Shuster	Tauzin	Walden (OR)
Simmons	Taylor (MS)	Walsh
Simpson	Taylor (NC)	Wamp
Skelton	Terry	Waters
Slaughter	Thomas	Watson
Smith (MI)	Thompson (CA)	Watt
Smith (NJ)	Thompson (MS)	Waxman
Smith (TX)	Thornberry	Weiner
Smith (WA)	Tiahrt	Weldon (FL)
Snyder	Tiberi	Weldon (PA)
Solis	Tierney	Weller
Souder	Toomey	Wexler
Stark	Towns	Whitfield
Stearns	Turner (OH)	Wicker
Stenholm	Turner (TX)	Wilson (NM)
Strickland	Udall (CO)	Wilson (SC)
Stupak	Udall (NM)	Wolf
Sullivan	Upton	Woolsey
Sweeney	Van Hollen	Wu
Tancredo	Velázquez	Wynn
Tanner	Visclosky	Young (AK)
Tauscher	Vitter	Young (FL)

NAYS—3

Diaz-Balart, L.	Diaz-Balart, M.	Ros-Lehtinen

NOT VOTING—14

Carson (IN)	Hoeffel	Manzullo
Carson (OK)	Isakson	Neal (MA)
Farr	Istook	Rangel
Goode	Kind	Spratt
Herger	Majette	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain in this vote.

□ 1432

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

UNITED STATES-AUSTRALIA FREE TRADE IMPLEMENTATION ACT

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 712, I call up the bill (H.R. 4759) to implement the United States-Australia Free Trade Agreement, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of H.R. 4759 is as follows:

H.R. 4759

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''United States-Australia Free Trade Agreement Implementation Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Definitions.
TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT
Sec. 101. Approval and entry into force of the Agreement.
Sec. 102. Relationship of the Agreement to United States and State law.
Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.
Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.
Sec. 105. Administration of dispute settlement proceedings.
Sec. 106. Effective dates; effect of termination.
TITLE II—CUSTOMS PROVISIONS
Sec. 201. Tariff modifications.
Sec. 202. Additional duties on certain agricultural goods.
Sec. 203. Rules of origin.
Sec. 204. Customs user fees.
Sec. 205. Disclosure of incorrect information.
Sec. 206. Enforcement relating to trade in textile and apparel goods.
Sec. 207. Regulations.
TITLE III—RELIEF FROM IMPORTS
Sec. 301. Definitions.
Subtitle A—Relief From Imports Benefiting From the Agreement
Sec. 311. Commencing of action for relief.
Sec. 312. Commission action on petition.
Sec. 313. Provision of relief.
Sec. 314. Termination of relief authority.
Sec. 315. Compensation authority.
Sec. 316. Confidential business information.
Subtitle B—Textile and Apparel Safeguard Measures
Sec. 321. Commencement of action for relief.
Sec. 322. Determination and provision of relief.
Sec. 323. Period of relief.
Sec. 324. Articles exempt from relief.
Sec. 325. Rate after termination of import relief.
Sec. 326. Termination of relief authority.
Sec. 327. Compensation authority.
Sec. 328. Business confidential information.
Subtitle C—Cases Under Title II of the Trade Act of 1974
Sec. 331. Findings and action on goods from Australia.
TITLE IV—PROCUREMENT
Sec. 401. Eligible products.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States and Australia, entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States and Australia for their mutual benefit;

(3) to establish free trade between the 2 nations through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGREEMENT.—The term ''Agreement'' means the United States-Australia Free Trade Agreement approved by Congress under section 101(a)(1).

(2) HTS.—The term ''HTS'' means the Harmonized Tariff Schedule of the United States.

(3) TEXTILE OR APPAREL GOOD.—The term ''textile or apparel good'' means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), Congress approves—

(1) the United States-Australia Free Trade Agreement entered into on May 18, 2004, with the Government of Australia and submitted to Congress on July 6, 2004; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on July 6, 2004.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Australia has taken measures necessary to bring it into compliance with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Australia providing for the entry into force, on or after January 1, 2005, of the Agreement with respect to the United States.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term ''State law'' includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State, on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) IMPLEMENTING ACTIONS.—

(1) PROCLAMATION AUTHORITY.—After the date of the enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date on which the Agreement enters into force.

(2) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—Any action proclaimed by the

President under the authority of this Act that is not subject to the consultation and layover provisions under section 104, may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

(3) WAIVER OF 15-DAY RESTRICTION.—The 15-day restriction in paragraph (2) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

(b) INITIAL REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the United States International Trade Commission;

(2) the President has submitted a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met has expired; and

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 21 of the Agreement. The office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year after fiscal year 2004 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 21 of the Agreement.

SEC. 106. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date on which the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement terminates, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to be effective.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—The President may proclaim—

(1) such modifications or continuation of any duty,

(2) such continuation of duty-free or excise treatment, or

(3) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, and 2.6, and Annex 2–B of the Agreement.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover provisions of section 104, the President may proclaim—

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with Australia regarding the staging of any duty treatment set forth in Annex 2–B of the Agreement,

(3) such continuation of duty-free or excise treatment, or

(4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Australia provided for by the Agreement.

(c) CONVERSION TO AD VALOREM RATES.—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Schedule of the United States to Annex 2–B of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICULTURAL GOODS.

(a) GENERAL PROVISIONS.—

(1) APPLICABILITY OF SUBSECTION.—This subsection applies to additional duties assessed under subsections (b), (c), and (d).

(2) APPLICABLE NTR (MFN) RATE OF DUTY.—For purposes of subsections (b), (c), and (d), the term ''applicable NTR (MFN) rate of duty'' means, with respect to a safeguard good, a rate of duty that is the lesser of—

(A) the column 1 general rate of duty that would have been imposed under the HTS on the same safeguard good entered, without a claim for preferential treatment, at the time the additional duty is imposed under subsection (b), (c), or (d), as the case may be; or

(B) the column 1 general rate of duty that would have been imposed under the HTS on the same safeguard good entered, without a claim for preferential treatment, on December 31, 2004.

(3) SCHEDULE RATE OF DUTY.—For purposes of subsections (b) and (c), the term ''schedule rate of duty'' means, with respect to a safeguard good, the rate of duty for that good set out in the Schedule of the United States to Annex 2–B of the Agreement.

(4) SAFEGUARD GOOD.—In this subsection, the term ''safeguard good'' means—

(A) a horticulture safeguard good described subsection (b)(1)(B); or

(B) a beef safeguard good described in subsection (c)(1) or subsection (d)(1)(A).

(5) EXCEPTIONS.—No additional duty shall be assessed on a good under subsection (b), (c), or (d) if, at the time of entry, the good is subject to import relief under—

(A) subtitle A of title III of this Act; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

(6) TERMINATION.—The assessment of an additional duty on a good under subsection (b) or (c), whichever is applicable, shall cease to apply to that good on the date on which duty-free treatment must be provided to that good under the Schedule of the United States to Annex 2–B of the Agreement.

(7) NOTICE.—Not later than 60 days after the date on which the Secretary of the Treasury assesses an additional duty on a good under subsection (b), (c), or (d), the Secretary shall notify the Government of Australia in writing of such action and shall provide to that Government data supporting the assessment of the additional duty.

(b) ADDITIONAL DUTIES ON HORTICULTURE SAFEGUARD GOODS.—

(1) DEFINITIONS.—In this subsection:

(A) F.O.B.—The term ''F.O.B.'' means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer.

(B) HORTICULTURE SAFEGUARD GOOD.—The term ''horticulture safeguard good'' means a good—

(i) that qualifies as an originating good under section 203;

(ii) that is included in the United States Horticulture Safeguard List set forth in Annex 3–A of the Agreement; and

(iii) for which a claim for preferential treatment under the Agreement has been made.

(C) UNIT IMPORT PRICE.—The ''unit import price'' of a good means the price of the good determined on the basis of the F.O.B. import price of the good, expressed in either dollars per kilogram or dollars per liter, whichever unit of measure is indicated for the good in the United States Horticulture Safeguard List set forth in Annex 3–A of the Agreement.

(D) TRIGGER PRICE.—The ''trigger price'' for a good is the trigger price indicated for that good in the United States Horticulture Safeguard List set forth in Annex 3–A of the Agreement or any amendment thereto.

(2) ADDITIONAL DUTIES.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, and subject to subsection (a) of this section, the Secretary of the Treasury shall assess a duty on a horticulture safeguard good, in the amount determined under paragraph (3), if the Secretary determines that the unit import price of the good when it enters the United States is less than the trigger price for that good.

(3) CALCULATION OF ADDITIONAL DUTY.—The additional duty assessed under this subsection on a horticulture safeguard good shall be an amount determined in accordance with the following table:

If the excess of the trigger price over the unit import price is:.	The additional duty is an amount equal to:
Not more than 10 percent of the trigger price.	0.
More than 10 percent but not more than 40 percent of the trigger price.	30 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.
More than 40 percent but not more than 60 percent of the trigger price.	50 percent of such excess.
More than 60 percent but not more than 75 percent of the trigger price.	70 percent of such excess.
More than 75 percent of the trigger price.	100 percent of such excess.

(c) ADDITIONAL DUTIES ON BEEF SAFEGUARD GOODS BASED ON QUANTITY OF IMPORTS.—

(1) DEFINITION.—In this subsection, the term ''beef safeguard good'' means a good—

(A) that qualifies as an originating good under section 203;

(B) that is listed in paragraph 3 of Annex I of the General Notes to the Schedule of the United States to Annex 2–B of the Agreement; and

(C) for which a claim for preferential treatment under the Agreement has been made.

(2) ADDITIONAL DUTIES.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, and subject to subsection (a) of this section and paragraphs (4) and (5) of this subsection, the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (3), on a beef safeguard good imported into the United States in a calendar year if the Secretary determines that, prior to such importation, the total volume of beef safeguard goods imported into the United States in that calendar year is equal to or greater than 110 percent of the volume set out for beef safeguard goods in the corresponding year in the table contained in paragraph 3(a) of Annex I of the General Notes to the Schedule of the United States to Annex 2–B of the Agreement. For purposes of this subsection, the years 1 through 19 set out in the table contained in paragraph 3(a) of such Annex I correspond to the calendar years 2005 through 2023.

(3) CALCULATION OF ADDITIONAL DUTY.—The additional duty on a beef safeguard good under this subsection shall be an amount equal to 75 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.

(4) WAIVER.—

(A) IN GENERAL.—The United States Trade Representative is authorized to waive the application of this subsection, if the Trade Representative determines that extraordinary market conditions demonstrate that the waiver would be in the national interest of the United States, after the requirements of subparagraph (B) are met.

(B) NOTICE AND CONSULTATIONS.—Promptly after receiving a request for a waiver of this subsection, the Trade Representative shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and may make the determination provided for in subparagraph (A) only after consulting with—

(i) appropriate private sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(ii) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding—

(I) the reasons supporting the determination to grant the waiver; and

(II) the proposed scope and duration of the waiver.

(C) NOTIFICATION OF THE SECRETARY OF THE TREASURY AND PUBLICATION.—Upon granting a waiver under this paragraph, the Trade Representative shall promptly notify the Secretary of the Treasury of the period in which the waiver will be in effect, and shall publish notice of the waiver in the Federal Register.

(5) EFFECTIVE DATES.—This subsection takes effect on January 1, 2013, and shall not be effective after December 31, 2022.

(d) ADDITIONAL DUTIES ON BEEF SAFEGUARD GOODS BASED ON PRICE.—

(1) DEFINITIONS.—In this subsection:

(A) BEEF SAFEGUARD GOOD.—The term ''beef safeguard good'' means a good—

(i) that qualifies as an originating good under section 203;

(ii) that is classified under subheading 0201.10.50, 0201.20.80, 0201.30.80, 0202.10.50, 0202.20.80, or 0202.30.80 of the HTS; and

(iii) for which a claim for preferential treatment under the Agreement has been made.

(B) CALENDAR QUARTER.—

(i) IN GENERAL.—The term ''calendar quarter'' means any 3-month period beginning on January 1, April 1, July 1, or October 1 of a calendar year.

(ii) FIRST CALENDAR QUARTER.—The term ''first calendar quarter'' means the calendar quarter beginning on January 1.

(iii) SECOND CALENDAR QUARTER.—The term ''second calendar quarter'' means the calendar quarter beginning on April 1.

(iv) THIRD CALENDAR QUARTER.—The term ''third calendar quarter'' means the calendar quarter beginning on July 1.

(v) FOURTH CALENDAR QUARTER.—The term ''fourth calendar quarter'' means the calendar quarter beginning on October 1.

(C) MONTHLY AVERAGE INDEX PRICE.—The term ''monthly average index price'' means the simple average, as determined by the Secretary of Agriculture, for a calendar month of the daily average index prices for Wholesale Boxed Beef Cut-Out Value Select 1–3 Central U.S. 600–750 lbs., or its equivalent, as such simple average is reported by the Agricultural Marketing Service of the Department of Agriculture in Report LM–XB459 or any equivalent report.

(D) 24-MONTH TRIGGER PRICE.—The term ''24-month trigger price'' means, with respect to any calendar month, the average of the monthly average index prices for the 24 preceding calendar months, multiplied by 0.935.

(2) ADDITIONAL DUTIES.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, and subject to subsection (a) of this section and paragraphs (4) through (6) of this subsection, the Secretary of the Treasury shall assess a duty, in the amount determined under paragraph (3), on a beef safeguard good imported into the United States if—

(A)(i) the good is imported in the first calendar quarter, second calendar quarter, or third calendar quarter of a calendar year; and

(ii) the monthly average index price, in any 2 calendar months of the preceding calendar quarter, is less than the 24-month trigger price; or

(B)(i) the good is imported in the fourth calendar quarter of a calendar year; and

(ii)(I) the monthly average index price, in any 2 calendar months of the preceding calendar quarter, is less than the 24-month trigger price; or

(II) the monthly average index price, in any of the 4 calendar months preceding January 1 of the succeeding calendar year, is less than the 24-month trigger price.

(3) CALCULATION OF ADDITIONAL DUTY.—The additional duty on a beef safeguard good under this subsection shall be an amount equal to 65 percent of the applicable NTR (MFN) rate of duty for that good.

(4) LIMITATION.—An additional duty shall be assessed under this subsection on a beef safeguard good imported into the United States in a calendar year only if, prior to the importation of that good, the total quantity of beef safeguard goods imported into the United States in that calendar year is equal to or greater than the sum of—

(A) the quantity of goods of Australia eligible to enter the United States in that year specified in Additional United States Note 3 to Chapter 2 of the HTS; and

(B)(i) in 2023, 70,420 metric tons; or

(ii) in 2024, and in each year thereafter, a quantity that is 0.6 percent greater than the quantity provided for in the preceding year under this subparagraph.

(5) WAIVER.—

(A) IN GENERAL.—The United States Trade Representative is authorized to waive the application of this subsection, if the Trade Representative determines that extraordinary market conditions demonstrate that the waiver would be in the national interest of the United States, after the requirements of subparagraph (B) are met.

(B) NOTICE AND CONSULTATIONS.—Promptly after receiving a request for a waiver of this subsection, the Trade Representative shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, and may make the determination provided for in subparagraph (A) only after consulting with—

(i) appropriate private sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(ii) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding—

(I) the reasons supporting the determination to grant the waiver; and

(II) the proposed scope and duration of the waiver.

(C) NOTIFICATION OF THE SECRETARY OF THE TREASURY AND PUBLICATION.—Upon granting a waiver under this paragraph, the Trade Representative shall promptly notify the Secretary of the Treasury of the period in which the waiver will be in effect, and shall publish notice of the waiver in the Federal Register.

(6) EFFECTIVE DATE.—This subsection takes effect on January 1, 2023.

SEC. 203. RULES OF ORIGIN.

(a) APPLICATION AND INTERPRETATION.—In this section:

(1) TARIFF CLASSIFICATION.—The basis for any tariff classification is the HTS.

(2) REFERENCE TO HTS.—Whenever in this section there is a reference to a heading or subheading, such reference shall be a reference to a heading or subheading of the HTS.

(3) COST OR VALUE.—Any cost or value referred to in this section shall be recorded and maintained in accordance with the generally accepted accounting principles applicable in the territory of the country in which the good is produced (whether Australia or the United States).

(b) ORIGINATING GOODS.—For purposes of this Act and for purposes of implementing the preferential treatment provided for under the Agreement, a good is an originating good if—

(1) the good is a good wholly obtained or produced entirely in the territory of Australia, the United States, or both;

(2) the good—

(A) is produced entirely in the territory of Australia, the United States, or both, and—

(i) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4–A or Annex 5–A of the Agreement;

(ii) the good otherwise satisfies any applicable regional value-content requirement referred to in Annex 5–A of the Agreement; or

(iii) the good meets any other requirements specified in Annex 4–A or Annex 5–A of the Agreement; and

(B) the good satisfies all other applicable requirements of this section;

(3) the good is produced entirely in the territory of Australia, the United States, or both, exclusively from materials described in paragraph (1) or (2); or

(4) the good otherwise qualifies as an originating good under this section.

(c) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a good that does not undergo a change in tariff classification pursuant to Annex 5–A of the Agreement is an originating good if—

(A) the value of all nonoriginating materials that—

(i) are used in the production of the good, and

(ii) do not undergo the required change in tariff classification,

does not exceed 10 percent of the adjusted value of the good;

(B) the good meets all other applicable requirements of this section; and

(C) the value of such nonoriginating materials is included in the value of nonoriginating materials for any applicable regional value-content requirement for the good.

(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

(A) A nonoriginating material provided for in chapter 4 of the HTS or in subheading 1901.90 that is used in the production of a good provided for in chapter 4 of the HTS.

(B) A nonoriginating material provided for in chapter 4 of the HTS or in subheading 1901.90 that is used in the production of a good provided for in subheading 1901.10, 1901.20, or 1901.90, heading 2105, or subheading 2106.90, 2202.90, or 2309.90.

(C) A nonoriginating material provided for in heading 0805 or any of subheadings 2009.11 through 2009.39 that is used in the production of a good provided for in any of subheadings 2009.11 through 2009.39, or in subheading 2106.90 or 2202.90.

(D) A nonoriginating material provided for in chapter 15 of the HTS that is used in the production of a good provided for in any of headings 1501.00.00 through 1508, or in heading 1512, 1514, or 1515.

(E) A nonoriginating material provided for in heading 1701 that is used in the production of a good provided for in any of headings 1701 through 1703.

(F) A nonoriginating material provided for in chapter 17 of the HTS or heading 1805.00.00 that is used in the production of a good provided for in subheading 1806.10.

(G) A nonoriginating material provided for in any of headings 2203 through 2208 that is used in the production of a good provided for in heading 2207 or 2208.

(H) A nonoriginating material used in the production of a good provided for in any of chapters 1 through 21 of the HTS unless the nonoriginating material is provided for in a different subheading than the good for which origin is being determined under this section.

(3) TEXTILE AND APPAREL GOODS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4–A of the Agreement shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of Australia or the United States.

(C) YARN, FABRIC, OR FIBER.—For purposes of this paragraph, in the case of a textile or apparel good that is a yarn, fabric, or group of fibers, the term ''component of the good that determines the tariff classification of the good'' means all of the fibers in the yarn, fabric, or group of fibers.

(d) ACCUMULATION.—

(1) ORIGINATING MATERIALS USED IN PRODUCTION OF GOODS OF OTHER COUNTRY.—Originating materials from the territory of Australia or the United States that are used in the production of a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PROCEDURES.—A good that is produced in the territory of Australia, the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(e) REGIONAL VALUE-CONTENT.—

(1) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of a good referred to in Annex 5–A of the Agreement, except for goods to which paragraph (4) applies, shall be calculated by the importer, exporter, or producer of the good, on the basis of the build-down method described in paragraph (2) or the build-up method described in paragraph (3).

(2) BUILD-DOWN METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-down method:

$$RVC = \frac{AV - VNM}{AV} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term ''RVC'' means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term ''AV'' means the adjusted value of the good.

(iii) VNM.—The term ''VNM'' means the value of nonoriginating materials that are acquired and used by the producer in the production of the good, but does not include the value of a material that is self-produced.

(3) BUILD-UP METHOD.—

(A) IN GENERAL.—The regional value-content of a good may be calculated on the basis of the following build-up method:

$$RVC = \frac{VOM}{AV} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) RVC.—The term ''RVC'' means the regional value-content of the good, expressed as a percentage.

(ii) AV.—The term ''AV'' means the adjusted value of the good.

(iii) VOM.—The term ''VOM'' means the value of originating materials that are acquired or self-produced, and used by the producer in the production of the good.

(4) SPECIAL RULE FOR CERTAIN AUTOMOTIVE GOODS.—

(A) IN GENERAL.—For purposes of subsection (b)(2), the regional value-content of an automotive good referred to in Annex 5–A of the Agreement shall be calculated by the importer, exporter, or producer of the good, on the basis of the following net cost method:

$$RVC = \frac{NC - VNM}{NC} \times 100$$

(B) DEFINITIONS.—In subparagraph (A):

(i) AUTOMOTIVE GOOD.—The term ''automotive good'' means a good provided for in any of subheadings 8407.31 through 8407.34, subheading 8408.20, heading 8409, or in any of headings 8701 through 8708.

(ii) RVC.—The term ''RVC'' means the regional value-content of the automotive good, expressed as a percentage.

(iii) NC.—The term ''NC'' means the net cost of the automotive good.

(iv) VNM.—The term ''VNM'' means the value of nonoriginating materials that are acquired and used by the producer in the production of the automotive good, but does not include the value of a material that is self-produced.

(C) MOTOR VEHICLES.—

(i) BASIS OF CALCULATION.—For purposes of determining the regional value-content under subparagraph (A) for an automotive good that is a motor vehicle provided for in any of headings 8701 through 8705, an importer, exporter, or producer may average the amounts calculated under the formula contained in subparagraph (A), over the producer's fiscal year—

(I) with respect to all motor vehicles in any one of the categories described in clause (ii); or

(II) with respect to all motor vehicles in any such category that are exported to the territory of the United States or Australia.

(ii) CATEGORIES.—A category is described in this clause if it—

(I) is the same model line of motor vehicles, is in the same class of vehicles, and is produced in the same plant in the territory of Australia or the United States, as the good described in clause (i) for which regional value-content is being calculated;

(II) is the same class of motor vehicles, and is produced in the same plant in the territory of Australia or the United States, as the good described in clause (i) for which regional value-content is being calculated; or

(III) is the same model line of motor vehicles produced in either the territory of Australia or the United States, as the good described in clause (i) for which regional value-content is being calculated.

(D) OTHER AUTOMOTIVE GOODS.—For purposes of determining the regional value-content under subparagraph (A) for automotive goods provided for in any of subheadings 8407.31 through 8407.34, in subheading 8408.20, or in heading 8409, 8706, 8707, or 8708, that are produced in the same plant, an importer, exporter, or producer may—

(i) average the amounts calculated under the formula contained in subparagraph (A) over—

(I) the fiscal year of the motor vehicle producer to whom the automotive goods are sold,

(II) any quarter or month, or

(III) its own fiscal year,

if the goods were produced during the fiscal year, quarter, or month that is the basis for the calculation;

(ii) determine the average referred to in clause (i) separately for such goods sold to one or more motor vehicle producers; or

(iii) make a separate determination under clause (i) or (ii) for automotive goods that are exported to the territory of the United States or Australia.

