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House of Representatives

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TRADE RULE STRENGTHENS HOUSE NEGOTIATING POSITION AGAINST SENATE

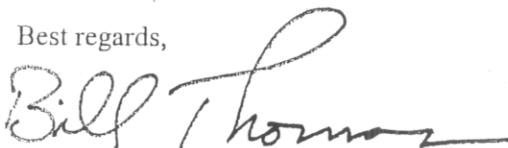
Dear Colleague,

I am writing to explain the reasons for, and the substance in, the House rule to go to a trade conference with the Senate. This procedural vote is necessary to begin the trade conference. The rule contains the motion to go to conference plus a self-executing amendment to incorporate the House position on each of the bills the Senate included. The Senate took one House-passed bill, stripped it, and added four other bills. In order to avoid having NO House position on these additional bills, including Trade Promotion Authority, it is necessary to move forward the House position on each of these bills – most of which have already passed the House. This rule establishes the best and most recent House position for conference and is necessary to prevent the Senate from having an advantage over the House in conference.

The House position under this rule includes:

- Bipartisan Trade Promotion Authority Act of 2001 as passed by the House
- Incorporating into TPA language from English Resolution expressing Congressional concerns regarding WTO dispute settlement panels and the WTO Appellate Body, and the standard of review contained in Article 17.6 of the Antidumping Agreement, as passed by the House
- Andean Trade Preference and Drug Eradication Act as passed by the House
- Requirement that for apparel made with U.S. fabric to qualify for benefits under the Caribbean Basin Initiative and the Andean Trade Preferences Act, all dyeing and finishing of that fabric must take place in the United States, as passed by House as part of supplemental
- Customs Border Security Act as passed by the House
- Extension of the Generalized System of Preferences as reported by Ways & Means
- Expanded coverage and benefits under Trade Adjustment Assistance:
 - Expands coverage to secondary workers by covering certain suppliers
 - Adds a 60% health insurance tax credit to TAA recipients, and extends same health insurance tax credit on a permanent basis to Pension Benefits Guarantee Corporation beneficiaries, including firms from airline and steel industries
 - Extends direct assistance benefits for 26 additional weeks in order to help workers complete their training requirements, and speeds up the petition process from the current 60 days to a new 40 days providing assistance to workers faster
 - Increases funding for worker training from \$80 to \$110 million for the increased number of workers eligible under TAA
- Authorization to pay judgments to avoid sanctions from certain WTO dispute settlements
- Requirement that Customs collect duties from importers on a monthly basis and prohibition on deferral of duties beyond the specified duty collection period

Best regards,



Bill Thomas
Chairman