to define our great State of Montana. When you talk with Nikki, you see the spirit and energy in her and also the determination and the will. She is a wonderful person. I am so honored she has graced our State with this win.

Mr. President, is there any remaining time in morning business?

The PRESIDING OFFICER. There is 15 seconds remaining.

Mr. BAUCUS. I will let that time expire.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

UNITED STATES-OMAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 3569, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 3569) to implement the United States-Oman Free Trade Agreement.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, in 1833, a merchant named Edmund Roberts piloted the U.S. warship Peacock to the port of Muscat, the capital of today's Oman. Roberts bore a letter from President Andrew Jackson to the Sultan Said. Three days later, Roberts and the Sultan signed a Treaty of Amity and Commerce. This was the first treaty between America and Oman, 1833. That treaty with Oman was part of a bigger picture, of course. That bigger picture included Siam, today's Thailand, and Cochin China, today's Vietnam. Edmund Roberts also traveled to those countries to initiate broader commercial ties.

Today we are considering implementing legislation for another treaty with Oman, a free-trade agreement. Today I ask again, what is the bigger picture? From where I stand, the bigger picture is a grim one. It is a picture colored by resentment, frustration, and broken promises.

This agreement, as others in the past, will be overshadowed by the unfair process by which the agreement was considered. The substance of the Oman agreement, like others, is largely good. The Omanis have made real progress in liberalizing their economy, ensuring their markets are open and fair, and improving their labor laws to meet internationally recognized norms. Yet the memories of this agreement that will linger will not be tariffs, labor laws, or intellectual property rights protection. Regrettably, what will linger will be a feeling that these trade agreements were pushed through Congress without appropriate consultation. I don't say that lightly, and I don't say that for partisan purpose because I, frankly, don't regard myself as a partisan; rather, someone who is trying to get the job done, working the Senate's business for the good of all Americans.

The Senate considers trade agreements under what is called the fast-track process. Congress agreed to this fast-track process in exchange for the assurance that the Finance and Ways and Means Committees would have an opportunity to influence these trade bills in what is called a mock markup. In these mock markups, the Finance Committee and the Ways and Means Committee can offer amendments to the bills. Under a fast-track process, that is the last time anyone in Congress gets a chance to change the bills.

During the mock markup of the Oman agreement—we call them mock markups because they are not traditional markups in which members of the committee can offer amendments which are then passed. Rather, the amendments that are offered and passed are really not part of legislation. Again, they are indications of what should be in the trade agreement, indications to the administration that when it sends up a trade agreement, it would be wise to include these amendments which members believe should be included.

During the mock markup of the Oman agreement, the Finance Committee voted 18 to 0 to approve an amendment offered by Senator CONRAD. The committee later approved the amended language unanimously.

But rather than consider these unanimous actions by the committee, this administration simply stripped the amendment from the implementing legislation that is before us today. There was no consultation. There was no mock conference to fairly consider all views.

This kind of process cannot continue. The sad truth is that at the end of the day, it won't. If the administration continues to disrespect the constitutional authority Congress exercises over international trade, there won't be any fast-track process at all. Once trade promotion authority expires mid-next year, it simply won't be renewed. That is not the result I want, but that is where we are headed. I have been warning for years that the process failures threaten to undermine support for the fast-track procedures that allow us to negotiate free-trade agreements, and that is exactly where we are today. Good trade agreements will not receive the support they might because of a widespread failure in the Congress and the administration to listen to the concerns of Congress. And the chance of renewing trade promotion authority when it expires mid-next year is a long shot at best.

As I said during the markup in the Finance Committee yesterday, this disrespect for congressional power and prerogatives—after all, it is the Congress under the Constitution which sets trade policy—is not confined just to trade agreements. It runs to other matters as well, an accumulation of matters. It runs to other pressing issues of national concern.

The administration dismisses congressional inquiries as unnecessary or harmful—legitimate inquiries—and the administration issues Presidential signing statements indicating the administration's intent to ignore whatever provisions of the law it chooses. I believe the Senate has not been sufficiently aggressive in asserting its authority as a coequal branch of Government. I commend Senator SPECTER for holding a hearing in the Judiciary Committee on Presidential signing statements. As an institutional matter, and for the good of the country, the Congress must act as a check on the power of the executive branch. Our Founding Fathers set the Constitution up that way. We were set up for one to check the other, not for one to run roughshod over the other, which is beginning to happen.

After much consideration and deliberation, I have decided to support this Oman Free Trade Agreement. It was not an easy decision, but I will do so because I believe that Oman and the Omani people should not be punished by the unfair process that tarnishes an otherwise good agreement.

Let me assure you that I will not forget these shortcomings and process failures after this vote. Let me assure you as well that the effects of these shortcomings and failures will continue to be felt when we consider further trade agreements and when we consider trade promotion authority next year.

The administration must understand that its action on this agreement will have effects far beyond and long after this agreement. I would like to work with the administration to repair the damage done. It will be a difficult job, but for the sake of the Senate and the Nation's economic well-being, we must begin that work.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume on the Oman Free Trade Agreement.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DORGAN. Mr. President, will the Senator yield for a unanimous consent request?

Mr. GRASSLEY. Yes, I will.

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized at such time the Senator completes his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, before I speak to the issue of the Oman Free Trade Agreement, I wish to take advantage of the opportunity to remind the public that trade agreements are not treaties, as we usually think of treaties, with just the Senate approving treaties with a two-thirds vote and the House of Representatives having nothing to do with a treaty. A free-trade agreement is negotiated by the President but must be approved by both Houses of Congress the same way that legislation is passed, except it is done under a time agreement under law with the idea that the agreement will be voted up or down and not amended But when the dust settles, it is the law of our land, just like any other law that Congress would pass.

Taking that into consideration then, the rationale behind that is the fact that the Constitution gives the Congress of the United States, as one of its specific 17 powers, the power to regulate interstate and foreign commerce. A free-trade agreement is foreign commerce. Congress has the authority completely—no questions asked—about what our trade laws are going to be.

Until the 1930s, for the most part, Congress passed those pieces of legislation, and that was the law after the President signed them. But starting in the 1930s, Congress would, to a greater extent or lesser extent from time to time, give the President the authority to negotiate certain agreements, and then Congress would approve them.

Since World War II, we have had a regime for 45 years that we called the General Agreement of Tariffs and Trades. Since about 1993, it has been referred to as the World Trade Organization, or WTO.

In not exactly the same way, but from time to time, Congress, in order to negotiate agreements since World War II, has extended authority to the President to negotiate those agreements, not because Congress wanted to give up any congressional authority as the Constitution prescribes over foreign trade, but, as a practical matter, if you are going to negotiate with another country, rather than unilaterally setting policy, Congress, as a body of 535 people, can't negotiate with another country or, for sure, with the World Trade Organization that has 149 members very efficiently, and never even tried. So from time to time we have negotiated—or we have delegated—to the President of the United States, under strict guidelines, the authority to negotiate for Congress with an understanding that—well, under the Constitution with the practical end result that it has to be passed by the Congress of the United States by a majority vote in both Houses to become the law of the land.

Congress doesn't just willy-nilly say to the President: You negotiate any sort of an agreement you want. In the basic law, there are some stipulations—not very many but some—but, more importantly, for the Congress to preserve its power and not give the President of the United States free reign. We have a consultation process within what we now call Trade Promotion Authority where, during the process of negotiating multilaterally under the World Trade Organization, or negotiating bilaterally with another country, that the President and his negotiators would come to Congress whenever we would invite them, or even on their own initiative, and sit down and talk, sometimes in informal sessions, sometimes in regular committee meetings, to find out how the negotiations are going and what the problems are.

But the most important thing is for that negotiator and that agency to hear what Congress says needs to be done, what our input is, with the idea that if they don't negotiate something that Congress can pass, what good is doing the negotiation? So that consultation process is very important.

Now, sometimes I feel that there has not been enough consultation, and because I am chairman of the committee that has jurisdiction over that, sometimes I can legitimately claim fault for not having enough consultation, although we have considerable. And any members of the committee should likewise—the other 19 members of the committee should likewise feel that if there is not enough consultation, then maybe they have not been forward enough in preserving the constitutional power of the Congress and the specific authority of our committee to make that consultation happen.

Now, what sometimes happens—maybe every time—in bringing a Free Trade Agreement before our committee before it comes to the floor, there is an outburst on both sides of the aisle about not having consulted enough and that the process might be a sham. Well, the extent to which people feel that is the situation, then I guess I plead with myself as chairman of the committee, I plead with members of the committee, that we need to make more specific requests of the administration to come and talk to us about these agreements.

That can be going on right now in regard to the Doha round of negotiations that are going on between the United States as part of the World Trade Organization involving another 148 countries, or it can be going on right now anytime the committee members want it to happen in our process of negotiations with Thailand bilaterally, South Korea bilaterally, Egypt bilaterally, and there are other countries as well.

So I hope that each one of us in Congress feels that we are adequately safeguarding our constitutional authority. But I hope nobody lives in the wonderland that somehow Congress ought to be negotiating directly with these other countries because we don't have that capability or the time. But we ought to make sure that we don't compromise one iota the constitutional power that we have been given and that w have to cherish and protect.

I rise in strong support of the United States-Oman Free Trade Agreement. The agreement will help cement our ties with a strong ally in the Middle East. It will contribute to greater economic opportunity and prosperity in the region. It will serve as a strong model for other economies in the region, and it will create new market access openings for farmers, manufacturers, and service providers in the United States. So I urge my colleagues to support the agreement in a strong bipartisan fashion.

We have enjoyed beneficial relations with Oman for nearly 200 years. In 1833, Oman was one of the first Arab states to sign a Treaty of Amity and Commerce with the United States. It was also the first Arab country to send an ambassador to our country. Our agreement with Oman is the fifth trade agreement that we concluded with a country in the Middle East.

It brings us one step closer to our President's vision of having a Middle East free trade area by 2013. The President's goal is very simply the same as every other free-trade agreement: to foster economic growth. But it isn't just an economic issue. It has something to do with promoting democracy, and millions of people every day doing business agreements around the world is going to do more for world peace than what we who are elected and our diplomats can do. So you ought to see a free-trade agreement not only economically in our interests, but promoting moral principles of democracy and peace through enhanced commercial ties with the world generally; in this case, to a greater extent with the Middle East.

The fact is, open economies that are actively engaged in international commerce tend to grow at much higher rates than closed economies, and that translates into greater economic opportunity. So a free trade area is in the best interests of the people of the Middle East, and it is in our best interests as well, but it is also in the interests of stabilizing that area and having peaceful relations and greater peace around the world.

This agreement enjoys strong support in the business community and in the agricultural community. It has been endorsed by a number of groups. I can't name them all, but I think it is important to note that the American Farm Bureau Federation, the American Chemistry Council, the Association of Equipment Manufacturers, the National Foreign Trade Council, and the U.S.-Middle East Free Trade Coalition are among those of over 110 companies and associations supporting trade expansion in the Middle East, including this agreement.

These groups recognize that this is a commercially meaningful agreement

that is leveling the playing field for U.S. businesses. In the United States, Omani products already receive a substantial market access, with most duties ranging from zero to 5 percent. Without this agreement, U.S. exports won't have a level playing field, and haven't up until now had a level playing field, because they would continue to face those steep tariffs that Oman now has and will be giving up with this agreement.

While the economic effect of the agreement may be small in total world trade, it will certainly be possible. Upon entering into force—in other words, when it becomes the law of our land—this agreement will have Oman grant immediate, duty-free entry to virtually all U.S. industrial and consumer products. As examples, in agriculture, 87 percent of Oman's tariff lines will go to zero for U.S. agricultural exports on day one of the agreement and the remaining tariffs will be phased out over 10 years. U.S. service providers will also receive substantial improvement in market access. I have constituents who are interested in seeing this agreement implemented, and I expect many of my colleagues do as well.

I will give you just a few examples. A small business located in Cedar Rapids, IA, Midamar Corporation, will benefit from new opportunities and low costs for specialty food exports that are specifically processed for Muslim diets. The HNI Corporation in Muscatine, the second largest manufacturer of office furniture in North America, will benefit. It has a fast-growing market in the Middle East. HNI expects to forge new business ties in Oman once the agreement enters into force.

Another company is Lennox in Marshalltown, IA, manufacturing heating and cooling products. This agreement will promote increased exports for Lennox.

In sum, I expect this agreement will have a real and positive impact for my constituents in Iowa, preserving or establishing good-paying jobs, because exporting jobs pay 15 percent above the national average, and if it does that in the State of Iowa, it will be the same across the United States.

In addition to pointing out the benefits of the agreement, I would respond to just a few criticisms. Some are alleging that this agreement will provide foreign port operators an absolute right to establish and acquire operations to run port facilities in the United States. That is just plain wrong.

The truth is, nothing in our agreement with Oman diminishes our right to determine for ourselves whether to block or unwind any foreign investment in the United States when the protection of essential security interests are at stake That includes any potential investment in land or site aspects of port activity in the United States. So our ability to advance our national security and promote it and protect it as we see fit remains fully protected under this agreement.

Separately, some colleagues have been critical of the process by which this agreement has come before the Senate. In this respect, I am repetitive of how I opened my remarks. In other words, I want to make it clear that this has received substantial consideration by the Congress of the United States. We concluded our negotiations with Oman on October 13, 2005, with 7 months at the negotiating table and opportunities for Congress to be consulted during that period of time. The administration did that, both at the Member and staff level, throughout negotiations. The agreement was signed January 19, this year, and our own Government's agency, called the International Trade Commission, issued its report on likely economic effects of the agreement in February of this year.

The International Trade Subcommittee of my Finance Committee held hearings on this agreement on March 6. The Finance Committee met May 18 to informally consider proposed legislation implementing this agreement—the proposal that is pretty much as we have it before our body this very minute.

During the committee's informal consideration, I introduced a chairman's modification to the proposed statement of administrative action. My modification called upon the administration to monitor and report on the Omani efforts to prohibit compulsory or coerced labor.

The administration took my modification and broadened it. The statement of administration action that accompanies the bill to the floor of the Senate this very day contains a commitment from the administration to update Congress periodically on the progress that Oman achieves in realizing all commitments made to labor law reform. I believe that is an improvement, even on my own modification. It is an example of how the process of trade promotion authority worked in this case and is a specific case of what I was trying to describe in the opening of my statement.

In sum, this is a strong trade agreement with an important ally. I urge my colleagues to enthusiastically support the implementation of legislation before the Senate.

I yield the floor under the previous unanimous consent agreement so that Senator DORGAN can have it.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I regret I do not agree with my colleague on the merits of this issue. But I do not regret coming to the Chamber to speak on behalf of American workers, on behalf of our country's interests. I come, once again, to talk about a trade agreement that I believe is not consistent with what our country should be doing.

Let me talk about priorities. We have so many issues in front of us.

The other day, I read that the price of prescription drugs has risen triple the rate of inflation in the first 3 months of this year with the advent of this new Government prescription drug program for Medicare recipients. Is there any action on that? No. That provokes a very big yawn here in the Senate.

We have the highest budget deficits in history. We are going to add about $1.4 trillion in debt to this country's shoulders this year—$700-plus billion of trade deficits this year. We are going to borrow, increasing the Federal debt $600-plus billion this year.

We have significant challenges in education and health care.

We have enormous challenges abroad. Obviously we are involved with respect to the war on terrorism. There is a war in Iraq. There is no proposition that anybody should pay for that war. Hundreds of millions of dollars have been brought to the floor of the Senate to pay for it, with the entire cost being added to the Federal debt. We send men and women to risk their lives in Iraq. Some make the ultimate sacrifice on behalf of their country and lose their lives. But there is no discussion here about whether anyone else should probably sacrifice some and be paying for the cost of this. In fact, the administration does not even put money in their budget, when they send their budget to us, for the operations in Iraq and Afghanistan. They do not put the money in because they know then they can ask for emergency funding and just add it to the top of the debt.

We have a lot of challenges. We cannot get action on the floor by this Congress on the subject of stem cell research which will begin, I hope, to unlock the mysteries of dreaded diseases—Parkinson's, Alzheimer's, cancer, heart disease, diabetes, and more. Unlocking the mysteries of those diseases is saving lives. It is pro-life. We can't get a bill on the floor of the Senate to deal with that because we are blocked from considering stem cell research on the floor of the Senate.

We need reimportation of prescription drugs so we can put pressure on the drug companies to lower the price of prescription drugs for the American people. We pay the highest prices in the world for prescription drugs, and it is unfair. The U.S. consumer pays double, triple, in some cases 10 times the price of prescription drugs that is charged to virtually every other consumer in the world, and we can't get a piece of legislation on the floor of this Senate to consider allowing the reimportation of the identical drug, often a drug that was made in this country and then shipped to Canada.

