originally worse. So that is what we are concerned about here.

Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am very disturbed that the gentleman from Pennsylvania, the last speaker, has introduced partisanship in this. I chastised both administrations, Democrat and Republican, as giving away the kitchen sink. We gave it away. We gave it away in the Free China deal. We gave up article I, section 8 of the Constitution, what we learn in the eighth grade: commerce belongs in the House of Representatives, not on the President's desk. And, second of all, the jobs that we have gained and the jobs that we have lost in our dealings with China make very interesting reading because we have lost high-wage jobs, and we have gained those jobs that pay far less. Look at the data.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), the ranking member on the Trade Subcommittee.

Mr. CARDIN. Mr. Speaker, as I listen to my Republican colleagues talk about this rule, I understand why the Republican leadership is bringing forward a closed rule, because if we had an open rule, we would end up with a very good bill that would do something about enforcing our laws against China.

I listened to the gentleman from Pennsylvania (Mr. ENGLISH) talk about this being the key trade vote of the year, and I think we should understand that the Committee on Rules is responsible to make sure that we have a fair and open debate by the manner in which they propose rules. There has never been an opportunity to offer a single amendment to this bill anywhere along the process, whether in the subcommittee, the full committee, or here on the floor.

Mr. Speaker, I understand that Trade Promotional Authority gives the right of the administration to submit a trade-negotiated bill to the Congress after consultation and after a mock markup on an up-or-down vote. I just did not know that we had given the Republican leadership the right to bring out any bill they wanted to with an up-or-down vote without having democracy work. That is what this rule represents, and it is shameful.

The gentleman from Pennsylvania (Mr. ENGLISH) talks about the tradition. The minority normally gets an opportunity to offer a substitute on a major bill. They do not even give us the right to offer a substitute. That is just wrong, and that is not a democratic process.

Let me just talk for a moment or two about substance. I heard my colleagues talk about the manipulation of currency by China. No action is taken in this legislation in that regard. China undervalues its currency between 15 to 40 percent. We know that. Nothing is done in this bill to bring action against China for currency manipulation. Another study by Treasury? Excuse me,

they just came back and told us there is no manipulation. What do we expect to get from that?

My friends talk about intellectual property. They are absolutely correct. China does not adhere to international standards on protecting intellectual property. No action is provided in this bill against China in regards to their infringement of intellectual property. My friends talk about the textile issues and the flooding of the market after the quotas were finished. We have certain safeguards. Nothing is done in this legislation for action against China in regards to the flooding of markets.

So what does this bill do? Does it deal with countervailing duties? Yes, it does. That is where we have illegally subsidized products coming into the U.S. market. But what does it do? It provides some relief on one hand, but makes it more difficult on the other. It is hard to figure out whether it is a plus or a minus.

Then my friends talk about more money. It does not provide any more money. We have already done that through the appropriation bills. We do not need this bill to do it. There is nothing new in this bill.

Then my friends talked about other issues that are not in this bill. Read the bill. We have missed an opportunity to deal with China by this rule.

I hope we will listen to what the gentleman from the Committee on Rules is saying on the Democratic side. Give us a chance to have a full debate on China. That is the tradition of this body.

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

As the gentleman is aware, House rules allow for the motion to recommit and sets aside time for debate on the Democratic alternative to the legislation that we are considering here.

Mr. Speaker, I yield 3½ minutes to the gentleman from Ft. Lauderdale, Florida (Mr. SHAW), the chairman of the Trade Subcommittee of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

I do want to respond to several items that have been made. I think the gentleman from Florida (Mr. PUTNAM) just simply pointed out that the motion to recommit can certainly be with instructions to incorporate the amendments that the minority is speaking of.

But let us take a look at what this bill does. The gentleman from Massachusetts was pointing out that there was more to this bill than the original bill filed by the gentleman from Pennsylvania (Mr. ENGLISH). I might say it, too, that he is absolutely correct because there is a substantial provision in there that was written by the gentleman from New York (Mr. RANGEL), the ranking Democrat on the Committee on Ways and Means. There was also a provision by the gentleman from Michigan (Mr. ROGERS), the gentleman from Mississippi (Mr. PICKERING), the

gentleman from Michigan (Mr. KNOLLENBERG) dealing with different aspects.

So this was a conglomeration of a number of bills brought together under the leadership of the gentleman from Pennsylvania (Mr. ENGLISH) and brought directly to the floor.

Let us talk about an open rule on a trade bill, something coming out of the Committee on Ways and Means. If we bring a bill like this to the floor, there is going to be a feeding frenzy. There will be more China bashing than we can ever imagine, and that is not a proper way to bring any trade bill to the floor of the House of Representatives. I do not recall any trade bill of this sort that has been brought directly to the House with an open rule so that every Member can throw in everything and every political speech, as we are hearing today.