(E) CALCULATING NET COST.—Consistent with the provisions regarding allocation of costs set out in generally accepted accounting principles, the net cost of the automotive good under subparagraph (B) shall be calculated by—

(i) calculating the total cost incurred with respect to all goods produced by the producer of the automotive good, subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the total cost of all such goods, and then reasonably allocating the resulting net cost of those goods to the automotive good;

(ii) calculating the total cost incurred with respect to all goods produced by that producer, reasonably allocating the total cost to the automotive good, and then subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and nonallowable interest costs that are included in the portion of the total cost allocated to the automotive good; or

(iii) reasonably allocating each cost that forms part of the total cost incurred with respect to the automotive good so that the aggregate of these costs does not include any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, or nonallowable interest costs.

(f) VALUE OF MATERIALS.—

(1) IN GENERAL.—For the purpose of calculating the regional value-content of a good under subsection (e), and for purposes of applying the de minimis rules under subsection (c), the value of a material is—

(A) in the case of a material that is imported by the producer of the good, the adjusted value of the material;

(B) in the case of a material acquired in the territory in which the good is produced, the value, determined in accordance with Articles 1 through 8, article 15, and the corresponding interpretive notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, as set forth in regulations promulgated by the Secretary of the Treasury providing for the application of such Articles in the absence of an importation; or

(C) in the case of a material that is self-produced, the sum of—

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit equivalent to the profit added in the normal course of trade.

(2) FURTHER ADJUSTMENTS TO THE VALUE OF MATERIALS.—

(A) ORIGINATING MATERIAL.—The following expenses, if not included in the value of an originating material calculated under paragraph (1), may be added to the value of the originating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Australia, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Australia, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(B) NONORIGINATING MATERIAL.—The following expenses, if included in the value of a nonoriginating material calculated under paragraph (1), may be deducted from the value of the nonoriginating material:

(i) The costs of freight, insurance, packing, and all other costs incurred in transporting the material within or between the territory of Australia, the United States, or both, to the location of the producer.

(ii) Duties, taxes, and customs brokerage fees on the material paid in the territory of Australia, the United States, or both, other than duties or taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable.

(iii) The cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts.

(iv) The cost of processing incurred in the territory of Australia, the United States, or both, in the production of the nonoriginating material.

(v) The cost of originating materials used in the production of the nonoriginating material in the territory of Australia, the United States, or both.

(g) ACCESSORIES, SPARE PARTS, OR TOOLS.—

(1) IN GENERAL.—Subject to paragraph (2), accessories, spare parts, or tools delivered with a good that form part of the good's standard accessories, spare parts, or tools shall—

(A) be treated as originating goods if the good is an originating good; and

(B) be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 5–A of the Agreement.

(2) CONDITIONS.—Paragraph (1) shall apply only if—

(A) the accessories, spare parts, or tools are not invoiced separately from the good;

(B) the quantities and value of the accessories, spare parts, or tools are customary for the good; and

(C) if the good is subject to a regional value-content requirement, the value of the accessories, spare parts, or tools is taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(h) FUNGIBLE GOODS AND MATERIALS.—

(1) IN GENERAL.—

(A) CLAIM FOR PREFERENTIAL TREATMENT.—A person claiming that a fungible good or fungible material is an originating good may base the claim either on the physical segregation of the fungible good or fungible material or by using an inventory management method with respect to the fungible good or fungible material.

(B) INVENTORY MANAGEMENT METHOD.—In this subsection, the term ''inventory management method'' means—

(i) averaging;

(ii) ''last-in, first-out'';

(iii) ''first-in, first-out''; or

(iv) any other method—

(I) recognized in the generally accepted accounting principles of the country in which the production is performed (whether Australia or the United States); or

(II) otherwise accepted by that country.

(2) ELECTION OF INVENTORY METHOD.—A person selecting an inventory management method under paragraph (1) for a particular fungible good or fungible material shall continue to use that method for that fungible good or fungible material throughout the fiscal year of that person.

(i) PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE.—Packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all the nonoriginating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4–A or Annex 5–A of the Agreement, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or nonoriginating materials, as the case may be, in calculating the regional value-content of the good.

(j) PACKING MATERIALS AND CONTAINERS FOR SHIPMENT.—Packing materials and containers for shipment shall be disregarded in determining whether—

(1) the nonoriginating materials used in the production of a good undergo the applicable change in tariff classification set out in Annex 4–A or Annex 5–A of the Agreement; and

(2) the good satisfies a regional value-content requirement.

(k) INDIRECT MATERIALS.—An indirect material shall be treated as an originating material without regard to where it is produced, and its value shall be the cost registered in the accounting records of the producer of the good.

(l) THIRD COUNTRY OPERATIONS.—A good that has undergone production necessary to qualify as an originating good under subsection (b) shall not be considered to be an originating good if, subsequent to that production, the good undergoes further production or any other operation outside the territory of Australia or the United States, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of Australia or the United States.

(m) TEXTILE AND APPAREL GOODS CLASSIFIABLE AS GOODS PUT UP IN SETS.—Notwithstanding the rules set forth in Annex 4–A of the Agreement, textile or apparel goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless each of the goods in the set is an originating good or the total value of the nonoriginating goods in the set does not exceed 10 percent of the value of the set determined for purposes of assessing customs duties.

(n) DEFINITIONS.—In this section:

(1) ADJUSTED VALUE.—The term ''adjusted value'' means the value determined under Articles 1 through 8, Article 15, and the corresponding interpretive notes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 referred to in section 101(d)(8) of the Uruguay Round Agreements Act, adjusted to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the good from the country of exportation to the place of importation.

(2) CLASS OF MOTOR VEHICLES.—The term ''class of motor vehicles'' means any one of the following categories of motor vehicles:

(A) Motor vehicles provided for in subheading 8701.20, 8704.10, 8704.22, 8704.23, 8704.32, or 8704.90, or heading 8705 or 8706, or motor vehicles for the transport of 16 or more persons provided for in subheading 8702.10 or 8702.90.

(B) Motor vehicles provided for in subheading 8701.10 or any of subheadings 8701.30 through 8701.90.

(C) Motor vehicles for the transport of 15 or fewer persons provided for in subheading 8702.10 or 8702.90, or motor vehicles provided for in subheading 8704.21 or 8704.31.

(D) Motor vehicles provided for in any of subheadings 8703.21 through 8703.90.

(3) FUNGIBLE GOOD OR FUNGIBLE MATERIAL.—The term ''fungible good'' or ''fungible material'' means a good or material, as the case may be, that is interchangeable with another good or material for commercial purposes and the properties of which are essentially identical to such other good or material.

(4) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—The term ''generally accepted accounting principles'' means the recognized consensus or substantial authoritative support in the territory of Australia or the United States, as the case may be, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices, and procedures.

(5) GOOD WHOLLY OBTAINED OR PRODUCED ENTIRELY IN THE TERRITORY OF AUSTRALIA, THE UNITED STATES, OR BOTH.—The term ''good wholly obtained or produced entirely in the territory of Australia, the United States, or both'' means—

(A) a mineral good extracted in the territory of Australia, the United States, or both;

(B) a vegetable good, as such goods are provided for in the HTS, harvested in the territory of Australia, the United States, or both;

(C) a live animal born and raised in the territory of Australia, the United States, or both;

(D) a good obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of Australia, the United States, or both;

(E) a good (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with Australia or the United States and flying the flag of that country;

(F) a good produced exclusively from products referred to in subparagraph (E) on board factory ships registered or recorded with Australia or the United States and flying the flag of that country;

(G) a good taken by Australia or the United States or a person of Australia or the United States from the seabed or beneath the seabed outside territorial waters, if Australia or the United States has rights to exploit such seabed;

(H) a good taken from outer space, if such good is obtained by Australia or the United States or a person of Australia or the United States and not processed in the territory of a country other than Australia or the United States;

(I) waste and scrap derived from—

(i) production in the territory of Australia, the United States, or both; or

(ii) used goods collected in the territory of Australia, the United States, or both, if such goods are fit only for the recovery of raw materials;

(J) a recovered good derived in the territory of Australia or the United States from goods that have passed their life expectancy, or are no longer usable due to defects, and utilized in the territory of that country in the production of remanufactured goods; or

(K) a good produced in the territory of Australia, the United States, or both, exclusively—

(i) from goods referred to in any of subparagraphs (A) through (I), or

(ii) from the derivatives of goods referred to in clause (i),

at any stage of production.

(6) INDIRECT MATERIAL.—The term ''indirect material'' means a good used in the production, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment or buildings;

(D) lubricants, greases, compounding materials, and other materials used in production or used to operate equipment or buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production.

(7) MATERIAL.—The term ''material'' means a good that is used in the production of another good.

(8) MATERIAL THAT IS SELF-PRODUCED.—The term ''material that is self-produced'' means an originating material that is produced by a producer of a good and used in the production of that good.

(9) MODEL LINE.—The term ''model line'' means a group of motor vehicles having the same platform or model name.

(10) NONALLOWABLE INTEREST COSTS.—The term ''nonallowable interest costs'' means interest costs incurred by a producer that exceed 700 basis points above the applicable official interest rate for comparable maturities of the country (whether Australia or the United States).

(11) NONORIGINATING MATERIAL.—The term ''nonoriginating material'' means a material that does not qualify as originating under this section.

(12) PREFERENTIAL TREATMENT.—The term ''preferential treatment'' means the customs duty rate, and the treatment under article 2.12 of the Agreement, that are applicable to an originating good pursuant to the Agreement.

(13) PRODUCER.—The term ''producer'' means a person who engages in the production of a good in the territory of Australia or the United States.

(14) PRODUCTION.—The term ''production'' means growing, raising, mining, harvesting, fishing, trapping, hunting, manufacturing, processing, assembling, or disassembling a good.

(15) REASONABLY ALLOCATE.—The term ''reasonably allocate'' means to apportion in a manner that would be appropriate under generally accepted accounting principles.

(16) RECOVERED GOODS.—The term ''recovered goods'' means materials in the form of individual parts that result from—

(A) the complete disassembly of goods which have passed their life expectancy, or are no longer usable due to defects, into individual parts; and

(B) the cleaning, inspecting, or testing, or other processing that is necessary for improvement to sound working condition of such individual parts.

(17) REMANUFACTURED GOOD.—The term ''remanufactured good'' means an industrial good that is assembled in the territory of Australia or the United States, that is classified under chapter 84, 85, or 87 of the HTS or heading 9026, 9031, or 9032, other than a good classified under heading 8418 or 8516 or any of headings 8701 through 8706, and that—

(A) is entirely or partially comprised of recovered goods;

(B) has a similar life expectancy to, and meets the same performance standards as, a like good that is new; and

(C) enjoys a factory warranty similar to a like good that is new.

(18) TOTAL COST.—The term ''total cost'' means all product costs, period costs, and other costs for a good incurred in the territory of Australia, the United States, or both.

(19) USED.—The term ''used'' means used or consumed in the production of goods.

(o) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set out in Annex 4–A and Annex 5–A of the Agreement; and

(B) any additional subordinate category necessary to carry out this title consistent with the Agreement.

(2) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 of the HTS, as included in Annex 4–A of the Agreement.

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim—

(i) modifications to the provisions proclaimed under the authority of paragraph (1)(A) as are necessary to implement an agreement with Australia pursuant to article 4.2.5 of the Agreement; and

(ii) before the end of the 1-year period beginning on the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 of the HTS, as included in Annex 4–A of the Agreement.

SEC. 204. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding after paragraph (13) the following:

''(14) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 203 of the United States-Australia Free Trade Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.''.

SEC. 205. DISCLOSURE OF INCORRECT INFORMATION.

Section 592(c) of the Tariff Act of 1930 (19 U.S.C. 1592(c)) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragraph:

''(8) PRIOR DISCLOSURE REGARDING CLAIMS UNDER THE UNITED STATES-AUSTRALIA FREE TRADE AGREEMENT.—

''(A) IN GENERAL.—An importer shall not be subject to penalties under subsection (a) for making an incorrect claim that a good qualifies as an originating good under section 203 of the United States-Australia Free Trade Agreement Implementation Act if the importer, in accordance with regulations issued by the Secretary of the Treasury, voluntarily and promptly makes a corrected declaration and pays any duties owing.

''(B) TIME PERIODS FOR MAKING CORRECTIONS.—In the regulations referred to in subparagraph (A), the Secretary of the Treasury is authorized to prescribe time periods for making a corrected declaration and paying duties owing under subparagraph (A), if such periods are not shorter than 1 year following the date on which the importer makes the incorrect claim.''.

SEC. 206. ENFORCEMENT RELATING TO TRADE IN TEXTILE AND APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the Government of Australia to conduct a verification pursuant to article 4.3 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination—

(A) that an exporter or producer in Australia is complying with applicable customs laws, regulations, procedures, requirements, or practices affecting trade in textile or apparel goods; or

(B) that a claim that a textile or apparel good exported or produced by such exporter or producer—

(i) qualifies as an originating good under section 203 of this Act; or

(ii) is a good of Australia,

is accurate.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a)(1) includes—

(1) suspension of liquidation of the entry of any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A), in a case in which the request for verification was based on a reasonable suspicion of unlawful activity related to such goods; and

(2) suspension of liquidation of the entry of a textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

(c) ACTION WHEN INFORMATION IS INSUFFICIENT.—If the Secretary of the Treasury determines that the information obtained within 12 months after making a request for a verification under subsection (a)(1) is insufficient to make a determination under subsection (a)(2), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make a determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action referred to in subsection (c) includes—

(1) publication of the name and address of the person that is the subject of the verification;

(2) denial of preferential tariff treatment under the Agreement to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B); and

(3) denial of entry into the United States of—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification under subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification under subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

SEC. 207. REGULATIONS.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (n) of section 203 and section 204;

(2) amendments to existing law made by the sections referred to in paragraph (1); and

(3) proclamations issued under section 203(o).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

As used in this title:

(1) AUSTRALIAN ARTICLE.—The term ''Australian article'' means an article that qualifies as an originating good under section 203(b) of this Act.

(2) AUSTRALIAN TEXTILE OR APPAREL ARTICLE.—The term ''Australian textile or apparel article'' means an article—

(A) that is listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); and

(B) that is an Australian article.

(3) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—

(1) IN GENERAL.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(2) PROVISIONAL RELIEF.—An entity filing a petition under this subsection may request that provisional relief be provided as if the petition had been filed under section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)).

(3) CRITICAL CIRCUMSTANCES.—Any allegation that critical circumstances exist shall be included in the petition.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, an Australian article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Australian article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (d).

(4) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Australian article if, after the date on which the Agreement enters into force, import relief has been provided with respect to that Australian article under this subtitle.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days (180 days if critical circumstances have been alleged) after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930) (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to that described in section 313(c). Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) REPORT TO PRESIDENT.—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

SEC. 313. PROVISION OF RELIEF.

(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(b) EXCEPTION.—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) NATURE OF RELIEF.—

(1) IN GENERAL.—The import relief (including provisional relief) that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 2–B of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(C) In the case of a duty applied on a seasonal basis to such article, an increase in the

rate of duty imposed on the article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles for the immediately preceding corresponding season; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) PROGRESSIVE LIBERALIZATION.—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization (described in article 9.2.7 of the Agreement) of such relief at regular intervals during the period in which the relief is in effect.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), any import relief that the President provides under this section may not be in effect for more than 2 years.

(2) EXTENSION.—

(A) IN GENERAL.—Subject to subparagraph (C), the President, after receiving an affirmative determination from the Commission under subparagraph (B), may extend the effective period of any import relief provided under this section if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—(i) Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) The Commission shall transmit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(C) PERIOD OF IMPORT RELIEF.—Any import relief provided under this section, including any extensions thereof, may not, in the aggregate, be in effect for more than 4 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article—

(1) the rate of duty on that article after such termination and on or before December 31 of the year in which such termination occurs shall be the rate that, according to the Schedule of the United States to Annex 2–B of the Agreement for the staged elimination of the tariff, would have been in effect 1 year after the provision of relief under subsection (a); and

(2) the rate of duty for that article after December 31 of the year in which termination occurs shall be, at the discretion of the President, either—

(A) the applicable NTR (MFN) rate of duty for that article set out in the Schedule of the United States to Annex 2–B of the Agreement; or

(B) the rate of duty resulting from the elimination of the tariff in equal annual stages ending on the date set out in the Schedule of the United States to Annex 2–B of the Agreement for the elimination of the tariff.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that—

(1) is subject to—

(A) import relief under subtitle B; or

(B) an assessment of additional duty under subsection (b), (c), or (d) of section 202; or

(2) has been subject to import relief under this subtitle after the date on which the Agreement enters into force.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Subject to subsection (b), no import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) EXCEPTION.—If an article for which relief is provided under this subtitle is an article for which the period for tariff elimination, set out in the Schedule of the United States to Annex 2–B of the Agreement, is greater than 10 years, no relief under this subtitle may be provided for that article after the date on which such period ends.

(c) PRESIDENTIAL DETERMINATION.—Import relief may be provided under this subtitle in the case of an Australian article after the date on which such relief would, but for this subsection, terminate under subsection (a) or (b), if the President determines that Australia has consented to such relief.

SEC. 315. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking ''and''; and

(2) by inserting before the period at the end '', and title III of the United States-Australia Free Trade Agreement Implementation Act''.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

(a) IN GENERAL.—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) ALLEGATION OF CRITICAL CIRCUMSTANCES.—An interested party filing a request under this section may—

(1) allege that critical circumstances exist such that delay in the provision of relief would cause damage that would be difficult to repair; and

(2) based on such allegation, request that relief be provided on a provisional basis.

(c) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of the request and the dates by which comments and rebuttals must be received.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(c), the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, an Australian textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as described in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry to import competition.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(c) CRITICAL CIRCUMSTANCES.—

(1) PRESIDENTIAL DETERMINATION.—When a request filed under section 321(a) contains an allegation of critical circumstances and a request for provisional relief under section 321(b), the President shall, not later than 60 days after the request is filed, determine, on the basis of available information, whether—

(A) there is clear evidence that—

(i) imports from Australia have increased as the result of the reduction or elimination of a customs duty under the Agreement; and

(ii) such imports are causing serious damage, or actual threat thereof, to the domestic industry producing an article like or directly competitive with the imported article; and

(B) delay in taking action under this subtitle would cause damage to that industry that would be difficult to repair.

(2) EXTENT OF PROVISIONAL RELIEF.—If the determinations under subparagraphs (A) and (B) of paragraph (1) are affirmative, the President shall determine the extent of provisional relief that is necessary to remedy or prevent the serious damage. The nature of the provisional relief available shall be the relief described in subsection (b)(2). Within 30 days after making affirmative determinations under subparagraphs (A) and (B) of paragraph (1), the President, if the President considers provisional relief to be warranted,

shall provide, for a period not to exceed 200 days, such provisional relief that the President considers necessary to remedy or prevent the serious damage.

(3) SUSPENSION OF LIQUIDATION.—If provisional relief is provided under paragraph (2), the President shall order the suspension of liquidation of all imported articles subject to the affirmative determinations under subparagraphs (A) and (B) of paragraph (1) that are entered, or withdrawn from warehouse for consumption, on or after the date of the determinations.

(4) TERMINATION OF PROVISIONAL RELIEF.—

(A) IN GENERAL.—Any provisional relief implemented under this subsection with respect to an imported article shall terminate on the day on which—

(i) the President makes a negative determination under subsection (a) regarding serious damage or actual threat thereof by imports of such article;

(ii) action described in subsection (b) takes effect with respect to such article;

(iii) a decision by the President not to take any action under subsection (b) with respect to such article becomes final; or

(iv) the President determines that, because of changed circumstances, such relief is no longer warranted.

(B) SUSPENSION OF LIQUIDATION.—Any suspension of liquidation ordered under paragraph (3) with respect to an imported article shall terminate on the day on which provisional relief is terminated under subparagraph (A) with respect to the article.

(C) RATES OF DUTY.—If an increase in, or the imposition of, a duty that is provided under subsection (b) on an imported article is different from a duty increase or imposition that was provided for such an article under this subsection, then the entry of any such article for which liquidation was suspended under paragraph (3) shall be liquidated at whichever of such rates of duty is lower.

(D) RATE OF DUTY IF PROVISIONAL RELIEF.—If provisional relief is provided under this subsection with respect to an imported article and neither a duty increase nor a duty imposition is provided under subsection (b) for such article, the entry of any such article for which liquidation was suspended under paragraph (3) shall be liquidated at the rate of duty that applied before the provisional relief was provided.

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), the import relief that the President provides under subsections (b) and (c) of section 322 may not, in the aggregate, be in effect for more than 2 years.

(b) EXTENSION.—

(1) IN GENERAL.—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle for a period of not more than 2 years, if the President determines that—

(A) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment by the domestic industry to import competition; and

(B) there is evidence that the industry is making a positive adjustment to import competition.

(2) LIMITATION.—Any relief provided under this subtitle, including any extensions thereof, may not, in the aggregate, be in effect for more than 4 years.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

The President may not provide import relief under this subtitle with respect to any article if—

(1) import relief previously has been provided under this subtitle with respect to that article; or

(2) the article is subject to import relief under—

(A) subtitle A; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date the relief terminates.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.

No import relief may be provided under this subtitle with respect to any article after the date that is 10 years after the date on which duties on the article are eliminated pursuant to the Agreement.

SEC. 327. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.

The President may not release information which is submitted in a proceeding under this subtitle and which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information to the President in a proceeding under this subtitle, the party also shall submit a nonconfidential version of the information, in which the confidential business information is summarized or, if necessary, deleted.

Subtitle C—Cases Under Title II of the Trade Act of 1974

SEC. 331. FINDINGS AND ACTION ON GOODS FROM AUSTRALIA.

(a) EFFECT OF IMPORTS.—If, in any investigation initiated under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), the Commission makes an affirmative determination (or a determination which the President may treat as an affirmative determination under such chapter by reason of section 330(d) of the Tariff Act of 1930), the Commission shall also find (and report to the President at the time such injury determination is submitted to the President) whether imports of the article from Australia are a substantial cause of serious injury or threat thereof.

(b) PRESIDENTIAL DETERMINATION REGARDING AUSTRALIAN IMPORTS.—In determining the nature and extent of action to be taken under chapter 1 of title II of the Trade Act of 1974, the President shall determine whether imports from Australia are a substantial cause of the serious injury or threat thereof found by the Commission and, if such determination is in the negative, may exclude from such action imports from Australia.

TITLE IV—PROCUREMENT

SEC. 401. ELIGIBLE PRODUCTS.

Section 308(4)(A) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)(A)) is amended—

(1) by striking ''or'' at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting ''; or''; and

(3) by adding at the end the following new clause:

''(iii) a party to a free trade agreement that entered into force with respect to the United States after December 31, 2003, and before January 2, 2005, a product or service of that country or instrumentality which is covered under the free trade agreement for procurement by the United States.''.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 1 hour.

The Chair recognizes the gentleman from California (Mr. THOMAS).

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

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

Mr. Speaker, I rise today in strong support of H.R. 4759, which is the instrument that implements the United States-Australian Free Trade Agreement.

This particular Free Trade Agreement is good, it is solid, it will benefit American workers, farmers, consumers, businesses, and the U.S. economy. It brings the United States and Australia closer together economically. No two countries in the world are closer in terms of their views of the world, especially in terms of strategic military concerns; and, frankly, as chairman of the Committee on Ways and Means, this agreement, in my opinion, is long overdue.

Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade; and I ask unanimous consent that the gentleman from Illinois control the remainder of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

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

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. STARK) will control the minority time.

There was no objection.

Mr. STARK. Mr. Speaker, I yield 30 minutes of my time to the gentleman from New York (Mr. CROWLEY), and I ask unanimous consent that he be allowed to yield such time as he sees fit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

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

I am in opposition to H.R. 4759, Mr. Speaker. It deals with issues of credibility, and it deals primarily with issues of pharmaceutical drugs and the possibility of reimportation, an issue dear to the hearts of many of the seniors in this country who are paying outrageous prices and are not being helped by the recent Republican pharmaceutical benefit.

We have been repeatedly either lied to or have had information withheld. I know many of my colleagues are aware that the actuaries in CMS knew that the drug bill was going to cost closer to $500 billion, or $550 billion rather than the $400 billion which was promised. That information was withheld.

For those of my colleagues who read The New York Times this morning,

they are aware of further withholding of information on the part of the Republicans. I guess it is not a lie, but I only bring it up at this point to indicate that I do not think we can trust any statements as to what the trade negotiator or trade representative may or may not be negotiating with Australia and what their intention is in the future.

We were told by OMB in the pharmaceutical drug bill that 2.4 million employees would lose their retiree prescription benefits when we voted for this last pharmaceutical bill under Medicare. Well, guess what? Just earlier this week, we received from the CMS, another branch of the administration, a memo showing that 3.8 million workers will lose their drug benefits as a result of the Republican drug bill. A mere mistake of 1.4 million Americans who are going to lose drug benefits after we were opportuned to pass that bill with the idea that only 2.4 million would lose coverage.

Now my colleagues may or may not care about another almost 1.5 million workers being denied their retirement drug benefits, I know the Democrats do, but I raise these two issues, a difference of almost $200 billion low-balling us on the cost of a drug bill and then subsequently, just today, finding out that 1.5 million more workers are going to lose their benefits. Now how can we depend on the administration to tell us anything straight that is in this trade bill?

I get now to my point. We are concerned that intellectual property language allows pharmaceutical manufacturers to contractually prohibit reimportation of prescription drugs from Australia. We know that. Once we approve this language, any attempt to pass reimportation language will immediately run afoul of the Australian Free Trade Agreement. This is not just about the U.S. and Australia. This is a bill that was engineered by the pharmacy lobby.

Let me point out, when the trade representatives met, they have a board, there were 15 members of the pharmaceutical industry sitting down to advise the trade representative and not one representative of the consumer community. What does that tell us? It tells us that certainly the trade representative representing the administration can undermine the will of the people in this country and the majority of Congress through trade negotiation power over which we are powerless to change after we vote today.

The last time that I checked, reimportation of pharmaceutical drugs was a domestic health policy issue that should be debated in Congress, and we should be making domestic health policy in this Chamber, not the U.S. Trade Representative.

Now, the trade representative is promising to use this language over and over again in future free trade agreements, and eventually it is going to come back to haunt us.

Now I have no doubt that the trade representative knows how to negotiate free trade, but I have a real question if he has any interest in protecting the health care of American citizens. Not only have we given PhRMA the keys to the kingdom, we are now letting them pillage their way through our health care programs.

In a brief moment of honesty, the U.S. Trade Representative admitted that transparency requirements in annex 2(c) of the Fair Trade Agreement actually do apply to a Medicare Part B drug reimbursement decision. In its current form, the proposed change to an average sales price reimbursement system does not meet the transparency requirements of the FTA, it opens the door to challenges, and it frustrates the ability of this body to pass reasonable, safe reimportation that will lower the cost of drugs for our senior citizens by, in many cases, 50 percent, far more than the mere 5 or 10 percent that this cockamamie Buck Rogers discount card that the administration has brought out.

So we are here with a subtle underlying problem, and that is the health care of 42 million seniors in this country, and now it turns out almost 4 million more employed Medicare beneficiaries or people who are receiving their benefits as retirees, and we cannot sell them down the river, Mr. Speaker. That is not the right thing to do.

We could argue the trade bill all day long, take some of these things out, and it is probably all right, but it is engineered not to be amended. We were not allowed to amend it in markup in committee, we cannot amend it here on the floor, it is up or down. So our only choice is to vote it down, send it back to the committee, do it right, and then proceed.

So I urge a no vote.

Mr. Speaker, at this point I yield the balance of my time to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent that he be allowed to yield that time as he sees fit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

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

I want to remind my colleague that we can get into the debate on reimportation of drugs at some time when it is relevant, because it has no application to this agreement.

I am pleased that the House today will pass the long-overdue U.S.-Australia Free Trade Agreement. I applaud the efforts of President Bush and the USTR in negotiating an agreement that opens markets for U.S. exports by eliminating tariffs, reducing nontariff barriers, opening services markets, and strengthening intellectual property protections.

This is an important agreement. The U.S. enjoys a $9 billion trade surplus with Australia, and Australia is our ninth largest goods export market. Australian firms in the U.S. employ about 85,000 Americans, and it is estimated that U.S. exports to Australia support more than 150,000 U.S. jobs. Under the terms of this agreement, over 99 percent of U.S. exports of industrial goods to Australia will become duty-free immediately. U.S. manufacturers estimate that the elimination of tariffs could result in nearly $2 billion per year in increased U.S. exports of manufactured goods.

This agreement also gives our farmers new opportunities. All U.S. agricultural exports to Australia totaling more than $400 million will receive immediate duty-free access. Key agricultural products that will benefit from immediate tariff elimination include soybeans and oilseed products, fresh and processed fruits, vegetables and nuts, and pork products. Our dairy farmers also will have immediate access to the Australian market.

Mr. Speaker, this agreement is also very important to my State of Illinois, which is home to companies including Caterpillar, Boeing, Motorola, Abbott Labs, and Zurich Life. Illinois exports to Australia directly support approximately 4,400 jobs in the State of Illinois. Additionally, there are 20 Australian-owned companies in Illinois, employing over 2,000 people. Nine hundred of these positions are manufacturing jobs. Trade with Australia supports numerous other high-paying jobs in areas such as transportation, finance, and advertising; and between 1999 and 2003, Illinois exports to Australia grew by 12 percent. This Free Trade Agreement means more jobs, better jobs, and higher-paying jobs in Illinois and America.

As chairman of the Subcommittee on Trade, it has been my privilege to have been involved in the completion of this trade agreement, and I thank my colleagues who worked so hard to make this a reality.

I would also like to express appreciation to staff, including, to name just a few, Angela Ellard, Stephanie Lester, Matt Howard, Tim Reif, Viji Rangaswami, Mike Castellano, Brian Gaston, Sam Geduldig, Brian Diffell, Andrew Shore, John DeStefano, Amy Heerink, Rachael Leman, Janet Nuzum, James Koski, Greg Sheiowitz, Chris McConnell, and Vergil Cabasco. I thank them.

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

Mr. CROWLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

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Mr. CARDIN. Mr. Speaker, let me thank my friend from New York for yielding me this time.

I rise in support of this free trade agreement and urge my colleagues to support it. This is a bilateral free trade agreement between the United States and Australia. I think that we stand to make more progress when we work on

bilateral agreements rather than multinational agreements, particularly when we are dealing with a country that is very similar to the United States.

The United States and Australia have much in common. Both nations respect basic labor rights and the enforcement of basic workers' rights. This agreement strengthens the enforcement of those laws. Both nations respect the environment, and the agreement calls for both parties to commit to establish high levels of environmental protection and not to weaken or reduce environmental laws to attract trade or investment.

Australia is a close ally of the United States in many of our international activities. The United States enjoys a trade surplus with Australia of $9 billion per year. It is our ninth largest export market.

Mr. Speaker, Australia is a good friend, and it is in our interest to establish a free trade agreement with Australia.

It will open up more markets to U.S. manufacturers and farmers. Australia's tariffs for manufacturing will basically be eliminated on goods coming from the United States to Australia; 99 percent will enter Australia duty free.

There is key relief on the exports of agricultural products to Australia. The United States estimates that more than 400 million per year will receive immediate duty-free access to Australia; and let me just point out as a footnote, there is no additional access to Australia in regards to sugar. This agreement will help U.S. manufacturers and farmers. The United States will enjoy tariff preferences over its European and North Asian competitors and products, such as chemicals and heavy machinery.

In fact, the U.S. National Association of Manufacturers has estimated that the free trade agreement will result in a minimum of $2 billion per year increase in manufacturing exports to Australia. In regards to farming, the United States is already the second largest supplier of Australia's food imports. This bill will even give us greater access.

Mr. Speaker, I think my district is somewhat typical in the Nation. I have a port. We have a large presence of manufacturing. We have a strong agricultural community. My State and the people of Maryland will benefit from this free trade agreement. The people of this Nation will benefit from this free trade agreement. I urge my colleagues to support it.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

It has been a really good year for the drug industry. The pharmaceutical industry is at it again in this body, attempting to undermine U.S. efforts to secure cheaper prescription drugs for millions of Americans. First, the Medicare bill passed late last year specifically prohibited the U.S. Government from negotiating lower drug prices for America's seniors and consumers, the drug industry and the President and the Republican leadership all singing off the same page.

Then the pharmaceutical industry punishes American consumers by restricting the volume of prescription drug inventories in Canada to prevent importation to the U.S., the FDA, the President, Republican leadership and the drug industry again all singing off the same page.

Now the President, the United States Trade Rep together have included language in this U.S.-Australia trade agreement that would enable the drug companies to prevent prescription drug importation, again to the detriment of America's consumers. We can bet those provisions will be in all future trade agreements negotiated by this administration.

USTR and its drug industry allies, sometimes they are hard to tell apart, are doing all they can to drive up prices for Americans and the rest of the world. USTR and the drug industry were the only parties with a seat at the table for these FTA negotiations, no public interest groups, no senior groups, nobody advocating for reimportation.

My question is this: Do we trust the USTR and the President and the drug industry to negotiate lower drug prices? Connect the dots. The drug makers are using every tool at their disposal to put a stranglehold on America's seniors and America's consumers. The reimportation bill this House passed last year included Australia as a platform. The reimportation bill in the Senate includes Australia as a platform. Why would both these bills mention Australia if we were not going to at least attempt to reimport from there?

This FTA shuts the door on all possibilities now and in the future. Why would we do that, Mr. Speaker? The only way to maintain compliance if we pass this FTA is to remove Australia from that bill. Although Australia would likely not be a large reimportation platform, it is not currently impossible. This FTA slams the door on that possibility. It slams the door on any future agreement between Australia and us on the issue.

Now, I want to read for a moment a brief part of a fact sheet from the Australian embassy: ''Australian law does allow the export of nonsubsidized drugs, both generics and brand names,'' in spite of what we heard from my friend here, ''but only by a person who has been given marketing approval to do so, usually the manufacturer or Australian licensee.''

From the Australia embassy: ''Australian law does allow the export of nonsubsidized drugs.'' The drug industry argues the trade agreement is not damaging, because Australian law already prohibits the export of subsidized drugs purchased under its pharmaceutical benefit scheme. However, that prohibition does not include all cost-saving importation from Australia.

The importers of drugs from Australia to the U.S. do not have to purchase from the PBS. The provisions of this free trade agreement set a precedent for another misguided trade policy. We can be sure that this provision, this precedent that Members are going to vote on today, this precedent will be in all future FTAs negotiated by this administration. That is why a ''no'' vote is so very important so we do not set this precedent in this encouragement for the administration to continue to negotiate bad trade law, especially bad trade law for American consumers.

The drug makers are making sure they close off any opportunity for American consumers to obtain affordable prescription drugs. This, Mr. Speaker, is another nail in that coffin. If one supports reimportation of affordable prescription drugs, think twice about the precedent your vote sets here today. A vote for the U.S. free trade agreement with Australia is a move against American consumers and a move against reimportation.

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

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

I would like to remind everyone of a Dear Colleague that was released yesterday by our ranking minority member on the Committee on Ways and Means Subcommittee on Trade, the gentleman from Michigan (Mr. LEVIN), and our ranking member on the full Committee on Ways and Means, the gentleman from New York (Mr. RANGEL); and this is in their Dear Colleague letter: ''The Australia Free Trade Agreement is worthy of support. Article 17.9.4 of the Australia FTA essentially codifies existing U.S. law in an international trade agreement. Current U.S. law allows patent holders to bar the import of their patented products. The patent provision will not have a practical effect due to the fact that Australia's domestic law prohibits the export of drugs purchased through its government-subsidized program which accounts for over 90 percent of all drugs sold in Australia.

''Article 17.9.4 matters only to the extent that the United States is allowing the import of prescription drugs from Australia, or which are covered by a patent owned by an Australian firm. As a practical matter, with or without the Australia FTA, there is little possibility of importing prescription drugs from Australia.''

Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN), cochair of the U.S.-Australia Caucus and a member of our Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I rise in support of this historic free trade agreement with Australia. Australia has been a true friend and ally. They have been there when it counted the most, on the shores of Normandy, on the

streets of Baghdad when the odds seemed insurmountable and the light of victory was far, far away.

Over 50 years ago, we began an alliance with Australia based on mutual security needs. Today we build on our security alliance in the past with an economic alliance for the future. Bismarck once said that ''politics is the art of the possible.'' While that is certainly true and an accurate description of the negotiations of this agreement, this trade agreement is also about a world of possibilities. There is a common thread that binds the fabric of both nations' past to the future. We are both nations that are built on possibilities. Whether our citizens arrived an Plymouth Rock in Massachusetts or the rocks in Sydney, many came for the possibility of new beginnings and the possibility of determining their own destiny; and just like those before us, this generation of Americans and Australians will paint the canvas of this trade agreement with their entrepreneurial spirit.

In doing so, we are reminded that the strengths of our nations are not in our governments, but in the thousands of our citizens who are turning possibilities into reality; and it is time for this Congress to make this trade agreement a reality.

This is a trade agreement that creates jobs. Two-way trade in goods and services between both countries is already $29 billion each year, supporting more than 270,000 American jobs, 12,500 of which are in my State of Washington alone.

While all States will benefit from this agreement, the Puget Sound region will have even more to gain, because Australia already is our fifth largest trading partner, and the State of Washington leads the Nation with more than $2.6 billion worth of exports to Australia each year. It is a trade agreement that will help businesses and farmers in the Northwest.

For the 25,000 Boeing workers that I represent, this agreement will ensure that Boeing remains competitive in Australia. Currently, nearly 95 percent of Qantas Airways' operating fleet is Boeing aircraft, making them one of Boeing's key customers in that region.

For our high-tech industry, strengthening intellectual property standards will help reduce counterfeiting and piracy, while encouraging capital investments.

For our farmers, eliminating agricultural tariffs and resolving technical and regulatory barriers will ensure that Northwest fruits will enter the Australian market.

Mr. Speaker, vote for this trade agreement, not out of a sense of obligation but because of a steadfast confidence that Americans and Australians can better face the challenges ahead by walking side by side.

Mr. CROWLEY. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, I rise today in strong support of the free trade agreement between the United States and Australia, and I would like to thank all my colleagues on both sides of the aisle who have worked so hard to see that this bill passes with bipartisan support today.

It has been a pleasure for me to work with the gentleman from Missouri (Mr. BLUNT), the majority whip; and my counterparts on the other side of the aisle, the gentleman from Virginia (Mr. CANTOR), chief deputy whip; the gentleman from Alabama (Mr. ROGERS); the dean of my home State, the gentleman from New York (Mr. RANGEL); the gentleman from Michigan (Mr. LEVIN); the gentleman from California (Mr. DOOLEY); and the gentleman from Oregon (Mr. BLUMENAUER). I am proud to speak out in support of this historic bilateral free trade agreement between the United States and Australia.

This is a great day for our two countries and for what is arguably one of our truest and tried allies. From World War I to the war on terror in Afghanistan and in Iraq, Australia has stood shoulder to shoulder with the United States and has been a strong ally of ours throughout the world.

As someone who supports free trade and fair trade, I am proud to be a leader on the Democratic side supporting this free trade agreement. Concerns have been raised, though, about the issue of pharmaceuticals this week, in fact, as of Monday. And I would like to make note of that. I support the reimportation of prescription drugs and have concerns about this trade agreement becoming a precedent for other bilateral agreements; but I want to be clear that nothing, I believe, in this agreement will prohibit the United States from passing its own reimportation laws. And this agreement does not ban the United States from reimportation of prescription drugs.

Australia's domestic law prohibits the exportation of drugs purchased through its taxpayer-subsidized program, which accounts for over 90 percent of all drugs sold in Australia. Why would we ask the Australian taxpayer to subsidize Rx drugs for Americans?

□ 1500

The issue of lowering drug prices is something that this Congress should be working on. In fact, today my colleagues on both sides of the aisle have the opportunity to do that by signing the discharge petition to give the authority to Secretary Thompson, the ability to negotiate lower drug costs for Medicare patients that were stripped away under H.R. 1.

This agreement will not stop the Snowe-Doggett legislation from progressing in the Senate, and it does not stop the U.S. from changing the law and allowing for drug reimportation. I would like to reaffirm that I do not believe that this agreement should be used as a precedent for other trade agreements that USTR makes in the future on reimportation. We need to focus on the positive aspects of this agreement.

This agreement will also benefit my home State of New York and New York City. New York will see immediate benefits from this agreement as it goes into effect. New York last year exported goods valued at over $392 million to Australia, and when this agreement goes into effect, those companies will see an average saving of over 5 percent. Australia is the fifth largest investor in the U.S. equity markets, meaning more jobs for my constituency and the companies that do business in my city who trade securities or work for these firms.

This agreement will keep our economy growing and will be a partnership of equals and will increase the investments and opportunities for both countries. I support this agreement, and I urge my colleagues to vote for final passage.

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

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

Mr. Speaker, the Australia FTA does not prevent Congress from passing legislation on drug reimportation. Under the U.S. Constitution, no trade agreement could do this. Any law passed by Congress will always trump any FTA. There is nothing in the Australia FTA or H.R. 4759 that changes U.S. patent laws or the Federal Food, Drug and Cosmetic Act. The patent provision in the FTA restates U.S. law and applies to all patents, not just pharmaceuticals. Not including this provision would be devastating to U.S. intellectual property rights holders in every sector.

Australian law already bans the exportation of drugs dispensed under its pharmaceutical benefits scheme. Unlike Canada, Australian law expressly prohibits other parties such as a wholesaler or pharmacist from exporting non-PBS dispensed drugs. Therefore, any change in U.S. law would have no practical effect on reimportation to Australia due to Australia domestic law, regardless of the FTA; and, therefore, Australia would have no plausible basis to claim harm or pursue sanctions.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), one of our colleagues on the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me time, and I appreciate his clarification and also the clarification of the gentleman from New York (Mr. CROWLEY) as this legislation before us relates to the issue of importation of prescription drugs.

I do rise in very strong support of the U.S.-Australian Free Trade Agreement. As the gentleman from New York (Mr. CROWLEY) has said, we have a longstanding friendship with Australia. We also have a lot of economic interest and move forward with this particular legislation. Knocking down barriers always leads to a fairer and a more healthy relationship between countries

and for better economics between both countries.

In this case, this bipartisan agreement will give a boost to our large and growing investment links with Australia and will help strengthen the U.S. economy. President Bush and Ambassador Bob Zoellick deserve a lot of credit for moving forward strongly with this particular agreement and for their continued determination on bilateral agreements in general.

This agreement will help small business and manufacturers quite a bit in my home State of Ohio. Australia is now number 11 in terms of countries to which we export. Total exports are now valued at $389 million. Ohio primarily exports high-value products to Australia, aircraft engines and parts, auto parts, forklift trucks, pet food, household appliances. If the Free Trade Agreement was in effect last year, we would have seen over 93 percent of those exports, including again some of these manufactured high-quality, high-value exports, 93 percent of them would have entered Australia duty free.

Ohio's exports to Australia directly support about 1,800 good-paying jobs in Ohio. And, by the way, there are 17 Australian-owned companies in Ohio, which also employ roughly 1,800 people. 1,300 of those positions, by the way, are in manufacturing.

Trade with Australia supports countless other high-paying jobs in areas such as transportation, finance and advertising. This agreement is good for Ohio. It is good for jobs. It is good for relations with one of our great friends, Australia. Opening markets across the globe to Ohio businesses is the key to keeping our Buckeye economy strong.

The U.S.-Australia Free Trade Agreement is also important because Australia and the U.S. share a lot of similar goals in terms of international trade. We are both supporters of achieving trade liberalization in the current round of trade talks. We are both pursuing market access through regional and bilateral trade agreements. Another reason to support this agreement.

With overwhelming support today, we will be helping to fulfill President Bush's vision of a world that trades in freedom.

Mr. BROWN of Ohio. Mr. Speaker, I have been here 12 years and heard these same arguments. I look at my State, and we have lost one out of six manufacturing jobs, 190 jobs every day during the Bush administration, and I do not see how it adds up.

Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank my good friend, the gentleman from Ohio (Mr. BROWN), for yielding me time.

I rise in strong opposition to this agreement. It seems to me that before we rush into yet another free trade agreement we should spend a little bit of time assessing the horrendous impact that past free trade agreements have had on the middle class and working families of this country. If you have a policy which is failing, failing and failing, why do you want to continue going along that path?

Mr. Speaker, for many years now, corporate America and the big money interests have told us how good unfettered free trade would be if they spent a fortune getting these agreements passed. What they forgot to tell us is that while these free trade agreements are in fact good for the big corporations and their well-paid CEOs, they have been a disaster for the middle class and working families of our country.

The reality is, despite tremendous increases in technology and productivity, the average American today is working longer hours for lower wages. The gap between the rich and the poor is getting wider, and poverty is increasing. The middle class in America is collapsing, and unfettered free trade is one of the reasons.

In the last 3 years alone, we have lost 2.7 million good manufacturing jobs, over 16 percent of the total, and now after the collapse of manufacturing we are beginning to see the hemorrhaging of good-paying information technology jobs. While large corporations throw American workers out on the streets and move to China, India, Mexico and other low-wage countries, the new jobs being created here for our people are mostly low wage with minimal benefits. In fact, according to the Bureau of Labor Statistics, 7 out of 10 of the fastest-growing professions in the next 10 years are going to be with high school degrees, minimal benefits, lower wages.

Is that the future that we want for our country?

To add insult to injury, Mr. Chairman, the President of the U.S. Chamber of Commerce, Tom Donohue, the leader of our country's big business organization, has urged, has urged American companies to send our jobs overseas. Urged them. That is the kind of contempt that corporate America has for the working families of this country. By continuing to pass unfettered free trade agreements, we accommodate Mr. Donohue's goal; and we will see the loss of more and more good-paying jobs in this country.

I understand that Australia is not China, and I understand that workers there earn comparable wages, and I understand they do not go to jail when they stand up for their rights, and we could perhaps negotiate good agreements here and there with Australia, but an unfettered free trade agreement is not good.

Let me conclude by mentioning two specific objections I have.

Number one, the gentleman from Ohio (Mr. BROWN) is right about reimportation and prescription drugs. I worry very much about the precedent, if we want to lower prescription drug costs in this country by this agreement.

Second of all, dairy farmers in Vermont, New England and America will be significantly and negatively impacted by the importation of a lot of dairy products over the years from Australia.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume. The State of Vermont exported $12.8 million of merchandise to Australia in 2003. Vermont's high-value exports to Australia include food for infants, aircraft and sports equipment; and if the FTA was in place in 2003, 99.8 percent of Vermont's exports would have entered Australia duty free.