We can't do those things. Those are not priorities for those who schedule the floor of the Senate. But we can bring to the floor of the Senate today a trade agreement, a free-trade agreement with the country of Oman. Here we have another chapter in a book of failures—a free-trade agreement with Oman.

Oman is a country with 3 million people run by a Sultan. I don't come to the floor to in any way cast aspersions or to denigrate the country of Oman. I have not been to Oman. But I do know a lot about trade agreements. I have studied them. And this is what they are ultimately about: the exporting of American jobs to countries where people work for 30 cents an hour and you can work them for 12 to 14 hours a day, 7 days a week. This has caused at least 3 to 4 million jobs to be eliminated from this country.

These free-trade agreements—and this Oman deal is yet another—these free-trade agreements have given the green light to say: Yes, let's ship American jobs overseas; and by the way, even as you ship American jobs overseas, you can bring in low-wage labor from our southern border; and by the way, you can run your income through the Cayman Islands so you don't have to pay taxes.

My colleagues are tired of hearing about the Ugland House, but I am reluctant to mention it again. There is one little house on Church Street in the Cayman islands. It is, I believe, four stories. It is called the Ugland House. It is home to 12,748 corporations. They are not there, of course. That is their official address in order to avoid paying U.S. taxes.

At any rate, these trade agreements, the so-called free-trade agreements, are agreements that in most cases are reached in secret negotiations, are then brought to the Congress under a procedure called fast track. The Congress has actually voted on it. I voted against it. It is absolutely preposterous that Congress decided to say, let's wake up in the morning and put ourselves in a straitjacket and pass legislation that makes sure we can't offer amendments to a trade agreement. That is unbelievable, that Congress has done that, but it has. So we now bring this to the floor under something called fast track.

Fast track means this: Take it or leave it. Here is the agreement. You didn't have any participation in drafting this trade agreement, you have no ability to alter this trade agreement, but take it or leave it, vote up or down, yes or no. That is the process.

With respect to this trade agreement, they actually have begun to do a procedure called a mock markup. In my hometown, you would know what a mock markup is: it is not a markup, it is just a mockery. So they had a mock markup here in the Senate Finance Committee.

My colleague, Senator CONRAD, and I believe Senator BINGAMAN, offered an amendment to the mock markup of a free-trade agreement that is going to be brought to the floor under fast track. That doesn't even sound like English, does it—a mock markup brought to the floor under fast track? So the mock markup is held, and my colleagues offer an amendment that would ban products coming into this country that is produced from sweatshops or slave labor. It passed unanimously in the Finance Committee, in the so-called mock markup.

It turns out that the markup was a mock, or a mockery, because even though that provision passed unanimously, it is not in the trade agreement that emerged on the floor of the Senate. The question is, What has happened to that amendment which was offered in the Senate Finance Committee? Where in the world is Carmen San Diego? Where is this amendment? Maybe we ought to send teams out to look for this amendment. The amendment passed. It was unanimous. But it has just disappeared. Another famous disappearing act.

This trade agreement with Oman is not the largest trade agreement. This is not CAFTA, this is not NAFTA, this is not the free-trade agreement of the Americas. Oman is a relatively small country, and in saying that I do not mean to offend Oman. This is not about whether I think Oman is a wonderful country or not a wonderful country. I want to talk about the ingredients of this trade agreement.

Let me talk a bit about the major concerns I have with this particular trade agreement with Oman. First of all, let me talk about the organizations that oppose this trade agreement. The AFL–CIO, Communications Workers of America, Teamsters, League of Rural Voters, National Farmers Union, Presbyterian Church USA Washington Office, Sierra Club, United Methodist Church, United Steel Workers, Western Organization of Resource Councils, and many more.

Like NAFTA and CAFTA and all the other acronyms that describe recent failures, this agreement fails to put any meaningful protections or any meaningful labor or environmental provisions in the labor agreement. So the lack of any effective provisions dealing with labor or the conditions under which goods will be produced to be sent to America means that it is just ''Katey, bar the door''; whatever happens, happens; we are not going to care much about that.

But particularly recent revelations of massive labor abuses in Jordan should give everyone some pause. The agreement with Jordan was supposed to represent the gold standard with respect to labor standards. Now we have seen recent examples of what has happened in parts of Jordan; that is, human trafficking, 20-hour workdays, widespread failure to pay wages.

Let me talk about last month's New York Times story, which described how a free-trade agreement with the country of Jordan was used to produce sweatshops all over Jordan. It turned out when the agreement was signed in 1999, companies began to fly in so-called guest workers to Jordan from countries such as Bangladesh and China to make products in Jordan to sell at stores in this country—Wal-Mart, Target, and so on. The conditions of these so-called guest workers can only be described as slave-like. Let me read from the New York Times piece:

> Propelled by a free trade agreement with the United States, apparel manufacturing is booming in Jordan, its exports to America soaring twentyfold in the last five years. But some foreign workers in Jordanian factories that produce garments for Target, Wal-Mart, and other retailers are complaining of dismal conditions—of 20-hour days, of not being paid for months, and of being hit by supervisors and jailed when they complain.

Those are the conditions of sweatshop labor that manufacture products in Jordan—by the way, products that used to be produced in this country when we had a textile industry providing jobs to Americans, but that has all migrated.

The question is, Should this sort of thing exist in sweatshops—not only in Jordan but in other parts of the world—to allow products to be produced under these conditions and sold in the United States? The answer to that is clearly no.

Now, consider this: this agreement with Oman provides weaker labor provisions than existed with respect to Jordan.

So with the supposedly good agreement in Jordan, we ended up seeing workers from countries like Bangladesh being flown to Jordan, and forced to work not a 40-hour workweek, but a 40-hour shift, $50 for 5 months of work for one worker, and frequent beatings of workers who complain.

Let me show you some pictures—pretty ugly pictures—from Bangladesh. I will show them for a reason, because it relates to trade agreements that don't have labor protections, and it shows you the face of this global economy. These pictures were taken by a journalist who witnessed firsthand the beating of workers in Bangladesh. Here is an example of a picture taken by a journalist of the beating. This, tragically, is a man shot through the head—a worker subjected to violence and killing. This is another picture of the beatings. Let me show a picture of four young women, if I might, very young girls. You will notice that they are tied together—working in factories, tied together to prevent them from escaping.

Should there be labor standards in trade agreements? Do we give a damn about this? Does this country care about this? I hope it does. But there is no evidence of it because we are going to pass another trade agreement today with no labor standards at all.

So all of the folks in this country who lost their jobs because they wouldn't work for 30 cents an hour, all the folks in this country who saw their jobs moved to Bangladesh, Indonesia, to Sri Lanka, to China, and elsewhere because those who want to produce can find a way to produce it there for 30 cents an hour, not pay health care benefits, work people in unsafe factories, and work them in conditions of sweatshop labor, to all of those people, I ask

this question on their behalf: Is this what competition is about? Is this what this country should allow—allow the import of jobs in these circumstances? The answer is clearly no. Yet this Congress will not put labor standards in a trade agreement. It will not require an administration to put labor standards in a labor agreement. The only one which included labor standards was Jordan.

I just described to you the sweatshops in Jordan by which Bangladeshis and others were flown by the planeload into Jordan to work in sweatshops that produce products to be sent to American shelves. I believe it is an outrage. It ought to be corrected. But it is not going to be corrected with this kind of trade agreement.

I recall the movie ''Casablanca.'' I guess everybody understands the famous words in ''Casablanca'' when the French police chief said he was ''shocked.'' He said: I am just shocked to find gambling in Rick's Café. Of course, he wasn't shocked. Everybody knew there was gambling in Rick's Café in ''Casablanca.''

These pictures ought to shock the sensibilities of everybody. But on some level, we all understand this is going on. It's just a question of whether we are willing to do something about it. Is this country willing to do something about it? And if so, when? If not now, when? Yet this trade agreement does not do a thing about it.

The country of Oman has 3 million people, and half a million people in Oman are so-called guest workers. In fact, the majority of Oman's workers involved in manufacturing and construction are not from Oman at all. The majority of the workers in Oman are brought in from Bangladesh, Sri Lanka, and other poor countries under labor contracts to work in construction and factories.

The State Department's 2004 Report on Human Rights cited Oman for cases of forced labor. And I quote:

> The law prohibits forced or compulsory labor, including children. However, there were reports that such practices occurred. The government did not investigate or enforce the law effectively. Foreign workers at times were placed in situations amounting to forced labor.

They have changed the report just a little bit in anticipation of having an Oman free-trade agreement brought to the floor, but the fact is that this happens in Oman, and we know it happens in Oman.

There are no labor unions in Oman. In 2003, the Sultan of Oman issued a Sultanic decree which categorically denies workers the right to organize and join unions of their choosing. Under some circumstances, I am told that workers in Oman can join ''representative committees,'' but they are not independent of employers. The Sultan of Oman has written to the USTR, our trade ambassador, and promised that he will improve Oman's labor laws by October of this year; that is, after the Senate has voted to approve a free-trade deal with Oman.

The labor provisions in the Oman Free Trade Agreement are much weaker than the labor provisions in the Jordan trade agreement, as I indicated. They simply ask Oman to follow its own laws and its own self-policing. If the supposedly model agreement on labor with Jordan was such a disaster, think of what it will be with respect to the country of Oman. But under fast-track rules, no one has an opportunity to offer any amendment under any of these provisions.

Now, let me describe another point with respect to Oman. After going through a heated debate some months ago over whether Dubai Ports World should be able to manage a half dozen of America's major seaports, we now find that there is a provision buried in annex II of this trade agreement with Oman, which says that Oman has the right to acquire companies that operate U.S. ports, and there is not a thing we can do about it. This provision in the agreement was added to a list of U.S. infrastructure functions that Oman can't be precluded from acquiring: It is as follows:

> [L]andside aspects of port activities, including operation and maintenance of docks, loading and unloading of vessels directly to or from land, marine cargo handling, operations and maintenance of piers, ship cleaning . . .

There was a great deal of controversy about whether the United Arab Emirates and a company owned by that government called Dubai Ports World should be able to take over the management of a half dozen of America's seaports. The answer from this Congress was absolutely not; this country ought to have the capability to manage, for national security purposes and other purposes, its own seaports.

Well, guess what. We have a trade agreement that comes to the floor of the Senate which says, it is going to be all right if Oman takes over our ports. Or for that matter, if a company from the United Arab Emirates that has a subsidiary in Oman takes over our ports.

The folks at USTR say: Don't worry, be happy. There is an exception in the Oman trade agreement that allows us to block acquisitions for national security reasons.

Well, sure, that national security provision is in the agreement. But it means nothing if the President is determined to let the deal go through.

Here is what the President said about the managing of U.S. ports by the United Arab Emirates. He said this on February 2, 2006:

> Brushing aside objections from Republicans and Democrats alike, President Bush endorsed the takeover of shipping operations at six major U.S. seaports by a state-owned business in the United Arab Emirates. He pledged to veto any bill Congress might approve to block the agreement.

The President quite clearly has told the American people that he thinks it is fine to have the United Arab Emirates run America's seaports. Do you think he would think it was not fine for a company owned by the Government of Oman to run America's seaports? It doesn't seem to me he would have great objection to that. What do the supporters of this agreement have to say to this point?

So this is where we are. They have a mock markup and then create a mock trade agreement and have a mock disappearance of a provision dealing with sweat labor, sweatshop labor, and then you bring it to the floor, and we have a mock debate. Everybody is very quiet about it. Then we have a vote on the floor of the Senate, and then it passes. It always passes because there are not enough Senators here who care about this question.

We import $2 billion a day from around the world above that which we export. Each and every day, we are going $2 billion more into debt to the rest of the world. Said another way, each and every day, we sell $2 billion worth of America to foreigners. Each and every day. And $700-plus billion a year in trade deficits. We shuffle around here like there is no hurry, no rush, no worry, be happy. It is unbelievable to me. This is a very serious, unsustainable problem. We cannot sustain this. It will cause a collapse of the dollar, and it will cause economic difficulties you can't imagine unless this Congress gets serious and this administration and this President get serious and decide this is a serious issue which must be solved.

I have spoken often on the issue of trade, and I know there are disagreements about these things. Let me describe the other side of it because I can describe it easily.

They say that all who raise these questions are a bunch of xenophobic, isolationist stooges; you do not have the foggiest idea what is going on. You can't see over the horizon. This is a globalized economy. The world is flat. Are you crazy? You want to build walls around our country? What are you thinking about? That is the other side. Therefore, they say, let's have free trade agreement after free trade agreement because it is a global economy and it will all turn out just fine. Of course, after each and every agreement we have reached, we have had bigger and bigger problems.

We had a small trade surplus with the country of Mexico. We have a trade agreement with Mexico, and it turns into a huge deficit. So we are able to turn a small surplus into a huge deficit.

By the way, those hotshot economists who gave us all that advice—I didn't take that advice, but the majority of my colleagues did—all that advice saying this is going to be just fine; you should understand this is a division of labor. What is going to happen in Mexico under NAFTA is the low-skilled jobs are going to migrate to Mexico and then we will get high-skilled, high-wage jobs back here as a

result. Guess what our three largest imports are from Mexico: automobiles, automobile parts, and electronics—all products of high-skilled, high-wage labor. That is what migrated out of this country. We turned a small surplus with Mexico into a huge deficit.

We turned a modest deficit with Canada into a large deficit. We turned almost a balanced trade deficit with China a couple of decades ago into the largest deficit in humankind. It is unbelievable what we have done. Europe, very large deficit; Japan, an $80 billion-a-year deficit; every single year with Japan, we have a large, recurring deficit. This country had better understand the consequences of this.

This chart represents the trade deficit, and one would have to be colorblind to not understand the consequence of this. You would have to be in a situation where you can't see red. This is red, red, red, growing in a dangerous way, giant trade deficits It is not getting better, it is getting worse. This is simply one more chapter of a book of failures.

What we have been doing is sinking this country into a sea of debt. All of this debt reflects, by the way, the shipment of American jobs elsewhere. We have nearly decimated our textile industry. We are taking apart our manufacturing industry. And it doesn't end there.

I have told the story of Natasha Humphreys who was a software engineer, Stanford graduate. Her last job for her company was to train her replacement in India because an Indian engineer worked for about one-fifth of the price of a U.S. engineer. So she lost her job.

This is not just textiles and manufacturing. Half of the Fortune 500 companies have been outsourcing software development.

That is what the lines on the chart mean. It started with textiles. Everyone knows Fruit of the Loom underwear: T-shirts, shorts, underwear. They would advertise with green grapes, red grapes, dancing down the street. Everyone was happy. Underwear was made here. People had jobs here. The grapes got jobs dancing on television.

Now, however, we do not see dancing grapes talking about American jobs because there is no Fruit of the Loom underwear made in America. That is all gone. There is not one pair of Levis made in America. Huffy bicycles. That is all gone.

I could go on forever, and I have gone on forever, as a matter of fact, in previous discussions about all of the brands. You may be wearing Tony Lama boots, but if so you may be wearing boots made in China. The list is endless.

We built in 100 years in this country something very unusual, and we did it through pain and suffering and through agonizing and debate in the Congress. Part of it was to decide: What kind of country are we? How do we improve the standard of living? How do we build something here that is unique? It was encouraging entrepreneurs, helping people who had a vision to start a business, to take risks, to say go for it, absolutely, to create a hospitable environment where people started businesses and created jobs, and to say on behalf of workers: You have a right, too, a right to organize unions, a right to have a safe workplace, child labor laws. You cannot dump chemicals into the air or water as you produce those things.

James Fyler was shot 56 times—56 times this man was shot. Do you know why? Because in 1917 he believed the people ought to be free to form a labor union to protest the conditions of coal miners deep in the coal mines of Colorado. For that he was shot and killed; 56 times that man was shot.

This history of our country is replete with the people who have decided to exercise the bravery to help build this country and create the standards, the work rules, and the opportunities that we enjoy. Men and women who start businesses, men and women of the labor movement, and Members of Congress decided what the rules are.

Now, in one swoop we can decide a company can move those jobs to China, just like that, shut their American plant, move the job to China—and, by the way, this Congress gives them a tax break for doing so—ship the product back to be sold in this country, run the income through the Ugland House on Church Street, and not pay taxes to the United States.

None of that adds up. So today we have a trade agreement from Oman which persuades me to show, once again, a chart with dancing grapes. Does it relate? Yes, it does, because this is one more chapter in a book of failures.

The question is, Will this country stand up for its economic interests?

I say to Japan—we have had robust trade with the country of Japan for decades. Yet every single year we have these large deficits with Japan and the growing deficits with China which even dwarf the Japanese deficits, yet our country does not seem to care.