There is another provision that I think we need to really take a close look at. The Democrats are talking about unilateral sanctions being brought against China. That is a violation of the World Trade Organization. And is it not strange that we would be asked to violate the World Trade Organization provisions by unilateral sanctions, which are in violation of the World Trade Organization?

Also, we were talking about intellectual property rights. This does require the trade representative to build a case under intellectual property rights.

This is all being done under the rule of law. It is all being done properly. It is all being done through the World Trade Organization. This bill addresses many of the problems, if not all of the problems, that we have heard come from the other side of the aisle. But it does it in an orderly manner. It does it in accordance with law, and it does stick to the principles of the World Trade Organization, which is something that we subscribe to.

So I would urge all the Members to vote for this rule, vote for the underlying bill. The House is not going to close down. As chairman of the Trade Subcommittee, I am sure we are going to be talking about more things having to do with China, and the fact that the minority party does not get all that it wants out of this bill does not mean that they should trash it or that they should vote against it. This is an incremental process.

Mr. CARDIN. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Maryland.

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding to me.

I just want to clarify the record. The provision that we have in our legislation on China currency is to direct that a claim be brought within the WTO, not inconsistent with the WTO, so that we would use the dispute settlement resolution process within the WTO, which is certainly within the rights that we have.

I just really wanted to clarify the record on currency manipulation.

Mr. SHAW. Mr. Speaker, reclaiming my time, I would say to the gentleman that we do not waive any of those rights in the bill that is before the House today.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am a little perplexed here. The gentleman from Florida talks about Democrats offering all kinds of amendments and discussing all kinds of things if we had an open rule. Well, that is called debate. We do that here. At least we are supposed to do that here. We have not been doing it lately. And I should also add that we are not here calling for an open rule. We are asking for right now that they give us at least three amendments.

□ 1130

Three thoughtful amendments have been offered, that is it. There are not thousands of amendments, three; and we cannot even discuss those. We cannot even have a debate on those. We cannot have an up-or-down vote on it. My colleagues talk about how the Senate should vote up or down on judicial nominees. Why can we not vote up or down on these thoughtful amendments? We are being denied that.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Because the Central American Free Trade Agreement cannot pass on its merits, its supporters are attempting a last-minute bid to win desperately needed votes later this evening, probably very late this evening, on the Central American Free Trade Agreement.

This bill before us purports to address the imbalanced trade relationship with China. We all know it will not do that. But what it is is just another cynical attempt to buy what is very well documented in this Nation's pro-free trade, pro-CAFTA media, very well documented in the media; this is just another cynical attempt to buy votes on CAFTA, among other cynical attempts to buy votes on CAFTA. This fails, as the gentleman from Maryland (Mr. CARDIN) said, as the gentleman from New Jersey (Mr. PASCRELL) said, and as the gentleman from Massachusetts (Mr. MCGOVERN) said, fails to effectively address remedies for our trade deficit with China; the destruction of U.S. manufacturing jobs, and we know how many jobs we have lost: hundreds and hundreds and hundreds and hundreds of thousands as a result of China's trade policy.

Members of Congress should be troubled that this bill has been introduced only in order to push through another trade priority. We should not have to approve a job-killing trade deal with Central America in order to get the chance to vote on a toothless China bill. I will say that again: We should not have to approve a job-killing trade deal with Central America in order to get a chance to vote on this toothless China bill.

There are no assurances even that the Senate has plans to consider this half measure, and it is surely unlikely to ever become law. Aggressively counteracting China's unfair trade practices should be a top trade priority. The gentleman from Michigan (Mr. LEVIN) and the gentleman from Maryland (Mr. CARDIN), members of the Committee on Ways and Means, they want it to be, but it should have nothing to do with CAFTA.

Unfortunately, for the past 5 years, the administration has done nothing to curb China's illegal trade activities. It is always words over action. In the past 5 years, our government has refused to enforce domestic trade laws with regard to China, failed to take advantage of WTO mechanisms to challenge China's violations of international trade rules, balked at taking any concrete action on China's manipulation of its currency; what I hear from my manufacturers in Akron, in Lorain, and in Elyria almost every week.

Our government has proposed eliminating funding for China enforcement activities and our government's proposed congressional efforts to address China's unfair trade practices through legislation. This bill fails to resolve these problems. Instead of demanding action, it calls for more reports and more studies to tell us what we already know, that China is simply not playing fair.

Congress may get only one chance, Mr. Speaker, to act on China trade this year. Wasting that opportunity on this ineffective bill is a betrayal of America's working families, of our small manufacturers, and of our long-term economic security. Congress should not be fooled by this lose-lose proposition.

A toothless bill on China will not make CAFTA any better.

Mr. PUTNAM. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from Florida for yielding to me at this time.

I will tell my colleagues, if you want to know about defense or intelligence reorganization, education or medical research, I am your guy to tell you what to do. Trade issues is an interest, but I do not know the ins and outs, but I want to speak as someone who is not on the committee that sees it in a little different way.