American exports to Australia directly and indirectly support over 270,000 jobs in the United States.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, listening to my colleague from Vermont, we have been neglected to be told that free trade is also responsible for obesity, male pattern baldness and the breakup of the Beatles.

The fact of the matter is that America needs new customers for our farm products, for things we are manufacturing. The principle involved here is, the principle is that if America builds a better product, we ought to be able to sell it without discrimination throughout the world. If someone else builds a better product, a better mousetrap, we ought to be able to buy it for our families and for our business.

America needs more customers like Australia. In Texas, this trade agreement means some 12,000 jobs for our State. It is good for our farmers. It is good for our manufacturers. On the day it goes into place, 99 percent of Australian penalties on products built in Texas and the U.S. will disappear. That is good for our workers. It is good for our farmers. It is great for our consumers.

This is a trade agreement that is excellent for U.S. manufacturers and the workers who work for them.

Mr. CROWLEY. Mr. Speaker, I ask unanimous consent for the gentleman from Michigan (Mr. LEVIN) to control the remainder of my time for purposes of yielding.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CROWLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN OF Virginia. Mr. Speaker, I hesitate to use the term ''slam dunk'' any more, but if you cannot agree with this trade agreement, I do not know what trade agreement you are ever going to agree with. In fact, you would probably have to oppose agreements between the States of the United States.

The fact is, of the $28 billion of trade with Australia, we enjoy a surplus of $9 billion. That means Australia is buying $9 billion more of goods and services from us than we are buying from them.

The fact is that this is generating jobs in the United States. Trade can do that and trade will do that. The fact is that there is $700 million of agricultural products that we are selling to Australia, and they are now going to be able to be purchased more cheaply because there will be duty free access. We have National Treatment for our U.S. investors, guaranteeing fair and nondiscriminatory treatment. Who could be opposed to that?

We have guaranteed, substantial access for U.S. service suppliers, telecom, financial services, professional service providers. Australia has agreed to improve its intellectual property laws so we do not have to worry about that. We are going to have the highest level of protection throughout the world for U.S. products in that area. Even more importantly to my Democratic colleagues, Australia has the highest level of labor and environmental standards. They are tougher than ours. So it just seems to me that under this agreement we have so much to gain and very little to lose.

And, again, with regard to this issue that has been brought up with regard to pharmaceutical products, Australia will not allow the export of subsidized pharmaceutical products; and 90 percent of its pharmaceuticals that are prescribed are, in fact, subsidized.

So, again, let us support this agreement. Do the right thing by America's workers and its employers.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Pennsylvania (Mr. ENGLISH).

□ 1515

Mr. ENGLISH. Mr. Speaker, today, the House is considering, I think, landmark trade legislation by considering a free trade agreement with our close ally and trading partner, Australia.

As a member of the Subcommittee on Trade, I have had the opportunity to review many trade agreements and specific concerns with our trading partners, and I am happy to conclude that the U.S.-Australia FTA is among the most pro-American, pro-worker agreements that we have seen before this House.

For 50 years, we have cooperated closely on security issues and developed a trading relationship to the tune of $29 billion. What is more, the United States enjoys a $9 billion trade surplus with Australia. Indeed, Australia purchases more goods from the United States than it does from any other country, and that is extraordinary.

While our positive relationship is an important factor in approving this FTA, to me, Mr. Speaker, this agreement really stands on its own merits on what it will do for manufacturers in my congressional district.

Australian companies currently employ 1,600 people in Pennsylvania of whom 600 are in the manufacturing sector. This agreement would increase investment opportunities in Pennsylvania and create jobs.

Australia is the eighth largest market for Pennsylvania goods exports, with total exports valued at $430 million last year.

Pennsylvania's economy is heavily dependent on manufacturing; and 21 percent, or $89 million, of our total exports to Australia was in manufactured machinery in 2003. Our exports to Australia support, we estimate, 2,000 jobs in Pennsylvania alone.

This agreement would lower the tariffs on American manufactured products and create even more opportunities for local manufacturers to tap into a robust Australian market.

By immediately making almost 99 percent of U.S. manufactured exports to Australia duty free, American exports would shoot up by an estimated $2 billion annually. Since 93 percent of our goods exported to Australia are in industrial products, the significant benefit this agreement offers U.S. manufacturers is obvious.

Mr. Speaker, it is clear that our relationship with Australia is one of our most important. By approving this FTA, we can deepen this relationship, and we can also enter into an FTA which will particularly benefit our manufacturing sector; and that is what sets this treaty particularly apart from others that have come before this House.

I urge my colleagues strongly, on a bipartisan basis, to embrace this FTA.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, Australia is exactly the type of nation we should seek trade agreements with, but not with a Xerox of our old and failed policies under fast track, with no amendments allowed here on the floor of the House.

There is only one new provision, strangely enough, one to prohibit the reimportation of less expensive prescription drugs. Where did that come from, I wonder? It must be American policy. No, I think it is pharmaceutical industry policy.

Now, we talk about Australia. We have a trade surplus. Why do we need this agreement? We had a trade surplus with Mexico. They talked about that how it was going to get bigger. Guess what, now we have a deficit. If we have a policy that is dramatically failing the Nation, our workers, our consumers, what do we do? In this Congress and with this administration, we do more of the same, $525 billion trade deficit, $1 million a minute of American wealth and jobs flowing overseas, mostly to unfair competition.

This agreement does not have enforceable labor standards. In fact, if we can have enforceable trademark and property standards, why can we not have an enforceable labor standard? And if we have not got one with Australia, who are we ever going to get one with?

It does not have enforceable environmental standards. If we cannot get enforceable environmental and consumer protection standards with Australia, who are we going to ever get one with? China? I do not think so.

Then why are pharmaceuticals in this agreement? Because this administration and their special trade representatives say this is a template for all future agreements, and they want to renegotiate our agreement with Canada to prohibit the reimportation of less expensive pharmaceuticals because it is undermining the obscene profits of the pharmaceutical industry. That is plain and simple.

Dairy and cheese and wheat, I think those are all questionable provisions; and, again, it undermines the ability of State and local governments to have contracting provisions that give preference to businesses of their choice.

Everything that is wrong with every other trade agreement that has led to the $525 billion trade deficit is wrong with the principles in this one. We are only lucky that it is a country that has a higher minimum wage, that has national health care, that has strong environmental laws, and that is not likely to change; but this will incorporate and further cement in these bad principles a new one that is absolutely atrocious, which protects the profits of the pharmaceutical industry against the health and welfare of the American people.

Vote ''no'' on this, and let us get a new trade policy that works for all Americans, not just a select few multinational corporations and special interests.

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

Oregon is a trader with Australia right now, and Australia is the 10th largest market for Oregon goods that are exported with total exports valued at over $257 million in 2003. Oregon's high-volume exports to Australia include chassis trucks, fertilizers, vehicle parts, and helicopters.

Oregon exports to Australia directly support approximately 1,200 jobs. Additionally, there are 12 Australian-owned companies in Oregon employing over 300 people. Trade with Australia supports numerous other high-paying jobs in areas such as transportation, finance, and advertising.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me time, and I appreciate the 2 minutes.

I obviously rise in strong support of the Australia free trade agreement. Let me add a few positives to what has already been said.

We have some who disagree with us on the other side. They have split up the other side. Trade is absolutely critical to our economy. American businesses and workers are the best in world. When we open up markets for American products, our companies sell more overseas and create more jobs back here at home.

This agreement is certainly clearly beneficial to the U.S. Two-way trade, as has been stated, between the U.S. and Australia is approximately $29 billion; and I will mention it again, the surplus of $9 billion. Every State in America exports. Every single State exports to Australia.

My home State of Michigan, for example, ranks as number five, fifth highest, over $2 billion in export products in the last 3 years; but we can do a great deal more than that. Let me take a look at the American auto industry for a moment. This is a significant part of the economy in my district and many, many more around the country.

It is no secret that global competition in the auto sector is intense. Auto companies around the world work hard to realize price advantages over their competitors. The U.S.-Australia Free Trade Agreement gives our auto companies a real leg up. As a result of this agreement, on January 1, 2005, American auto exports to Australia will cost 10 to 15 percent less than our Japanese, Korean, and European competitors.

That means more work building cars for export to Australia for the 600,000 Americans employed by auto companies and the 2 million Americans who work for auto suppliers, as well as the many industries that support those companies. These are real benefits that we will bring to those American workers and many others by passing this agreement today.

Free trade agreements, like the one before us today, are good for our country, with our good friend Australia in particular. They mean more jobs at better wages. They mean long-term health for our economy.

So let us make it a reality. Vote ''yes'' on the U.S.-Australia Free Trade Agreement.

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Guam (Mr. BORDALLO), a very capable Congresswoman.

Ms. BORDALLO. Mr. Speaker, I thank my colleague from Michigan for the time.

Mr. Speaker, I rise in strong support of the U.S.-Australia Free Trade Agreement. The agreement before us deals with some very big numbers. It supports over 270,000 jobs here at home and the $18 billion in exports to Australia these workers generate annually.

Australian exports to Guam are approximately $12 million per year, consisting mainly of consumer goods and building materials. The Guam shipyard is capable of repairing Australian vessels, and the twice weekly direct flights between Cairns and Guam bring a steady stream of tourists in both directions.

Under the agreement, 99 percent of Guam's exports will enter Australia duty free. Even greater than the numerical case for supporting this free trade agreement are the shared values that underpin trade between our two nations. Many of my colleagues have appropriately used trade agreements in the past to highlight the failure of our trading partners to address human rights, environmental quality control, and labor standards within their borders.

Under these trade criteria, Australia is exactly the kind of country that we should trade with. Australia has an outstanding record on meeting its international human rights commitments. Australia is our partner in promoting these values in the Asia Pacific region.

Australia's environmental standards give us the reassurance that our imports do not abuse global resources. Their laws protecting coral reefs and their strong enforcement of them serve as a model for protecting our own endangered ocean habitat.

Australia's labor standards are so deeply ingrained in their society that they serve as a reminder to us that we owe our own workers a higher minimum wage. Under this agreement, we are not in a race to the bottom with Australia's workers; but rather, Mr. Speaker, we are sharing the best of what we make for our common advantage.

Given our shared values with the people of Australia, it only makes sense that we pass this agreement today. I urge my colleagues to do so.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for yielding me the time, and I congratulate Ambassador Zoellick and our President for getting a very good trade agreement with Australia, one that will benefit workers, consumers, and companies alike.

We have had a long and mutually beneficial relationship with Australia. It has been a trusted, staunch ally in the Pacific and a progressive voice for expanding free trade around the globe.

Mr. Speaker, this is a pioneering trade agreement. It is the most significant reduction in industrial tariffs ever achieved in a free trade agreement. This is, at its heart, a manufacturers' trade agreement.

While Connecticut is a long way from Sydney, one would never know it based on the economic ties between my home State and Australia. Nearly $140 million worth of merchandise was exported from Connecticut to Australia in 2003. In 1999, the figure was $81 million. We have increased exports by $60 million without a trade agreement. Imagine what we will be able to do with this trade agreement, which reduces manufacturing tariffs from a full 5 percent. It literally wipes them out. That is equivalent to a 5 percent price reduction in product in the market.

So if we have been able to grow our trade with Australia, that is, between Connecticut and Australia, without this agreement, think what a boon this will be for nearly 99 percent of Connecticut's exports that will enter Australia with this agreement duty free.

I believe the Australian agreement is indicative of the bright future trade liberalization is creating. Australia is a democratic, well-developed nation with amongst the highest labor and environmental standards in the world and with a very capable enforcement system. It simply does not make sense for either nation to preserve antiquated tariffs in light of our strong economic and political ties.

□ 1530

I strongly support this U.S.-Australian trade agreement and urge the House to pass it.

Let me conclude, Mr. Speaker, by noting that 25 percent of our gross national product is the direct consequence of exports and trade, and not to expand that customer base would be to condemn our children and follow-on generations to a weak economy unable to provide the standard of living we have come to enjoy. And, therefore, I urge support of this trade agreement.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume to note that I wish our trade policy were working as well for American manufacturing as my friends say it is.

Mr. Speaker, could the Chair tell each of us how much time the three of us have remaining?

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Ohio has 13½ minutes remaining, the gentleman from Illinois (Mr. CRANE) has 38 minutes remaining, and the gentleman from Michigan (Mr. LEVIN) has 19½ minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2½ minutes to my colleague, the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Speaker, as a member of the Committee on Veterans' Affairs, I would like to call attention to information which was recently published by The Center for Policy Analysis on Trade and Health regarding the Australia Free Trade Agreement.

CPATH's report explains that because chapter 15 of the U.S.-Australia Free Trade Agreement applies to Federal agencies like the Department of Veterans Affairs that procure pharmaceuticals, under the agreement drug companies would have the right to challenge VA procurement decisions. This would include VA decisions about coverage and pricing of pharmaceuticals. Virtually any aspect of coverage or pricing could be challenged based on technical specifications, timing, process, or any number of other agreements or disagreements.

For example, a drug company could claim the VA's decision not to offer a particular drug is the result of an unfair assessment of the drug's effectiveness or economic value. Under the trade agreement, the drug company could then file a complaint against the VA based on these claims. If the VA's procurement decisions are delayed,

routinely contested, or reversed on a regular or irregular basis, there could be a serious effect on access to and prices for medications for our veterans.

Before we vote on this free trade agreement, please consider this analysis and its potential effect on our Nation's veterans. It is a fact that the drug companies could challenge drug listing and pricing decisions by the VA. The government of Australia is not required to initiate or authorize these challenges. A drug company could do so. A drug company with an office in Australia could have standing to initiate such a challenge.

Now, it does not have to be this way. Many procurement decisions are already excluded by both Australia and the United States under this agreement, including motor vehicles, the dredging at construction sites, and so on. Important government programs that provide benefits to millions, including vulnerable populations, can be legitimately added to the list of excluded measures. It was not done in this bill, and America's veterans are at risk as a result.

It is important that before we vote on this trade bill that we read it and understand its potential negative effects upon America's veterans.

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

Australia is the eleventh largest market for Ohio goods exports, with total exports valued at around $389 million in 2003. Ohio primarily exports high-valued products to Australia, such as aircraft engines and parts, other aircraft parts, auto parts, forklifts, pet food, and household appliances. If the FTA was in place in 2003, over 93 percent of Ohio's exports would have entered Australia duty free.

Ohio's exports to Australia directly support approximately 1,854 jobs. Additionally, there are 17 Australian-owned companies in Ohio, employing 1,800 people, with 1,300 of these positions in manufacturing jobs. Trade with Australia supports countless other high-paying jobs in areas such as transportation, finance and advertising.

The Bureau of Economic Analysis reports that Australian businesses have more than $817 million invested in Ohio.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today in strong support of the U.S.-Australia Free Trade Agreement.

Study after study shows, and history confirms, that nations that are open to trade grow faster and enjoy higher per capita incomes than those that hinder trade. That means better housing, better health care, and better nutrition for all Americans.

Mr. Speaker, we must recognize that nations do not trade with nations, people trade with people. By restricting trade, we are denying Americans access to more abundant and less costly goods and services. Just think about the local grocery store for a moment. Alongside the cheese from Wisconsin and beef from my home State of Texas, we have melons from Mexico, olive oil from Italy, and coffee from Colombia. By closing markets, by restricting markets, we limit choices for consumers and we drive up the cost of products that American families must purchase every day.

Mr. Speaker, more importantly, when we restrict trade, we deprive Americans of their fundamental economic liberty. I believe Americans have a right to determine which products they want to purchase and from where those products come. With the exception of national security, it should not be the role of the Federal Government to tell American consumers where they can buy their goods.

Also, when we restrict trade, we invariably put Americans out of work. We invite trade sanctions. Nearly one in every 10 jobs in the United States is directly linked to the export of U.S. goods and services.

Last year, my home State of Texas exported almost $730 million in manufactured goods alone to Australia. From agriculture to aerospace, to computers and chemicals, jobs in Texas and America depend upon trade, including trade with Australia.

Now, I have heard some Members talk about fair trade. But, Mr. Speaker, we must also remember that policies that protect some industries invariably hurt others; and protecting specific industries does nothing to protect the interest of American consumers or protect their economic liberties. I urge all of my colleagues to support the U.S.-Australia Free Trade Agreement.

Mr. LEVIN. Mr. Speaker, it is my privilege and pleasure to yield 2 minutes to the very distinguished gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I rise in support of the U.S.-Australia Free Trade Agreement and this bill we are considering today to implement it.

With few exceptions, I have historically opposed our free trade agreements because most of them have been negotiated with developing countries with insufficient labor and environmental standards.

Now, following my colleague from Texas, obviously, we have different views on this free trade agreement. One of the things I am proud of is that not only do most of these earlier trade agreements have inadequate labor and environmental regulations and lower the standard of living for people residing in those countries, which inhibits the ability for U.S. companies to compete, when I opposed previous trade agreements it has always been on the basis that we are putting ourselves at a competitive disadvantage against countries that have significantly lower standards of living.

However, this agreement with Australia is different. It puts the U.S. on a level playing field with a country that has comparable labor and environmental standards and a minimum wage that exceeds our own. I wish that were true with CAFTA and NAFTA and a whole bunch of other of our agreements.

This is fair trade, and this is the kind of agreement I can support. This agreement will immediately eliminate 99 percent of all tariffs currently imposed on U.S. exporters. With 93 percent of all exports to Australia coming from the U.S. manufacturing sector, this agreement is estimated to boost our manufacturing exports to the tune of $2 billion.

Without a doubt, there are parts of this agreement that I feel are less perfect. The agreement contains language allowing Australian pharmaceutical patent holders to prevent the export of their products to the U.S. market. In considering, though, that 90 percent of Australian drugs are currently prohibited from being exported by their law, I do not believe this agreement, in a practical sense, would hurt our current reimportation effort. However, I do make clear my opposition to the use of this provision as a precedent for future agreements.

I would also like to note labor's concerns with the agreement. While not out-and-out opposing the agreement, the AFLCIO has stated that the agreement is ineffective in protecting core worker rights in either the U.S. or Australia. As a former union printer, I take pride in working to strengthen labor rights in our own country; and I certainly agree that improvements can be made in our own country.

Yet, on the whole, both the U.S. and Australia have exemplary labor laws that, given our constitutional democracies, are not likely to reach levels that impose significant threats to the health and safety of our workers.

On balance, it is a fair agreement between two countries that value democracy, worker rights, and fair competition. It is not free trade. It is fair trade.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I rise in support of the U.S.-Australia Free Trade Agreement, and I want to commend Ambassador Zoellick, the Special Trade Representative, and especially President Bush on the success of negotiating a good trade agreement that is good for American farmers, good for American workers, and good for American business.

My home State of Illinois is one of the top States that currently exports to Australia. As you know, Illinois manufacturers, like manufacturers throughout the United States, were hard hit by the recession back in 2000 and 2001 and of course faced the consequences of the terrorist attack of 2001 and, in my State, suffered even heavier taxes imposed by our new governor and our new State legislature.

But I am happy to say that today Illinois manufacturing is starting to see some positive health, and that is good news.

A key part of this economic turnaround is expanded trade opportunities. I would like to point out that my family has personally experienced the impact of our economy over the last decade. My brother, a manufacturing worker, he lost his job because of a lawsuit. But he got a new job because of a company that obtained an export contract. So, clearly, expanded free trade creates jobs for American workers.

I particularly want to congratulate the architects and negotiators that produced this U.S.-Australia Free Trade Agreement. I would note that in the Australia-U.S. FTA more than 99 percent of U.S.-manufactured exports to Australia will become duty free immediately upon entry into force of this agreement. This is the most significant immediate reduction of industrial tariffs ever achieved.

Let me say that again: the most immediate reduction of industrial tariffs ever achieved in a United States free trade agreement. That is good news for industrial workers. What that means is $2 billion in additional demands for U.S. products.

Agriculture is also key to my home State's economy, and I want to point out that under this agreement all U.S. agricultural exports to Australia will receive immediately duty free access to Australian markets. This trade agreement is good for Illinois farmers, it is good for Illinois workers, it is good for Illinois business, and it deserves bipartisan support. Please vote aye.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

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

Mr. KUCINICH. Mr. Speaker, it is important whenever we talk about trade that we realize that the United States has a massive trade deficit of over $500 billion; and while the gentleman has been repeatedly citing the benefits to various States, my own State has lost 200,000 jobs during this administration. The United States, since the year 2000, has lost 3 million manufacturing jobs. So tell us about your free trade policies.

If this legislation were only about trade, I could spend the rest of the time demolishing the arguments that have been offered here about the advantages that this trade agreement offers, but there is something that we need to focus on. Like most things around this Chamber, what you see is not what you get.

The restriction on amendments imposed by Fast Track prevents Members of Congress from eliminating an extremely harmful precedent against lower cost pharmaceutical drugs set in the U.S.-Australia Free Trade Agreement. So my colleagues may think we are just voting about free trade here, but we are also voting on the issue of drug reimportation, because we cannot amend the trade agreement.

The administration was able to lay the groundwork, in the words of the trade representative, for thwarting the reimportation of lower-cost pharmaceuticals. That is because the U.S.-Australia Free Trade Agreement codifies current U.S. law which the administration has made sure prohibits drug reimportation.

So to all those people around the country who are wondering why can we not get lower price pharmaceuticals, this legislation is one of the ways in which they are going to ensure it will not happen. This is an element in the pharmaceutical industry's lobbying effort to keep prices high in the United States, and the administration has delivered for the industry at the cost of selling out Americans.

We can predict with 100 percent certainty that the Australia trade agreement's prohibition on drug reimportation will be replicated in subsequent trade agreements and that it will have the effect of making it impossible for the United States to change U.S. law because the trade agreements will threaten the U.S. with trade sanctions if Congress does allow drug reimportation.

This offense is so great and so threatening that this bill must be defeated. We must protect the ability to have drug reimportation.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume to simply remind all those paying any attention to the debate that we enjoy a $9 billion trade surplus with Australia at the present time, and that will expand greatly with the passage of this free trade agreement.

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

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to a very distinguished colleague of mine, the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Speaker, I rise today in support of H.R. 4759, the U.S.-Australia FTA. This agreement is the most commercially significant bilateral trade agreement outside of North America that the United States has entered into. It also addresses several issues that we have concerns about dealing with labor, the environment, and human rights. Because of the strength and the size of Australia, we can deal and talk about rights that are respective for all.

Plus, for example, in the automotive sector, free trade between the United States and Australia will allow greater trade opportunities in auto products between our two countries. U.S. auto makers produce over 70 percent of all passenger vehicles made in Australia.

Other industries also benefit from this agreement: telecommunications, financial services, and our technological firms, with greater intellectual property protections.

Abroad, this agreement provides Australia with an opportunity to facilitate a higher quality of health care for its people. Though Australia has recognized the significant role played by innovative U.S. pharmaceutical companies in delivering high-quality health care, the problem of pharmaceutical price controls is still an issue. It is important that future trade negotiations more closely examine the possible impact of unfair trade practices that are shifting the cost of pharmaceutical research and development just simply to the American consumer.

Mr. Speaker, this is a momentous agreement and is worthy of strong support from this body, for this is not just a free trade agreement, it is indeed, in every sense of the word, a fair trade agreement.

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

Mr. BROWN of Ohio. Mr. Speaker, how much time do we each have?