All these deficits translate to lost jobs, they threaten this country's economic future and whether we progress and improve the standard of living and expand the middle class. Our government says, you know something, this is a global economy. Whatever happens, happens, and we do not want to offend anyone. We do not want to tell China: Look, the way we will trade with you is this: our trade must be fair trade; you open your markets to us, we open our markets to you; but the methods of production must be fair.

We do not do that. We do not do any of that because we do not have the nerve and the backbone or will to stand up for this country's economic interests. Frankly, it baffles me that this will be passed this afternoon. There is no question about it. This Congress will, once again, snore through this discussion, and we will pass a trade agreement with the country of Oman.

At the end of this year, we will see another record, the highest trade deficit in history.

Alan Blinder is the former Vice Chairman of the Federal Reserve Board. He is not some nut way off on the edge of the political debate. This is a guy who is a mainstream economist. He has written in the Foreign Affairs Journal that there are 42 to 56 million American jobs that are subject to outsourcing.

Let me say that again: 42 to 56 million American jobs in manufacturing, and especially the service sector, that are tradeable jobs, subject to outsourcing. Not all of them will be outsourced, for sure, but even those that remain here will be subject to competing with those in other parts of the world who can do the job for less.

Does that matter to anyone? Doesn't that say to all of us what this is really about? This is about reducing the standard of living in this country. It is not about raising other countries up, it is about pushing us down. That is why this trade strategy is wrong. I don't believe in building walls. I don't believe we ought to decide we should withdraw from the global economy. I just believe there ought to be rules with respect to the global economy that stand up for this country's interests.

For the first 25 years after the Second World War, we were the biggest, the strongest, the toughest. We could beat anybody at almost anything, and we knew it. With one hand tied behind our backs we could trade with anybody and give concessional circumstances and win. It was not a problem.

Then we saw the emergence of shrewd international competitors—yes, Europe, Japan, and others—things changed. But our notions did not change. Our trade policy is still a heavy dose of foreign policy that is, in my judgment, soft headed. We still are concessional. We still do not have the willingness to stand up for this country's economic interests. And we now are seeing the results of that with the highest trade deficit in history.

If I might show that chart one more time, the trade deficits on this chart are the result of these trade agreements. Republicans and Democrats, together—administrations run by both political parties—have failed to do what they should do.

We have a trade deficit with almost every country. And those with whom we do not have a deficit, if we can just get an agreement with them, we will have a deficit. Every single agreement we have made produces a deficit.

We have a huge trade deficit with Korea, which is another country with which we are negotiating a free trade deal.

Here are the cars in Korea: 99 percent of the cars on the road in Korea are Korean-made cars. Why? The Korean government doesn't want other cars in Korea; 99 percent of the cars on the streets in Korea are Korean made.

In Korea, they exported 730,000 Korean cars to the United States last year; 730,000 Korean vehicles were put on ships and sent to America. We were able to export 4,251 into Korea. We almost had a success with the Dodge Durango pickup, but they shut that down. And 95 percent of the cars on the road in Japan are Japanese-made cars in that country. Why? That is the way they want it.

Our country says: That is fine. It does not matter to us. I suppose it is fine because nobody wearing a blue suit and suspenders is losing their jobs. I don't see any CEOs losing their jobs. I don't see any Members of the Senate losing their jobs. The folks making cars are losing their jobs. The textile workers are losing their jobs. Family farmers are having the rug pulled out from under them with bad trade agreements, but folks here are safe. And this administration is, I guess, probably the worst we have had for some while on trade.

But having said that, the Democratic administration that preceded it was not particularly good on trade issues, and no one is very interested in doing anything to address a serious and growing trade problem, which if not addressed will cause havoc with this country's economy and will affect every American worker in a very serious way.

It is probably clear to at least those hearing me that I will vote against the Oman Free Trade Agreement. I think it is a serious mistake. While I think it will pass today, we will await the next bad trade agreement and continue this fight. At some point there will be a tipping point on this issue. The American people will demand the Congress to finally start doing the right thing. No, not building walls, but demanding trade be fair, fair trade on behalf of this country.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAMBLISS). Without objection, it is so ordered.

Mr. REED. Mr. President, I rise today to speak in opposition to the Oman Free Trade Agreement.

International trade, if reached through the right paths, can confer tremendous benefits on all of its participants. Through this practice and agreements like this one, we have the opportunity not only to open up market access for American business but also to improve economic conditions for all participants.

Unfortunately, the Oman Free Trade Agreement fails to live up to that potential. This agreement does not provide for American business, while at the same time it fails workers both here, I believe, and potentially in Oman.

In 2001, the United States entered into a similar trade agreement with the country of Jordan. At that time, the agreement was heralded for its progressive labor standards. However, we have recently seen in Jordan instances of foreign workers forced into slave labor, stripped of their passports, denied their wages, and compelled to work for days without rest.

These incidents have been occurring in Jordan because Jordanian labor laws are only applicable to its own citizens and preclude protections for foreign workers.

What I sense is happening is that we have allowed, unwittingly, I believe, individuals and corporations in Jordan to exploit this agreement, to actually move people from countries outside of Jordan into Jordan, and to set up conditions that are not only horrible for the individuals but continue to put pressure on American working men and women in terms of reduced wages, and also do not act to raise the standard of living in Jordan.

One of the points of our agreement with Jordan was to provide the kind of conditions that would raise the standard of living for Jordanian workers. So I am terribly concerned about what could happen in Oman.

My fear in Oman is that they have far weaker labor standards, and that would lend itself to even worse conditions than in Jordan. In fact, the potential for seeing these types of abuses is much higher in Oman, where up to 70 percent of its workforce is comprised of foreign workers already.

During the ''mock markup'' of this agreement last month—the practice of the Finance Committee where they would go through and, in theory and concept, make the changes they would like to see take place—the Finance Committee unanimously approved an amendment to explicitly prohibit products made with slave labor or through human trafficking from benefitting from this deal, conditions similar to those in the Jordanian Free Trade Agreement. However, the administration chose not to include this simple, commonsense provision in the final implementing legislation before us today.

When our trade partners are held to different, less stringent standards, no one is better off. When Omani firms can employ workers in substandard conditions, the Omani workers and American workers both lose. The playing field is not level. The enforceable provisions of this free-trade agreement require only that Oman and the United States enforce their existing labor laws.

In Oman, this means that workers can be denied the right to collectively bargain and to strike. More egregious, Omani law is vague in its forbiddance of forced labor. I appreciate the commitments of Oman to clarify these provisions and to improve enforcement. However, the timeline for doing this is far too long. If we implement this agreement, and Oman fails to live up to its promises, then this agreement will benefit a few while hurting many.

I would note that part of the problem with all of these agreements is that they are considered under the President's fast-track authority, under which Congress is forced to take or leave even the most imperfect deals. And when the President ignores valuable input from Congress, particularly on issues such as labor standards, we are put in a position where our only choice is to vote against it.

I am a supporter of free trade, but that does not require me to support bad deals from an administration that is more concerned about getting a deal than getting the deal right.

We cannot allow other countries to break the rules. Our foreign trade partners must play by the same rules as we do because American companies and workers cannot compete with countries that engage in substandard labor practices. We have seen it again and again: trade policies that don't establish a real threshold for labor standards do not work.

So, Mr. President, I will vote against the Oman Free Trade Agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. May I inquire of the Chair, what is the pending matter before the Senate?

The PRESIDING OFFICER. The Oman Free Trade Agreement.

Mr. DODD. I thank the Chair. I gather at some point the Senate will be asked to vote on the trade agreement; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DODD. I thank the Chair.

Mr. President, this legislation effecting the U.S.-Oman Free Trade Agreement is an important one. Implementing legislation for this agreement is currently pending before the Senate and will likely come up for a vote later this afternoon. Regrettably, I will be opposing this proposal.

In the past, I have voted for many free-trade agreements. I think they are very important. If well constructed, free-trade agreements are essential if we are going to have a growing economy, and if the role of the United States is going to be a positive one in the 21st century. But too often these trade agreements neglect critical points when it comes to how they affect American workers, as well as workers in the country with whom we are entering into the agreement. As I said, I have been supportive of a number of free-trade agreements over the

years. I have also opposed a number of them. I will explain why and why I think this particular agreement needs further work and consideration before it is to be adopted.

Properly constructed, I believe that free trade agreements are in the long-term interests of the United States and our trading partners. Today's world is interconnected in ways we couldn't even imagine a generation ago—even 5 or 10 years ago. Faster and more efficient means of transport and communications have made it relatively easy to conduct transactions of all types and in all corners of the globe.

Today, with Internet access, people in the most remote places are better informed about what is happening than ever before.

Globalization has affected countries all around the world. From Latin America to India, Africa to China, no nation has escaped the impact of this process. The difference is that while globalization has helped lift some nations up, it has left others way behind. While it has helped certain entities in various countries, it has left many people in those same nations staggeringly behind in their chances to enjoy greater economic opportunity.

The march toward a more globalized world has significantly affected our own Nation as well. On balance, I believe free trade has benefitted our country in many respects. But quite simply, we haven't done enough in many areas, especially during the past few years, to help ease the transition for many Americans who are struggling. I know the Presiding Officer comes from a part of the country where trade agreements can have a huge impact on major sectors of the economy, as in our Southern States where textiles have been a huge part of economic growth. If not handled properly, for people in these States, many of whom are working for businesses that not many years ago came from New England, trade agreements can have a very negative impact.

Nor have we done enough to ensure a level playing field to ensure that American businesses and workers are protected from would-be violators of the rules.

Ultimately, trade agreements should be designed to lift up people in both countries. I believe in free trade because in order to compete in the global marketplace, America has to keep up and adjust to the changes around us.

We can't just sell goods and services to ourselves and expect to have a growing economy. It is critically important that we have access to these foreign markets. Barriers and tariffs that prevent goods and services from ending up on the shelves in those countries ultimately do great damage to our Nation.

So free and fair trade is critically important to our own economic success. Job loss would be staggering, if we were not able to open up markets around the globe for U.S. products and services.

But for free trade to be beneficial and worthwhile, our trade agreements must also adjust to changes that are occurring around the world.

Much as I regret to say it, the U.S.-Oman Free Trade Agreement does not reflect this reality. Although negotiators had a real opportunity to learn from the past, to raise the standards and to produce a better agreement, we can see in the agreement before us many of the same problems that plagued previous free-trade agreements such as CAFTA–DR.

The issue of labor rights is one key example of how this agreement falls short. I have long been an advocate of vigorous enforcement of U.S. trade laws, especially with respect to those provisions that require our trading partners to respect internationally recognized rights of workers in their countries. Workers rights violations not only give other nations an unfair trade advantage, they also hurt U.S. workers by depressing wages here at home and causing American jobs to be shipped overseas.

Certainly, Oman is not the egregious violator of workers rights that some of our other trading partners are. Indeed, Oman has ratified the International Labor Organization's Convention 29 on forced labor, Convention 182 on the worst forms of child labor, Convention 105 on the abolition of forced labor, and Convention 183 on minimum age of employment. Oman has also ratified the United Nations protocol to prevent, suppress, and punish trafficking in persons, especially women an children.

On the surface, therefore, one might think that there is little to worry about with respect to this agreement, which requires Oman to enforce its labor laws. But this notion overlooks a simple fact—that Oman's labor laws and its enforcement thereof is lacking. Collective bargaining is still not legally enshrined in Oman, nor is the right to strike. Existing law dealing with forced labor is vague. So asking Oman to uphold its own laws is not holding that country to the high standards necessary to protect U.S. workers.

While I understand that Oman is committed to improving its labor laws and enforcement, we should first see some significant action on their end to make sure that both United States and foreign workers are going to be protected. Or better yet, use the ILO standards, not domestic laws, as the benchmark for workers rights provisions in this and other free-trade agreements.

Right now there is an October deadline that Oman has agreed to as a target for achieving some reforms. Besides the late date, I have serious doubts as to what incentives Oman will have to carry out these reforms once this agreement is in place. If this agreement passes before those reforms take place, as may be the case today, many of the incentives for Oman to reform will be gone.

My colleagues should also be aware that we are not just talking about how Omani laws will protect Omani workers.

The fact is that guest workers from impoverished Asian countries perform much of the labor in Oman. These guest workers need to enjoy the same worker protections as Omani citizens. To that end, we have learned in the last 2 months of rampant labor abuses of foreign workers in Jordanian sweatshops.

I don't mean to malign our friends in Jordan. They have been wonderful allies, and very helpful on a number of issues that affect the United States in that part of the world. I am hopeful that abuses by unscrupulous employers in Jordan will be punished and prevented in the future because even the best intentioned countries can never prevent all occurrences of abuses. But given that the Oman Free Trade Agreement has much weaker labor provisions than the Jordanian agreement, the Oman deal certainly seems like it will be a recipe for similar abuses in the future.

I also have concerns about a small provision included in the second annex to the Oman Free Trade Agreement, in the section governing U.S. rights and obligations. In that annex, it is stated that the ''United States reserves the right to adopt or maintain any measure . . . '' except ''landside aspects of port activities, including operation and maintenance of docks.''

Simply put, this raises questions as to whether the United States would be able to prevent Oman from acquiring companies that run U.S. port operations without essentially being sued in the World Trade Organization.

Why are we including provisions such as that in a trade agreement and leaving ourselves vulnerable to legal action if we decide that it is in our own self-interest, because of our concerns about terrorism and national security, to prevent Oman from acquiring port operations in the United States?

The only caveat to this section of the Oman Free Trade Agreement is that Oman must provide similar market access to the United States. Now, according to the U.S. Trade Representative, all of our trade agreements include an article on essential security which basically provides that nothing in the agreement can prevent us from applying measures that we consider necessary for the protection of our essential security interests.

That is all fine and well and would seem to indicate that the President or the Committee on Foreign Investment in the United States could still review proposed acquisitions. But why should our trade agreements contain language such as this that is legally confusing at the least and potentially opens us up to being sued, if we decide that something is in our national security interest?

There are other issues I could raise about the content of the U.S.-Oman Free Trade Agreement, but I believe that the two issues I have mentioned are critically important and reason enough to oppose this agreement.

Once again, the Bush administration had an opportunity to use fast-track authority to promote a trade agreement that would be in the best interest of our Nation, of our workers and businesses. I wish that this was the case when it comes to the Oman Free Trade Agreement. Unfortunately, we are instead seeing more of the same disregard for American workers in the pending proposal.

As a result, I intend to oppose this agreement and urge my colleagues to review it very carefully, review the provisions dealing with labor standards and review the standards when it comes to port operation activities included in this free-trade agreement.

I should mention as well, another reason why I support strong labor provisions in these agreements. It is critically important that our trading partners have enough people who can afford to buy the goods and services that we produce here in the United States. Even if countries open up their borders to our goods, what percentage of their population could ever afford our goods and services if they mainly receive low wages and little or no benefits? The only alternative to strong labor protections is that we drop the prices of our goods tremendously, which would obviously be disadvantageous to our future economic prosperity.

The rationale for insisting that there be labor standards and decent wages provided to these people is a wealth creation idea. Labor protections, therefore, are not only about human rights, which is legitimate enough, but are also about enlightened self-interest.

For those reasons, this agreement should not be approved. When the vote occurs, I will be urging my colleagues to vote against it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VITTER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I come to the floor today to oppose the Oman Free Trade Agreement. There are two primary reasons that I oppose this agreement.

First, this trade agreement is part of the administration's failed trade policy. I believe strongly that we need to change direction, and we need to change direction now, before our trade and budget deficits cripple our economy.

This chart shows how badly off target our trade policy is. Our trade deficits have exploded. In 1992, our trade deficit was just $40 billion. Thirteen years and 10 trade deals later, our trade deficit last year was $718 billion—$718 billion.

NAFTA provides one example of how these trade deals have affected our trade deficits. In 1993, the year before NAFTA took effect, we had a trade surplus with Mexico of about a little less than $2 billion. Last year, after 12 years of NAFTA, our trade deficit with Mexico had mushroomed to $50 billion. So we went from a trade surplus with Mexico to a massive trade deficit with Mexico.

Agriculture provides another example. When this administration took office, we had a healthy trade surplus of $15 billion in agriculture. But that surplus has been shrinking every year since then. This year the surplus is expected to fall to just $2 billion, the smallest agricultural trade surplus in 35 years. Yet we keep going down the same path, trumpeting each agreement as a resounding success.

If this set of policies is a success, I would hate to see a failure. How can anybody suggest that this is a success? We have gone from being the biggest creditor nation in the world to being the biggest debtor nation in the world, and a key reason are these failed trade policies that over and over have promised the American people that they were going to turn the tide, that they were going to make a difference, that they were going to change the circumstance. And over and over they have failed, not in the world of theory, not in the world of make-believe, but in the real world, in the real world where we can measure the results, and the results have been clear: We mushroomed the trade deficit with this set of trade policies.