Mr. Speaker, the vote that we are voting on today, when we talk about amendments, this is the same exact bill that we voted on yesterday in suspension. So the same bill, not amendments, the same bill as yesterday, and we are bringing it up today, we had 240 votes.

China policy. I understand while many of my colleagues on the other side, and some on our side, have difficulty with China, it is a very difficult policy. Is it an opportunity or a threat? China is both. They are building Su-30s, a Russian fighter that destroys our best fighters 90 percent of the time,

and the Taiwan problem with the submarines and the different trade issues.

But I would tell my colleagues that spoke against, both Republican and Democrat Presidents, seven Presidents supported trade with China. Are there some jobs in some sectors that are lost? Yes. And that is where the administration and Republicans and Democrats need to come together to try and help those sectors that have lost jobs, because in other sectors, jobs have increased, and those Presidents, like many Members on the floor, feel that the overall policy is good.

Thirdly, there is no magic bill. If you look at Northern Ireland, you look at the Middle East, look back when Jimmy Carter and President Clinton started peace talks in the Middle East. It takes incrementalism, and it is going to take years of working what other Presidents started to negotiate and to make this sound policy. I do not think they will ever be totally sound, but this is one step, not a magic bill, to make sure that some of those trade agreements are enforced.

That is a good thing, and that is why we are here today, to vote on the same bill that we voted on yesterday. I know my colleagues want amendments, but this is the same bill that 240 people voted for hours ago.

I would remind people that I went to Hanoi, and Pete Peterson, who is a Democrat. He invited us to go to Vietnam. When I was in Hanoi, to the Minister I said, why will you not get involved with President Clinton and trade in Vietnam, and he pointed at thousands of bicycles outside his window and he said, Congressman, I am a Communist. He said, if those people have things, I will be out of office. So maybe trade is good as a fight against communism, as one small increment.

That is why these small bills that go forward are impotent. My colleagues who have legitimate concerns, especially in their own districts, and we need to work those things out, but this is an important bill, and I ask my colleagues to support the rule and the bill.

Mr. PUTNAM. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, at this time I yield 3½ minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, quickly on process, we are not asking for an open rule; we are asking for the ability to bring up a substitute and three specific amendments, number one.

Number two, as to the connection with CAFTA, the gentleman from Pennsylvania (Mr. ENGLISH) was not in favor of CAFTA until there was an agreement to bring up his bill, and then he said he was for CAFTA.

Number three, what you are doing is limiting debate on this and also on CAFTA. We have major trade issues, and you do not want to discuss them.

Here is a reason why we need to have long debate on this issue and on

CAFTA. We have been limited to 2 hours on CAFTA. Will all the facts get out? I am afraid not.

For example, there was discussion in the media about commitments that were made by this administration regarding pocketings and linings, and that there had been an agreement reached with the CAFTA countries. We need a long time to debate so we can show that things are not true sometimes that are said to be true.

I just saw an article from La Nacion in Costa Rica about this alleged agreement on textiles, and here is a quote from the Minister, the Trade Minister of Costa Rica. I am quoting: "It is not true that those consultations, that negotiation, has occurred, and it is not at all true that we in Costa Rica and the rest of Central America have sat down yet for that process of consultations."

So we need a full airing of CAFTA and of the China bill.

Quickly, on the China bill, the gentleman from Florida (Mr. SHAW) said that the Rangel substitute calls for unilateral sanctions. That is not true. That is simply not true. There is a provision relating to currency allowing an action under 301. If that action is taken, we go to the WTO. So you get up here and say things that are just not correct. That is why we need more time.

The currency thing, I heard another colleague on the Republican side say we need more information. The Treasury report comes out every 6 months. It is loaded with information, data just coming out of the ears of the Treasury Department. The trouble is, there is never any action. We have in our substitute provisions that say, let us have an avenue for action rather than simply more talk. So we should turn down this rule and, really, this bill.

The gentleman from Pennsylvania (Mr. ENGLISH) does not like the word "fig leaf." It is a smoke screen; maybe that is more polite. It is a smoke screen. It is an effort to say we are doing something when we are really not in order to give some people, I guess, an excuse to vote for another bill.

That will not work. This is such a weak bill. We can do better. We should turn it down and have time to consider the substitute that was put together by the gentleman from New York (Mr. RANGEL) and myself and others.

Mr. PUTNAM. Mr. Speaker, I continue to reserve my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

I am going to urge my colleagues to vote "no" on the previous question so that I can amend the rule to allow the House to consider the Rangel substitute. The substitute was offered in the Committee on Rules last night, but was blocked on a straight party-line vote.

Mr. Speaker, I ask unanimous consent to print the text of the amendment immediately prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. BONILLA). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, whatever position Members have on this legislation, they should vote against the previous question so we can consider another and, I believe, a better approach to our trade troubles with China. We have only had a short time to examine this bill, but from what we can tell, H.R. 3238 is a bill that is all bark and no bite. It calls for more reports and studies, but it does not give American businesses a real tool to fight China's companies that receive unfair subsidies from the Chinese Government.

