



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Opening Statement of Chairman Chuck Grassley
Senate Finance Committee Markup of S. 2027,
the U.S.-Bahrain Free Trade Agreement Implementation Act
Friday, November 18, 2005

Today we are meeting in executive session to consider favorably reporting S. 2027, the U.S.-Bahrain Free Trade Agreement Implementation Act. The U.S.-Bahrain Free Trade Agreement will provide economic benefits for both the United States and Bahrain. Under the U.S.-Bahrain Free Trade Agreement, 100 percent of trade in industrial and consumer products between the United States and Bahrain will become duty-free immediately. With 98 percent of agricultural tariff lines going to zero duties on day one, U.S. farmers and food producers will benefit from this Agreement.

In addition, the U.S.-Bahrain Free Trade Agreement provides a high degree of access for U.S. service providers. The U.S.-Bahrain Free Trade Agreement will benefit people throughout the United States, including Iowans. I've been informed by officials from the HNI Corporation, an office furniture manufacturer; Lennox, a residential heating and cooling manufacturer; and the Midamar Corporation, a halal food and food service equipment supplier – all of which are based or have facilities in Iowa – that their employees stand to gain from implementation of this agreement.

The impact of this trade agreement will be felt beyond the United States and Bahrain. The Bush Administration is advocating further trade liberalization in the Middle East, and the U.S.-Bahrain Free Trade Agreement is a sound model for trade agreements with other countries in the region. This agreement will also even further strengthen our ties with a good friend of the United States. Bahrain has long been an ally of our country, and the Fifth Fleet of the U.S. Navy is based there. The United States has close political and defense relationships with Bahrain, so it's only fitting that we should develop closer economic relations with Bahrain as well.

I've worked hard over the past few weeks to ensure that Committee members and their staffs have had adequate opportunity to become familiar with the bill and its accompanying statement of administrative action. After hearing of concerns about Bahrain's efforts to dismantle its primary boycott of Israel, I included language in the modified chairman's mark of the then-proposed statement of administrative action that addresses these concerns. This language provides that the Administration intends to monitor and report on the efforts of Bahrain to dismantle this boycott as part of the annual National Trade Estimates Report. S. 2027 and its accompanying statement of administrative action are identical to the modified chairman's mark that the Committee unanimously recommended to the Administration on November 9. I urge my colleagues to vote with me to favorably report S. 2027.