There is an old saying that the definition of insanity is doing the same thing over and over again expecting a different result. Under that definition, our trade policy is certifiably nuts. We need to stop giving more than we are getting in trade agreements. We need to stop sending American jobs overseas. We need to reduce our trade deficits. And we need a trade strategy that will boost incomes for American workers and farmers.

The agreement before us is a continuation of this failed trade policy. We are not getting more than we are giving. When we read the fine print and the study done by the United States International Trade Commission, the nonpartisan U.S. agency in charge of analyzing trade agreements, we discover that this agreement will increase our trade deficit with Oman—will increase our trade deficit with Oman.

Why are we entering into more trade agreements that make our trade deficit that is at record levels even worse? What kind of a plan is this?

Imports of apparel from Oman will increase by $42 million annually, according to the International Trade Commission. But the ITC says our exports of all products to Oman will only increase by $14 million to $41 million, depending on how responsive our exports are to tariff reductions.

So this agreement, as I have said, actually makes our trade deficit with Oman worse, not better. Perhaps it should not be surprising that this agreement would increase our trade deficit. It is produced by an administration that says that outsourcing jobs to other countries is a good thing. It is produced by an administration that does not believe in having other countries improve their labor standards so that American workers don't have to compete with workers who are paid pennies an hour to work in abusive conditions. In fact, this administration has repeatedly rebuffed the efforts of my colleagues to strengthen labor laws in Oman so that they meet international labor standards.

I don't think this is a good agreement on its merits, but the process by which it has come to the floor is even worse. The way this bill has been brought to the Senate floor makes a complete mockery of the fast-track process.

The fast-track process is now revealed, for anyone who cares to look, as a complete sham. How so? As all Members of this body already know, the Constitution gives the Congress, not the President, the responsibility for regulating foreign trade. Yet in recognition that we cannot have 535 trade negotiators, the Congress has agreed to the fast-track process for considering trade agreements.

By the way, I have supported that approach in the Senate Finance Committee. I thought it was the right approach to take, given the commitments that were made to us on how these trade agreements would be negotiated, how these talks would be conducted. But what we have seen in this agreement is a flagrant failure to keep the agreement.

In agreeing to fast track, each Senator gives up their most fundamental rights as a Senator. We give up our right to amend. We give up the right to extended debate. In essence, we are giving up our right to protect the interests of our individual States. In return, there is supposed to be detailed consultation with the Congress throughout the process of negotiating trade agreements and developing implementing legislation.

In practice, the Finance Committee, of which I am a member, is the focus of this consultation because the Finance Committee has jurisdiction over trade policy. In theory, the committee has extensive input during the process of negotiating trade agreements and developing the legislation to implement it. Theoretically, it does not then need to amend the implementing bill once it is formally introduced.

When it comes to developing the implementing bill, this consultation occurs through what is known as a mock markup process. The mock markup is the Finance Committee's opportunity to amend the implementing bill before it is formally introduced, and then cannot be amended under fast-track rules.

This informal process has a long history. During consideration of previous trade agreements, the process has lasted months and produced a host of changes.

On the Oman agreement, I offered an amendment in the Finance Committee to prevent products made with slave labor or under sweatshop conditions so egregious to be tantamount to slave labor from benefiting from the agreement. I did so because current law has failed to prevent horrific sweat shops in Jordan under the Jordan FTA. I did so because it is not free trade when foreign workers are locked in factories and forced to work 100 hours a week for pennies an hour. That is not free trade. That is not what Members of this body support when they vote in favor of free trade.

This story from the New York Times entitled ''An Ugly Side of Free Trade: Sweat Shops in Jordan'' tells the story. The recent study in Jordan found that the use of what amounts to slave labor is precisely what has happened. Workers from Bangladesh, China, and other parts of Southeast Asia were promised much greater pay than they could earn in their home countries. They paid hundreds of dollars to recruiters to get a job in a Jordanian apparel factory. When they got to Jordan, their passports were taken away so they could not leave or change jobs. They were then forced to work 90 to 120 hours a week. They were paid far less than Jordan's minimum wage, and if they complained, they were beaten or jailed.

Here is what workers reported, according to the news stories:

> We used to start at 8 in the morning, and we'd work until midnight, 1, or 2 a.m, 7 days a week. When we were in Bangladesh, they promised us we would receive $120 a month, but in the 5 months I was there in Jordan, I only got 1 month's salary, and that was $50.

Mohammed Saiful Islam, a Bangladeshi, said that several times the workers had to work until 4 a.m. and then sleep on the factory floor for a few hours before resuming work at 8 a.m.

> The workers got so exhausted they became sick. They could hardly stay awake at their machines.

Several workers said when they were sick, they did not receive medical care but were instead punished and had their pay docked.

Hazrat Ali said he sometimes worked 48 hours in a row—48 hours in a row—and received no pay for 6 months. ''If we asked for money, they hit us,'' he said.

Nasima Akhter said the western factory gave its workers a half glass of tea for breakfast and often rice and some rotten chicken for lunch. ''In the 4 months I was in Jordan,'' he said, ''they didn't pay us a single penny. When we asked management for our money and for better food, they were very angry at us. We were put in some sort of jail for 4 days without anything to eat, and then they forced us to go back to Bangladesh.''

Mr. President, these conditions are appalling. We should not be asking American workers to compete with these practices, and we should not be giving special trade benefits to products made under these conditions.

In the case of Oman, its labor laws fall far short of the core International Labor Organization standards. Oman, like Jordan, relies heavily on guest workers who are often at a serious disadvantage in trying to assert their rights. Oman has been cited by our own State Department for human trafficking. According to the International Trade Commission, the Oman Free Trade Agreement is expected to greatly increase apparel production and exports to the United States.

This means there are significant reasons to be concerned about the same thing that happened in Jordan. There is good reason to be concerned that they might happen in Oman as well.

That is why I offered the amendment in the Finance Committee. It simply clarified that goods produced with slave labor or de facto slave labor will not get the benefits of the agreement. The administration raised objections in the committee, but the committee rejected the organization's advice and unanimously adopted my amendment—unanimously. It did so because the members of the committee believed that products manufactured in these sorts of abusive conditions should not get special benefits under this trade agreement.

The Finance Committee spoke loudly and clearly. By an 18-to-nothing recorded vote, the committee disagreed with the administration and said that we needed to add protections in this agreement because, clearly, local labor laws and U.S. laws did not work in the case of Jordan. Yet the bill before us today does not include these protections. It does not include my amendment.

This process says that a unanimous vote in the Senate Finance Committee means nothing. It says that adopting an amendment by a unanimous vote is tantamount to rejecting the amendment because the outcome is exactly the same. This makes a complete mockery of the markup system for trade legislation in the Finance Committee. It demonstrates how completely broken this process is. No matter what the Finance Committee says, no matter how strongly it says it, the administration is free to ignore it.

Two years ago we debated the Australia Free Trade Agreement and the Finance Committee adopted an amendment I offered at that time. It then went through procedural contortions to drop the amendment. I said at the time:

> This precedent strikes me as dangerous. It opens the process for abuse, and it reduces the committee's role in crafting trade policy and trade legislation. It may have been expedient, but I believe we will come to regret this precedent. It invites a future President to ignore any recommendations made by the committee on future trade implementing legislation.

Mr. President, that is what has happened here today on the Oman Free Trade Agreement. The administration has concluded that it is free to ignore the unanimous recommendation of the Finance Committee.

I believe this action has serious consequences for the fast-track process itself. If consultation is without meaning, there is no reason Senators should give up their rights under Senate rules to amend and debate trade agreements.

Fast track is up for renewal next year. This egregious abuse of the process is just another nail in the coffin of fast track. It is becoming crystal clear to me that consultation promised in the fast-track process is completely a sham.

Let me conclude. The Oman Free Trade Agreement promises few, if any, benefits to the U.S. economy and will make our trade deficit with Oman worse. Moreover, the safeguards that were supposed to protect against imports made under abusive sweatshop conditions and slave labor have been dropped from the bill.

Finally, the process that the Finance Committee followed sets a terrible precedent. No Senator should welcome the precedent that the administration can simply ignore the will of the Finance Committee on a particular trade issue very important to the people we represent, secure in the knowledge that a trade implementing bill can be pushed through as part of a larger take-it-or-leave-it package.

So I hope my colleagues, even those who generally support free-trade agreements, will think long and hard about this vote. If you believe the Senate and the Finance Committee should not have a voice in trade agreements and trade implementing bills, if you support the use of slave labor and human trafficking and egregious, abusive sweatshops, you should vote for this bill. But if you believe that consultation under fast track should be meaningful, if you believe that the markup process should not be a mockery, and if you oppose slave labor, you should oppose this bill.

I urge my colleagues to stand for a new direction in trade policy, to stand for agreements that benefit America and to vote against the Oman Free Trade Agreement.

I thank the Chair, and I yield the floor.

Mr. HATCH. Mr. President, the Senator makes some good points, but I don't think we should saddle Oman with what happened in Jordan. Saddling this agreement with that accusation, it seems to me, is not quite fair.

Mr. President, whenever I begin my examination and analysis of a proposed free-trade agreement, my first question is always: How will this agreement affect my folks, my people in Utah?

Any objective analysis would indicate that the passage of the United States-Oman Free Trade Agreement will have only a de minimis effect on the State of Utah, since Oman only has a gross domestic product of $24.8 billion.

The second question I ask is whether an agreement will have a positive effect on the American economy. According to the U.S. International Trade

Commission, the FTA will have a small, but it will be a positive, impact.

Specifically, trade between our two nations totaled over $1 billion in 2005, with the U.S. exporting $593 million worth of goods and services to Oman and importing $555 million from that country. This is a trade surplus for us of $38 million, which is a positive development, since our Nation bore a $48 million trade deficit with Oman as recently as 2004. Yet despite this positive trade balance, trade with Oman only accounts for 0.04 percent of all U.S. trade.

So what is the advantage for the American people and the people of Utah?

The United States-Oman Free Trade Agreement, as does the Bahrain FTA that preceded it, sends a very important message that the United States strongly supports the economic development of moderate Middle Eastern nations. This is a vital message in the global war on terrorism.

As you well know, since the end of the Second World War, the United States has, on a number of occasions, accepted nonreciprocal trade concessions in order to further important Cold War and post-Cold War foreign policy objectives. Examples include offering Japan and Europe nonreciprocal access to American markets during the 1950s and 1960s in order to strengthen the economies of our allies and prevent the spread of communism. At the time, this policy was affordable due to the tremendous size of the trade surpluses the United States enjoyed. However, those times have passed.

Our Nation has not enjoyed a trade surplus since 1975, and last year's deficit widened to a record $726 billion, increasing to 5.8 percent of the gross domestic product, from 5.3 percent in 2004 and 4.5 percent in 2003.

My colleagues may look at these hard truths and question the need for any further trade agreements, including the United States-Oman Free Trade Agreement. But I must remind my colleagues that we have a trade surplus with Oman and this agreement will permit more American companies to have full access to the Omani market.

Further, Oman is quickly running out of oil and, as a result, has launched a series of measures to reform its economy. Those measures will require American products, and this free-trade agreement immediately removes Oman's uniform tariff of 5 percent ad valorem on U.S. goods and phases out other tariffs on U.S. goods. Now, this means that the Omanis will have more money to buy what they are buying from us now: machinery, transportation equipment, and measuring instruments—products that provide good jobs for our fellow Americans.

I have also become aware of media reports that state the agreement provides Omani port operators an absolute right to establish or acquire operations to run port facilities within the United States. This, of course, is not accurate. The Oman FTA preserves the right of the United States to determine for itself whether to block a foreign investment in the United States in order to protect our essential security interests, including any potential investment in port authorities and activities. I also should point out this agreement does not affect current U.S. law that authorizes the President to block proposed foreign investment in the United States that threatens U.S. national security.

Mr. President, these Middle Eastern nations such as Oman are countries who work with us in the global war on terrorism. They are people who have taken care of our troops. They are people who help us with our military. They are people who are moderate in nature, and, for the most part, do a lot of good things and have a constructive view of the world. Therefore, I think a free-trade agreement with Oman is very important.

I also want to thank the vast majority of the people of the United Arab Emirates for the friendship they have shown to our country and, really, to the world at large.

Therefore, Mr. President, I will continue to support such agreements as the United States-Oman Free Trade Agreement, and I urge all of our colleagues to join us in supporting this agreement. Let's not give too much credibility to some of these arguments that are being made against this agreement.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask to be permitted to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ISRAEL AND THE PALESTINIANS

Mr. LAUTENBERG. Mr. President, I rise now to discuss the tense situation we are witnessing in the Middle East between Israel and the Palestinians. It has been said that governing is about choices. Right now, Hamas has to make a choice that can determine the future of the Palestinian people and the Palestinian state.

Hamas is, at its roots, a terrorist organization. That has been established in the view of the United States and in the view of the European Union. So we can't kid ourselves about what it is that we see in front of us. They used a strategy to usurp power in the Palestinian territories. First, Hamas offered some social services among the Palestinian people by running social service programs even as it pursued its terrorist objective, to destroy Israel.

But now Hamas has a choice. Does it really care about the Palestinian people or is it simply too dedicated to its terrorist ways? If Hamas is really concerned about the Palestinian people, they would release, promptly and safely, the Israeli soldier they now hold hostage. We have seen them brag—crow about the fact that they killed a young settler they abducted, 18 years of age.

We see a new tactic being used by terrorists over the last few weeks—by terrorists in general. We saw what happened in Iraq when they kidnapped two of our soldiers, Private Kristian Menchaca and Private Thomas Tucker. They were mutilated and tortured before they were killed. So brutally handled by these terrorists in Iraq. I know our troops are working very hard to find these terrorist killers, and I hope we will.

But now Hamas, replicating that kind of terror behavior, has kidnapped an Israeli soldier, a young corporal—Gilad Shallit his name is—and Israel has been on the search to try to rescue him while trying to get the Palestinian people to understand they cannot win this fight for peace with a government composed of terrorism advocates.

Hamas shows their hand choosing this confrontation. To make matters worse, they then abducted this young man, 18-year-old Eliyahu Asheri—they showed pictures of him—and shot him in the head.

The events of these past few days are vividly illustrating to the world that Hamas is not a valid governing body. They can't be taken seriously as a civilized leader of its people. That has to be understood by the people in those communities. There is so much to be gained by a peaceful resolution of the differences. No, it is probably true that neither side can fully gain all of its own interests. But Hamas, a terrorist organization, cannot be taken seriously as a civilized leader of its people. It is a terrorist organization masquerading as a government.

But now they are faced with a critical choice. If they have decided that the path of violence is the one that they would like to follow, it dooms the Palestinian people to isolation and economic hardship. Or now they can make a humanitarian gesture on behalf of the people they purport to represent.

I have had a deep interest in the area. Israel is a very important ally. They provide us with a degree of presence that we otherwise would have to gain ourselves with more ships, more troops, more airplanes. But this democratic society survives in a sea of totalitarianism.

It has to be understood that we want to work with the Palestinian people. Believe me, when I see pictures of Iraqi children or Palestinian children, families torn apart, a father or mother lost with a child weeping, sobbing alongside the dead parent, brother or sister, we don't want any violence to come to any side in these attempts to govern. But Hamas is a terrorist organization. Suggesting that they represent the view of the people there presents a very sad picture.

Violence is not helping any cause in the Middle East. But Hamas seems intent on continuing the downward spiral of violence and death. One cannot blame the Israelis for fighting to save

their people. That is their responsibility as a government.

We have reached out to Iraq, ostensibly, as is said by the administration, to protect our freedoms in this country. We have come face to face with terror, and it has changed life in America. The downing of the World Trade Center and the attack on the Pentagon, the violation of our territorial borders, the violation of life and the pursuit of regularity by our people—it is all different now.

I happened to visit a community of Native Americans in New Jersey. One man was complaining that he can't fish in the reservoir anymore. He can't put a boat in there because they are afraid that he might be a terrorist. But they still depend on that for sustenance, hunting animals, fishing. When you see that kind of reach—that is not the most terrible thing that has happened in our world, but it just tells you about the extent that terror can inflict punishment on the free world.

So this situation then between Israel and the Palestine territories really exemplifies what can be. They have this young man captive, threatening to kill him. My advice is, return him promptly and safely, and show the real face of the Palestinian people. They are essentially a hard-working, industrious people who ultimately want to have peace for their families and a chance for them to exist with a standard of living that is reasonable.

The United States and the European Union already know Hamas is a terrorist organization. The rest of the world now knows it, too.