The Rangel proposal contains a countervailing duty mechanism that American businesses could actually use to fight these unfair trade practices, and, at the very least, the House deserves a debate on the Rangel proposal, but it is not going to get one here today unless we defeat the previous question.

We all read the papers. We all know that the purpose of this bill is not to have a serious debate over China policy. We know it is part of a desperate effort to win a few more votes for our trade agreement called DR-CAFTA that even supporters do not particularly like. Allowing this House a chance to debate and consider the Rangel alternative to this bill would turn a purely rhetorical exercise into a meaningful, badly needed debate about our Nation's trade relations with China.

Three closed rules were reported from the Committee on Rules last night. That is three major pieces of legislation that have absolutely no opportunity for amendment or alternative points of view. That is not how this House should operate. We have a chance to change that right now by voting against the previous question and allowing the Rangel substitute to be part of the legislation.

So vote "no" on the previous question so we can include this important amendment. I want to make it clear that a no vote will not stop us from considering the legislation, but it will enable us to consider the Rangel substitute.

Finally, Mr. Speaker, I would urge my colleagues not to be fooled. This bill is a toothless response to a very serious problem. My friends on the other side of the aisle supporting this bill rightly have stated that China is stealing our jobs, but this bill and CAFTA later is going to give our jobs away.

Again, vote "no" on the previous question; let us make this flawed bill significantly better.

Mr. Speaker, I yield back the balance of my time.

Mr. PUTNAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a huge week for the Congress, a big week for the House of Representatives. We are passing out major postal reform for the first time

in years, a highway bill that has been in the making for over 2 Congresses now, an energy conference report that has also been in the making for over 2 Congresses now; the opportunity to have at least one and perhaps as many as three appropriations conference reports behind us as we enter the August district work period; and a Central American Free Trade Agreement, as well as a bill that gets tough with China, that finally holds our administration's feet and the feet of, either party's feet to the fire, and requires that they monitor and enforce the existing trade agreements that have been enacted by this Congress.

□ 1145

This bill has been called a smoke screen, it has been called a fig leaf, it has been called a number of demeaning terms. But at the end of the day, this is a real worthwhile enforcement tool that gives Members the opportunity to show the folks back home where they are on fair level trade with China.

The application of U.S. countervailing duty law on nonmarket economies is not an empty gesture.

A system of comprehensive monitoring of Chinese compliance with their trade obligations on intellectual property rights; market access for our American goods, services, and agriculture; an accounting of the Chinese subsidies; increased transparency so that we know what the government ownership is, we know what they are subsidizing, we know how much. Those are more than fig leaves, Mr. Speaker.

It requires reporting by Treasury to define the currency manipulation and to analyze the effect of what the Chinese did with their new exchange rate mechanism this week. That is not a smoke screen.

A \$6 million a year increase above the President's request, up to almost \$45 million a year for the general counsel and an office of monitoring and compliance. That is not an empty promise. That is a real meaningful resource to improve our ability to track the Chinese subsidy and the potential manipulation of the global marketplace that is out of compliance with our trade agreements.

The suspension for 3 years of the availability of bonds for new shippers in antidumping cases. Meaningful, meaningful reform. And funding for the ITC and an ITC report on the sensitivity of U.S. trade and jobs to the currency policy, something that on a bipartisan basis we have heard a great deal of angst about from Members of Congress. That is a reflection of what is going on in the countryside that there are genuine fears out there about currency manipulation. This bill gives us an opportunity to get our arms around how extensive that is and what effect the reforms and the step forward the Chinese Government made this week will have on our economy and our employment base.

This is an outstanding bill, Mr. Speaker. We have debated it now, this

is the second day, first on the suspension calendar, admittedly with the belief that it would garner two-thirds support from this Chamber in the belief that everyone would share in the need to crack down on Chinese abuse of trade agreements, that everyone would agree that we need to put as many tools in the tool kit as possible to enforce and monitor their compliance, to bring about that transparency so that the world community can see what is going on, can see where there are distortions, can see where there is manipulation; and now it is back today for a straight up-or-down vote.

Yesterday, it got 240 votes. Today, I hope it gets even more. Yesterday there were 19 Democrats who supported it. There were five Republicans who opposed it. It is a bipartisan effort, bipartisan angst, bipartisan support. I urge the Members to pass the rule and the underlying bill.

The material previously referred to by Mr. McGOVERN is as follows:

PREVIOUS QUESTION FOR H. RES. 387 H.R. 3283—UNITED STATES TRADE RIGHTS ENFORCEMENT ACT

In the resolution strike “and (2)” and insert the following:

“(2) the amendment in the nature of a substitute printed in Section 2 of this resolution if offered by Representative Rangel of New York or a designee, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for 60 minutes equally divided and controlled by the proponent and an opponent; and (3)”

At the end of the resolution add the following new section:

“SEC. 2. The amendment by Representative Rangel referred to in Section 1 is as follows:  
AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 3283

OFFERED BY MR. RANGEL OF NEW YORK

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Fair Trade with China Act of 2005”.

