



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Thursday, March 4, 2004

## Grassley Praises Senate Passage of Miscellaneous Tariffs Bill

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, today praised Senate passage of legislation to help U.S. factories compete internationally by suspending duties on products that American factories don't produce domestically. The bill also includes duty-free treatment of handmade carpets to help the people of Afghanistan and Pakistan and closes a legal loophole that could allow looted Iraqi antiquities to be brought into the United States.

Under unanimous consent, the Senate passed the Senate's version of the *Miscellaneous Trade and Technical Corrections Act of 2003*, commonly called the miscellaneous tariff bill. Grassley said the passage came after a few senators held up the legislation, sometimes anonymously, over sometimes parochial and/or unrelated issues. For months, Grassley worked with these senators to resolve their concerns and ensure the bill's passage.

"This bill supports American factories and workers by allowing factories to save money when they import necessary products," Grassley said. "At this stage in America's economic recovery, we have to give our factories every opportunity to stay in business, to continue to employ workers, and to reduce product costs for consumers."

The trade bill also includes the *Emergency Protection for Iraqi Cultural Antiquities Act of 2003 (EPIC Antiquities Act)*, which Grassley introduced with Sen. Max Baucus, ranking member, last year.

Until last year, Iraqi sanctions regulations restricted virtually all trade with Iraq. But, in May 2003, the United Nations Security Council lifted most sanctions on Iraq. The resolution also called upon members of the United Nations to prohibit trade in archaeological, cultural, historical, religious, and rare scientific items of Iraq that may have been illegally removed from the country. Grassley's legislation authorizes the President to continue emergency import restrictions on the archaeological and ethnological materials of Iraq, even after relations are normalized with a new Iraqi government.

"This bill permits an extra guarantee of protection for Iraq's cultural antiquities in the short term until Iraq completes its restructuring," Grassley said. "The last thing that we in Congress want to do is fail to act to prevent trade in looted Iraqi artifacts here in the United States."

Following is Grassley's floor statement on the tariff bill to be submitted for the record today.

Mr. GRASSLEY. Mr. President, I would like to comment on a bill that has traveled a long and difficult journey to get to the floor today; S. 671, the Miscellaneous Trade and Technical Corrections Act of 2003, commonly called the miscellaneous tariff bill.

In fact, this bill's journey began nearly two years ago. The Senate historically passes a miscellaneous tariff bill at the end of every Congress. The bill under consideration today was supposed to have been passed at the end of the 107th Congress. However, a mark-up scheduled for September 26, 2002, was cancelled, leaving the bill as unfinished business for the current Congress. Upon resuming the chairmanship of the Finance Committee, my intention was to complete unfinished business from the 107th Congress as quickly as possible. To that end we passed the bill out of the Senate Finance Committee by voice vote on February 27, 2003. It was hoped that early passage of this bill would pave the way for consideration of another miscellaneous tariff bill in the 108th Congress. But that was not meant to be.

Traditionally, miscellaneous tariffs bills are non-controversial and pass the Senate by unanimous consent. Sometimes there are attempts to load the bill down with costly and controversial items, which is why we didn't produce a bill in the 107th Congress. That's also the reason this bill was delayed this Congress. Contrary to traditional practice, a few senators insisted on adding unrelated and controversial provisions. Unless we agreed to add these controversial provisions, these senators would not allow the full Senate to consider the bill. In effect, a few senators have held this legislation hostage for months for their own parochial purposes. And that is truly sad and disappointing.

Mr. President, this package contains many trade provisions, primarily duty suspensions, reductions and extensions, for products that are not produced domestically. This bill supports American factories and workers by allowing manufacturers to save money when they import these products. At this stage in America's economic recovery, we must give every opportunity to our manufacturers to reduce costs and pass the savings on to consumers.

A product generally must meet three tests to be eligible for inclusion in a miscellaneous trade bill: first, it must be non-controversial and non-competitive, that is there can be no domestic producer who objects to inclusion of the provisions. Second, the product should be intended to benefit U.S. downstream producers, that is someone who utilizes the product in manufacturing. Third, the volume of imports and corresponding revenue loss should be relatively small. To ensure that the provisions in this bill met that this test, each provision went through an extensive vetting process including a public notice and comment period to ensure that they were eligible for inclusion in the bill. This process began during the first session of the 107th Congress.

The bill also contains a number of liquidations or reliquidations for certain entries. The general rule for inclusion here is that the product entered the country under an incorrect duty rate due to Customs or other administrative error. These provisions allow those entries to enter the country at the correct duty rate.

We also included in this bill a provision that extends preferences under the Generalized System of Preferences (GSP) to allow duty-free treatment for hand-knotted and hand-woven carpets. This provision is designed primarily to help the citizens of Afghanistan and Pakistan. I believe that allowing these products to be considered as eligible articles under GSP, will help beneficiary countries that have joined the United States in the fight against global terrorism. With respect to Afghanistan, which is rebuilding and looking for opportunities for its people, this provision is needed now more than ever.

Another important provision in this bill corrects a mistake in the Trade Act of 2002 (PL 107-210) that inadvertently and temporarily raised duties on Andean originating handbags, luggage, flat goods, work gloves and leather wearing apparel under the Andean Trade and Preferences and Drug Eradication Act (ATPDEA). This provision retroactively reinstates the reduced duty treatment for eligible products that entered the U.S. from August 6, 2002, the date ATPDEA was signed, and the time in which these products met the import sensitivity test, several months later. It provides for continued duty-free treatment for these eligible products, which was the intent of the Trade Act.

I am also pleased that the bill includes the Emergency Protection for Iraqi Cultural Antiquities Act of 2003. I introduced the EPIC Antiquities Act of 2003 to authorize the President to impose immediate emergency import restrictions on the archaeological and ethnological materials of Iraq. The purpose of this bill is simple - to close a legal loophole which could allow looted Iraqi antiquities to be brought into the United States.

If Congress does not act to provide the means for establishing an interim ban on trade, the door may be opened to imports of looted Iraqi antiquities into the United States. Already the press has reported allegations that European auction houses have traded in looted Iraqi antiquities. The last thing that we in Congress want to do is to fail to act to prevent trade in looted Iraqi artifacts here in the United States.

Also included in the package is a provision that simplifies the U.S. Customs Service's ability to process commercial importations, thereby resulting in increased efficiency and productivity for both Customs and the trade community.

Mr. President, I want to point out that the provisions I have covered are not the only important provisions contained in this bill. This bill makes a number of other technical yet meaningful changes to our trade laws.

While I am very disappointed some members have delayed the passage of this bill, and even tried to kill this bill with controversial provisions, I would like to thank my colleagues who respected the traditional rules governing this important legislation. I appreciate their support.

I yield the floor.