The reach of terror is beyond anything that might have been anticipated, whether it is an attack in a Japanese subway or a train in Great Britain or Spain or wherever; everybody is on guard. We are all looking at how horrible examples of terror are. We are going to see tense days in Israel and Gaza. My hope, and I think the hope of everybody who knows anything about the situation, is that Hamas comes to its senses and quickly releases Corporal Shallit.

Some time ago I was with other Senators on a trip to Iraq. On the way we stopped in Israel to meet with Prime Minister Sharon when he was in power. While we were sitting around the table, I and the four other Senators suddenly saw activity, hustle-bustle in the conference room. The Prime Minister, Sharon then, looked like he was suddenly deflated. He slumped in his chair. He said he had bad news. There was a suicide bombing attack in a port just south of Tel Aviv and 10 people were killed and many others wounded.

I volunteered for the five of us that we could adjourn the meeting and permit the Prime Minister to go on and conduct his necessary function.

He said to me: Senator, when you are the Prime Minister of Israel, you must continue to function no matter what the circumstances are. And we will continue our discussions here.

Israel as we know it is going to fight back against terror with every ounce of energy and blood that it can muster. It is not going to let the Palestinians or any other terror come into their country and kill or injure its citizens without paying a terrible price. The price not only is to the people where the perpetrators come from but the tensions that spread throughout the world.

Let's hope that Hamas comes to its senses and quickly returns the young soldier they are holding.

I yield the floor.

The PRESIDING OFFICER. The assistant Democratic leader.

THE HAMDAN DECISION

Mr. DURBIN. Mr. President, we are a nation at war. There is no doubt that America must devote all of its energy and resources to defeating terrorism and stopping those who attacked us on 9/11 and would attack us again.

But we are also a nation of law. No one from the highest ranks in America to the lowest is above the law—even during a war. That is what makes America special and in many ways different from other nations.

Today, across the street from where we meet in the Senate, the United States Supreme Court handed down a decision reminding the Bush administration that no President is above the law. The Court rejected the Bush administration's decision to turn its back on treaties and laws that have served America so well for generations. The Supreme Court held that the Bush administration must comply with the Uniform Code of Military Justice and the Geneva Conventions in its treatment of suspected terrorists.

Why did this matter come before the Supreme Court? Because, with no input from Congress, the Bush administration set aside our treaty obligations and agreements and created new rules for detaining, interrogating, and trying detainees. They claimed that the Congress had no voice in the matter and the courts had no right to review what this President decided.

The administration claimed that it could act as legislator, executive, and judge when it came to the treatment of these prisoners. But today the Constitution prevailed. The Supreme Court made it clear that it is Congress's responsibility to make the laws and the President's responsibility to follow the laws, just as the Constitution provided.

Our Founding Fathers understood that it is a human and a natural political reaction for Kings and Presidents and those in power to try to be more powerful. They warned us.

In writing our Constitution over 200 years ago, they warned us that we needed to separate power in America so no one branch of Government would become too powerful. In the Federalist Papers, James Madison, our fourth President and the primary author of our Constitution, wrote:

The accumulation of all powers, legislative, executive, and judiciary, in the same hands may justly be pronounced the very definition of tyranny.

You do not hear the word ''tyranny'' much anymore. It meant a lot to the men and women who waged the wars and risked their lives in the great revolution creating this Government.

But the decision of the Supreme Court today is entirely consistent with that goal in our Constitution, to make certain that no President, no branch of our Government, becomes so powerful that it isn't held to check by our Constitution and our laws.

Today, the Supreme Court ruled against the Bush administration and for James Madison and for the rule of law. Here is what Justice Anthony Kennedy said:

> Concentration of power (in the executive branch) puts personal liberty in peril of arbitrary action by officials, an incursion the Constitution's three-part system is designed to avoid.

This is a historic decision—a decision that reminds this President and every President to come that they must answer first to the Constitution of the United States. It says to President Bush and all of those who promulgated these policies that they must answer to our Constitution.

The Supreme Court has taken the same position that former Secretary of State Colin Powell took almost 5 years ago when the President and his administration first decided to set aside the standards and values of the Geneva Conventions. The Geneva Conventions, of course, were agreements entered into by civilized nations which said we should guide our conduct by common principles. The Geneva Conventions applied until this administration after 9/11 felt we could no longer hold to those standards. They were reminded today by the U.S. Supreme Court that they were wrong.

Secretary of State Colin Powell suggested we could live up to the Geneva Conventions and still fight terrorism and still make America safe. He pointed out that the Geneva Conventions do not limit the ability to hold detainees and do not give POW status to terrorists. That was a straw man created by this administration to avoid generations of legal precedents.

Secretary Powell also said that setting aside the Geneva Conventions ''will reverse over a century of U.S. policy and practice . . . and undermine the protections of the law of war for our own troops . . . It will undermine public support among critical allies, making military cooperation more difficult to sustain.''

These are the words of Colin Powell, a man who dedicated his life to our military, to our country, and to public service.

When you look at the negative publicity about Guantanamo and Abu Ghraib today, you understand that Collin Powell's remarks were prophetic. He was right. Ignoring the law of war hurts our efforts to fight terrorism, and sadly it puts our troops at risk. And it is not the American way.

Unfortunately, the President did not follow Secretary Collin Powell's counsel when it came to this decision. He

listened to others within his administration. That led to this confrontation before the Supreme Court. That led to this decision today.

I hope this decision will set a standard for us when it comes to dealing with this war on terrorism—that we can win this war without losing our souls. The Supreme Court reminded us today that America—this great and strong Nation—can be a safe nation without compromising the values that make us different.

I urge the President to use today's decision to move on a bipartisan basis to establish a standard consistent with our values, consistent with our laws, and consistent with the treaties that we have signed for the treatment of prisoners.

Anyone who is dangerous to America should be held and should not be released. Anyone who has real value to America, in terms of intelligence, should be interrogated properly to find out what they know and how it could help protect us. But the Supreme Court makes it clear today that we have to move beyond where we are holding hundreds of prisoners at Guantanamo and other places without charges and without any clear disposition under the law.

Several of my friends have volunteered to be attorneys for those who are detained at Guantanamo. I have met with my friends in Chicago. They are men who have spent a lifetime in the practice of law, one a former U.S. Attorney for the Northern District of Illinois, another a defense counsel for many decades in the city of Chicago.

They went down to Guantanamo to meet with the detainees that they volunteered to represent and came back to Chicago begging me for a meeting. We got together and they told me the stories. First, they couldn't understand how this could happen, how the United States of America would not be following basic standards of conduct, which everyone assumed we would follow when it came to legal procedure. They asked me how this could happen. I couldn't answer it, but I knew the Supreme Court would have to answer it.

When Chief Justice Roberts, who recused himself from today's decision, and Justice Alito came before the Judiciary Committee, we reminded them that Sandra Day O'Connor, in an earlier decision concerning the treatment of prisoners, made it clear that even during time of war no President is above the law. In the Hamdi decision, she said, ''A state of war is not a blank check for the President.'' We asked each of these nominees if they agreed, and they said they did, without any equivocation.

The decision today by the Supreme Court, this majority decision, is a reminder of the greatness of this Nation. It is a reminder that following the rule of law we can keep America safe. We can treat these prisoners properly and legally. If they are a danger, we can hold them. But there comes a time when this President and every President must be held accountable to our Constitution.

Mr. MCCAIN. Mr. President, I strongly support the United States-Oman Free Trade Agreement and urge my colleagues to support this legislation.

Two-way trade between the U.S. and Oman stands at nearly $1 billion, and it is projected to grow under the terms of this new agreement. Upon enactment, 100 percent of industrial and commercial products and 87 percent of agricultural products will be duty free. The agreement, which covers textiles, telecommunications, intellectual property rights, investment, and other sectors, will promote economic growth and prosperity in both countries. American producers, consumers, and investors will benefit from the FTA.

Not only is this free-trade agreement good for the economic prosperity of Americans, it will promote growth and employment in Oman. Given Oman's long strategic ties to the United States and the efforts of Sultan Qaboos to reform the economy and the political process, this agreement is an important sign of our support.

Since 1833, when the United States signed a treaty of friendship with Oman, our ties to that country have been close. The U.S. used Oman's Masirah Island air base during the attempt to rescue U.S. Embassy hostages in Iran during the Carter administration. Oman hosted thousands of U.S. personnel during Operation Enduring Freedom in Afghanistan and during Operation Iraqi Freedom. Our governments have cooperated in the nonsecurity aspects of the war on terror, and Oman has made important strides toward greater democratization. The Sultan has made women's rights an important part of his reform plans. While work remains, the liberalization project in Oman remains on a positive trajectory.

In recognition of this deep cooperation, and to further enhance our economic and security ties, this free-trade agreement should win quick approval by the U.S. Senate. I urge my colleagues to support it

Mr. LEVIN. Mr. President, we have a failed trade policy and the United States-Oman Free Trade Agreement, OFTA, implementation legislation the Senate is being asked to consider today is a continuation of that failed trade policy. This failure is reflected in a trade deficit that reached a record $717 billion last year and in the loss of 2.8 million manufacturing jobs over the past 5 years.

The OFTA implementing legislation fails to insist on basic internationally recognized labor standards, yet this agreement is being rushed through the Senate under fast-track procedures that only allow Members of Congress an up-or-down vote and no chance to amend or improve it one day after it was voted out of the Finance Committee and with no report. Although I support free and fair trade, as well as increasing our economic ties with Oman, I believe any trade agreement entered into by the United States should include commitments to international labor standards.

Writing labor and environmental standards into trade agreements is an important way to ensure that free trade is fair trade. But unlike the 2001 Jordan Free Trade Agreement, the OFTA fails to include internationally recognized, core labor standards supported by most countries in the world. Those standards include the right to organize/associate; the right to bargain collectively; a prohibition on child labor; a prohibition on discrimination in employment; and a prohibition on forced labor.

In the case of Oman, its laws do not meet core International Labor Organization, ILO, standards, and therefore the agreement's requirement that Oman simply ''enforce its own laws'' is inadequate.

Rejecting the OFTA implementing legislation as currently drafted would be a sound rejection of the failed and flawed trade policies of the past and a signal of support for a better approach to trade that is a two-way street and trade that supports the rights of workers.

I am disappointed that the administration ignored the Senate Finance Committee amendment forbidding any goods produced with slave labor or benefiting from human trafficking from benefiting from the agreement. This amendment passed the committee unanimously, yet the administration did not include it in the legislation it sent to Congress. This is especially unfortunate in light of recent revelations that such labor abuses are occurring in Jordan despite a United States-Jordan FTA that included labor and environmental protections unlike the agreement under consideration today. It also shows a blatant disregard on the part of the administration of the advice and input of Congress in developing trade agreements.

I do not support the agreement before us as crafted, and without the chance to improve it, I must oppose it. Trade should not be a race to the bottom in which U.S. workers must compete with countries that do not recognize core international labor standards and basic worker rights.

Mr. LUGAR. Mr. President, I rise today to speak in support of the U.S.-Oman Free Trade Agreement. At a time when commerce routinely crosses national borders, the United States should be positioned to compete in all arenas. Bilateral free trade agreements facilitate this goal. The FTA with Oman is significant for many reasons. Foremost, it encourages trade and economic cooperation with a friend and partner in the Middle East. FTAs are vital tools in providing new opportunities for our domestic companies as well as shaping our international business and foreign policy. Cooperation on the commercial front enhances our ability

to work with nations in other matters, including security and intelligence.

FTAs promote trade and growth which in turn support overall government stability and cooperation in this region. Continued cross-border trade ties will ensure the emergence of new capital markets and provide U.S. firms with new business partners. This agreement with Oman is also a further step in the direction of the goal to have a Middle East Free Trade Area by 2013.

Oman acceded to the World Trade Organization in 2000, and entered into a Trade and Investment Framework Agreement, TIFA, with the U.S. in July 2004. The TIFA provided a foundation upon which the U.S. and Oman were able to begin discussing areas of increased cooperation in trade that could be achieved. Subsequently, this FTA was signed in October 2005 and sent to Congress on June 26 under Trade Promotion Authority timelines.

This agreement will provide for greater market access in services, consistent legal protections for investors, effective enforcement of labor and environmental laws, and protection of intellectual property. There has been some debate over strengthening of labor laws in Oman. The government there passed significant labor reforms in 2003 and has made a commitment to implement further reforms by October of this year. Additionally, the Omani government has committed to increased protections for intellectual property. It has indicated that existing intellectual property protection laws will be enforced and enhanced civil and criminal penalties will be instituted for violators of these protections. Further, in addition to commitments not to relax environmental standards in order to attract investment, there was a separate agreement signed establishing a Joint Forum on Environmental Cooperation, through which ongoing assessments of environmental issues will be addressed.

In 2004, U.S. goods exports to Oman totaled $330 million, and two-way trade was $748 million. Of these amounts, U.S. agriculture comprised $20 million. The stock of U.S. foreign direct investment in Oman in 2003 was $358 million. Enactment of this agreement will further expand the market for U.S. exports which currently include machinery, automobiles, medical instruments, and agricultural products such as vegetable oils, sugars, sweeteners, and beverage bases. In addition to greater market access for agriculture and consumer goods, this agreement will also specifically create greater opportunities for service industries such as banking, insurance and securities.

FTAs provide benefits that enable American companies and workers to compete effectively around the world. I encourage my colleagues to support the U.S.-Oman FTA.

Mrs. BOXER. Mr. President, I oppose the proposed U.S.-Oman Free Trade Agreement. This agreement is not fair to American workers, plain and simple.

The theory behind free trade agreements is that two nations will agree to the free flow of goods as long as there is a relatively even playing field in terms of labor and environmental standards.

Without that even playing field, we face a worldwide ''race to the bottom,'' where the nations that pay their workers the least and offer them the fewest rights and protections, wins.

Sadly, the Bush administration has entered this particular race with gusto.

The Sultanate of Oman does not have much of a track record on worker's rights. There is no right to form independent unions or bargain collectively. The Omani constitution and labor laws do not prohibit the use of forced labor for public services and child labor is still permitted in law and practice.

The country of Oman has only 3 million people—and half a million of them are foreign ''guest workers,'' mainly from Bangladesh, Sri Lanka and other Asian countries. And there have been numerous reports about how guest workers in that region have been exploited and underpaid, enabling their employers to turn out extremely low-cost products.

Unfortunately the trade agreement we are considering today offers no guarantees that Oman will not treat its ''guestworkers'' in the same way, and then be able to sell the products of their labor, duty free, to U.S. companies.

And we are asking American workers to compete against that? That's not free trade, defined as a mutually beneficial arrangement between two nations that raises living standards and general prosperity for the citizens of both countries. That's merely pitting American workers against the poorest, most desperate workers in the world, who work as foreign contract workers and have few legal or institutional protections.

I cannot support that approach to free trade. I proudly join with 400-plus labor, environmental, religious, human rights, consumer, business and family farm organizations, to oppose the U.S.-Oman Free Trade Agreement.

Mr. OBAMA. Mr. President, the Oman Free Trade Agreement is not a threat to American workers, and it could help us build better relations in the Middle East. I believe that the administration has handled its relationship with Congress on this agreement poorly, but our foreign policy interests in the region require greater engagement with it. For this reason, I am voting for this agreement.

The economics of the agreement are negligible. U.S. exports entering Oman today face tariffs that this agreement will remove. As a result, American sales to that country will increase by about 14 percent, or $41 million. This increase is a very small share of U.S. exports to the world—less than .05 percent—making the effect on U.S. output and employment minimal. On the import side, according to the International Trade Commission, ''the expected changes in U.S. trade with Oman . . . would likely be very small and, therefore, have almost no effect on U.S. imports, employment, or welfare.'' In other words, imports would be so small that they don't even register.

Because the economic impact on the United States is not a compelling factor, I believe that we must base our vote on the kind of message it sends about our approach to trade generally and the potential effects of trade agreements on our foreign policy. In general, I believe that more trade between the U.S. and other countries is good. It helps build constructive political relationships and can create wealth both here and abroad. And I would like to see us build better relationships with countries like Oman and its neighbors.

I have been informed by the State Department that Oman has been a valuable partner for the United States in a volatile part of the world. I will not take the time to list all of the areas of cooperation between our two governments, but this relationship is important and is the main reason I am voting for this agreement today. I believe we have a strategic interest in working to enhance our relationships with friendly governments in the region.

I should also point out that Oman, with respect to the Arab world, is forward leaning on a range of economic and political issues, including women's suffrage. This is not to gloss over some of the problems in Oman, including restrictions on the press and a lack of a free and independent judiciary; one only needs to look at the State Department's Human Rights Report to know that there is room for improvement. With this vote, I want to send a signal to the government of Oman that we respect the progress it is making, but expect that there is much more to come.