**SEC. 2. FINDINGS.**

The Congress finds as follows:

(1) The growth of the economy of the People's Republic of China is one of the most important developments of the 21st century.

(2) The bilateral trade relationship between the United States and China is heavily imbalanced and is undermining the long-term economic health of the United States.

(3) The United States trade deficit with China has doubled since 2000, reaching \$162,000,000,000 in 2004, the largest bilateral trade deficit in the world.

(4) As a consequence of the trade deficit, the United States has had to borrow massive amounts of money from foreign governments.

(5) The United States has accumulated more debt to foreign countries since 2000 than in the first 220 years of the country's history.

(6) China has become a major purchaser of United States Treasury bonds, and United States indebtedness to the Government of China has grown by more than \$100,000,000,000 since 2000.

(7) The large amounts of United States dollars accumulated by the Government of China contribute to China's acquisitions of United States companies, such as the pro-

posed acquisition of Unocal Corporation by the China National Offshore Oil Corporation.

(8) China continues to violate many of the commitments it made when it joined the World Trade Organization in 2001.

(9) China's inadequate enforcement of intellectual property rights is resulting in infringement levels of 90 percent or more for nearly all forms of intellectual property, and cost American companies more than \$2,500,000,000 in lost sales in 2004.

(10) China's industrial policies discriminate against foreign firms and products.

(11) The Government of China continues to heavily subsidize its manufacturing sector through tax incentives, preferential access to credit and capital, subsidized utilities, and other measures.

(12) Since 1994, China has kept its currency pegged at approximately 8.3 renminbi to the United States dollar, which has caused the renminbi to become undervalued against the dollar by as much as 40 percent, harming exports of United States goods and services to China and providing an unfair advantage to Chinese exports to the United States.

(13) Current policies of the United States have failed to advance and protect the interests of American workers, farmers, and businesses in the United States-China trade relationship, failed to address effectively China's unfair trade practices and market access barriers to goods and services and its poor record at protecting intellectual property rights, and failed to stem or reverse the unsustainable United States trade deficit with China.

(14) It is critical that the United States develop and implement a comprehensive and coherent set of policies to address China's unfair trading practices and failure to abide by its commitments as a member of the World Trade Organization.

**SEC. 3. APPLICATION OF COUNTERVAILING DUTIES TO NONMARKET ECONOMY COUNTRIES.**

(a) IN GENERAL.—Section 701(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1671(a)(1)) is amended by inserting “(including a non-market economy country)” after “country” each place it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to petitions filed under section 702 of the Tariff Act of 1930 on or after the date of the enactment of this Act.

(c) ANTIDUMPING PROVISIONS NOT AFFECTED.—The amendments made by subsection (a) shall not affect the status of a country as a nonmarket economy country for purposes of any matter relating to antidumping duties under the Tariff Act of 1930.

**SEC. 4. TREATMENT OF CURRENCY MANIPULATION.**

(a) DEFINITION OF UNJUSTIFIABLE ACTS, POLICIES, AND PRACTICES.—Section 301(d)(4)(B) of the Trade Act of 1974 (19 U.S.C. 2411(d)(4)(B)) is amended to read as follows:

“(B)(i) Acts, policies, and practices that are unjustifiable include, but are not limited to, any act, policy, or practice described in subparagraph (A) which involves currency manipulation, or denies national or most-favored nation treatment or the right of establishment or protection of intellectual property rights.

“(ii) In this subparagraph, the term ‘currency manipulation’ means the protracted large-scale intervention by an authority to undervalue its currency in the exchange market that prevents effective balance of payments adjustment or gains an unfair competitive advantage over the United States.”

(b) INVESTIGATION INTO CURRENCY MANIPULATION BY THE PEOPLE'S REPUBLIC OF CHINA.—

(1) INVESTIGATION, DETERMINATIONS, ACTIONS.—The United States Trade Representative shall—

(A) conduct an investigation, under sections 302 and 303 of the Trade Act of 1974, of the currency practices of the People's Republic of China;

(B) make the applicable determinations under section 304 of that Act pursuant to that investigation; and

(C) implement any action, under section 305 of that Act, in accordance with such determinations.

(2) INITIATION OF INVESTIGATION.—The United States Trade Representative shall initiate the investigation required by paragraph (1) not later than 90 days after the date of the enactment of this Act.

**SEC. 5. CLARIFICATION OF STANDARD FOR PRESIDENTIAL ACTION ON ITC FINDING OF MARKET DISRUPTION.**

(a) AMENDMENTS TO STANDARD FOR TRADE REPRESENTATIVE'S RECOMMENDATION TO THE PRESIDENT.—Section 421(h)(2) of the Trade Act of 1974 (19 U.S.C. 2451(h)(2)) is amended—

(1) by striking “(2) Within” and inserting “(2)(A) Within”; and

(2) by adding at the end the following:

“(B) In making a recommendation to the President under subparagraph (A), the Trade Representative shall consider the facts found, or conclusions drawn, by the Commission as they are reported to the Trade Representative, and the Trade Representative may not conduct an additional review or reconsideration of the facts found or conclusions reached by the Commission.