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BROWN) has 9 minutes remaining, the gentleman from Michigan (Mr. LEVIN) has 15½ minutes remaining, and the gentleman from Illinois (Mr. CRANE) has 32 minutes remaining.

Mr. BROWN of Ohio. In light of that, Mr. Speaker, I would suggest the gentleman from Illinois (Mr. CRANE) use some more of his time, because I am down to 9 minutes and the gentleman from Michigan (Mr. LEVIN) is down to 15. But perhaps the gentleman from Illinois would be willing to yield 5 minutes of his time over here, since he has no one to speak and we have so many speakers on this side.

Mr. CRANE. I am sorry I cannot yield my time, but I will, Mr. Speaker, use some of my time at the present moment.

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

Mr. Speaker, the administration strongly supports H.R. 4759, which will approve and implement the U.S.-Australia Free Trade Agreement as signed by the United States and Australia on May 18 of this year. The U.S.-Australia FTA advances U.S. national economic interests and meets the negotiating principles and objectives set out by the Congress in the Trade Act of 2002.

The agreement enhances our close trade relationship with Australia and will further open Australia's market for U.S.-manufactured goods, agricultural products, and services. As soon as the FTA enters into force, tariffs will be eliminated on nearly all manufactured goods traded with Australia. In addition, Australia will eliminate tariffs on all exports of U.S. agricultural products.

The U.S.-Australia FTA further solidifies our relationship with an important partner in the global economy and a strategic ally. It sets a strong example of the benefits of free trade and democracy. Opening markets is part of

the President's six-point plan for continuing to strengthen America's economy and to create more opportunities for American workers and farmers.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL), who has been a real leader on trade issues in the last few Congresses.

Mr. PASCRELL. Mr. Speaker, our Nation's trade policy is not so much a policy as an ideology, and those in the Office of the Trade Representative bow at the altar of free trade.

One way we can level the playing field in trade is to put labor and environmental standards on equal footing with other commercial sections, and why should that not be, such as intellectual property rights, patents, goods and services.

While the Australia FTA does a great job of mentioning the international labor organization and saying the right things, the proof is in the enforcement, and that is lacking in the legislation. The agreement's enforcement procedure excludes an obligation for both governments to meet the international labor organization or any other definable standard.

□ 1545

In the Jordan FTA, which many look to as a model of how the agreement should be written, we had input into that agreement. Labor and environmental articles used the same dispute settlement procedures as every other commercial provision. This is not the case under the Australia agreement.

Let us go to the videotape. Article 18.6.5 clarifies that the key pieces of chapter 21, dispute settlement, ''shall not apply to a matter arising under any provision of this chapter other than article 18.2.1.''

Excluding 18.1 and 18.2 from any possibility of dispute settlement or enforcement leaves the sole enforceable labor obligation in these agreements that countries need to ''enforce their own labor laws.''

This is terrible. And while Australia has a strong labor and environmental protection, what we are doing in this legislation is saying if we cannot add strong labor and environmental agreements with Australia, who the heck can we add it with? Then we are going to get a solid gold standard when it comes to property rights and commercial rights, but we are not willing to do it to labor and the environment?

This stinks, and you know it. And we are not going to pray at that altar.

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

Mr. Speaker, Australia is the 15th largest market for New Jersey goods exports, with total exports valued at nearly $307 million in 2003. New Jersey primarily exports high-valued products to Australia such as pharmaceuticals, printed media, medical equipment, perfumes, and chemicals. If the FTA was in place in 2003, 99.44 percent of New Jersey's exports would have entered Australia duty free. New Jersey's exports to Australia directly support approximately 1,400 jobs. Additionally, there are 13 Australian-owned companies in New Jersey, employing 900 people. Seven hundred of these positions are manufacturing jobs.

Trade with Australia supports numerous other high-paying jobs in areas such as transportation, finance, and advertising.

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

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY), my colleague on the Committee on Ways and Means.

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

I find this agreement to be somewhat of a close call. But where I come from we have an expression ''once burned, twice cautious.''

We are a major producer of wheat, and yet our farmers compete not just against the wheat farmers of other countries. In some instances, they compete against their governments as well, because their governments countenance a monopoly marketing mechanism called wheat board. When the Canadian Wheat Board was allowed to continue its operations in the Canadian Free Trade Agreement and the North American Free Trade Agreement, what unleashed upon our farmers was a dramatically unfair set of circumstances that have left them at a disadvantage and cost them markets and market value to the loss of millions and millions of dollars.

The U.S. Trade Representative has announced his opposition to state trading enterprises like the Canadian Wheat Board, but in this agreement we see the Australian Wheat Board, a very similar state trading enterprise, being allowed to continue without mention in the agreement. Unfortunately, this leads me to conclude this agreement should not go forward. We need more action against state trading enterprises.

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

I want to congratulate my colleague from North Dakota on his support for this Free Trade Agreement and also explain to folks that Australia is the third largest market for North Dakota goods exports, with total exports valued at over $47 million in 2003. North Dakota's exports to Australia include tractors, front-end loaders, beans, and agricultural sprayers. These exports support approximately 220 jobs in North Dakota. The Australia-U.S. Free Trade Agreement provides tremendous opportunities for North Dakota businesses, offering them preferential access to a strong economy and growing market. And I think the gentleman's folks back home will particularly appreciate his support, as do all the rest of us, for this important Free Trade Agreement.

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

Mr. BROWN of Ohio. Mr. Speaker, I am glad the gentleman from North Dakota (Mr. POMEROY) is voting ''no,'' also.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO), and I thank her for her leadership on trade issues and fighting for American jobs.

Ms. DELAURO. Mr. Speaker, the Australia Free Trade Agreement is for the most part a good agreement with a strong U.S. ally. But because it is becoming increasingly clear that the reimportation of prescription drugs from other countries is on the horizon, so much so that even the Secretary of Health and Human Services has said that it is coming, this administration, in cooperation with this majority, has included a provision into a bill designed to stave off the inevitable, this time interfering with the reimportation of a patented product into the United States in a trade agreement and setting a bad precedent for other agreements with western developed countries.

American seniors, fed up with discount cards that do nothing to reduce their drug costs, should not be fooled by this. The Republican leadership has failed to win the reimportation debate on every level. The American people disagree with them. Their own members disagree with them. Absent Republican support, this body would not have voted to legalize the practice last year with 243 bipartisan Members.

Putting any reimportation legislation passed by this Congress in violation of free trade is their goal in this agreement. It is not enough for the drug companies to do everything in their power to prevent the United States from lowering the cost of drugs. Now, through international trade laws, they are trying to cut off the ability of others to reimport safe, affordable drugs and the efforts of what other countries do for their citizens as well. So when the United States Trade Representative says that his core objectives in negotiating this deal were ''rewarding innovation and R&D'' and ''due process,'' what he is actually saying is that the drug companies should be able to keep their prices as high as they want for as long as they want in America and across the world.

Before we press ahead with this Free Trade Agreement offered under a closed, nonamendable process, I urge my colleagues to consider the very serious ramifications of this bill on every single person in this country struggling to keep up with the skyrocketing cost of prescription drugs. Absent allowing the Federal Government to negotiate the price of prescription drugs, the safe importation of drugs from other countries is the only way that ordinary people can afford the drugs they need. That is what is at stake with this legislation.

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

Mr. Speaker, I would like to reiterate a comment I made earlier from the Dear Colleague released yesterday by the gentleman from Michigan (Mr. LEVIN) and the gentleman from New York (Mr. RANGEL). And it says: ''The patent provision will not have a practical effect due to the fact that Australia's domestic law prohibits the export of drugs purchased through its government-subsidized program which accounts for over 90 percent of all drugs sold in Australia.''

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

Mr. LEVIN. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Speaker, I rise in strong support of this trade agreement, and I want to commend Ambassador Zoellick and his team at USTR for the negotiations of such a fine and fair agreement. I want to thank the gentleman from California (Chairman THOMAS) and the gentleman from New York (Mr. RANGEL), ranking member, and the gentleman from Michigan (Mr. LEVIN) and the gentleman from Illinois (Mr. CRANE) for the great work that they have done too.

There is never going to be an absolutely perfect trade agreement. But we can come close, and this agreement does. And if we cannot pass an agreement with one of our strongest allies who has been a partner with us in every challenge to try to provide for greater international security in the last century, whom can we be an economic partner with? If we cannot pass a fair trade agreement and a free trade agreement with a country that has the same level of economic development that we have in this country, whom can we adopt a fair trade agreement with? If we cannot adopt a fair trade agreement with a country that has higher labor standards, as equal or better environmental standards than we have in the United States, whom can we adopt a fair trade agreement with?

This is a solid agreement. It is an agreement that will provide greater economic opportunities for the workers in the United States and the businesses that employ them. We should be passing this agreement with a unanimous vote. It is unfortunate that we will get close but not quite there.

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

Mr. Speaker, I want to congratulate the distinguished gentleman from California (Mr. DOOLEY) for his commitment to these fundamental principles that are involved here in the best interest of this country as well as our good friend and ally Australia for all these years. I thank him.

□ 1600

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I would like to rise in very strong support of the Australian Free Trade Agreement. I do not think there is any country in the world that is more loved by Americans than the country of Australia, and I do not think there is any country in the world that can claim greater loyalty to this friendship than Australia and the United States to each other.

I would like to congratulate Ambassador Bob Zoellick for the fair and solid trade agreement with this longtime ally and, of course, our own President Bush for pushing forward. Also, I congratulate the Australian Prime Minister John Howard and Ambassador Michael Thawley on their commitment for also securing this agreement.

The Australian government has been a long-term friend to the United States through all the world wars and, of course, now in the war on terror and the other wars we have been involved in in Asia. They have been a staunch ally and a great friend, and I guess they are very similar to the Americans, having evolved in a similar way and having gained their independence.

I would like to now, for just a moment, to turn our attention to the effects this agreement would have on my own State of Florida. Florida exports shipments of merchandise to Australia. In 2003, it totaled $319 million. That is an increase of 12 percent from 2002. Florida ranks 10th in overall export shipments to the Australian market. Overwhelming amounts of Florida exports are in the manufacturing sector, a sector tremendously important to the United States and Florida. This agreement provides increased access for numerous other Florida sectors which have very positive impact on the State of Florida as well as the entire country.

I recommend and endorse this most important and most historic agreement, urge its passage; and as the previous speaker said, this should be a unanimous, if not near unanimous, decision that came out, as I recall, in the full Committee on Ways and Means with a unanimous vote, and it is one of the few truly bipartisan trade agreements that we have seen come through this House in recent years, and I urge its passage.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time.

I rise to express my disappointment that an otherwise strong Free Trade Agreement has been tainted by provisions designed to protect a captive market for the prescription drug industry in this country, forcing American senior citizens and taxpayers to pay higher prices than normal.

Australia has the lowest pharmaceutical prices anywhere in the world, of developed countries, that is, anywhere. I have supported NAFTA. I have supported GATT. I voted in favor of Singapore. I voted in favor of Chile. I believe in free trade. But what we attempted here was a back-door attempt to continue to force Americans to pay the highest drug prices anywhere in the world. And we had an opportunity to literally do something different with a good free trade agreement.

It all makes sense. Eli Lilly, Schering-Plough, PhRMA were all on the advisory board to the USTR when it came to negotiating this trade deal, and we are setting a precedent, forcing Americans again to continue to pay the highest pharmaceutical prices than anywhere in the world when we could have provided Americans the chance of a free trade agreement where we reopen markets, bring in competition, lower the prices around the world. But we did not do that. So we took an ally and tried to actually, in the negotiations, force them to walk away from their health care. One does not force a friend and ally to walk away from a good health care program who is paying lower prices for prescription drugs than anywhere in the world.

I will not support this agreement on behalf of the senior citizens of this country.

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

Mr. Speaker, I would like to remind my colleague that the Australian government prohibits the export of drugs from Australia. They subsidize drugs for their own people, and they prohibit the export of those drugs.

Mr. Speaker, I yield 2 minutes to another gentleman from Florida (Mr. MARIO DIAZ-BALART). This is not a repeat. This is his younger brother.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, I rise to comment on the exceptional relationship between Australia and the United States.

On this day that we are voting on this Free Trade Agreement, Mr. Speaker, we should take a minute to express our gratitude, our deep gratitude, to the Australians for their support in the international war on terror. Their support in the aftermath of September 11, Mr. Speaker, both in Afghanistan and in Iraq is a testament, a very strong testament, again to the strength of this alliance between the two countries. The Australians have also been touched, unfortunately, tragically, by terrorism when 88 Australians died in the Bali bombings of 2002.

Mr. Speaker, in friendship we will continue to reach out to them as they have to us. On this day we thank our mates down under for this friendship and commend them for their commitment to negotiating this Free Trade Agreement. Anyone, Mr. Speaker, anyone, who questions the strength of our alliance is, frankly, just out of touch or, to quote the famous slang used by our friends in Australia, they have ''too many kangaroos loose in the top paddock.''

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

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

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I am down to 4 minutes because of the passion on this side. I am the only opponent of the three, and it is pretty clear we are the biggest number of the House in the passion we share in opposition to this trade agreement.

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

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. HOYER), our distinguished whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

Mr. Speaker, this important Free Trade Agreement will enhance the already strong economic ties that exist between the United States and Australia. I support this agreement and will vote in favor of the required implementing legislation.

This pact has been called the ''manufacturing FTA'' because of the extent to which the United States manufacturing sector will benefit from the expanded market access provided by this agreement. Perhaps most importantly, Mr. Speaker, more than 99 percent of remaining Australian duties on U.S.-manufactured goods will be lifted the day the agreement takes effect. It is estimated that this immediate tariff elimination will result in an additional $2 billion in annual exports to Australia, already one of the world's largest single markets for U.S. goods. This improved market access will benefit American companies, ranging from aircraft manufacturers to automakers to construction equipment suppliers.

Manufacturers, however, will not be the only beneficiaries of this agreement. All U.S. agricultural exports to Australia will receive immediate duty-free access, and market access will be provided to American telecommunications, computer, energy, and financial services companies, among others.

Mr. Speaker, I have and will continue to support free trade agreements that balance the need for expanding markets for American companies with the importance of providing a level playing field for American workers and protection for the environment. We must consider the specific labor and environmental conditions that exist in the countries that we seek to trade with as well as the provisions included in the agreements to protect workers both here and in other countries and environmental concerns as well.

I am confident, Mr. Speaker, that these goals will be met with respect to Australia. Australia is almost a mirror economy of the United States; and, in that context, I think we can have real confidence that this will be an agreement that will benefit America, benefit Australia, and benefit our workers as well.

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

□ 1615

Mr. CUNNINGHAM. Mr. Speaker, I rise in full support of this agreement. First of all, many folks in the military that have traveled around the world, no matter where I have gone, where we needed allies, Australia has been beside us. Through all the world wars, through Desert Storm, through the continuing evolutions we are going through right now, they have been a strong ally. They deserve this.

I hear many Members talking about manufacturing jobs and the loss of manufacturing jobs. For California, this benefits our manufacturers, in biotech and electronics, machinery and a whole host of others, which creates jobs. That is good for us on a fair trade measure.

I also want to tell you that if you have ever been on an aircraft carrier and go into Australia, it is not much different than going into a city in the United States. Those people are friendly, they are allies, and they love the United States.

I heard when I was watching on television, though, about the issue on reimportation of prescription drugs. Many nations subsidize their drugs, like Australia, like Canada, like the Netherlands; and in those cases they will not reimport them because their own government subsidizes them for low cost. They have government control of their prescription drug programs.

We are working on a program to make sure that those imported drugs are safe. The Secretary has said that and is working diligently on it, and I think before long we will have a safe program where we can reimport drugs into this country and make them cheaper.

But I also remind my colleagues there are a lot of other things we can do locally to make sure that happens. The FDA, we threatened to privatize them at one time because they were so slow, and they sped up.

If you look at the patent laws that we have, quite often a biotech company will produce a drug, and they have got still people working in their businesses, and they do not know if they are going to be able to realize the benefits from that or not. It may take 2, 3, 4, sometimes 5 years to get through the process; and at the end of that, the patent law runs out, so they have to get an exorbitant price of that particular drug just to recoup their benefits.

These are things that I think we can do locally, besides the reimportation, and make it safe. There is no one that does not support it, if it is safe for the American population.

Mr. Speaker, I rise in strong support. I thank the chairman for the time and for bringing forth this bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Toledo, Ohio (Ms. KAPTUR), who perhaps knows more than anybody in this body about international trade.

Ms. KAPTUR. Mr. Speaker, I thank the gentleman from Ohio, and I doubt anyone can hold a candle to him relative to trade.

Mr. Speaker, I rise in opposition to this trade proposal, in a way reluctantly. I had held such hope that this particular proposal could be the template for trade agreements that could be negotiated between the developed democracies of the world, and that following on the Jordan Free Trade Agreement, we could actually produce the first trade agreement between developed democracies that would provide the gold standard for the world, that we could really use proactively. This one falls far short of doing that.

You might ask the question, Would we have this agreement before us if Australia did not have troops in Iraq? It is kind of interesting that this is coming up at this particular moment.

One of my concerns about this agreement is that Australia may become another back door trade route to the U.S., sort of the new Hong Kong, because of all the current difficulties in Hong Kong NOW. This agreement is imperfect. It does not really provide a comprehensive set of provisions to really deal with trade between nations that want higher standards of living, but that in fact you will get more Chinese goods and Chinese investment going into Australia and then coming here under this so-called ''free trade'' agreement because of all the economic and commerical difficulties that Hong Kong is having since the handover to the Chinese.

We know that this particular agreement would allow drug companies to challenge decisions on coverage and payment, so we further weaken the abilities of developed democracies to try to provide affordable health care for all their people.

The agreement is absolutely inadequate in terms of comprehensive labor and environmental standards. We should accept no less. In fact, my dream would be that we would learn how to strike trade agreements between developed countries, and then ask third world nations to join that consortium in order to raise standards of living around the world, rather than force all nations in this race to the bottom, including our own, where wages among the majority have fallen.

Mr. Speaker, I include for the RECORD an article from the Wall Street Journal, ''Trade Agreement May Undercut Importing of Inexpensive Drugs,'' and also a set of standards we should use in any trade agreement based on a review of some of our other trade agreements. There standards should be expected from any trade agreement this Nation negotiates.

I ask my colleagues to vote ''no.'' This agreement is too incomplete and imperfect.

[From the New York Times, July 12, 2004]

TRADE AGREEMENT MAY UNDERCUT IMPORTING OF INEXPENSIVE DRUGS

(By Elizabeth Becker and Robert Pear)

WASHINGTON, July 11.—Congress is poised to approve an international trade agreement that could have the effect of thwarting a goal pursued by many lawmakers of both

parties: the import of inexpensive prescription drugs to help millions of Americans without health insurance.

The agreement, negotiated with Australia by the Bush administration, would allow pharmaceutical companies to prevent imports of drugs to the United States and also to challenge decisions by Australia about what drugs should be covered by the country's health plan, the prices paid for them and how they can be used.

It represents the administration's model for strengthening the protection of expensive brand-name drugs in wealthy countries, where the biggest profits can be made.

In negotiating the pact, the United States, for the first time, challenged how a foreign industrialized country operates its national health program to provide inexpensive drugs to its own citizens. Americans without insurance pay some of the world's highest prices for brand-name prescription drugs, in part because the United States does not have such a plan.

Only in the last few weeks have lawmakers realized that the proposed Australia trade agreement—the Bush administration's first free trade agreement with a developed country—could have major implications for health policy and programs in the United States.

The debate over the drug imports, an issue with immense political appeal, has been raging for 4 years, with little reference to the arcane details of trade policy. Most trade agreements are so complex that lawmakers rarely investigate all the provisions, which typically cover such diverse areas as manufacturing, tourism, insurance, agriculture, and increasingly, pharmaceuticals.

Bush administration officials oppose legalizing imports of inexpensive prescription drugs, citing safety concerns. Instead, with strong backing from the pharmaceutical industry, they have said they want to raise the price of drugs overseas to spread the burden of research and development that is borne disproportionately by the United States.

Many Democrats, with the support of AARP, consumer groups and a substantial number of Republicans, are promoting legislation to lower drug costs by importing less expensive medicines from Europe, Canada, Australia, Japan and other countries where prices are regulated through public health programs.

These two competing approaches represent very different ways of helping Americans who typically pay much more for brand-name prescription drugs than people in the rest of the industrialized world.

Leaders in both houses of Congress hope to approve the free trade agreement in the next week or two. Last Thursday, the House Ways and Means Committee endorsed the pact, which promises to increase American manufacturing exports by as much as $2 billion a year and preserve jobs here.

Health advocates and officials in developing countries have intensely debated the effects of trade deals on the ability of poor nations to provide inexpensive generic drugs to their citizens, especially those with AIDS.

But in Congress, the significance of the agreement for health policy has generally been lost in the trade debate.

The chief sponsor of the Senate bill, Senator BYRON L. DORGAN, Democrat of North Dakota, said: ''This administration opposes re-importation even to the extent of writing barriers to it into its trade agreements. I don't understand why our trade ambassador is inserting this prohibition into trade agreements before Congress settles the issue.''

Senator JOHN MCCAIN, an author of the drug-import bill, sees the agreement with Australia as hampering consumers' access to drugs from other countries. His spokesman said the senator worried that ''it only protects powerful special interests.''

Gary C. Hufbauer, a senior analyst at the Institute for International Economics, said ''the Australia free trade agreement is a skirmish in a larger war'' over how to reduce the huge difference in prices paid for drugs in the United States and the rest of the industrialized world.

Kevin Outterson, an associate law professor at West Virginia University, agreed.

''The United States has put a marker down and is now using trade agreements to tell countries how they can reimburse their own citizens for prescription drugs,'' he said.

The United States does not import any significant amount of low-cost prescription drugs from Australia, in part because federal laws effectively prohibit such imports. But a number of states are considering imports from Australia and Canada, as a way to save money, and American officials have made clear that the Australia agreement sets a precedent they hope to follow in negotiations with other countries.

Trade experts and the pharmaceutical industry offer no assurance that drug prices will fall in the United States if they rise abroad.

Representative SANDER M. LEVIN of Michigan, the senior Democrat on the panel's trade subcommittee, voted for the agreement, which could help industries in his state. But Mr. Levin said the trade pact would give a potent weapon to opponents of the drug-import bill, who could argue that ''passing it would violate our international obligations.''

Such violations could lead to trade sanctions costing the United States and its exporters millions of dollars.

One provision of the trade agreement with Australia protects the right of patent owners, like drug companies, to ''prevent importation'' of products on which they own the patents. Mr. Dorgan's bill would eliminate this right.

The trade pact is ''almost completely inconsistent with drug-import bills'' that have broad support in Congress, Mr. Levin said.

But Representative BILL THOMAS, the California Republican who is chairman of the Ways and Means Committee, said, ''The only workable procedure is to write trade agreements according to current law.''

For years, drug companies have objected to Australia's Pharmaceutical Benefits Scheme, under which government officials decide which drugs to cover and how much to pay for them. Before the government decides whether to cover a drug, experts analyze its clinical benefits, safety and ''cost-effectiveness,'' compared with other treatments.

Joseph M. Damond, and associate vice president of the Pharmaceutical Research and Manufacturers of America, said Australia's drug benefit system amounted to an unfair trade practice.

''The solution is to get rid of these artificial price controls in other developed countries and create real marketplace incentives for innovation,'' Mr. Damond said.