I would caution the administration, however, not to take for granted Congress' support for trade agreements. We give the President streamlined authority to negotiate trade agreements and send them to Congress to make it easier for Presidents to conclude negotiations. We do that to encourage trade. But that does not mean that he can or should ignore this co-equal branch of government.

The Senate Finance Committee specifically directed the administration to exclude from the Oman agreement goods that were produced with slave labor or benefited from human trafficking. The administration refused to do so. That sends a loud message to Congress that the administration believes fast track authority is the authority to ignore Congress. It is not, and I caution the President that such an approach to trade policy will lead to the death of Trade Promotion Authority and a wave of protectionist policies.

I support this agreement because I believe in the potential of the Middle East and our responsibility to engage and build partnerships in the region.

But I will continue to work to make trade agreements better for workers and the environment as we move forward with the Nation's trade agenda.

Mr. KOHL. Mr. President, I rise today to express my opposition to the Oman Free Trade Agreement implementing legislation before us. I am concerned about shortcomings in Oman's labor laws, in particular the lack of any provisions allowing workers to form independent unions or to bargain collectively. Also, Oman has no legal prohibitions of sweatshop labor.

Some have argued during today's debate that Oman has made improvements in their labor laws and are willing to make more. And it is true that recent labor law reforms in that country have moved the situation for workers from criminal to just terrible. But we should have learned from our experience with Jordan—a country with which we have a free-trade agreement, one that was justified by promised improvements in their labor laws. Just recently, the New York Times published an expose of the dreadful conditions in Jordan's sweatshops. What makes us think that Oman, with weaker labor standards than Jordan, will behave any better after they get their free-trade agreement? Congress needs to stand up for the workers in countries with which we trade before we reward them with unfettered access to our markets—and that means Congress must reject against trade agreements that do not demand strong labor laws and respect for fundamental workers' rights.

My ''no'' vote on the Oman Free Trade Agreement is also a vote against the way in which the Bush administration has handled trade negotiations. A year ago, Congress debated and ratified CAFTA. I voted against CAFTA because I could not see offering trade concessions to countries with labor standards so far below our own. I challenged this administration to negotiate trade agreements with countries that have strong labor laws. So far, they have not responded.

I also voted against CAFTA—and will vote against the Oman agreement today—in protest of a trade policy that is ignoring our rising trade deficit and the job drain that accompanies it. Instead of finding ways to pander to countries with deplorable human rights and worker protection records, the President and his trade negotiators ought to get tough with China and make them play by the rules. In the past 8 months, the President has met with President Hu of China twice. Each meeting was seen as an opportunity to begin to develop policies to respond to China's unfair trade practices, and each time this administration has been eerily silent.

In the meantime, our trade deficit has ballooned to $805 billion, and our trade deficit with China alone has risen to $201 billion. What is the President's plan? The U.S. Trade Representative wants to push through as many trade agreements as it can before fast-track Presidential trade negotiating authority expires in 2007. Peru, Columbia, United Arab Emirates, Thailand, and Korea are all in the queue. When is enough, enough? When will this administration focus on keeping jobs at home rather than handing out trade concessions abroad?

Workers in this country are looking to the President for leadership and answers on how we can keep jobs in the United States. Unfortunately, the Oman Free Trade Agreement offers neither. I urge my colleagues to reject the Oman Free Trade Agreement—and reject the misguided, disastrous trade policy it represents.

Mr. KERRY. Mr. President, today the Senate is considering a free-trade agreement with Oman. And here we are, once again, facing a free-trade agreement with an important ally that is the product of a failed process, an inattentive administration, and a basic neglect of the will of Congress.

I think this is a decent agreement with Oman, and I am not interested in harming relations with an important Middle East ally because of my frustration with the administration. Economic integration of the Middle East is too critically important a goal and vital to our efforts in the war on terror. I understand that deficiencies remain in this agreement. I will monitor Oman's remaining commitments on worker rights very closely. We must continue to engage this volatile region of the world economically if we expect to make progress on a number of fronts.

I have said repeatedly to the administration that our trade agreements must include the basic International Labor Organization, ILO, standards within the four corners of the trade agreement and that those standards must be enforceable. I have said that we must address other abuses such as the recent reports of abhorrent working conditions in Jordan. So what have we done? On CAFTA, I offered an amendment calling on the administration to require equivalent dispute resolution procedures for workers' rights as we provide for patent violations. And even though that vote failed on a 10 to 10 tie, the administration did not even consider strengthening the standards.

On Oman, Senators CONRAD, BINGAMAN and I offered an amendment to strengthen slave labor laws. The committee adopted the amendment unanimously. Inexplicably, the administration has returned the implementing bill without the language—without an explanation—without justification. It is absolutely inconceivable that the administration would not support a ban on the importation of goods produced with slave labor. At a time when America is attempting to restore its image around the world, this certainly sends the signal that as long as this administration is in place, we should not anticipate common sense in Government.

But I will say that the intransigence demonstrated by the administration this week does not bode well for renewal of fast-track authority. Under the Constitution, Congress is empowered to manage our economic relationships. We grant that power to the administration so that we may present the world with one voice in our economic diplomacy. But we must evaluate under what conditions we grant this authority in the future—if we grant it at all. There is no doubt that the system is broken. And I will be actively engaged as we reevaluate this strategy.

Mr. LIEBERMAN. Mr. President, consistent with my longstanding record of supporting trade as good for America's economy and economic development in Arab and Muslim countries as important for peace in the world, I am supporting the Oman Free Trade Agreement. However, I do so with some reluctance because of my concerns about its labor provisions.

For me, trade must be fair. This agreement is flawed in its failure to provide the tools necessary to ensure rigorous labor protections. I have been pressing for some time for the inclusion of stronger labor protections in our trade agreements. While the agreement would bind Oman to enforce its own laws regarding slave labor, I am disturbed by the administration's decision to ignore the bipartisan views of the Finance Committee by not including a unanimously approved stronger provision against slave labor.

Serious labor violations now occurring in Jordan, despite the stronger labor provisions contained in the Jordan FTA, demand that this administration insist on stronger labor protections in our trade agreements and stronger enforcement of the labor protections that do exist.

I will vote for this FTA because Oman is a strategically important nation in the Middle East, with which we enjoy excellent relations. The failure of Congress to pass this agreement would threaten our future relations with Oman and our allies in the Middle East generally. I will also support this FTA because trade helps to open the economies of countries in the Arab world and provides a better path up for its people than the fanaticism and violence al-Qaida offers. In that sense, these trade agreements represent progress in the war for the hearts and minds of the people in the Arab world which is a critical part of our larger war against Islamist terrorism.

But today I want to lay down a marker. I will not continue to support future free-trade agreements unless the administration becomes serious about negotiating labor and other improvement that build on our experience rather than continue to produce a series of FTAs that in the end penalize too many of our workers here at home and do not adequately protect workers overseas.

Mr. GRASSLEY. Mr. President, I want to respond to some of the points made by my colleagues today.

First, I have heard concerns that the United States-Oman Free Trade Agreement will give foreign port operators an absolute right to establish or acquire operations to run port facilities in the United States. As I explained earlier, that is just wrong. The United States clearly has the right to prohibit foreign investments in the United States that would harm our national security. Nothing in the United States-Oman Free Trade Agreement changes that.

Some of my colleagues have also expressed concerns about the process by which the bill we are considering was brought to the Senate floor. They focus on a proposed amendment adopted by the Finance Committee during its informal consideration of proposed legislation to implement our trade agreement with Oman. This amendment was offered by Senator CONRAD. It was meant to withhold benefits under the agreement to products made with the benefit of forced or indentured labor. I voted for the amendment because I shared some of Senator CONRAD's concerns, and I subsequently transmitted the text of the adopted amendment to the U.S. Trade Representative.

In addition to voting for the Conrad amendment, I introduced a chairman's modification to the proposed statement of administrative action which was approved by the committee. My modification called upon the administration to monitor or report on the efforts of the Government of Oman to prohibit compulsory or coerced labor.

Separately, the House Ways and Means Committee had approved the same draft implementing legislation but without approving any amendments. So we had a situation where the Finance Committee and the Ways and Means Committee sent different versions of informal nonbinding recommendations to the President. In this case the differences were limited and discrete. They were not of the type and degree that would warrant a mock conference.

The administration made the determination that existing law already precluded the legal importation of products made with forced or indentured labor. The administration therefore concluded that the Conrad amendment was not necessary or appropriate to implementation of the agreement. I received a letter from the general counsel of the Office of U.S. Trade Representative articulating the legal basis for the administration's position. I distributed this letter to all members of the Finance Committee prior to the committee's formal markup of this implementing legislation. I will ask unanimous consent that this letter be included in the record with my remarks.

I understand that some of my colleagues are upset that the proposed Conrad amendment isn't included in S. 3569. I believe that the process concerns raised by my colleagues could have been avoided if we had had more consultations by the U.S. Trade Representative with members of the Finance Committee. I am going to make it a point to see that there is better dialogue between the Finance Committee and the U.S. Trade Representative in the future. I want to see improved dialogue both during the negotiation of a trade agreements and prior to the point that the administration sends implementing legislation for a trade agreement to the Congress. I am confident that improved consultation and communication will help avoid such process concerns in the future.

With that, Mr. President, I say again that this is a very good trade agreement for both Oman and the United States. I urge my colleagues to lend their enthusiastic support to the bill before the Senate to implement this agreement.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, THE UNITED STATES TRADE REPRESENTATIVE,
Washington, DC, June 22, 2006.

Hon. CHARLES GRASSLEY,
Chairman, Senate Finance Committee, Washington, DC.

DEAR CHAIRMAN GRASSLEY: During the Finance Committee hearing on May 18, Senator CONRAD introduced an addition to the draft implementing legislation for the United States-Oman Free Trade Agreement (FTA) to ''add a provision to prevent goods made with slave labor (including conditions of de facto indentured servitude), or with the benefit of human trafficking, from benefiting from the agreement.'' At the hearing, I promised to provide you with a letter detailing our views on this proposal.

The proposed addition is neither necessary nor appropriate because the FTA already deals effectively with products of forced or indentured labor. In addition, U.S. law prohibits the importation of products produced with convict, forced, or indentured labor under penal sanctions. Moreover, we are aware of no evidence suggesting that goods are produced in Oman using slave labor or with the benefit of human trafficking.

First, Oman already prohibits forced labor and Oman has promised to take steps to clarify and strengthen its laws further. Article 12 of Oman's Basic Law provides that ''Every citizen has the right to engage the work of his choice within the limits of the law. It is not permitted to impose any compulsory work on anyone except in accordance with the Law and for the performance of public service, for a fair wage.'' Oman has further committed in writing to ''issue a Royal Decree, no later than October 31, 2006, specifying the forms of public service that could be required in the event the Government were ever to exercise its power under Article 12, consistent with Convention 29.'' Oman is, in fact, already a signatory to ILO Conventions 29 and 105, which prohibit forced labor. At your request; the Administration has committed to update the Congress periodically on the progress that Oman achieves in realizing all its commitments made to labor law reform.

Second, Article 16.2.1(a) of the FTA requires Oman to enforce its labor laws. If it fails to do so, then the United States is entitled to resort to the FTA's dispute settlement procedures, and if the United States prevails, Oman may be required to pay up to $15 million per year in fines that can be used for appropriate labor initiatives in Oman, including enforcement.

Third, U.S. law already prohibits the importation of products produced with convict labor, forced labor, and indentured labor under penal sanctions. Specifically, 19 U.S.C. 1307 states as follows:

All goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision. The provisions of this section relating to goods, wares, articles, and merchandise mined, produced, or manufactured by forced labor or/and indentured labor, shall take effect on January 1, 1932; but in no case shall such provisions be applicable to goods, wares, articles, or merchandise so mined, produced, or manufactured which are not mined, produced, or manufactured in such quantities in the United States as to meet the consumptive demands of the United States.

''Forced labor'', as herein used, shall mean work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily. For purposes of this section, the team ''forced labor or/and indentured labor'' includes forced or indentured child labor.

Notably, the statute is not limited to prison labor, but extends to products manufactured with forced or indentured labor. In fact, the statute was specifically amended in 1930 to add forced and indentured labor.

The statute is also not limited to involuntary labor. The term ''indentured labor'' is understood to mean labor undertaken pursuant to a '' 'contract entered into by an employee the enforcement of which can be accompanied by process or penalties.' '' China Diesel Imports, Inc. v. United States, 855 F. Supp. 380, 384 (CIT 1994) (citing 71 Cong. Rec. 4489 (1929) (statement of Senator Blaine)).

While the statute provides for an exception in the case of goods that are not produced in the United States, we cannot envision a situation where this exception would be applied in practice. Given the broad economic base of the United States, we do not anticipate a situation where the United States would be obliged to import an otherwise banned product from Oman to satisfy domestic demand because it cannot be obtained in the United States.

In determining whether importation of a product should be prohibited, Customs will look closely at the circumstances of the case. For example, the Forced Child Labor Advisory issued by the Department of Treasury and U.S. Customs Service in December 2000 lists several ''red flag'' factors indicating the existence of forced or indentured child labor. These red flags may alone provide evidence of forced/indentured labor, and include, e.g., slave labor conditions, employment to discharge a debt, financial penalties that eliminate wages, etc. The Advisory also lists several ''yellow flag'' factors that may indicate the need for further investigation. These yellow flag factors include, for example, employment in violation of local laws and regulations, or employment in hazardous industries or under extreme conditions.

Other agencies have interpreted the statute in a similar way. Pursuant to Executive

Order 13126, the Department of Labor applies the Section 1307 standard in developing a list of products produced by child labor that are not eligible for federal government procurement. According to the Department of Labor, ''The essential elements of the definition [of forced or indentured child labor] are either the presence of coercion or the existence of a contract enforceable by penalties.'' The Department has listed illustrative factors it will look at in making this determination, including, e.g., confinement, little or no pay, deprivation of basic needs, etc. Bureau of International Labor Affairs; Notice of Preliminary List of Products Requiring Federal Contractor Certification as to Forced or Indentured Labor Under Executive Order No. 13126; Request for Comments, 65 Fed. Reg. 54108 (Sept. 6, 2000).

Fourth, Congress recently affirmed that goods made with forced or child labor in violation of international standards cannot be imported into the United States. On February 17, 2005, the President signed into law the Trafficking Victims Protection Reauthorization Act of 2005 (P.L. 109–164). Specifically, section 105(b) of that Act requires United States Government departments and agencies to ''consult with other departments and agencies of the United States Government to reduce forced and child labor internationally and ensure that products made by forced labor and child labor in violation of international standards are not imported into the United States.''

For these reasons, the Administration does not consider the proposed addition to be ''necessary or appropriate to implement'' the Oman-trade agreement under the terms of 19 USC §3803(b)(3)(B)(ii) and the Administration will not include the proposed addition in the text of the legislation implementing the United States—Oman Free Trade Agreement.

Sincerely,

JAMES E. MENDENHALL,
General Counsel.

Mr. REID. Mr. President, I rise to express my deep disappointment over the legislation to implement the U.S.-Oman Free Trade Agreement. When sending this legislation to Congress, President Bush inexplicably deleted an amendment that would have barred goods made with slave labor or forced labor from benefiting under the FTA.

This amendment was originally proposed by Senator CONRAD and other Democrats on the Finance Committee, but ultimately received unanimous bipartisan support from the Finance Committee in a recorded vote.

The amendment was very simple it would have ensured that goods produced with slave labor, goods produced from forced labor, and goods produced based on human trafficking could not come into the U.S. under the preferential rules established by the agreement. I do not know how anyone could oppose this amendment. I think the American public would be united in support for the concept that they do not want to help support slave labor, forced labor, and human trafficking. President Bush really has some explaining to do.

The genesis for this amendment was a report revealing that companies in Jordan were importing workers from Bangladesh, Pakistan, and other poor countries, confiscating their passports, forcing them to work 80 to 100 hours per week, paying them inadequately, if at all, and subjecting them to physical intimidation and in some cases violence. Many of these workers actually paid recruiters thousands of dollars to get these ''good jobs'' and could not leave until they had earned enough money to pay off their debts.

Admittedly, these problems were in Jordan, not Oman. There are important reasons, however, why we need to be even more vigilant about this type of problem in Oman.

First, Oman's basic economic structure is currently based on the use of foreign workers—about 70 percent of Oman's workforce is foreign. Pretty much anywhere in the world, foreign workers are a particularly vulnerable lot.

Second, Oman already has a record on related issues that is cause for concern the International Confederation of Free Trade Unions has stated that migrant workers ''suffered extreme exploitation'' in Oman. And, the U.S. State Department has criticized Oman for inadequate efforts to stop human trafficking:

> Oman is a destination country for men and women primarily from Pakistan, Bangladesh, and India who migrate willingly, but may subsequently become victims of trafficking when subjected to conditions of involuntary servitude . . . as . . . laborers. Oman is placed on Tier 2 Watch List because of a lack of evidence of increasing efforts to combat severe forms of trafficking in persons over the last year.