“(C) If the Commission in its report makes an affirmative finding of market disruption, the Trade Representative shall apply a presumption in favor of relief to prevent or remedy the market disruption.

“(D) The following factors may not be used as the basis of a recommendation by the Trade Representative to recommend denying relief under this section:

“(i) The presence or absence (whether actual or potential) of third-country imports of the product under investigation.

“(ii) Any results of the econometric model known as the Commercial Policy Analysis System (COMPAS) or equivalent model.”

(b) AMENDMENTS TO STANDARD FOR PRESIDENTIAL ACTION.—Section 421(k) of the Trade Act of 1974 (19 U.S.C. 2451(k)) is amended by adding at the end the following:

“(3) The President's determination shall be based on the facts found, or conclusions drawn, by the Commission as they are reported to the Trade Representative under subsection (g).

“(4) If the Commission in its report makes an affirmative finding of market disruption, the President shall apply a presumption in favor of relief to prevent or remedy the market disruption.

“(5) Any determination by the President under paragraph (1) that providing import relief is not in the national economic interest of the United States may not be based on the following factors:

“(A) The presence or absence (whether actual or potential) of third-country imports of the product under investigation.

“(B) Any results of the econometric model known as the Commercial Policy Analysis System (COMPAS) or equivalent model.”

**SEC. 6. IDENTIFICATION OF TRADE EXPANSION PRIORITIES.**

(a) IDENTIFICATION OF TRADE EXPANSION PRIORITIES.—Section 310 of the Trade Act of 1974 is amended to read as follows:

**“SEC. 310. IDENTIFICATION OF TRADE EXPANSION PRIORITIES.**

“(a) IDENTIFICATION.—

“(1) IDENTIFICATION AND REPORT.—Within 30 days after the submission in each calendar

year of the report required by section 181(b), the Trade Representative shall—

“(A) review United States trade expansion priorities;

“(B) identify priority foreign country practices, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent; and

“(C) submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and publish in the Federal Register a report on the priority foreign country practices so identified.

“(2) FACTORS.—In identifying priority foreign country practices under paragraph (1), the Trade Representative shall take into account all relevant factors, including—

“(A) the major barriers and trade distorting practices described in the National Trade Estimate Report required under section 181(b);

“(B) the trade agreements to which a foreign country is a party and its compliance with those agreements;

“(C) the medium- and long-term implications of foreign government procurement plans; and

“(D) the international competitive position and export potential of United States products and services.

“(3) CONTENTS OF REPORT.—The Trade Representative may include in the report, if appropriate—

“(A) a description of foreign country practices that may in the future warrant identification as priority foreign country practices; and

“(B) a statement about other foreign country practices that were not identified because they are already being addressed by provisions of United States trade law, by existing bilateral trade agreements, or as part of trade negotiations with other countries, and because progress is being made toward the elimination of such practices.

“(b) INITIATION OF CONSULTATIONS.—By no later than the date that is 21 days after the date on which a report is submitted to the appropriate congressional committees under subsection (a)(1), the Trade Representative shall seek consultations with each foreign country identified in the report as engaging in priority foreign country practices for the purpose of reaching a satisfactory resolution of such priority practices.

“(c) INITIATION OF INVESTIGATION.—If a satisfactory resolution of priority foreign country practices has not been reached under subsection (b) within 90 days after the date on which a report is submitted to the appropriate congressional committees under subsection (a)(1), the Trade Representative shall initiate under section 302(b)(1) an investigation under this chapter with respect to such priority foreign country practices.

“(d) AGREEMENTS FOR THE ELIMINATION OF BARRIERS.—In the consultations with a foreign country that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (c), the Trade Representative shall seek to negotiate an agreement that provides for the elimination of the practices that are the subject of the investigation as quickly as possible or, if elimination of the practices is not feasible, an agreement that provides for compensatory trade benefits.

“(e) REPORTS.—The Trade Representative shall include in the semiannual report required by section 309 a report on the status of any investigations initiated pursuant to subsection (c) and, where appropriate, the extent to which such investigations have led to increased opportunities for the export of products and services of the United States.”

(b) INITIAL REPORT ON CHINESE PRACTICES.—Not later than 90 days after the date of the enactment of this Act, the United States Trade Representative shall identify, and report to the Congress on, priority foreign trade practices of the People's Republic of China, in accordance with section 310 of the Trade Act of 1974, as amended by subsection (a) of this section.

(c) CONFORMING AMENDMENT.—The item relating to section 310 in the table of contents of the Trade Act of 1974 is amended to read as follows:

“Sec. 310. Identification of trade expansion priorities.”