While the trade pact has barely been noticed here, it has touched off an impassioned national debate in Australia, where the Parliament is also close to approving it.

The Australian trade minister, Mark Vaile, promised that ''there is nothing in the free trade agreement that would increase drug prices in Australia.''

But a recent report from a committee of the Australian Parliament saw a serious possibility that ''Australians would pay more for certain medicines,'' and that drug companies would gain more leverage over government decisions there.

Bush administration officials noted that the Trade Act of 2002 said its negotiators should try to eliminate price controls and other regulations that limit access to foreign markets.

Dr. Mark B. McClellan, the former commissioner of food and drugs now in charge of Medicare and Medicaid, said last year that foreign price controls left American consumers paying most of the cost for pharmaceutical research and development, and that, he said, was unacceptable.

EXECUTIVE SUMMARY

NAFTA AND THE FUTURE OF GLOBAL TRADE

The North American Free Trade Agreement (NAFTA) is now ten years old. At its heart, it embodies the new heroic struggle of working men and women to gain a foothold in the rough and tumble global economy dominated by multinational corporate giants. Unfortunately, it pits local workers and farmers against global investors. It pits Neustro Maiz, a peasant tortilla co-op in southern Mexico, against ADM, the US grain trade giant. It pits Norma McFadden of Sandusky, Ohio, who lost her middle class job with benefits at Dixon Ticonderoga, against Ana Luisa Cruz of Cuidad Juarez, who earns $7 a day with no benefits. For NAFTA to be credible as a model for future trade agreements, it must be amended. People should be more important than goods. A human face to trade must be negotiated. Without it, the global divide between poverty and wealth will exacerbate. More popular unrest will result from unfair trade, and the social compact so necessary for global cooperation will be shattered.

NAFTA is important because it serves as the major template for a new global economic order integrating rich and poor nations through trade and investment. Mexico, Canada and the U.S. were to integrate their economies and, as a result, be better positioned to compete globally. It was touted as the neo-liberal model that would lift the economic condition of all people. All ships, no matter how small, were to be brought forward. But NAFTA worked exactly in the reverse. Affected workers in all three nations saw their wages and working conditions lowered. As capital moved across borders with no social policies in place, NAFTA has triggered an international race to the bottom as even Mexico has lost 218,000 jobs to China, a lower wage environment with a notorious record of human rights abuses.

Capital and wealth have become more concentrated in all three nations. The middle class in the U.S. is experiencing a growing squeeze on benefits and job quality. In Mexico, an endless supply of ''starvation wage'' workers was unleashed. Now the Bush Administration is trying to spread the same model to Central America using Central American Free Trade Agreement (CAFTA), and throughout the rest of the Western Hemisphere with the Free Trade Area of the Americas (FTAA). If these agreements are passed, it is clear that only the same can be expected, that is, expanding job washout, underemployment, and trade deficits in the U.S. without improved living standards in the poor countries with whom it trades.

A reformed trade model among trading nations is needed that yields rising standards of living for workers and farmers. This must be based on transparent and enforceable rules of law concerning labor, environment and business. Continental sustainable wage and labor standards should be adopted. Trade accords must also incorporate industrial and agricultural adjustment provisions, and currency alignment. An infrastructure investment plan should be negotiated as a core provision of any trade agreement. Along with complementary systems for education and safe, reliable medical care for all of their citizens, including the over 9 million immigrants traveling as itinerant labor to the U.S. every year.

RECOMMENDATIONS

Policy reforms are essential to amending NAFTA and other trade agreements that have yielded such huge U.S. trade deficits, job washout, and lowered standards of living.

A CONTINENTAL ASSESSMENT OF NAFTA SHOULD BE LAUNCHED TO ADDRESS ITS SHORTCOMINGS

An intracontinental parliamentary Working Group on Trade and Working Life in America, comprised of U.S., Mexican, and Canadian members, should be established with the goal of amending NAFTA to address its shortcomings. Such a working group should analyze the results of NAFTA and its impact on workers, farmers and communities. The Working Group should define a sustainable wage standard for workers in each country and a continental labor registration system along with enforceable labor and environmental standards. It would identify the massive continental labor displacements that are occurring, often with no social safety net in place. It would explore options to deal with divergence in education and health as well as currency fluctuations and impact of trade on infrastructure, investment, and migration. It would harmonize inequitable tax systems and augment credit systems for the safe and non-usurious continental transfer of remittances by mobile workers. It would also propose funds in the form of adjustment assistance to cushion continental economic integration. The organization would include as a key component an intracontinental Agricultural Working Committee to address the hardships faced by farmers and farm labor in all three countries.

TRADE AGREEMENTS SHOULD YIELD TRADE BALANCES

If NAFTA were working in the interests of the U.S., there would be a trade surplus with Canada and Mexico, as the U.S. exported more than it imported. Exactly the reverse is true. In 2003, the NAFTA trade gap equaled $100 billion—$42 billion with Mexico and $85 billion with Canada. This represents a serious drag on U.S. gross domestic product and a loss of wealth. Indeed the U.S.-NAFTA trade balance with low-wage Mexico as well as Canada has turned decidedly more negative, and worsened each year, contrary to NAFTA's stated aims. When a trade agreement yields major and growing deficits for more than three years, it ought to be renegotiated.

DEVELOP AN ALTERNATIVE TRADE BLOCK PARADIGM

Trade agreements must be structured to achieve rising standards of living for a broad middle class, not just the capital class. The current NAFTA model fails to address the root causes of market dysfunction and growing U.S. trade deficits i.e., the managed market and regulated trade approaches being employed by its European and Asian competitors. With NAFTA, the U.S. chose a low wage strategy to meet this real competition from trading counterparts that were gaining global edge. The U.S. must counter the managed market and regulated trade approaches of its major competitors.

HARMONIZE QUALITY OF LIFE UP, NOT DOWN

Rather than allowing transnational companies to set the rules of engagement, democratic nations first should forge international trade agreements with the world's developed democracies and then invite in developing nations to participate in this ''free world'' Global Trade Organization. Such an effort holds the potential to transition these nations upward to the same democratic, legal, and environmental systems of the free world. Instead, the trade relationships that have been forged link the economic systems of first world democratic nations to Third World, undemocratic, non-transparent systems. Social concerns like education, environment, infrastructure, labor conditions, and health have been ignored. The downward ''race to the bottom'' push of NAFTA continues to be felt in the U.S. as well as Mexico and Canada.

TRADE ACCORDS SHOULD PRODUCE LIVING WAGE JOBS, LESS POVERTY AND AN IMPROVED ENVIRONMENT

If NAFTA were working, more good U.S. jobs would be created, outnumbering job losses. In Mexico, workers would experience a rising standard of living. Exactly the opposite is true. Conservative estimates indicate the U.S. has lost 880,000 jobs due to NAFTA. These jobs are largely in U.S. companies that merely relocate to Mexico paying ''hunger wages.'' Wages in Mexico have been cut by a third. If NAFTA were working in the interest of Mexicans, there would be a reduction in poverty, a growing middle class, and environmental improvement. Instead there is a rollback in wages, deplorable working conditions, and growing economic concentration of wealth in a few hands, forcing huge social dislocation.

As U.S. jobs are sucked into Mexico, not only do more people vanish from the middle class but also U.S. schools lose property taxes. In a state like Ohio that has lost nearly 200,000 jobs to Mexico, the economic decline is visible. Ohio's income growth is declining. In 1999, according to Ohio Department of Development statistics, citizens in Ohio lost $30.7 billion in total income compared to the past year. The state itself lost $15 billion. As a result, college tuition has increased, with average student undergraduate debt rising to record levels of $18,900. Nursing homes are understaffed with low paid workers, and the ranks of uninsured Ohioans has risen to 1.3 million. The State is raising taxes on everything from sales, to gas and to property to try to fill the gap of a fleeing private sector. Quality of life is sliding backwards. NAFTA-related environmental enforcement remains largely nonexistent. If NAFTA were working, environmental improvement in Mexico would be upgrading; it is sliding backward.

Transition U.S./Canadian displaced workers to comparable employment and Mexico's workers and peasants to land holding and living wage standard.

NAFTA—displaced workers in the U.S. largely have been abandoned in their efforts to reposition to new employment. Unemployment benefits expire, training is inadequate, and health benefits expire or are unaffordable. Experienced workers rarely find jobs with comparable pay or benefits. Mexico's vast underclass, underpaid, and exploited, lacks a living wage, affordable elementary education, basic health care, and systems to gain property ownership and affordable credit even for basic purchases. In order to move forward with any future trade agreements, NAFTA must acknowledge its human toll and respond accordingly. NAFTA provisions have led to the displacement of thousands of small business, industrial and agricultural workers throughout the U.S., Mexico and Canada. Little provision has been made to assist these workers, farmers, and communities with any transitional adjustment assistance. In Mexico, this has caused masses of people to stream toward the border and the maquiladora zones in search for jobs.

The North American Development Bank, which was established to help local communities build their human and physical infrastructures, has been an abject failure. It should promote economic investment in those regions of Mexico and the United States where jobs have been hollowed out due to NAFTA, or infrastructure is needed. Bank assets could be enhanced by financial contributions that flow from trade-related transactions.

Create new continental law enforcement body to combat growing crime along U.S.-Mexico border region related to border workers, drugs, and unsolved murders of hundreds of Mexican women.

The United States Departments of Labor and Homeland Security should be tasked not only with stopping the trafficking of bonded laborers but devising a continental labor identification card. Along with mass migration, the border has seen an explosion in the illicit drug trade. Law enforcement officers on both sides of the border must battle smuggling in narcotics and persons. A continental working group should be directed to recommend a new solution for combating crimes that result from the illegal drug and bonded worker trade that spans the border.

Mr. CRANE. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Arizona (Mr. KOLBE).

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

Let me begin by saying to the gentleman from Illinois that I want to congratulate him and thank him for his leadership in the area of trade. Through the years, there has been no one in this House that has been a more stalwart proponent of opening markets abroad and in the U.S. to trade, and I think that his leadership has done a great deal to improve the lives of Americans. So I congratulate him on bringing this agreement to the floor.

I do rise in strong support of this agreement with Australia. I think it is worth noting that this is the first free trade agreement we have had with an industrialized nation in 17 years. It is an important trade agreement. It is one that demonstrates how U.S. leadership in international economic policy is continuing to expand free trade on a worldwide basis.

The amount of trade between the United States and Australia is substantial—$29 billion—which makes it the ninth largest trading partner of the United States: $19 billion of that amount reflects trade in agricultural and industrial production, and $9 billion, the fastest growing part, is the trade in services. Our exports to Australia include transportation equipment, notably aircraft and engine parts, telecommunications equipment, measuring instruments, internal combustion engines, and computers and all the components that go into those computers.

Mr. Speaker, I urge my colleagues to support this agreement. It is an agreement that is critically important for consumers here, for our families, and for workers here in the United States. Free trade with Australia helps to keep inflation rates low. It provides opportunities for a better quality of life for the U.S. worker and families through lower prices of imported goods.

We are pursuing this agreement in our national economic interests. But, without doubt, it also serves our national security and our foreign policy interests as well.

Let us make no mistake about it, and the gentlewoman from Ohio alluded to this: Australia has been a friend; it has been an ally in this war against terrorism. In the aftermath of the September 11 terrorist attacks, this ally has provided some 1,550 soldiers and military equipment to support the U.S.-led coalition to combat terrorism. Australia has contributed generously to the coalition effort to disarm Iraq by sending to Iraq fighter jets, transport aircraft and ships, reconnaissance forces, and dive team members.

So I want to commend Ambassador Zoellick and the team at USTR and the administration for successfully negotiating what I think is an important free trade agreement. It is not perfect. Members like myself would have wished to have increased market access for Australian exports of sugar. But, nonetheless, this is a good agreement and a significant accomplishment, and I urge my fellow Members to vote ''yes'' on this agreement.

Mr. LEVIN. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, I want to mention right at the beginning that the gentleman from New York (Mr. RANGEL) wished to be here. We share a very similar approach to this issue. But he had to leave to go to New York for a funeral, so he could not be with us.

This administration's economic policy, in a few words, has been a miserable failure. I have joined with others in opposing key parts of their approach to trade. I helped lead the fight against their Trade Promotion Authority and for our own alternative, and we have helped to point out time after time their lackluster record on enforcement.

In a word, we have opposed the administration for using a one-size-fits-all, a blind, a cookie-cutter approach to trade policy. I do not think it works for us to respond with our own cookie-cutter approach to trade.

So we have before us a specific agreement. It has some very important, positive features to it. For manufacturing, right now, 93 percent of the total value of goods that we send over to Australia are in manufacturing, and duties on more than 99 percent on these goods will be eliminated. This has real implications for autos and auto parts, for construction equipment, for electrical equipment, for appliances, for furniture, for information technology, for medical and scientific equipment. Also, there are important provisions here for agriculture. Australia will eliminate immediately all of their tariffs on food and on agriculture.

Let me say, though, despite these provisions, and there are some important provisions regarding services, I would vote against this bill if I thought it either undermined our position, our efforts, our commitment on core labor standards, or our firm commitment on the reimportation of drugs.

As to labor standards, Australia uses the standard ''enforce your own laws.'' That can work for countries that have solid laws that meet ILO standards and enforce them. That was the standard, ''enforce your own laws,'' in Jordan; and it worked because those standards are in their laws and they enforce them. It is the case in Australia.

I think the best approach is to say what will work for Australia will not work for nations with very different conditions. We will never agree to one-size-fits-all, to a blind application of provisions; and that is clearly true in terms of labor standards in Central American nations.

We on this side overwhelmingly, and I hope the same is true of many over there, will not vote for a CAFTA with a standard that would ratify very unsatisfactory conditions for their workers, for their nations, for our workers and our Nation, and can only lead to a race to the bottom.

As to prescription medicines, we were very concerned about this issue. A number of us, led by the leader, the gentlewoman from California (Ms. PELOSI), the gentleman from New York (Mr. RANGEL), the gentleman from Maryland (Mr. HOYER), the gentleman from California (Mr. STARK), the gentleman from California (Mr. MATSUI), and others, as I look at the letter, opened up this question with our USTR in our letter of January 15.

Here is what we said: ''We are writing as members of the Democratic leadership of the House and senior members of the Committee on Ways and Means to express serious concerns about the administration's effort to modify Australia's National Pharmaceutical Reimbursement Program as part of the negotiations of a free trade agreement with Australia.''

We said in conclusion, ''Given these concerns, we urge you,'' this was a letter to the President, to the USTR, to Mr. Zoellick, ''to withdraw the proposal that would, in essence, interfere with their structure and would replace it with one that is derived after a meaningful dialogue with Congress.''

Australia resisted this effort by USTR. We supported Australia's resistance. That approach was, in essence, withdrawn; and it is not in this agreement.

Then as to prescription medicines, there is the issue of whether it forces changes in the law of Australia. We asked the ambassador from Australia to tell it straight, and here is what he said. We wrote it down. It reiterated today what he said earlier: ''In neither case with respect to listing or pricing decisions will we be changing Australian legislation. We are not changing the methodology for evaluating the effectiveness and the pricing of drugs. We are making changes to the process to allow greater consultation and transparency, to make the process more timely and to allow an independent review of the decision by the Pharmaceutical Benefits Advisory Committee. The final decision to list a drug, including the price, remains with the Minister for Health. Let me also refer briefly to the issue of whether it will force any other changes, and I think the answer is basically no.

Mr. Speaker, let me address the issue of reimportation for just a minute.

□ 1630

Australian law, as has been mentioned, prohibits the export of any drug that is subsidized by their system. That is 90 percent of their drugs. What was placed in this FTA was the laws of this country that relate to patents, including pharmaceutical drugs, but all other patents. I think it was a mistake to include it in this FTA. However, it has no practical effect in terms of reimportation because of the Australian system and their prohibition on the export of any drug that is subsidized. They do not want their subsidization to benefit us here in the United States.

So if we follow the principle that we will look at each agreement on its own, if we follow that principle, I think we will then approve Australia, we will approve this FTA, but we will make it very clear that if that provision is placed in another FTA where the conditions are very different and it could affect, practically speaking, reimportation of drugs to the U.S., we will do the same vis-a-vis such effort as we are going to do as to CAFTA, strongly oppose it, because we do not want provisions in one agreement placed in another where the conditions are very, very different and where there would be injury to the interests of the United States.

So, in a word, I do think, because of the positive provisions in this FTA relating to manufacturing, agriculture services, that we should approve this agreement. However, in doing so, it has to be absolutely clear: Do not use the standard as to core labor standards elsewhere where the conditions are different, and do not dare for a minute use this in any fair trade agreement which would actually inhibit our changes in law on reimportation.

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

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in support of this agreement.

Over the years, Australia has been a terrific friend of the United States of America in every way. Over the years, I have restated my commitment to free trade between free people, and I can think of no better example of two free nations establishing open commerce between themselves than this suggestion that we have free trade with the people of Australia.

Moreover, Australia has been a stalwart ally in the war on terror, and they have been with us all the way when much of the rest of the world was against us.

Unfortunately, the authors of this bill decided to construct it in a fashion that will restrict the right of the

American people to purchase reimported, American-made prescription drugs in this bill and in future trade agreements.

Well, I happen to be a strong supporter of America's access to reimported, American-made prescription drugs, but I am also supportive of free trade between free people, and I am also a grateful American for the friendship that has been shown us and demonstrated by the people of Australia. I would like to express my frustration with the administration and with our leadership for making what would have been an effortless vote on my part into a much more difficult decision. They cannot count on me in the future for votes on free trade agreements that include this provision.

But, in terms of this vote today, we owe it to our Australian friends. They have been with us through thick and thin, and this vote today and this free trade agreement is our way of saying to our Australian friends, thanks, mates.

Mr. BROWN of Ohio. Mr. Speaker, I continue to reserve my time waiting, I believe, for the gentleman from Illinois (Mr. CRANE) to close if he would like.

Mr. CRANE. Mr. Speaker, I yield 10 minutes to our distinguished colleague, the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I rise in strong support of this legislation.

I would like to take a few minutes to first follow up on the discussion that we had at the opening of the rules debate this morning on the House floor.

One of our colleagues, I do not remember exactly who it was, I think it may have been my friend, the gentleman from Michigan (Mr. LEVIN), talked about the fact that there had been no consultation on the issue of this pharmaceutical drug reimportation issue; and I said at the time that I was going to get some information on the consultative process which took place as it relates to the free trade agreement, and it does include a great deal of discussion on the issue of the pharmaceutical question.

The administration, as I said this morning, held extensive, extensive consultations with Congress on the Australia Free Trade Agreement. There were, in fact, 29 briefings that were held with the Committee on the Judiciary and members of the Committee on Ways and Means on the FTA. There were actually eight briefings that were held specifically on the pharmaceutical question in a bipartisan way, and they related directly to the intellectual property rights issue, which is an important question.

So this argument that somehow there was no consultation with the Congress on the issue of the pharmaceutical question is a specious one. Actually, Members and staff who have clearances received the text on the intellectual property rights issue, which included patent provisions, in March of 2003, 16 months ago. So I think it is important for us to note that there has been an important process that took place.

My good friend and fellow Californian (Mr. ROHRABACHER) was just here in the well, and I know that there has been, again, some confusion on this issue of whether or not the free trade agreement itself somehow includes a provision that would prevent the United States Congress from dealing with the reimportation issue. I will say right now what I said this morning when we were debating the rule: There is absolutely nothing whatsoever in this legislation that regards the issue of drug reimportation.

What I would like to do is say that the free trade agreement has nothing in it, the implementing language has nothing in it at all. Any law that the United States Congress passes always will trump the free trade agreement. So the very important thing that we need to realize is that our Constitution grants us that authority. So the patent provision in the free trade agreement restates U.S. law and applies to all patents, not just pharmaceuticals. Not including this provision would be devastating to the U.S. intellectual property rights holders in every sector of our economy, including pharmaceuticals.

I know my friend, the gentleman from California (Mr. ROHRABACHER), is a great screenwriter. It would include, obviously, intellectual property when it comes to our very important entertainment industry as well.

Australian law states, already states that there is a ban on the exportation of drugs dispensed under the PBS, the Pharmaceutical Benefits Scheme that exists. Unlike Canada, Australian law explicitly prohibits other parties such as a wholesaler or a pharmacist from exporting nonPBS-dispensed drugs. That is Australian law. It has nothing whatsoever to do with the free trade agreement itself.

So I think we need, and I am happy that my friend is going to be supportive of this legislation and was going to be supportive earlier, but now what I want him to know is that he can be an even greater enthusiast in support of this now that we realize that there is nothing in this free trade agreement that deals with the issue of drug reimportation.

Now, let me just make a couple of comments on some things that had troubled me.

First, and this does not trouble me at all, it is simply praise for the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade. He educated me and a lot of others over the years on the importance of trade liberalization. Trade liberalization, breaking down barriers, does enhance opportunities for the free flow of goods, services, and capital and how that improves the quality of life worldwide. I learned so much of that from the gentleman from Illinois (Mr. CRANE). He has been a great teacher on it.

The thing that has concerned me about this debate today is that some are trying to use the U.S.-Australia free trade agreement as an argument in opposition to other agreements. It is true that with Australia we have a very similar economy, and that is something that is important for us to recognize. It is also true, as my friend, the gentleman from California (Mr. ROHRABACHER), and others have said, and I said when I was standing here this morning, that the alliance between Australia and the United States of America is an extraordinarily important one.

Prime Minister Howard was here on September 11 of 2001. He was going to be addressing a joint session of Congress, and he was here when President Bush addressed the Congress, and he stood with us consistently. In fact, he actually has used this term, he describes Australia as the sheriff for the United States of America. And it does underscore the importance of this agreement, how it will go even further in strengthening this critically important tie.

But as we look at the Australia agreement, how we can all of a sudden say the trade liberalization with countries that are trying to claw themselves onto the first rung of the economic ladder, how we did oppose those based on the fact that we have one structure with the U.S.-Australia agreement, is to me something that is very, very troubling.

I happen to be a strong proponent of the Central American Free Trade Agreement. I believe that it is critical for us, as the trade ministers, all the trade ministers said to me upstairs in the Committee on Rules just several weeks ago from five Central American countries, that to lock in democracy in Central America, to make sure that we improve the standard of living for the people of Central America, we must have the Central American Free Trade Agreement.

Now, many of us were in Seattle. I know I was there with my friend, the gentleman from Michigan (Mr. LEVIN), in December of 1999, the first week of December, 1999. We all know how that meeting fell apart. And I will never forget the cover of The Economist magazine, that great publication which, for a century and a half, has focused on the issue of trade liberalization as its priority. The cover of that magazine the week after the ministerial meeting broke down in Seattle had a picture of a starving baby in Bangladesh with the caption: ''Who was the real loser in Seattle?''

The reason is that it is important for us, if we are committed to making sure that these developing nations do, in fact, have an opportunity to succeed and, as I said, get onto the first rung of

the economic ladder, we need to work on trade liberalization with them. We need to help them find new opportunities to participate in the global economy. So that is why this is a very good agreement; and, similarly, other free trade agreements that we are going to be putting together that will break down barriers and encourage that free flow of goods and services and capital is something that we absolutely must continue with.

So, yes, we are going to have strong bipartisan support for this measure, but equally important and, in some ways, maybe even more important, Mr. Speaker, we need to have strong bipartisan support when it comes to these further agreements. Why? Because there are countries in this hemisphere and in other parts of the world that would love to have economies like Australia's or like the United States of America, and I happen to believe that the only way that we are going to create an opportunity for them to enjoy the wonderful standard of living that exists in both Australia and the United States of America is for us to have them enjoy the opportunity to participate in our global economy.

