



Committee On Finance

Max Baucus, Ranking Member

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Floor Statement of Senator Max Baucus (D-Mont.) on U.S.-Oman Free Trade Agreement Implementing Legislation

Mr. President, in 1833, a merchant named Edmund Roberts piloted the U.S. war ship 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.

That treaty with Oman was part of a bigger picture. 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. And today I ask again, what is the bigger picture?

Mr. President, 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 protections. Regrettably, what will linger will be a feeling that these trade agreements were pushed through Congress without appropriate consultation.

Mr. President, the Senate considers trade agreements under a 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 and Ways and Means Committees can offer amendments to the bills. And under a fast-track process, that is the last time that anyone in Congress gets a chance to change these bills.

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's not the result I want. But that's where we are headed.

I have been warning for years that 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 that 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 is not confined just to trade agreements.

It runs to other pressing issues of national concern. The administration dismisses congressional inquiries as unnecessary or harmful. And the administration issues Presidential signing statements indicating the administration's intent to ignore whatever provisions of laws it chooses.

I believe the United States Senate has not been sufficiently aggressive in asserting its authority as a co-equal 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.

Mr. President, after much consideration and deliberation, I have decided to support this agreement. This was not an easy decision. But I will do so because I believe that Oman and the Omani people should not be punished for the unfair process that tarnishes an otherwise good agreement.

But 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 reconsider Trade Promotion Authority next year.

The administration must understand that its actions 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 wellbeing, we must begin that work.

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