**SEC. 7. REQUIREMENT OF CASH DEPOSITS.**

Section 751(a)(1)(B) of the Tariff Act of 1930 (19 U.S.C. 1675(a)(2)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

**SEC. 8. ITC INVESTIGATION.**

(a) INVESTIGATION.—The United States International Trade Commission shall conduct a study, under section 332 of the Tariff Act of 1930 (19 U.S.C. 1332), regarding how the People's Republic of China uses government intervention to promote investment, employment, and exports. The study shall comprehensively catalog, and when possible quantify, the practices and policies that central, provincial, and local government bodies in the People's Republic of China use to support and to attempt to influence decision-making in China's manufacturing enterprises and industries. Chapters of this study shall include, but not be limited to, the following:

(1) Privatization and private ownership.

(2) Price coordination.

(3) Targeting of industries.

(4) Banking and finance.

(5) Utility rates.

(6) Infrastructure development.

(7) Taxation.

(8) Restraints on imports and exports.

(9) Research and development.

(10) Worker training and retraining.

(11) Rationalization and closure of uneconomic enterprises.

(b) TIMING OF REPORTS ON INVESTIGATION.—The Congress requests that—

(1) not later than 9 months after the date of the enactment of this Act, the International Trade Commission complete its investigation under subsection (a) and submit a report on the investigation to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(2) not later than 1 year after the report under paragraph (1) is submitted, and annually thereafter through 2016, the International Trade Commission prepare and submit to the committees referred to in paragraph (1) an update of the report.

**SEC. 9. AMENDMENTS RELATING TO INTERNATIONAL FINANCIAL POLICY.**

(a) BILATERAL NEGOTIATIONS.—Section 3004(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5304(b)) is amended in the second sentence by striking “(1) have material global account surpluses; and (2)”.

(b) DEFINITION OF MANIPULATION.—Section 3006 of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5306) is amended by adding at the end the following:

“(3) MANIPULATION OF RATE OF EXCHANGE.—A country shall be considered to be manipulating the rate of exchange between its currency and the United States dollar if there is a protracted large-scale intervention by an authority to undervalue its currency in the

exchange market that prevents effective balance of payments adjustment or gains an unfair competitive advantage over the United States.”.

(c) REPORT.—Section 3005(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5305(b)) is amended—

(1) by striking “and” at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting “; and”; and

(3) by adding at the end the following:

“(9) a detailed explanation of the test the Secretary uses to determine whether or not a country is manipulating the rate of exchange between that country’s currency and the dollar for purposes of preventing effective balance of payments adjustment or gaining an unfair competitive advantage over the United States.”.

**SEC. 10. WITHDRAWAL OF NORMAL TRADE RELATIONS TREATMENT FROM THE PEOPLE’S REPUBLIC OF CHINA.**

Notwithstanding the provisions of title I of Public Law 106-286, title IV of the Trade Act of 1974, or any other provision of law, effective on the date of the enactment of this Act, normal trade relations treatment shall not apply to the products of the People’s Republic of China, and normal trade relations treatment may not thereafter be extended to the products of that country.

Mr. PUTNAM. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. BONILLA). The question is on ordering the previous question.

The questions was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

**ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE**

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

**STATE HIGH RISK POOL FUNDING EXTENSION ACT OF 2005**

Mr. DEAL of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3204) to amend title XXVII of the Public Health Service Act to extend Federal funding for the establishment and operation of State high risk health insurance pools, as amended.

The Clerk read as follows:

H.R. 3204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “State High Risk Pool Funding Extension Act of 2005”.

**SEC. 2. EXTENSION OF FUNDING FOR ESTABLISHMENT AND OPERATION OF STATE HIGH RISK HEALTH INSURANCE POOLS.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (c) of section 2745 of the Public Health Service Act (42 U.S.C. 300gg-45) is amended to read as follows:

“(c) AUTHORIZATION OF APPROPRIATIONS.—

“(1) SEED GRANTS.—For the purpose of carrying out subsection (a), there is authorized to be appropriated \$15,000,000 for fiscal year 2005.

“(2) OPERATION OF POOLS.—For the purpose of carrying out subsection (b), there is authorized to be appropriated \$50,000,000 for each of the fiscal years 2005 through 2009.

“(3) AVAILABILITY; RULE OF CONSTRUCTION.—Funds appropriated under this subsection for a fiscal year shall remain available for obligation through the end of the following fiscal year. Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.”.

(b) CHANGE IN REQUIREMENTS FOR QUALIFIED HIGH RISK POOLS.—

(1) CHANGE IN REQUIREMENT FOR OPERATIONAL GRANTS.—Subsection (b) of such section is amended—

(A) in paragraph (1)(A), by inserting “(or 200 percent in the case of a State that meets the requirements of paragraph (3))” after “150 percent”;

(B) in paragraph (1)(C), by striking “after the end of fiscal year 2004” and inserting “after the end of the last fiscal year for which a grant is provided under this paragraph”; and

(C) by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR POOLS CHARGING HIGH-RISK PREMIUMS.—In the case of a qualified high risk pool of a State which charges premiums that exceed 150 percent of the premium for applicable standard risks, the State shall use at least 50 percent of the amount of the grant provided to carry out this subsection to reduce premiums for enrollees.”.