Third, Oman's labor laws, enforcement, and history are much weaker than Jordan's. Oman's labor laws do not currently meet basic international standards. Oman is to be applauded for making numerous changes to its laws in the run up to the FTA to try to improve them. And, it has committed to making additional changes. Still, as I understand it, a few important areas remain where Oman's laws and enforcement fall short of standards that virtually every country in the world has accepted as a minimum.

Negotiations with some Democrats had been ongoing to resolve the continuing labor issues, but the administration appears to have decided that it will ignore their concerns. That was a regrettable decision. I have heard a lot of people lament the decline of bipartisanship in trade policy. I think if you were to date this decline, it would have started in 2001. The administration cannot just roll Democratic concerns one day and then expect a great working environment the next.

I am not sure why President Bush thinks we need excuses to ban goods made from slave labor and forced labor, but if we do, then I think I have just outlined a pretty good rationale.

I have heard some argue that we do not need to ban goods made with slave labor from Oman because U.S. law already bans all goods made with slave labor. People who make this argument are either misinformed or being misleading. The law at issue unfortunately has a ''consumptive demand'' exception—it does not block imports of products made with slave labor if there is not sufficient U.S. production to meet U.S. demand. The Court of International Trade just last year confirmed that the consumptive demand exception applies. Given that our trade deficit stands at over $700 billion, the exception clearly swallows the rule. So, again, anyone making a defense of this indefensible position by pointing to existing law is just plain wrong.

The President's decision to undermine Senate Democrats' efforts to curb slave labor and forced labor is not the only reason that I oppose this bill. As I noted above, Oman's labor laws—while much improved from 3 years ago—are still not up to international norms. The Bush administration has steadfastly refused to incorporate these minimum standards into the text of the agreement itself. There are minimum standards for intellectual property, for protecting the rights of foreign investors, for certain regulatory decisions, and in numerous other areas—as there should be. But the Bush administration has refused to include minimum standards for workers.

Finally, I want to restate my serious concerns about the Arab League Boycott against Israel. For decades now, the United States has had a policy to oppose the Arab League boycott against Israel. There is an entire office in the Department of Commerce tasked with implementing this anti-boycott policy. Congress has also directed USTR to ''vigorously oppose'' WTO admission for countries that engage in the boycott. In my view, it is an implicit corollary of this latter rule that the U.S. should not enter into bilateral trade agreements with countries that participate in the boycott.

Here, Oman has traditionally been one of the good guys. It renounced the boycott—primary, secondary, and tertiary—in 1994. The Government of Oman has stated numerous times that it does not apply any aspect of the boycott.

So, it was confusing to say the least that the Jerusalem Post reported earlier this month that an interview with two separate senior Customs officials in Oman revealed that Oman does in fact enforce the primary boycott. An official from Oman's Directorate of Customs stated, ''Products from Israel are not permitted because of the boycott. . . . You might put yourself in problems if you do that [i.e., if you try to bring in products from Israel].'' The chief of Customs Officers at the capitol airport stated, ''No products from Israel are allowed.''

The Government of Oman quickly sought to correct the record. I again applaud these efforts. Still, it certainly raises a serious question when you have nonpolitical people with no agenda whose very job it is day in and day out to enforce the Oman customs law claiming that the boycott exists. There seems to be a major disconnect here.

The administration should be able to lift the cloud of confusion, but unfortunately, the administration lacks credibility on this issue. Unwittingly or not, USTR has helped obfuscate the issue by giving incomplete, inaccurate, and on occasion misleading information to Congress on the boycott. In light of this lack of credibility, there is too much uncertainty on whether Oman has indeed terminated all aspects of the Arab League boycott. Accordingly, until this uncertainty is cleared up, I cannot support giving Oman the most preferential trade treatment under U.S. law.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FRIST. Mr. President, in a few minutes, we will be voting on the United States-Oman Free Trade Agreement

This agreement is a model for free trade in the Persian Gulf region and will become America's fourth agreement with an Arab country.

We struck similar deals with Jordan in 2000, Morocco in 2004, and Bahrain in 2005. Like these earlier deals, the Oman agreement will open and expand opportunities for exports of many American products to the benefit of America's workers, manufacturers, consumers, farmers, ranchers, and service providers.

As soon as the agreement takes effect, Oman and the United States will provide each other immediate duty-free access on virtually all products in their tariff schedules, including all consumer and industrial products, and will phase out tariffs on the remaining products within 10 years.

Former Trade Representative Rob Portman calls it ''a high quality, comprehensive free trade agreement that will contribute to economic growth and trade.''

America's relationship with Oman dates back to the early years of our Republic, when a treaty of friendship and navigation was signed with Muscat in 1833.

Since then, relations between our two countries have continually expanded. Today we enjoy a close and cooperative partnership.

Although not a formal member of the coalition, Oman has been a committed, dependable ally in the global war on terror. Oman has been a solid partner on terrorist finance issues and has reached out to work with partner nations in the region on trans-border terror threats.

Oman cooperates closely with us and other allies on counterterrorism and has publicly supported the democratic transition in Iraq. It has also supported stabilization operations, and the democratic and economic transition in Afghanistan. And its government and religious leaders consistently and courageously denounce acts of terror and religious intolerance.

Unfortunately, some have sought to undermine the agreement with myths that do not stand up to the scrutiny of the facts. For example, despite claims to the contrary, Oman does not implement any aspect of the boycott of Israel, a position they publicly reaffirmed in a letter from its commerce minister in September of 2005.

Moreover, Oman does not tolerate or allow the use of slave labor. To the contrary, Oman has also substantial commitments to the United States on labor reform and has promised to enact additional reforms by October 31, 2006.

The agreement before us builds on the progress already made and strengthens our relationship with a key friend and ally in the region. Indeed, rejection of the trade agreement would send a strong negative signal to our friends in the Middle East.

I urge my colleagues to vote for this measure. As the 9/11 Commission advised, expanding trade with the Middle East will ''encourage development, more open societies and opportunities for people to improve the lives of their families.''

Passing the free trade agreement will promote economic reform and development in the gulf and advance President Bush's broader goal of freer and more open Middle East. It will help both our allies and America move forward.

I yield back all time for both sides.

The ACTING PRESIDENT pro tempore. Without objection, all time is yielded back.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill, having been read the third time, the question is, Shall the bill pass?

Mr. FRIST. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Rhode Island (Mr. CHAFEE) and the Senator from New Hampshire (Mr. GREGG).

Mr. DURBIN. I announce that the Senator from California (Mrs. BOXER), the Senator from Vermont (Mr. LEAHY), the Senator from Washington (Mrs. MURRAY), and the Senator from Michigan (Ms. STABENOW) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) and the Senator from Michigan (Ms. STABENOW) would each vote ''nay.''

The PRESIDING OFFICER (Mr. ALEXANDER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—60

Alexander	Ensign	Murkowski
Allard	Enzi	Nelson (FL)
Allen	Frist	Nelson (NE)
Baucus	Graham	Obama
Bennett	Grassley	Pryor
Bond	Hagel	Roberts
Brownback	Hatch	Salazar
Bunning	Hutchison	Santorum
Burns	Inhofe	Sessions
Cantwell	Isakson	Shelby
Chambliss	Jeffords	Smith
Clinton	Kerry	Specter
Cochran	Kyl	Stevens
Coleman	Landrieu	Sununu
Cornyn	Lieberman	Talent
Craig	Lott	Thomas
Crapo	Lugar	Thune
DeMint	Martinez	Vitter
DeWine	McCain	Voinovich
Domenici	McConnell	Warner

NAYS—34

Akaka	Dole	Lincoln
Bayh	Dorgan	Menendez
Biden	Durbin	Mikulski
Bingaman	Feingold	Reed
Burr	Feinstein	Reid
Byrd	Harkin	Rockefeller
Carper	Inouye	Sarbanes
Coburn	Johnson	Schumer
Collins	Kennedy	Snowe
Conrad	Kohl	Wyden
Dayton	Lautenberg	
Dodd	Levin	

NOT VOTING—6

Boxer	Gregg	Murray
Chafee	Leahy	Stabenow

The bill (S. 3569) was passed, as follows:

S. 3569

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-Oman Free Trade Agreement Implementation Act''.

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

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States and Oman 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 Oman 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-Oman 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-Oman Free Trade Agreement entered into on January 19, 2006, with Oman and submitted to Congress on June 26, 2006; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on June 26, 2006.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Oman 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 Oman providing for the entry into force, on or after January 1, 2007, 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 on which 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 on which 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 to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report 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 the Committees referred to in paragraph (2) 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 20 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 2006 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office established or designated under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.15.1(a)(i)(C) or article 10.15.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

SEC. 107. 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.—

(1) PROCLAMATION AUTHORITY.—The President may proclaim—

(A) such modifications or continuation of any duty,

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

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 3.2.8, and 3.2.9, and Annex 2–B of the Agreement.

(2) EFFECT ON OMANI GSP STATUS.—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall, on the date on which the Agreement enters into force, terminate the designation of Oman as a beneficiary developing country for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.).

(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 Oman 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 Oman 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 Tariff 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. 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.

(b) ORIGINATING GOODS.—

(1) IN GENERAL.—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, a good is an originating good if—

(A) the good is imported directly—

(i) from the territory of Oman into the territory of the United States; or

(ii) from the territory of the United States into the territory of Oman; and

(B)(i) the good is a good wholly the growth, product, or manufacture of Oman or the United States, or both;

(ii) the good (other than a good to which clause (iii) applies) is a new or different article of commerce that has been grown, produced, or manufactured in Oman or the United States, or both, and meets the requirements of paragraph (2); or

(iii)(I) the good is a good covered by Annex 3–A or 4–A of the Agreement;

(II)(aa) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in such Annex as a result of production occurring entirely in the territory of Oman or the United States, or both; or

(bb) the good otherwise satisfies the requirements specified in such Annex; and

(III) the good satisfies all other applicable requirements of this section.

(2) REQUIREMENTS.—A good described in paragraph (1)(B)(ii) is an originating good only if the sum of—

(A) the value of each material produced in the territory of Oman or the United States, or both, and

(B) the direct costs of processing operations performed in the territory of Oman or the United States, or both,

is not less than 35 percent of the appraised value of the good at the time the good is entered into the territory of the United States.

(c) CUMULATION.—

(1) ORIGINATING GOOD OR MATERIAL INCORPORATED INTO GOODS OF OTHER COUNTRY.—An originating good, or a material produced in the territory of Oman or the United States, or both, that is incorporated into a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PRODUCERS.—A good that is grown, produced, or manufactured in the territory of Oman or 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.

(d) VALUE OF MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the value of a material produced in the territory of Oman or the United States, or both, includes the following:

(A) The price actually paid or payable for the material by the producer of the good.

(B) The freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant, if such costs are not included in the price referred to in subparagraph (A).

(C) The cost of waste or spoilage resulting from the use of the material in the growth, production, or manufacture of the good, less the value of recoverable scrap.

(D) Taxes or customs duties imposed on the material by Oman or the United States, or both, if the taxes or customs duties are not remitted upon exportation from the territory of Oman or the United States, as the case may be.

(2) EXCEPTION.—If the relationship between the producer of a good and the seller of a material influenced the price actually paid or payable for the material, or if there is no price actually paid or payable by the producer for the material, the value of the material produced in the territory of Oman or the United States, or both, includes the following:

(A) All expenses incurred in the growth, production, or manufacture of the material, including general expenses.

(B) A reasonable amount for profit.

(C) Freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant.

(e) PACKAGING AND PACKING MATERIALS AND CONTAINERS FOR RETAIL SALE AND FOR SHIPMENT.—Packaging and packing materials and containers for retail sale and shipment shall be disregarded in determining whether a good qualifies as an originating good, except to the extent that the value of such packaging and packing materials and containers has been included in meeting the requirements set forth in subsection (b)(2).

(f) INDIRECT MATERIALS.—Indirect materials shall be disregarded in determining whether a good qualifies as an originating good, except that the cost of such indirect materials may be included in meeting the requirements set forth in subsection (b)(2).

(g) TRANSIT AND TRANSSHIPMENT.—A good shall not be considered to meet the requirement of subsection (b)(1)(A) if, after exportation from the territory of Oman or the United States, the good undergoes production, manufacturing, or any other operation outside the territory of Oman 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 Oman or the United States.

(h) TEXTILE AND APPAREL GOODS.—

(1) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(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 3–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 Oman or the United States.

(C) YARN, FABRIC, OR GROUP OF FIBERS.—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.

(2) GOODS PUT UP IN SETS FOR RETAIL SALE.—Notwithstanding the rules set forth in Annex 3–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.

(i) DEFINITIONS.—In this section:

(1) DIRECT COSTS OF PROCESSING OPERATIONS.—

(A) IN GENERAL.—The term ''direct costs of processing operations'', with respect to a good, includes, to the extent they are includable in the appraised value of the good when imported into Oman or the United States, as the case may be, the following:

(i) All actual labor costs involved in the growth, production, or manufacture of the good, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel.

(ii) Tools, dies, molds, and other indirect materials, and depreciation on machinery and equipment that are allocable to the good.

(iii) Research, development, design, engineering, and blueprint costs, to the extent that they are allocable to the good.

(iv) Costs of inspecting and testing the good.

(v) Costs of packaging the good for export to the territory of the other country.

(B) EXCEPTIONS.—The term ''direct costs of processing operations'' does not include costs that are not directly attributable to a good or are not costs of growth, production, or manufacture of the good, such as—

(i) profit; and

(ii) general expenses of doing business that are either not allocable to the good or are not related to the growth, production, or

manufacture of the good, such as administrative salaries, casualty and liability insurance, advertising, and sales staff salaries, commissions, or expenses.

(2) GOOD.—The term ''good'' means any merchandise, product, article, or material.

(3) GOOD WHOLLY THE GROWTH, PRODUCT, OR MANUFACTURE OF OMAN OR THE UNITED STATES, OR BOTH.—The term ''good wholly the growth, product, or manufacture of Oman or the United States, or both'' means—

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

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

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

(D) a good obtained from live animals raised in the territory of Oman or the United States, or both;

(E) a good obtained from hunting, trapping, or fishing in the territory of Oman or the United States, or both;

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

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

(H) a good taken by Oman or the United States or a person of Oman or the United States from the seabed or beneath the seabed outside territorial waters, if Oman or the United States, as the case may be, has rights to exploit such seabed;

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

(J) waste and scrap derived from—

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

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

(K) a recovered good derived in the territory of Oman or the United States from used goods and utilized in the territory of that country in the production of remanufactured goods; and

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

(i) from goods referred to in subparagraphs (A) through (J), or

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

at any stage of production.

(4) INDIRECT MATERIAL.—The term ''indirect material'' means a good used in the growth, production, manufacture, 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 growth, production, or manufacture of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

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

(D) lubricants, greases, compounding materials, and other materials used in the growth, production, or manufacture of a good or used to operate equipment and 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 growth, production, or manufacture of the good can reasonably be demonstrated to be a part of that growth, production, or manufacture.

(5) MATERIAL.—The term ''material'' means a good, including a part or ingredient, that is used in the growth, production, or manufacture of another good that is a new or different article of commerce that has been grown, produced, or manufactured in Oman or the United States, or both.

(6) MATERIAL PRODUCED IN THE TERRITORY OF OMAN OR THE UNITED STATES, OR BOTH.—The term ''material produced in the territory of Oman or the United States, or both'' means a good that is either wholly the growth, product, or manufacture of Oman or the United States, or both, or a new or different article of commerce that has been grown, produced, or manufactured in the territory of Oman or the United States, or both.

(7) NEW OR DIFFERENT ARTICLE OF COMMERCE.—

(A) IN GENERAL.—The term ''new or different article of commerce'' means, except as provided in subparagraph (B), a good that—

(i) has been substantially transformed from a good or material that is not wholly the growth, product, or manufacture of Oman or the United States, or both; and

(ii) has a new name, character, or use distinct from the good or material from which it was transformed.

(B) EXCEPTION.—A good shall not be considered a new or different article of commerce by virtue of having undergone simple combining or packaging operations, or mere dilution with water or another substance that does not materially alter the characteristics of the good.

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

(A) the disassembly of used goods into individual parts; and

(B) the cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition.

(9) REMANUFACTURED GOOD.—The term ''remanufactured good'' means an industrial good that is assembled in the territory of Oman or the United States and that—

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

(B) has a similar life expectancy to a like good that is new; and

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

(10) SIMPLE COMBINING OR PACKAGING OPERATIONS.—The term ''simple combining or packaging operations'' means operations such as adding batteries to devices, fitting together a small number of components by bolting, gluing, or soldering, and repacking or packaging components together.

