

Congress Daily

May 6, 2003 Tuesday

TRADE:

Grassley Pressures Administration Over Biotech Complaint

By: Jerry Hagstrom

Senate Finance Chairman Grassley summoned top officials from the White House, the Office of U.S. Trade Representative and the State and Commerce departments to his office today to discuss a possible U.S. case against the European Union in the World Trade Organization over its moratorium on biotech products, his office announced. At the same time, an EU official told a Washington trade audience today that filing such a case might lead to a "boycott" of U.S. products. Grassley's statement said he called the meeting "because I was tired of getting an inadequate response from administration officials." Grassley did not name the officials who participated, but said they told him "various government agencies continue to look into bringing a WTO case" and promised to meet with him in two weeks to provide a progress report "as to when the administration will move forward."

When asked at a National Foreign Trade Council event today about the biotech case, Tony Vanderhaegen, the EU minister-counselor for agriculture, fisheries, food safety and consumer affairs, said he is "concerned about the backlash from the European consumer." Vanderhaegen also tied the reaction to anti-U.S. feelings due to the war in Iraq, stating that a U.S. case at this time combined with the reaction against the war could make the European consumer feel like the United States is "pushing [something] down his throat." Vanderhaegen said his "worst case scenario" is that a U.S. lawsuit in the WTO "could trigger a boycott of U.S. products." Vanderhaegen also said he believes the current EU moratorium on approval of new biotech products would be on "thin ice" in a WTO proceeding, but that he is confident the product traceability and labeling program that the European Commission is developing for a summer or fall implementation would meet WTO criteria.

Vanderhaegen said he has a "problem" with the scientific implications of some European member states' decisions to stop the approval process, but that the European Commission has been in a "difficult position" trying to resolve the issue. Vanderhaegen also indicated the popular reaction against a biotech case might be "fatal" for the European biotech industry, which he said is suffering from "a brain drain" to the United States and is "already losing thousands and thousands of jobs."

The National Foreign Trade Council released a study at its event detailing an "alarming increase in trade barriers that ignore sound science" for both agricultural and manufactured products. Twelve U.S. trade groups -- including the American Farm Bureau Federation, the Biotechnology Industry Organization, Crop Life America, the Grocery Manufacturers Association and the National Association of Manufacturers -- paid for the study. In his presentation, Vanderhaegen noted that the study focused totally on foreign countries and did not include any examples of U.S. regulations that hamper free trade.

-----Original Message-----

From: Bill Reinsch [mailto:breinsch@nftc.org]

Sent: Tuesday, May 06, 2003 6:54 PM

To: Eric Thomas; Elizabeth Ann Chandler; lkogan@nftc.org; Suzanna Mora

Subject: FW: National Journal's CongressDailyPM - Tuesday, May 06, 2003

Note trade item. It is not true that the 12 organizations paid for the study. Lawrence should be so lucky.

-----Original Message-----

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