□ 1645

So I herald my colleagues who are going to be supporting this. I hope that everyone plays a role in understanding that this is part of our being on the cutting edge of the 21st century global economy. I congratulate President Bush for the leadership that he and Ambassador Zoellick have provided on this issue and my colleagues on both sides of the aisle for doing it. I look forward to a very, very strong vote in just a few minutes.

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

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is a short time to talk about a trade bill, but I thank the distinguished gentleman from Michigan for his hard work, all of the Members that are on the floor.

Let me speak very quickly. I look forward to a Congress, hopefully Democratic-controlled, that will have the kind of oversight that will allow us to write the trade bills that answer all of the concerns of Americans, but let me just say this. The work that has been done on this bill leads me to believe that we can at least get started in support of this legislation.

One, I am sure that the indigenous population in Australia is one that is going to be addressed, that they are looking to enhance their educational opportunities, and I am going to be monitoring it myself. I do believe that it is important to state that the present status of reimportation is not precedent; and even if we vote on this legislation, it will not be used against us in the whole concept of providing cheaper drugs for Americans.

I am very glad to say that there are no immigration provisions on there, because no treaty should allow back-door immigration policies like the Chilean trade bill and the Singapore trade bill.

And then I would say although it is not perfect, and I want to say to my labor friends, you are absolutely right, and when we get the kind of Congress that ensures that we have strong labor laws, we will be able to write these good bills; but I am glad to say that Australia does have its own worker-protection legislation. With that, I would say that this bill provides us an opportunity to make a positive statement, and in Texas we have got $749 million in trade in Texas.

Mr. Speaker, I rise in support of the U.S.-Australia Free Trade Agreement, H.R. 4759 because of the economic benefits that it will bring for both signatories of the agreement. During insecure economic times it is vital that we give free trade agreements such as this close scrutiny. While I have certain reservations about this Agreement, specifically the fact that workers rights protections are not as extensive as those given for intellectual property, I am giving my support to Australian Free Trade Agreement in the hopes that more Americans jobs can be created as a result.

My support for this bill of implementation goes with the hope that it will not bring with it some of the negative implications that the Chile and Singapore agreements brought. I voted against the U.S.-Chile Free Trade Agreement, H.R. 2738 and the U.S.-Singapore Free Trade Agreement, H.R. 2739 in July of last year partially based on the impacts that will be made on employment in the United States.

My support for the Australian Free Trade Agreement is largely based on the fact that there are no back-door immigration provisions included in the bill. The Chile and Singapore agreements however, will create a new class of temporary entry visa for "professional" workers. As Ranking Member of the House Judiciary Subcommittee on Immigration and Claims, this substantial change to the current immigration laws concerns me. Certain classes of workers—some 5,400 Singaporean and 1,800 Chilean immigrants would be eligible for this visa which would be indefinitely renewable. The H1–B rules that limit the duration and renewability needed to be applied to these agreements in order to preserve the consistency of our immigration policy. Additionally it is important to note that Texas does over $740 million dollars in export business with Australia thereby creating JOBS in Texas!

I also found the lack of parity between the enforcement of labor laws in the U.S. and in Chile and Singapore to be troubling because it would leave our workers vulnerable to harsh and inhumane labor standards.

Fast Track legislation has not required the president to include enforceable protections for the environment and workers' rights in our trade agreements, lacks adequate procedures for consultation with Congress and the public, harms independent farmers and limits democratic debate about trade policy.

The U.S.-Australia FTA is between industrialized nations; two countries with many similarities in terms of their stage of economic development. This is true of the important manufacturing sector, and therefore the reductions in tariff levels should provide many mutual benefits. Australia has also made important commitments in the area of copyright and trademark protections which will safeguard digital content and promote Internet technologies.

In the area of internationally-recognized core labor standards, the FTA adopts a standard for each nation to effectively enforce its own laws. While I do not support this model, I believe the structures in Australia, and importantly, the history and experience in this area, including a substantial percentage of Australian workers in unions and covered by collective bargaining agreements, are strong enough to ensure fair competition and a substantial middle class for the benefit of Australia and as a market for U.S. goods and services.

History has invariable shown that the status of internationally-recognized labor standards is a critical factor in a nation's economic development, in the spread of benefits to a broad spectrum of its citizens and in reducing serious income disparities which is essential to the development of a middle class.

Unfortunately, the Administration continues to pursue trade agreements with countries in very different stages of economic development than ours using the same model for labor standards. Their one-size-fits-all approach to trade agreements generally, and labor standards specifically, is driven by their outdated view that more trade is always better, no matter the terms and content of the trade, ignoring the stark realities of globalization.

As long as the Bush Administration continues to ignore these realities, they will find success only in smaller agreements such as Australia and continue to fail U.S. workers and businesses in the larger or more difficult FTAs (i.e., CAFTA, FTAA), in the multi-lateral World Trade Organization (WTO) negotiations, and in addressing the skyrocketing trade deficit with China.

Lastly, I want to make it very, very clear, the prohibition of the reimportation of prescription drugs is not supported by my vote—and should not be taken as support for this precedent!

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

Mr. LEVIN. Mr. Speaker, I yield myself ½ minute.

Two quick comments. The gentleman from California (Mr. DREIER) says that U.S. law will always trump a trade agreement, but it could create a violation of the trade agreement. In this case a violation is theoretical, but do not try the approach in a very different case.

Secondly, to the gentleman from California (Mr. DREIER), a race to the bottom does not help the people in developing nations or this Nation. That is why we want different agreements for different situations.

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

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The time of the gentleman from Michigan (Mr. LEVIN) has expired.

Mr. CRANE. Mr. Speaker, I yield such time as he may consume to the

gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time, and I would simply say that we all want to ensure that we do not see an engagement in the race to the bottom. That is not a goal that we have at all. What we want to do is we want to have in place policies, and the so-called race-to-the-bottom argument is one which was used as we were looking at the passage of fast track several years ago.

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

Mr. DREIER. I yield to the gentleman from Michigan.

Mr. LEVIN. Mr. Speaker, I would say to the gentleman from California (Mr. DREIER) enforcing your own laws in a situation where the laws are inferior and unenforced will lead to a race to the bottom.

Mr. DREIER. Mr. Speaker, reclaiming my time, let me say that we all want to do everything that we can to ensure that we do not engage in a race to the bottom. What we want to do is we want to make sure that we engage in a race to the top; and to get to the top, there are many countries that today may not be able to comply with every single standard that developed nations like Australia and the United States of America enjoy, and it is for that reason that we need to ensure and recognize that the best way for them to be able to qualify for that status is to see the economies of those countries grow.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself my final 2 minutes.

Mr. Speaker, I enjoy hearing the gentleman from California (Mr. DREIER) talk about a world of trade that never quite ends up the way that we promise in this institution.

For 3 years in this Congress with this President, we have turned our government over to special interest groups. The Medicare bill was written by the insurance industry, the drug industry. Social security privatization legislation was written by Wall Street. Energy legislation has been written by Enron and Halliburton. Environmental legislation has been drafted by the chemical companies. And now trade legislation again has been written, in these provisions that we have talked about, by the drug companies.

If you think that the prescription drug industry has too much influence in this Congress, if you think the prescription drug industry has too much influence on the Medicare bill, too much influence with FDA, too much influence on trade policy, then vote ''no'' on this U.S.-Australia FTA.

If you do not trust the Bush administration to stand up to the drug companies and you do not trust the Bush administration to work for lower prices, then vote ''no'' on this U.S.-Australia FTA. If you care about reimportation and close to 300 Members on both sides of the aisle, 300 Members of this body do care about reimportation, if you in fact do, then vote ''no'' on U.S.-Australia FTA.

And if you want to send a message to this Congress, if you want to send a message to the President and to the USTR that we should not allow the drug industry to write trade law in this country, then vote ''no.''

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

I would like to just reiterate in closing that this is an important agreement, and Australia is a close ally and friend of the United States. As the Australian Trade Minister Mark Vaile has said, this FTA is the commercial equivalent of the ANZUS treaty on security issues signed in 1951. This agreement represents the best FTA ever negotiated regarding industrial products, over 99 percent of which will become duty free immediately. And it is estimated that U.S. exports to Australia support more than 150,000 jobs currently. And in addition, Australian farms in the U.S. employ over 85,000 Americans. The U.S. already enjoys a $9 billion trade surplus with Australia, and this agreement is clearly in our national interest; and I strongly urge my colleagues to support this agreement. Vote ''yes'' on H.R. 4759.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise in support of the Australia Free Trade Agreement but also to express reservations about the precedent it may set for future trade agreements. Australia has been a strong ally for decades and it is appropriate that the United States enjoy an open and fruitful trading relationship with Australia. Locally, this trade agreement will give a strong boost to trade and investments. My state of Missouri sent $137 million dollars worth of goods and services in 2003 to Australia, an increase of 9 percent over the previous year, in a variety of sectors. For example, chemical manufacturers export $46.4 million worth of goods to Australia and machinery manufacturers send $28.1 million worth of their products to the Australian market.

This trade agreement has received strong support from a variety of interests. The agreement contains many positive provisions such as strong protections for copyright owners and it provides exporters with a sound legal environment for the export of goods to the United States. Our country enjoys a trade surplus with Australia and has a long standing economic relationship with the United States that this agreement will continue. Passage of this agreement is a positive step for our relationship with one of our closest allies.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to commend the hard work and leadership of the Chairman and Ranking Member in producing this Australian Free Trade Agreement.

It is a credit to the diligence and dedication of the Australian government that this complex Free Trade Agreement was completed in under a year.

That is why I'm hopeful that the Australian government will employ that same diligence and dedication in resolving a dispute over maritime boundaries with its neighbor, East Timor.

Fifty-three of my colleagues have already joined in supporting East Timor's call for a fair and expeditious resolution to this dispute.

These disputed boundaries are a reminder of the invalid agreements made between Indonesia and Australia during the Indonesian military occupation of East Timor.

The East Timorese struggle for independence will not be complete until East Timor, a fully sovereign country, no longer has to bear that lingering reminder of subjugation.

To be sure, there is tremendous enormous financial benefit dependent upon how these maritime boundaries are drawn.

Rich with oil and natural gas reserves, these critical areas are an economic resource for a struggling country of very little economic activity.

A country struggling with high maternal mortality, widespread malaria and tuberculosis, rampant poverty, and desperately needed education.

The Australian government was a leader in assisting East Timor's transition to democracy. It provided peacekeepers and foreign aid. But since 1999, Australia has acquired an average of $1 million a day in petroleum from the disputed areas, exceeding the amount of assistance it provided to East Timor.

The Free Trade Agreement today between our two countries are a mark of respect we have for each other. A fair and equitable resolution of this boundary dispute with East Timor honors Australia's leadership and commitment to fostering a strong and enduring democracy.

As a friend of Australia, I respectfully urge its government to rejoin the international dispute resolution mechanisms and expeditiously negotiate a permanent maritime boundary in the Timor Sea in good faith, according to the established principles of international law.

Mr. BOEHNER. Mr. Speaker, I rise in strong support of this measure, which demonstrates, once again, the unmatched value of trade liberalization and the shared benefits of free trade agreements.

Over the last year, many of my colleagues here in the House have sought to address the plight of domestic manufacturers who have trimmed payrolls as they adapt to a new economy driven by the productivity gains of new technology. In the quest for political points trade has been wrongfully vilified and talk has centered on erecting new barriers to trade. Today members have an opportunity to set aside this counterproductive rhetoric and put into action a manufacturing trade agreement—an agreement that will benefit all sectors of our economy.

Two-way trade between the two countries exceeds $25 billion and the U.S. enjoys a $6 billion dollar trade surplus. More importantly, upon entry into force, 99 percent of exported U.S. manufactured goods to Australia will become duty-free. Manufactured goods now account for nearly 93 percent of U.S. exports to Australia. For automakers, a cornerstone industry for Ohio, this agreement will sweeten an export market that is already dominated by U.S. cars and light trucks and presents an opportunity for even more growth.

Lower tariffs on American goods will mean job creation, job security, and money in the pockets of America's workforce. Last year Ohio joined Washington, California, Illinois, Texas, Michigan, Pennsylvania, Kentucky, New York and Florida in the top 10 of exporting states to Australia. For my colleagues looking for even more reasons to vote in support of this agreement, you will discover some 19,000 companies that export to Australia

waiting for the opportunity to grow their business through lower tariffs and the removal of non-tariff trade barriers.

Those who search for any reason to be anti-trade are at a loss with this agreement because Australia maintains some of the highest labor standards and wage rates in the world. Sensitive agriculture products such as dairy and beef are protected with permanent safeguards and microscopic increases in tariff rate quotas. One commodity, sugar, is entirely exempted from the agreement. In short, those looking for reasons to oppose won't be able to find any.

Mr. Speaker, the U.S.-Australia Free Trade Agreement gives members that are concerned about job creation and manufacturing a chance to match their rhetoric with their vote. I urge members to support this agreement and vote yes.

Mr. BACA. Mr. Speaker, I rise in opposition to this free trade agreement.

A free trade agreement with Australia is a one-way street going in the wrong direction for U.S. jobs.

I am not opposed to free trade, but support it only when I believe the gains outweigh the losses.

Each year, Australia imports only 338 million dollars of American agriculture. Meanwhile, the United States imports about 2 billion dollars of agriculture from Australia.

Most of these imports, especially wine, milk, and wool, will hurt California's agriculture economy.

Competition is good for business, but only when all teams are playing by the same rules.

Over the past decade, exports of U.S. specialty crops have remained flat because of trade barriers and subsidized competition in many foreign countries.

Unfortunately, the Uruguay Round and other trade agreements have not provided the access to foreign markets that U.S. specialty crops were promised.

We need to remove these barriers before we sign new FTAs, and even then we should only sign those agreements that will result in beneficial trade for the United States—more exports than import.

I am especially concerned about FTAs with countries that export milk protein concentrates, which are used for the illegal substitution of milk in cheese. This robs our children of nutrition in the name of profit.

Warning Mr. and Mrs. America, one cup of milk in every slice is actually one cup of MPC in every slice.

As a representative of California, our Nation's beacon of agriculture, I have to think about jobs and the rural economy as much as lower prices at the consumer end.

We need to choose between buying moderately priced, high-quality products grown in the United States, or saving at the checkout counter on lower-quality foreign goods at the cost of sending our jobs abroad.

Will the millions of Americans who have lost their jobs to trade feel that it was worth it when they save a few dollars at the grocery store?

I don't think they will.

Mr. Speaker, I urge my colleagues to oppose the Australian Free Trade Agreement and other FTAs until the administration can focus on economic policies that protect American jobs.

Ms. BALDWIN. Mr. Speaker, I rise in opposition to this legislation. The Australian Free Trade Agreement has been crafted in a way that repeats the flaws and weaknesses of previous agreements such as NAFTA. However, this agreement is particularly bad for Wisconsin dairy farmers and Wisconsin seniors.

This agreement puts Wisconsin dairy producers at a disadvantage. It reduces and ultimately eliminates tariffs on a variety of Australian dairy products, including cheese, which is what most Wisconsin milk is used to produce. While the agreement does eliminate tariffs on U.S. dairy exports to Australia, this will not provide significant new export markets for American dairy producers. The Australian dairy industry is mature and stable, and Australia is a net exporter of dairy goods—they already export more than they import.

Another serious concern I have is how the agreement treats importation of Milk Protein Concentrate (MPC). MPC has been entering our country at an increasing rate since the mid–1990s. One of the biggest exporters of MPC is Australia. MPC can be imported in the U.S. under a very low tariff rate. This makes it an inexpensive substitute for domestically produced milk in American cheese vats and other dairy products. Simply put, MPC takes the place of U.S. milk in a variety of products, thereby reducing the demand for domestic milk, and lowering the price Wisconsin dairy producers receive for their high-quality product. Unfortunately, the agreement did not close the MPC import loophole—the tariff on MPC remains artificially low, and so imports of MPC will continue to displace U.S. milk in the domestic production of dairy products.

Further, I have serious concerns about provisions included in the agreement that relate to prescription drugs. The agreement allows pharmaceutical companies to prevent the importation of drugs to the United States. While this will have a very small practical impact on the importation of prescription drugs from Australia, it does hamper efforts of this Congress to provide our Nation's seniors with access to affordable prescription drugs. We simply cannot stand idly by while American seniors pay 30 percent–300 percent more for the exact same prescription drugs available in other countries. Allowing drug companies to prevent the importation of prescription drugs from Australia sets a dangerous precedent for future trade agreements. We should be expanding seniors' access to affordable drugs, not limiting it.

In addition, this agreement allows drug companies to challenge decisions made by Australia about what drugs should be covered under that country's health plan. This marks the first time that the United States has challenged how a foreign industrialized nation operates its national health program to provide inexpensive drugs to its own citizens. Instead of interfering with the Australian health program, we should learn from it. While our seniors continue to pay exorbitant prices for prescription drugs and lack comprehensive, reliable prescription drug coverage, Australia has developed a program that guarantees its citizens coverage for affordable prescription drugs. We should not be hampering their success.

Mr. ALLEN. Mr. Speaker, I rise in support of the U.S.-Australia Free Trade Agreement, but with strong reservations about the pharmaceutical provisions.

Australia is the 12th largest foreign market for the State of Maine. The State exported $29 million in goods and services to Australia last year. That amount will likely grow with this agreement, which eliminates 99 percent of all tariffs on manufactured goods, including on paper and wood products, and reduces barriers to Maine agricultural and services exporters.

Since Australia is a developed country with strong labor and environmental laws, this FTA does not involve a significant debate over the need to promote effective labor and environmental standards through trade agreements.

On balance, the agreement will benefit consumers and businesses in both countries by lowering barriers to trade in goods and services. However, the administration has included provisions, sought by the drug industry, that raise barriers to free trade in pharmaceuticals. This represents the first trade agreement to force changes in a trading partner's health regulations.

Australia is the first country to implement a comprehensive system that evaluates the comparative effectiveness and cost effectiveness of drugs. Under their innovative Pharmaceutical Benefits Scheme, PBS, the reimbursement rate for pharmaceuticals is based on the therapeutic value of a drug, rather than on the price that the manufacturer wants to charge. The system allows for higher reimbursements for truly innovative drugs. Pharmaceutical manufacturers are given ample opportunity to prove the value of their products, which results in a negotiation over the price at which the government will reimburse the manufacturer.

The U.S. pharmaceutical industry dislikes the Australian system because it shifts decision-making power over drug prices from industry executives to doctors and health professionals. Consequently, the Bush administration signaled that it wanted to make changes to the PBS through the U.S.-Australian Free Trade Agreement.

I am the sponsor, with Representative JO ANN EMERSON, of bipartisan legislation (H.R. 2356) to provide Federal funding for comparative effectiveness studies in the U.S. In October 2003, we sent a bipartisan letter to U.S. Trade Representative, USTR, Robert Zoellick expressing concerns that changes to the PBS could undermine our domestic efforts to promote comparative effectiveness. An exchange of letters followed.

Last winter, USTR offered a proposal to the Australians which, reportedly, would have undermined the pricing structure of the PBS. Fortunately, following objections by Members of Congress, public health groups, and the Government of Australia, that onerous provision was not adopted.

The pharmaceutical provisions that ultimately were included in the FTA were more limited, but not insignificant. My concerns are as follows:

First, Article 17.9.4 grants a patent holder like a pharmaceutical company the right to block re-importation of its patented product into the U.S. by contract or other means. By contrast, S. 2328, the Dorgan-McCain re-importation bill, contains provisions designed to prevent drug companies from restricting the ability of pharmacists or wholesalers to import drugs from approved countries (the bill lists Australia). The Senate re-importation bill, if enacted, could thus be challenged as inconsistent with trade law. The U.S. could be found to be in violation of obligations under

the U.S.-Australia FTA, and subject to sanctions until the re-importation law is repealed.

However, Australian law already prohibits this practice. Thus, the provision is not necessary. So why is it here? To set a precedent.

Deputy USTR Josette Shiner testified before the Senate Finance Committee on April 27 that the pharmaceutical provisions in the Australia FTA ''lay the groundwork for future FTAs,'' which will ''steer us in ongoing and future global, regional and bilateral negotiations—including upcoming FTA negotiations and consultations with Canada and other major trading partners bilaterally and in international fora like the OECD.''

The intent of the Bush Administration is clear. If the provision in this FTA were applied to trade relations with Canada (where re-export is legal), it would permit legal challenges, under trade law, to the re-importation bill that many of us favor as a source of affordable medicines for our constituents.

Second, the FTA opens up our Medicare program for potential changes, a fact acknowledged by USTR. Annex 2–C of the FTA imposes transparency obligations not only on Australia's PBS, but also on the pharmaceutical reimbursement policies of the Medicare Part B program. While USTR claims that these obligations do not require changes in U.S. law or regulation, it does set a worrisome precedent for modifying domestic health policies through trade agreements, where Congress has less say and the pharmaceutical industry has more influence.

Third, there are questions about whether the Australian FTA will affect the Department of Veterans Affairs' prescription drug benefit. An analysis by the Center for Policy Analysis on Trade and Health concludes that the Government Procurement Chapter of the U.S.-Australia FTA grants pharmaceutical companies standing to challenge VA procurement decisions, including decisions about the coverage and pricing of pharmaceuticals, as an unfair trade practice. USTR responds that the FTA imposes no new obligations on the VA beyond those already required by the World Trade Organization's Government Procurement Agreement. This question bears further investigation.

I have met with USTR officials, and came away with the impression that they went to great lengths to ensure that the pharmaceutical provisions in the U.S.-Australia FTA did not force changes to current U.S. health law or regulation. Even with the limited provision in the FTA, which makes relatively minor changes to the Australian PBS, U.S. negotiators couldn't avoid subjecting our Medicare program to the Agreement's obligations. They treaded carefully, but still crossed the line.

By the Administration's own admission, this FTA is part of a larger policy designed to dismantle so-called drug price control/reference pricing systems in other countries. Given the Australian experience, it is inconceivable that more aggressive pharmaceutical provisions in future FTAs won't have reciprocal, and likely adverse, effects on U.S. federal health programs.

Basically, by the same definition that labels the Australian, Canadian or German systems as ''price controls,'' our VA and DOD drug programs are price controls. Those who would use trade policy to dismantle price controls overseas will endanger the prescription drug benefits we offer to American veterans and military personnel.

Regardless of one's position on re-importation, the Australia FTA in general or the pharmaceutical provisions in particular, each of us should question whether it is appropriate to subject U.S. health laws to changes through trade negotiations. Under the Trade Promotion Authority procedure, Congress does not have the ability to amend an agreement once negotiated, and the principal House and Senate health policy committees are given little if any role.

Lastly, I question whether it is appropriate to use trade policy to interfere in other nations' health systems. We certainly wouldn't accept such a demand from other countries. The United States will win no friends if our trade agenda becomes a heavy handed tool to raise drug prices on the citizens of our trading partners.

The Bush Administration's excuse for not insisting on strong labor and environmental standards in trade agreements is that the U.S. has no business dictating other nations' labor and environmental laws. It is hypocritical for the Administration to take the opposite approach when it comes to health laws.