(11) SUBSTANTIALLY TRANSFORMED.—The term ''substantially transformed'' means, with respect to a good or material, changed as the result of a manufacturing or processing operation so that—

(A)(i) the good or material is converted from a good that has multiple uses into a good or material that has limited uses;

(ii) the physical properties of the good or material are changed to a significant extent; or

(iii) the operation undergone by the good or material is complex by reason of the number of different processes and materials involved and the time and level of skill required to perform those processes; and

(B) the good or material loses its separate identity in the manufacturing or processing operation.

(j) PRESIDENTIAL PROCLAMATION AUTHORITY.—

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

(A) the provisions set forth in Annex 3–A and Annex 4–A of the Agreement; and

(B) any additional subordinate category that is 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 3–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 Oman pursuant to article 3.2.5 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 3–A of the Agreement).

SEC. 203. 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 (16) the following:

''(17) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 202 of the United States-Oman 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. 204. 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 Oman to conduct a verification pursuant to article 3.3 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 Oman 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 202, or

(ii) is a good of Oman,

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 referred to in 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 good; 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 referred to in 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 referred to in 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 referred to in 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 referred to in 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 referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

SEC. 205. RELIQUIDATION OF ENTRIES.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''or''; and

(B) by striking ''for which'' and inserting '', or section 202 of the United States-Oman Free Trade Agreement Implementation Act for which''; and

(2) in paragraph (3), by inserting ''and information'' after ''documentation''.

SEC. 206. REGULATIONS.

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

(1) subsections (a) through (i) of section 202;

(2) the amendment made by section 203; and

(3) proclamations issued under section 202(j).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

In this title:

(1) OMANI ARTICLE.—The term ''Omani article'' means an article that—

(A) qualifies as an originating good under section 202(b); or

(B) receives preferential tariff treatment under paragraphs 8 through 11 of article 3.2 of the Agreement.

(2) OMANI TEXTILE OR APPAREL ARTICLE.—The term ''Omani textile or apparel article'' means an article that—

(A) 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) is an Omani 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.—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.

(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 Omani 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 Omani 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 (i).

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

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days 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.—

(1) IN GENERAL.—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.

(2) LIMITATION ON RELIEF.—The import relief recommended by the Commission under this subsection shall be limited to that described in section 313(c).

(3) VOTING; SEPARATE VIEWS.—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 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.

(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 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, in the aggregate, be in effect for more than 3 years.

(2) EXTENSION.—

(A) IN GENERAL.—If the initial period for any import relief provided under this section is less than 3 years, the President, after receiving a determination from the Commission under subparagraph (B) that is affirmative, or which 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)), may extend the effective period of any import relief provided under this section, subject to the limitation under paragraph (1), 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) INVESTIGATION.—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 to facilitate adjustment by the domestic industry to import competition and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) NOTICE AND HEARING.—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) REPORT.—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.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section 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 on which the relief terminates.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that 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) PRESIDENTIAL DETERMINATION.—Import relief may be provided under this subtitle in the case of an Omani article after the date on which such relief would, but for this subsection, terminate under subsection (a), if the President determines that Oman 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 (19 U.S.C. 2251 et seq.).

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-Oman 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) 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(b), the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, an Omani 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.

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), any import relief that the President provides under subsection (b) of section 322 may not, in the aggregate, be in effect for more than 3 years.

(b) EXTENSION.—If the initial period for any import relief provided under section 322 is less than 3 years, the President may extend the effective period of any import relief provided under that section, subject to the limitation set forth in subsection (a), if the President determines that—

(1) 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

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

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

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

(1) the article has been subject to import relief under this subtitle after the date on which the Agreement enters into force; or

(2) the article is subject to import relief under 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 on which 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. CONFIDENTIAL BUSINESS INFORMATION.

The President may not release information that is submitted in a proceeding under this subtitle and that 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 shall also submit a nonconfidential version of the information, in which the confidential business information is summarized or, if necessary, deleted.

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 (iv);

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

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

''(vi) a party to the United States-Oman Free Trade Agreement, a product or service of that country or instrumentality which is covered under that Agreement for procurement by the United States.''.

Mr. GRASSLEY. With today's passage of S. 3569, the U.S.-Oman Free Trade Agreement Implementation Act, we have solidified our commercial relations with Oman, a longstanding friend and ally for over 200 years. The agreement will result in new economic opportunities for U.S. farmers, manufacturers, and service providers.

None of this would have been possible without the support of my colleagues. In particular, the Senator from Montana, ranking Democrat of the Committee on Finance, Senator MAX BAUCUS. I want to thank Senator BAUCUS for his cooperation and good faith in moving this legislation through the Senate with bipartisan support. We would not be here today without his strong commitment to raising the living standards of people in the United States and abroad.

Senator BAUCUS's trade staff deserves recognition. The Democratic Staff Director on the Finance Committee, Russ Sullivan, and the Deputy Staff Director, Bill Dauster, worked well with my staff and provided helpful insight throughout the process. I also appreciate the efforts of Brian Pomper, Chief International Trade Counsel, as well as Demetrios Marantis, Anya Landau, Janis Lazda, and Chelsea Thomas.

I would also like to thank President Bush for his leadership. His commitment to improving the U.S. economy through increased access to foreign markets has made this agreement a reality. Oman is just one of his latest successes on this front.

The dedication of two former United States Trade Representatives, Robert Zoellick and Rob Portman, merits special thanks. Their efforts at the negotiating table produced a comprehensive, commercially-meaningful agreement. I would like to recognize the current United States Trade Representative, Susan Schwab. Ms. Schwab was confirmed in her current position after negotiations of the agreement were concluded. Her consultations with the U.S. Congress are appreciated. Her negotiating skills and experience make her well suited for future talks. I also appreciate the service and hard work of Assistant United States Trade Representative for Europe and the Middle East Shaun Donnelly.

My trade staff on the Finance Committee deserves recognition. First, my Chief Counsel and Staff Director, Kolan Davis, merits special mention. His legislative expertise has been instrumental in moving countless bills. The work of the Finance Committee's International Trade Counsel, David Johanson and Stephen Schaefer, is invaluable. Their depth of knowledge, dedication, and ability to juggle several policy issues at that same time is key in advancing the Committee's trade agenda. Their long hours are much appreciated. I would like to recognize my former Chief International Trade Counsel, Everett Eissenstat. While on my staff, he worked diligently on this agreement and others. I want also want to thank Tiffany McCullen Atwell, International Trade Policy Advisor on the Committee for her hard work that produces results behind the scenes. Claudia Bridgeford, International Trade Policy Assistant, has also contributed significantly to the Committee's work. Russ Ugone, my detailee from Customs and Border Protection, has lent us his technical expertise.

I am grateful to Justin McCarthy, Assistant United States Trade Representative for Congressional Affairs, and Andy Olson, Deputy Assistant United States Trade Representative for Congressional Affairs, for their work with Congress on the U.S-Oman Free Trade Agreement.

Finally, I would like to thank Polly Craighill of the Office of the Senate Legislative Counsel for the long hours she put into working on this legislation. Without her patience and hard work, today's vote would not have been possible.

I look forward to the signing of this legislation into law by President Bush.

Mr. CARPER. Mr. President, it is with great disappointment that I cast a ''nay'' vote on the Oman Free Trade Agreement today.

Last summer, when we were debating the Central America Free Trade Agreement, or CAFTA, I expressed frustration with the direction of free-trade agreements and free-trade policy, in general. I expressed a hope that the administration would do more to consult with Congress and, particularly, with moderate, free-trade Democrats.

Many times, representatives of this administration have said that they want to bring back the strong bipartisan support for free-trade agreements and ''make it easier for Democrats to support free-trade agreements.'' Well, one of the ways they can do that is by consulting with and responding to concerns expressed by Democrats and moderates in Congress—before we are asked to vote up or down on those agreements.

When the Oman Free Trade Agreement was considered in the Finance Committee, 18 members voted in favor of an amendment offered by Senator Conrad that would ban the import of goods made by slave labor or by workers trapped in abusive conditions through human trafficking. And with that amendment approved, all 19 members of the Finance Committee were able to support the free-trade agreement. Clearly, supporting that language was a way to make it easier for Members of Congress to support this agreement.

Yet the administration decided to ignore that strong signal. They did not try to address the concerns voiced through the adoption of the Conrad amendment. They chose to omit the amendment from the implementing language they sent to the Congress for its approval.

This action may not backfire today: the Oman agreement may still pass. However, it will backfire one day, and I expect it to be in the not so distant future.

Next year, Congress will be asked to reauthorize trade promotion authority. But trade promotion authority is about trust, and the actions taken by this administration in agreement after agreement have not inspired trust. And at this point, they have very little time to reestablish that trust before the vote on trade promotion authority next summer.

Lowering trade barriers and promoting free trade is about more than just economics. It is about increasing opportunities and improving quality of life both here and abroad. In offering access to our markets, we can help to peacefully spread democracy and encourage developing countries to increase transparency in government, strengthen their judiciary, improve conditions for their workforce, and protect their environment. But this administration does not seem to recognize this opportunity, even when strong supporters of trade—like myself—tell them that this is an important part of our support for free-trade agreements.

So today we have been sent a free-trade agreement that does not reflect an understanding of the concerns expressed by Members of Congress. This bill is not amendable. All I can do is vote yes or no. Last summer I voted yes, giving the administration the benefit of the doubt and hoping that they would listen to the concerns expressed by moderates in Congress. Today, I am going to vote no and hope that the administration will recognize that they must listen to the concerns expressed by the legislative branch and that they cannot take our votes for granted.

I invite the administration to use the time between now and the consideration of the Peru Free Trade Agreement to show that you are listening, to incorporate our ideas into that agreement, and to prove that you deserve the trust we showed in granting trade promotion authority.

I believe in lowering trade barriers, and that is why I have supported every trade agreement that has come before me, until today. But that will become considerably more difficult without trade promotion authority. I sincerely hope we can work together over the next year to save it.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 3614 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. SPECTER. I thank the Chair. I thank my distinguished colleague from West Virginia for waiting. I know he has an important speech to give. I just conferred with the Senator from West Virginia, and it is his Fourth of July speech. It is a little early for the 4th, but there may not be too many people

in the Chamber on the 4th or the 3rd or the 2nd or the 1st or even tomorrow, the 30th of June. I compliment Senator BYRD in advance.

I yield the floor.

Mr. BYRD. Mr. President, I thank my distinguished friend, my longtime friend, the Senator from Pennsylvania, Mr. SPECTER, for his kind reference to me. I value his friendship. I value his views on the Constitution. I do, indeed, always.

Mr. SPECTER. I thank my colleague

A PATRIOTIC FOURTH

Mr. BYRD. Mr. President, this coming Tuesday is the Fourth of July. Two hundred and thirty years ago, in 1776, our Founding Fathers declared independence from Britain, establishing a nation on fundamentally new principles of government. Those principles, laid out in ringing tones in the Declaration of Independence and given flesh and substance in our Constitution, have stood us well for these last 230 years. That is 84,007 days, including leap years, and we are still going strong.

Already, one can see the red, white, and blue bunting decorating stores, and one can see the fireworks for sale in those places where they are permitted. People are purchasing picnic and barbeque makings at the grocery stores and filling the propane tanks that will fuel the backyard grills. Next Tuesday, the Nation's air will be filled with the sizzle and aroma of good old hot dogs and hamburgers, steaks and shishkebobs, and barbeque of infinite regional variety. Sweet, luscious corn on the cob may lay atop the grill, roasting in its own leafy wrapping. Picnic tables will groan under the weight of creamy potato salad—potato salad like they make in Tennessee—tart coleslaw, egg salad or macaroni salad. Cold slabs of watermelon—Mr. President, cold slabs of watermelon—and fresh cherries will tempt some to initiate seed spitting contests. It is hard to imagine a more all-American feast. Even Thanksgiving, with its formality and fine china, does not capture the American spirit in the same manner as a barefoot feast like a Fourth of July picnic.

And the entertainment, too, is all-American. In the morning, we line the sidewalks of countless small towns and communities to watch the parades of fire engines and floats. Small children ride on father's shoulders to get a better view, and dogs—yes, like my little dog—circle below, tangling leashes around legs as they bark happily at the passing show. We wave at bands and we wave at the beauty queens, too, and local politicians before heading home to go boating, fishing, swimming, or just visiting with family in the cool shade of a tall tree. Americans celebrate the Fourth outdoors.

In the evening, we gather after our picnics to listen to concerts and wait for the fireworks. The air now is filled with whizzing acceleration followed by an anticipatory pause, then the bursting pop of the exploding sparks. We ooh and ahh and clap. We are, generally, filled with a pride and love of our nation on the Fourth of July. We feel patriotic—yes, we do—in a general and fuzzy sense—a patriotism borne of a full stomach and stirring martial music, tinged with the scent of black powder and wrapped in red, white and blue bunting.

This general sense of patriotism and this general sense of love of country is, of course, a good thing. We are the very fortunate few, just 299,062,710 or so of the world's 6,524,438,583 citizens as of June 25, 2006, according to the U.S. Census Bureau. That is just 4.6 percent or so of the world's population. We live in a nation richly endowed by nature, generally temperate in climate, and sparsely populated, though that may not seem true to anyone seeking to leave Washington for the beach this weekend. For 230 years—yes, two centuries and two decades—America has expanded geographically, economically and intellectually, literally reaching the moon and the stars. We have made great discoveries in the sciences and in medicine. We look after our own and reach out to help others. Our Nation is far from perfect, to be sure, but I doubt that many of us would willingly trade it for another.

George William Custis wrote that ''A man's country is not a certain area of land, of mountains, rivers, and woods, but it is a principle and patriotism is loyalty to that principle.'' I think he is only partly correct patriotism is loyalty to that principle as well as to the homeland over which that principle governs. We love our Nation for all that it is physically, the collection of geography and peoples that we know and love.

But it is also the principles upon which our Nation was founded 230 years ago—principles to which we must always hold fast, lest they be eroded away.

Our Nation was founded on the principles of equality and the rights of man to life, liberty, and the pursuit of happiness. It is the job of government to ensure and protect these rights, and governments should only be based upon the consent of the people, not some powerful elite. Those fundamental principles should never be taken for granted. Even after 230 years of hearing them, they are not tired, run-of-the-mill, banal, or ordinary. Most of the other 96 percent of the world's population does not enjoy the blessings of those principles. Much of the rest of the world's population must live in the shadow of fear. Their governments have greater power and fewer restraints, and need not pay much attention to public opinion or internal dissent. In too many nations, dissenters can be jailed or simply ''disappeared'' if they dare to raise their voices to question their government's actions or policies.

We are blessed to live under a system of government established to serve all of the people. Mark Twain wrote that ''The government is merely a servant merely a temporary servant; it cannot be its prerogative to determine what is right and what is wrong, and decide who is a patriot and who isn't. Its function is to obey orders, not originate them.'' The orders that it is to obey should come from the people, and from a consensus of what constitutes the common good. That is rare in this world, a treasure to be guarded jealously.

Our Founding Fathers drafted our Constitution to defend individual freedom and to provide opportunity for all. It is a government expressly designed to balance power so that no one person can ever become a tyrant unless the people, in their foolishness or their apathy, allow it. Abraham Lincoln once said that ''America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves.''

In his book, Notes on Virginia, Thomas Jefferson wrote that, ''If once [the people] become inattentive to public affairs, you and I, and Congress and Assemblies, Judges and Governors, shall all become wolves. It seems to be the law of general nature, in spite of individual exceptions.'' We the people are the guardians of our own liberty.

Power and the trappings of power are as addictive as the strongest drug. When people in power come to believe that they know the interests of the Nation better than the people who are the Nation, and when people cease to listen to the people or to remember the folks back home, a dangerous situation is created.

The historian, Henry Steele Commager, said that ''Men in authority will always think that criticism of their policies is dangerous. They will always equate their policies with patriotism, and find criticism subversive.''

Each of us, as citizens of this great land and benefactors of our system of government, must serve as its defenders, against invasion from without, of course, but also against erosion from within. We must be prepared to criticize when government strays from our fundamental principles, when it ceases to be the servant of the people. In doing so, we must be prepared to be called unpatriotic. That is hard to do when we are fired up on barbeque and fireworks and patriotic music. That is hard to do when we have troops in the field and anxious families back home. But criticism is not unpatriotic. Far from it. When we speak up, we emulate our Founding Fathers, who were not afraid to spread criticism where it was warranted.

On the Fourth of July and on every day, Americans should feel patriotic in every sense of that word. We have every right to be proud of our Nation and our history. We Americans have every reason to look forward to a bright future, as long as we protect and