



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Thursday, July 27, 2006

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Mark Up of Vietnam PNTR Mock Markup of the U.S.-Peru Trade Promotion Agreement Statement of Senator Max Baucus

Today, the Finance Committee considers a bill to grant Vietnam Permanent Normal Trade Relations. We also consider the implementing bill for the Peru Trade Promotion Agreement.

These markups come at a particularly critical time. With the collapse of the Doha Round, the time has come for an important change in focus. If we cannot make progress with trading partners in the World Trade Organization, then we should look to trading partners – like Vietnam and Peru – that are willing to move forward with us in agriculture, industrial products, services, and other areas.

Trade Promotion Authority expires in less than one year. As I have said before, under the current climate, I am not optimistic that it will be renewed. So we should redouble our efforts to make the most of the time that is left and aggressively move forward on a trade agenda that we can all support.

Let me take a moment to recognize the strong efforts of the Chairman of this Committee to respond to the concerns raised in this Committee during consideration of the Oman agreement. He has worked to reach out and give all Members of this Committee the opportunity to air their concerns. These frank conversations are important, and I hope they will continue.

With today's markup of the Vietnam PNTR bill, the Committee can turn a new page. Unlike other trade bills, this bill has broad support on this Committee and in Congress in general. And this bill also has overwhelming support from U.S. exporters and a number of non-governmental organizations.

With this legislation, Senator Smith and I — together on this Committee with Senators Kerry and Crapo — speak for this broad consensus. And we say: the time has come to grant Vietnam Permanent Normal Trade Relations status.

The time has come to complete the process of normalization and reconciliation. The time has come to complete the work that Presidents George H.W. Bush, Bill Clinton, and George W. Bush steadily moved forward. And the time has come to complete the effort that began with the courageous support of Senators Kerry and McCain, so many years ago.

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The time has come for U.S. exporters to reap the benefits of Vietnam's burgeoning market of 83 million consumers, before others beat us to it. The time has come to welcome Vietnam as the 150th member of the World Trade Organization. And the time has come to anchor this important country firmly into the family of the world's trading nations.

As we close one chapter with Vietnam and usher in a new beginning, I recall a poem by a young Vietnamese poet Tran Dang Khoa. During the Vietnam War, he wrote these words in the hope that the spring rains would again emerge out of the darkness:

When rain blackens the sky in the east,
When rain blackens the sky in the west,
When rain blackens the sky in the south, the north ...
I see that stork white as alabaster
Take wing to proclaim the rain again.

The Vietnam PNTR bill is the most historic and commercially meaningful piece of trade legislation that this Committee has considered in several years. I encourage my Finance Colleagues to vote this bill out of committee this morning. And I express my hope that the full Senate will vote on it before the August recess.

Also before this Committee today is the draft bill to implement the Peru Trade Promotion Agreement.

This agreement has great potential. For agriculture producers, the Peru agreement is one of the best trade agreements that the U.S. Trade Representative has negotiated. It immediately eliminates tariffs on roughly two-thirds of current U.S. agriculture exports, including on wheat and high-quality beef, which are of key importance to my state of Montana. It also treats sugar in an appropriately sensitive way, and in this respect serves as a model for future trade agreements.

Nevertheless, Members have significant concerns about this agreement. We must address them.

On beef, Peru must abide by the commitments that it made to open its market to U.S. beef. I am pleased that Peru has made progress since our hearing last month by re-opening its market to bone-in beef and offals.

But Peru has fallen short of its promises. Peru still bans all forms of U.S. beef from cattle more than 30 months of age. It is hard to contemplate approving an agreement when our trading partner has already proven itself unwilling to live up to trade commitments it has made.

On labor, the buck may stop with Peru. Peru has made great strides to address concerns that have been expressed about its labor regime. But it has become more difficult for Senators to understand why the labor chapter alone remains static even when our trading partner is willing to go further.

I hope that we can work together to address these concerns and reach a point where the Peru agreement can attract broader support on this Committee and in the Congress. I look forward to working with Senator Grassley and this Committee as we move forward.

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