Australians like their PBS and believe it is a balanced and scientifically sound way of assessing value for money for pharmaceuticals. Who are we to conclude otherwise? Australians can get any drug they want that is approved by their equivalent of the Food and Drug Administration. There is a viable private market for the few drugs not listed on the PBS. In my opinion, USTR's cited justification under the Trade Act for the pharmaceutical provisions is wrong. Australians are not denied full market access to U.S. drug products.

The PBS section in the U.S.-Australian FTA has emerged as a major point of contention in Australia. Allegations that it will raise prices have forced a sensitive domestic political debate. This experience leads me to believe that a sure way for the Administration to slow down its trade agenda is to keep insisting on similar pharmaceutical provisions.

To conclude, I support the Australian FTA. This agreement by itself will have little or no impact on U.S. health care laws. But I want to make clear that similar provisions must be kept out of future trade agreements.

Mr. ETHERIDGE. Mr. Speaker, I rise today to announce my support for H.R. 4759, legislation implementing a free trade agreement with the nation of Australia.

Australia represents the world's 15th largest economy and Asia's fourth largest, and therefore offers great opportunities for U.S. exports. Australia has consistently been a partner with the United States in pushing for more open and freer trade throughout the world. So it is only fitting to have a free trade agreement with nation that shares our beliefs in freedom and free markets.

Under this FTA, more than 99 percent of U.S. manufactured goods will be duty-free from the first day of implementation. North Carolina exports to Australia in 2003, my state's 17th biggest export market, were valued at almost $262 million. From computer equipment to textiles to paper products to agriculture, North Carolina stands to gain much from increased access to this new market.

I am particularly pleased about the benefits this agreement provides with respect to agriculture. All Australian agricultural tariffs will go to zero immediately, reducing costs for agricultural exporters by $400 million.

Due to the hard work of the folks at USDA and USTR, Australia has agreed to limit some of its unscientific restrictions against U.S. pork exports. Consequently, the U.S. could ship $50 million worth of pork annually to Australia.

Despite this progress, Australia must do a better job of eliminating its unscientific sanitary and phytosanitary restrictions on agricultural imports. I urge the Administration to keep the pressure on Australia to meet with USDA and USTR to resolve many of the outstanding sanitary issues affecting pork and poultry.

This is an acceptable agreement for a nation as economically advanced and sophisticated as Australia. Its labor and environmental standards match if not exceed those in the United States. However, I want to make it perfectly clear to the Administration that the Australia Free Trade Agreement is not a sufficient model for future trade agreements.

I support fair trade. However, on future FTAs, the Administration will need to do a better job with regard to market access, sanitary and phytosanitary issues, labor and environmental standards, and intellectual property protection. I look forward to continuing to work with the Administration and my colleagues in Congress on all of these important issues.

I ask my colleagues to support this agreement.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for the United States-Australia Free Trade Implementation Act (H.R. 4759). This Member would like to thank the distinguished gentleman from Texas, the Majority Leader of the House of Representatives (Mr. DELAY) for introducing this legislation. Additional appreciation is expressed to both the distinguished gentleman from California, the Chairman of the House Ways and Means Committee (Mr. THOMAS) and the distinguished gentleman from California, the Chairman of the House Rules Committee (Mr. DREIER) for their successful efforts in helping move this legislation to the House Floor.

This Member is very supportive of this free trade agreement, FTA, with Australia. To illustrate the importance of trade with Australia, this Member believes it is necessary to cite relevant statistics. Trade between the U.S. and Australia was over $28 billion in 2003. The U.S. currently enjoys a trade surplus in goods and services with Australia of $9 billion, which is the second largest with any U.S. trading partner. Moreover, in 2003, Australia ranked 14th among all foreign markets for U.S. If this FTA is enacted into law, our level of trade with Australia will significantly increase.

This legislation is very important to Nebraska since our state's economy is very export dependent. For instance, Australia is the eighth largest market for Nebraska exports, with a total of over $62 million in 2003. Specifically, Nebraska exports to Australia include combine harvesters, agricultural spraying equipment, agricultural motor vehicles and motor boats. This legislation is critical to help remove existing trade barriers to exports of Nebraska goods and services to Australia. If this FTA would have been in place in 2003, nearly 95 percent of Nebraska's exports would have been able to come into Australia duty free.

This Member is supportive of this FTA with Australia for the following three reasons, among others: 1. this FTA will create jobs in

the U.S.; 2. this FTA will give greater market access for U.S. businesses and farmers; and 3. Through the twentieth century and in this one, Australia has been a consistent and highly valued and dependable ally of the United States.

Mr. Speaker, in advancing the support of this Member for this FTA with Australia it should be noted that this FTA will create jobs in the U.S. It is estimated that currently 270,000 jobs are either directly or indirectly supported by U.S. trade with Australia. This number will increase significantly if this FTA is enacted into law. Specifically, the following industries nationwide will particularly benefit because of the FTA with Australia: aircraft and parts; telecommunications equipment, computers, and machine engines.

With respect to Nebraska, it is estimated that exports to Australia already support approximately 300 jobs in Nebraska. It is important to note also that Australian-owned companies in Nebraska employ approximately 500 people. If this FTA is enacted into law, it is expected that trade with Australia will continue to support high-paying jobs in Nebraska in areas such as transportation, finance and advertising.

Second, this FTA will give greater market access to Australian markets for U.S. businesses and farmers. To illustrate this point, it should be noted that almost 99 percent of U.S. manufactured exports to Australia immediately become duty free, which is estimated to result in an annual $2 billion increase in U.S. goods exports to Australia. Under this FTA, all Australian agricultural tariffs are to be eliminated immediately, which is to result in a projected $400 million benefit to U.S. farmers. Currently, Australia maintains tariffs as high as 30 percent on certain dairy products and has tariffs of 4 to 5 percent on fresh and processed fruits, vegetables, processed foods, grains, oilseeds and other products. This FTA also contains important safeguard measures to protect against surges on Australian beef imports into the U.S.

Third, Australia has been an important ally of the U.S. in facing threats to the U.S. and in mutual threats to our countries, including the current war against terrorism. Since the September 11th terrorist attacks, for example, Australia has provided 1,550 soldiers and extensive military equipment to support the U.S.-led coalition against terrorism. Furthermore, Australia has also contributed to the U.S. efforts in Iraq. As another example, it should be noted that Australia has contributed fighter jets, transport aircraft and ships, reconnaissance forces and dive-team members. In light of this military support for the United States, this Member believes that it is both fitting and in the best interest of the U.S. to continue to enhance its economic partnership with Australia.

Mr. Speaker, in conclusion, this FTA with Australia provides tremendous opportunities for businesses and farmers across the United States, including in Nebraska. For the reasons stated above and many others, this Member urges his colleagues to support H.R. 4759, the U.S.-Australia Free Trade Implementation Act.

Mr. CARSON of Oklahoma. Mr. Speaker, today unfortunately, I rise to voice my opposition to this trade agreement. I do feel that trade is essential to America's sustained economic vitality and I also feel that we must make every effort to ensure that international markets are open to U.S. goods. Exports have accounted for almost 30 percent of American growth over the last decade. In fact, my state of Oklahoma sold more than $3 billion worth of exports to more than 100 foreign markets last year. With these statistics in mind, it pains me to vote against this agreement.

When casting my vote, I must think of the many Oklahoma farmers and ranchers that I have spoken with about this agreement and I must take into consideration how this agreement will severely cripple their ability to support themselves and their families. In particular, the provisions of this agreement will unfairly disadvantage the beef and wheat industries, which comprise two-thirds of Oklahoma's agricultural exports. This agreement would allow increased quantities of Australian beef to flood the U.S. market, which will result in unacceptably low market prices for American cattlemen. In Oklahoma alone, more than 105,000 jobs associated with the cattle industry will be put in jeopardy by the adverse effects of this agreement. In addition to the beef industry, the continued existence of the Australian Wheat Board under this agreement will force America's wheat farmers to continue their export competition in the international markets against a state run monopoly. A government backed monopoly, like the Australian Wheat Board, which dictates the price of wheat rather than allowing the free market to take its course, thereby allows Australian wheat to consistently undercut the price of American wheat in international markets. Once again, American farmers must be able to sell their products if they are going to support themselves and their families. This agreement does not afford them that opportunity.

Mr. OTTER. Mr. Speaker, I rise today to address some of the important provisions contained in H.R. 4759, United States-Australia Free Trade Implementation Act. While I am unable to support this agreement due to concerns over the impact it could have on dairy farmers and cattle ranchers in my district, I am very supportive of some provisions of this agreement and feel it is important to address those issues.

I am pleased the United States and Australia, through this Free Trade Agreement, have each recognized and addressed the importance of protecting private intellectual property. The entertainment industry in the United States is a valuable part of our national economy and the zero tariffs provisions addressing technology and entertainment products will ultimately debit our Nation's import/export trade column.

By protecting creative works produced in the United States, we are ensuring the long-term vitality of the American entertainment and technology industries, as well as, reinforcing our Nation's recognition of, and commitment to protecting private property.

The increases in criminal and civil protections against piracy contained in this bill will certainly prove a valuable deterrent against electronic pirates. These kinds of private property protections are the only way to ensure creative genius is rewarded. In fact, Abraham Lincoln said, ''The patent system added the fuel of interest to the fire of genius,'' thus leading us to understand that the protection of invention and creation, including private intellectual property, is the only way to promote further artistic creation and innovation.

Again, while I am unable to support the agreement as a whole, I felt strongly that the measures aimed at preventing creative and digital piracy should be recognized and applauded.

Ms. WATSON. Mr. Speaker, today is a great day for the protection of intellectual property rights in America and around the world. The U.S.-Australia Free Trade Agreement, of which I am a strong supporter, serves as a great testament to our Nation's commitment in safeguarding and strengthening the rights of intellectual property holders. I strongly urge my colleagues to support this bill.

Australia and the United States have long had a strong relationship, be it economically, politically, and culturally. In addition to nearly $60 billion invested in the United States by Australian companies, two-way trade between the two countries is currently at over $28 billion per year and growing. The U.S.-Australia agreement before us today would further strengthen these economic ties by expanding market access for the distribution of U.S. entertainment products and by setting the highest standards of copyright protection for the modern digital age.

For example, among many of its outstanding provisions, the Agreement would establish strong anti-circumvention provisions to prohibit tampering with copyright protection technologies. It includes strong IP enforcement language, which includes enhanced criminal standards for copyright infringement and stronger remedies and penalties. It would also eliminate tariffs on all U.S. movies, music, consumer products, books and magazines exported into Australia, and broaden market access for U.S. films and television programs over a variety of media, such as cable, satellite, and the internet. Finally, the FTA provides groundbreaking commitment to non-discriminatory treatment of digital products, including DVDs and CDs, and an agreement not to impose customs duties on such products.

The U. S.-Australia Free Trade Agreement is a giant step forward in improving the protection of intellectual property rights and in promoting the access of U.S. entertainment products around the world. It is good for our economy and good for our entertainment workers, who have witnessed drastic erosions in the values of their products due to unprecedented global piracy. When a major trading partner such as Australia makes these type of commitments to protect the products of the American creative community, we need to embrace them.

I strongly urge my colleagues to support the U.S.-Australia FTA.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 4759, the U.S.-Australia Free Trade Agreement (FTA). Once again the administration has given the pharmaceutical industry open access to the cookie jar. The result, to no one's surprise, is a free trade agreement that ensures the continued profitability of pharmaceutical manufacturers at the expense of average Americans who must buy drugs from other countries just to afford the prescriptions they need.

This agreement is about trusting the administration on prescription drugs. Unfortunately, the administration's recent record on this issue shows they are less than willing to tell the truth. During the debate on the Medicare prescription drug bill the administration hid the fact that the prescription benefit would cost $534 billion instead of the projected $400 billion.

Just today we learned that the administration has again missed the mark on an important estimate. According to this morning's New York Times 3.8 million people will lose retiree health coverage under the new Medicare law. This CMS estimate is 1.4 million people higher than the 2.4 million we were told during the Medicare debate.

The moral of the story is we can't trust the administration to make domestic health policy without congressional guidance. I don't trust USTR and the administration on prescription drugs, and you shouldn't either.

Less than one year ago, this House passed a bipartisan bill directing the Secretary of Health and Human Services to promulgate regulations allowing for reimportation of prescription drugs. There remain a number of pending proposals in the Senate that would legalize reimportation, as well. However, instead of fronting the reimportation issue in open debate, the administration took a back door approach, slipping language into the Australia agreement that effectively prohibits Congress from passing reimportation legislation.

Last time I checked, reimportation was a domestic health policy issue that should be debated in Congress. When the administration realized they were losing the battle, however, they turned to trade negotiation authority and their wealthy donor friends at the Pharmaceutical Research and Manufacturers of America (PhRMA), to find another alternative.

Last year the pharmaceutical industry spent $108 million on federal lobbying, and it is now clear they have purchased the keys to the kingdom. PhRMA used its power and influence during the FTA negotiations to obtain language that effectively precludes Congress from passing legislation allowing reimportation. As a result, U.S. citizens will never have access to affordable prescription drugs and the pharmaceutical manufacturers will continue to profit at the expense of Americans' health.

A vote for this FTA sets a dangerous precedent for the future of domestic pharmaceutical policy. Deputy U.S. Trade Representative Josette Shiner has already explained what will happen next. Testifying before the Senate Finance Committee, Ms. Shiner said the pharmaceutical provisions in the Australia FTA "lay the groundwork for future FTAs," which will "steer us in ongoing and future global, regional, and bilateral negotiations—including upcoming FTA negotiations and consultations with Canada and other major trading partners bilaterally and in international fora like the OECD."

While I have no doubt the USTR knows how to negotiate a free trade agreement, I question whether they have any idea how their negotiations affect domestic health policy. During the negotiations with Australia, USTR pushed for language that would have decimated how the Veterans Administration and the Department of Defense buy drugs for our soldiers, veterans and their families. Though this language was later removed, the final agreement is so ambiguous, there are no guarantees Australia will not challenge our domestic drug procurement procedures. Besides the VA and Department of Defense, this could also affect Medicaid, Medicare and other federal programs.

In a brief moment of honesty, the Administration admitted that the transparency requirements in Annex 2–C of the FTA actually do apply to Medicare Part B drugs. Though no changes are currently necessary to comply with the FTA, there is no guarantee that we won't have to act in the future to change Medicare drug policy because of the Australia FTA and future agreements that share this transparency language. One possible problem in the near future is the switch to average sales price for Part B drugs in 2006. It is very clear that this payment policy change does not meet the transparency requirements of Annex 2–C, but as long as PhRMA is happy, I guess we should all rejoice and turn our backs on policies designed to lower the cost of Part B drugs for Medicare beneficiaries.

I urge all members today to think long and hard about what this vote means for the future of domestic prescription drug policy. Don't let anyone tell you that this vote is just about the U.S. and Australia and therefore you have nothing to worry about. If you have been touting the benefits of reimportation to constituents, but decide to vote for this FTA, I suggest you be prepared to deal with the backlash. If you truly care about reimportation and want to be able to use the issue on the campaign trail, vote against the U.S. Australia Free Trade Agreement.

Mr. THOMAS. Mr. Speaker, I rise today in strong support of H.R. 4759, to implement the United States—Australia Free Trade Agreement. The FTA is a solid agreement that will benefit American workers, farmers, consumers, businesses and the U.S. economy. The FTA also helps to solidify the economic component of our strategic relationship with Australia. While this bill has been proceeding through the legislative process, I have emphasized the commercial benefits that this agreement will bring. Today, I will focus on the broader picture because I think it is important to also consider this FTA in that context.

Australia is a very close friend and important ally of the United States. We share the belief in the power of freedom, democracy, and liberty, and our two countries are examples to the world of how these ideals can foster individual achievement. Australian troops have fought with American soldiers in all of the major conflicts of the 20th and 21st centuries.

Like a healthy marriage, our alliance cannot be taken for granted, and it must be continuously nurtured, assessed and adapted to accommodate modern times. Both countries believe that dynamic, open and efficient economies promote higher growth and better living standards and create more jobs in our respective countries.

Consistent with those beliefs, this Agreement will provide real benefits to the American and Australian peoples and our economies. This FTA will do for our economic relationship during the next 50 years what the ANZUS (Australia, New Zealand, and United States) treaty has done for the political and military relationship during the past 50 years.

The FTA will solidify a strong economic partnership in the World Trade Organization, where the United States and Australia share many goals. I encourage my colleagues to send an overwhelming message of approval to our friends "down under" and vote "yes" for this Agreement.

Mr. GUTKNECHT. Mr. Speaker, I certainly appreciate that the U.S. Trade Representative has addressed the important concerns related to agriculture in this free trade agreement. Agriculture is important to my district and the State of Minnesota. However, I cannot support the United States-Australia Free Trade Implementation Act due to the provisions related to pharmaceuticals that were included in this agreement.

On July 25, 2003, 242 of my colleagues joined me in supporting my legislation to implement a true, market-based system whereby consumers could access safe and affordable prescription drugs. I find it interesting that a free trade agreement would blatantly run counter to legislation that would, in effect, establish a market-based arena for prescription drugs.

Proponents of this language have said that it is practically meaningless because Australian law already bans the export of subsidized prescription drugs. Why then, do we feel the need to include such a meaningless provision in the trade agreement?

Let me illustrate why this language is not meaningless. In fact, it attempts to hamstring efforts to provide affordable prescription drugs for seniors, the uninsured and consumers who continue to pay 30 to 300 percent more for prescription drugs than anyone else.

In 2000, the MEDS Act included a provision that prohibited pharmaceutical manufacturers from entering into a contract or agreement if they included any language that would prevent the sale or distribution of prescription drugs. I have attached this language to be included in the RECORD, because it no longer exists in U.S. law. I discovered recently that the Medicare bill included a hidden provision which stripped this important language. This is outrageous.

So while proponents of this agreement claim that this language simply restates current law, current law is the result of hidden maneuvers without the knowledge of the 242 Members who support open markets for prescription drugs.

And who exactly provided the counsel to USTR while they drafted this supposedly innocuous language? Twenty-five members of the advisory committee advised the USTR on intellectual property rights regarding prescription drugs. Of those 25 members, at least 15 have interests in the pharmaceutical industry. There was not one senior, consumer or market access advocate on the panel.

With this language, when prescription drug market access legislation becomes law, and I believe it will, we will be in breach of the free trade agreement. The Australian government can enter into a dispute settlement case contending the law. Many have argued that this is not a likely scenario. It seems equally unlikely that American taxpayers would be forced to subsidize the research and development of prescription drugs for consumers around the world and still pay the world's highest prices, but we do.

I sat down with USTR representatives to give them a chance to tell their side of the story. When I asked who requested the prescription drug language, they had no answer. No one but the two negotiators were in the room and no one was taking notes. That seems a poor way to negotiate a free, fair and open agreement for trade. And it doesn't pass the smell test to me.

The free trade agreement could set a dangerous precedent that FDA—or other opponents of open markets for prescription drugs—will use to prevent American consumers access to affordable prescription drugs. I have always supported free and fair trade—this

agreement is neither free nor fair concerning prescription drugs.

Mr. BLUNT. Mr. Speaker, listening to today's dialogue on the floor, I have been encouraged by the strong bipartisan support for the United States-Australia Free Trade Agreement. Passing this implementation bill today will pave the way for an even deeper economic relationship with one of our most important strategic allies.

The Australian Government has not only sided with us, but committed valuable troops and resources to helping the United States in every major conflict in the last century, including the global war on terror. Notably, Prime Minister Howard has shown courage and dedication to the cause of freedom over the past two years with his steadfast commitment to the coalition in Iraq.

Mr. Speaker, like our own economy, Australia's is a modern, well-developed, transparent economic system. A deep trade relationship already exists between the United States and Australia in the form of $28 billion per year.

As with every well-negotiated trade agreement, both sides will benefit immediately upon the enactment of this free trade agreement. For the United States, this means that more than 99 percent of U.S. exports of manufactured goods to Australia will become tariff-free on day one, resulting in a possible $2 billion per year in increased manufacturing exports; U.S. agricultural exports, currently totaling $400 million, will receive immediate duty free access to the Australian market; and American services providers, including the telecommunications, financial services, energy, delivery, and entertainment industries, will be accorded substantial new access to a major developed market.

The reasons I just listed, and there are many others, help explain why this agreement will receive such broad and deep support from the House of Representatives.

I would like to thank my friend from New York, Mr. CROWLEY, for his help in generating support for the agreement on the other side of the aisle. I would also like to thank Ambassador Zoellick and his staff for their hard work in negotiating this agreement.

Mr. Speaker, I urge all of my colleagues to vote in favor of expanding trade and investment opportunities for U.S. firms, creating jobs for American workers, and deepening an already strong relationship with the Australian Government and the people of Australia.

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to the rule, the bill is considered read for amendment, and the previous question is ordered.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

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

Mr. CRANE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 314, nays 109, answered ''present'' 1, not voting 9, as follows:

[Roll No. 375]

YEAS—314

Ackerman
Aderholt
Akin
Allen
Bachus
Baird
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boyd
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carter
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Cooper
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
DeLay
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Engel
English
Eshoo
Etheridge
Everett
Farr
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Greenwood
Hall
Harman
Harris
Hart
Hastings (WA)
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Holden
Holt
Honda
Hooley (OR)
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Israel
Issa
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kilpatrick
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lynch
Maloney
Manzullo
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Moore
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Ose
Oxley
Pelosi
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Roybal-Allard
Royce
Ruppersberger
Ryan (WI)
Ryun (KS)
Sanchez, Loretta
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Upton
Van Hollen
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Watson
Watt
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—109

Abercrombie
Alexander
Andrews
Baca
Baldwin
Bass
Berry
Bishop (UT)
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Burton (IN)
Cardoza
Carson (OK)
Case
Clyburn
Conyers
Costello
Cummings
Davis (IL)
DeFazio
Delahunt
DeLauro
Deutsch
Emanuel
Emerson
Evans
Fattah
Filner
Frank (MA)
Goode
Green (WI)
Grijalva
Gutierrez
Gutknecht
Hastings (FL)
Hayes
Herseth
Hinchey
Hoekstra
Hostettler
Jackson (IL)
Jones (NC)
Kanjorski
Kaptur
Kildee
Kleczka
Kucinich
Lantos
Larson (CT)
Lee
Lipinski
Lucas (OK)
Markey
Marshall
McCollum
McIntyre
McNulty
Michaud
Millender-McDonald
Miller, George
Mollohan
Moran (KS)
Nadler
Oberstar
Obey
Osborne
Otter
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Peterson (MN)
Pombo
Pomeroy
Quinn
Rahall
Rehberg
Rothman
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanders
Schakowsky
Scott (VA)
Sensenbrenner
Serrano
Simpson
Slaughter
Smith (MI)
Solis
Spratt
Stark
Strickland
Stupak
Taylor (MS)
Taylor (NC)
Thompson (MS)
Tierney
Udall (NM)
Velázquez
Waters
Waxman
Woolsey

ANSWERED ''PRESENT''—1

Nunes

NOT VOTING—9

Carson (IN)
Collins
Hoeffel
Isakson
Istook
Kind
Majette
Rangel
Ros-Lehtinen

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HASTINGS of Washington) (during the vote). Members are advised that there are 2 minutes remaining in this vote.

□ 1719

Messrs. MARSHALL, THOMPSON of Mississippi and CLYBURN changed their vote from ''yea'' to ''nay.''

Mrs. NAPOLITANO, Ms. GINNY BROWN-WAITE of Florida and Mr. TOWNS changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4759, the bill just passed.