(2) CHANGE IN DEFINITION OF QUALIFIED HIGH RISK POOL.—Subsection (d) of such section is amended to read as follows:

“(d) DEFINITIONS.—In this section:

“(1) QUALIFIED HIGH RISK POOL.—The term ‘qualified high risk pool’ has the meaning given such term in section 2744(c)(2), except that a State may elect to meet the requirement of subparagraph (A) of such section (insofar as it requires the provision of coverage to all eligible individuals) through providing for the enrollment of eligible individuals through an acceptable alternative mechanism (as defined for purposes of section 2744) that includes a high risk pool as a component.

“(2) STANDARD RISK RATE.—The term ‘standard risk rate’ means a rate that—

“(A) is determined under the State high risk pool by considering the premium rates charged by other health insurers offering health insurance coverage to individuals in the insurance market served;

“(B) is established using reasonable actuarial techniques; and

“(C) reflects anticipated claims experience and expenses for the coverage involved.

“(3) STATE.—The term ‘State’ means any of the 50 States and the District of Columbia.”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to grants for fiscal years beginning with fiscal year 2005.

(c) CHANGE IN ALLOTMENT FORMULA FOR OPERATIONAL GRANTS.—Subsection (b)(2) of such section is amended—

(1) by inserting “(before fiscal year 2005)” after “for a fiscal year”; and

(2) by adding at the end the following: “The amount appropriated under subsection (c)(2) for a fiscal year beginning with fiscal year 2005 (less the portion of such amount made available to carry out subsection (f)) shall be made available to the States (including entities

that operate the high risk pool under applicable State law in a State) that qualify for a grant under subsection (b) as follows

“(A) An amount equal to 1/3 of such amount shall be allocated in equal amounts among such qualifying States.

“(B) An amount equal to 1/3 of such amount shall be allocated among such States so that the amount provided to a State bears the same ratio to such available amount as the number of uninsured individuals in the State bears to the total number of uninsured individuals in all such States (as determined by the Secretary).

“(C) An amount equal to 1/3 of such amount shall be allocated among such States so that the amount provided to a State bears the same ratio to such available amount as the number of individuals enrolled in health care coverage through the qualified high risk pool of the State bears to the total number of individuals so enrolled through qualified high risk pools in all such States (as determined by the Secretary).”.

(d) ADMINISTRATIVE PROVISIONS; ANNUAL REPORT.—Such section is amended by adding at the end the following new subsection:

“(e) ADMINISTRATIVE PROVISIONS; ANNUAL REPORT.—

“(1) APPLICATIONS.—To be eligible for a grant under this section, a State shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

“(2) NO ENTITLEMENT.—Nothing in this section shall be construed as providing a State with an entitlement to a grant under this section.

“(3) ANNUAL REPORT.—The Secretary shall submit to Congress an annual report on grants provided under this section. Each such report shall include information on the distribution of such grants among the States and the use of grant funds by States.”.

(e) BONUS GRANTS FOR SUPPLEMENTAL CONSUMER BENEFITS.—Such section is further amended—

(1) in subsection (c)(2), as added by subsection (a), by adding at the end the following: “Of the amount appropriated under the preceding sentence for fiscal year 2005, up to 50 percent shall be available for the purpose of carrying out subsection (f).”; and

(2) by adding at the end the following new subsection:

“(f) BONUS GRANTS FOR SUPPLEMENTAL CONSUMER BENEFITS.—

“(1) IN GENERAL.—In the case of each State that has established a qualified high risk pool, the Secretary shall provide, from the funds made available under subsection (c)(2) to carry out this subsection, a grant to be used to provide supplemental consumer benefits to enrollees or potential enrollees (or defined subsets of such enrollees or potential enrollees) in qualified high risk pools.

“(2) BENEFITS.—Funds provided to a State under paragraph (1) may be used only to provide one or more of the following benefits:

“(A) Low-income premium subsidies.

“(B) A reduction in premium trends, actual premiums, or other cost-sharing requirements.

“(C) An expansion or broadening of the pool of individuals eligible for coverage, such as through eliminating waiting lists, increasing enrollment caps, or providing flexibility in enrollment rules.

“(3) LIMITATION.—In no case shall the amount of a grant under this subsection to a State, from the amount made available under subsection (c)(2) for a fiscal year to carry out this subsection, exceed 10 percent of the amount so made available.

“(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit a State that, on the date of enactment of this subsection, is in the process of implementing programs to provide benefits of the type described in paragraph (2), from being eligible for a grant under this subsection.

“(5) FUNDING.—