

May 20, 2013

The Honorable Michael Froman
Deputy National Security Advisor for International Economic Affairs
The White House
Washington, DC 20510

Dear Mr. Froman:

The undersigned organizations and companies, representing the vast majority of U.S. food and agricultural producers, processors and exporters, registered strong support for the initiation of free trade negotiations with the European Union, now formally known as the Transatlantic Trade and Investment Partnership (TTIP), in a letter to then-Ambassador Kirk on March 4, 2013 (see attached). Our initial support for the TTIP was largely based on the Administration's insistence that the agreement be "comprehensive and ambitious." However, a resolution regarding the TTIP passed by the European Parliament on April 24 strongly expresses the intent of the EU to maintain the precautionary principle, which would undermine sound science and ultimately the agreement itself. The following section is both informative and unsettling, and it suggests that our optimism for the TTIP negotiations may have been premature or misplaced:

17. [The EU Parliament] emphasizes the sensitivity of certain fields of negotiations, such as the agricultural sector where the perception of Genetically Modified Organisms (GMOs), cloning and consumer health is divergent in between the US and the EU; sees an opportunity in enhanced cooperation in agriculture trade and stresses the importance of an ambitious and balanced outcome in this field; stresses that the agreement must not undermine the fundamental values of either side, for example the precautionary principle in the EU; calls on the US to lift the import ban on EU beef products as a trust-building measure ...

The juxtaposition of issues in this section is most concerning. On one hand, the Parliament demands that the European Commission defend arbitrary and unjustifiable SPS barriers and the precautionary principle on which they were based, yet, on the other hand, it calls on the United States to lift its ban on EU beef, which resulted from the BSE crisis, "as a trust-building measure." At the core, the EU's non-scientific notion of "precaution" has led to the adoption of many trade-restrictive measures that have resulted in several high-profile WTO disputes in which the EU's defense of the precautionary principle has been ruled to be inconsistent with WTO rules. Such precautionary measures are often based on mere hazard identification – or worse, on public perception and political considerations – rather than proper, science-based risk assessments, as required by the WTO. And, even in cases where risk assessments are ultimately carried out, the EU has demonstrated an inability to lift unjustifiable measures because of domestic political pressures. "Precaution" in the EU has become a pretext for import protectionism under the pretense of consumer safety. As a result, U.S. exports have repeatedly paid the price.

Examples of such problems include unjustifiable restrictions on production methods that negatively affect exports of U.S. meat, poultry and dairy products, as well as fresh fruits; discriminatory and trade-restricting labeling requirements; political and regulatory barriers to agricultural biotechnology that restrict U.S. corn, soy and processed corn and soy product exports; and imposition of arbitrary sustainability requirements on the production of feedstocks in the United States and other countries for biofuels used in the EU.

Such non-science-based measures have become the most challenging barrier to U.S. food and agricultural exports to the EU. They must, therefore, be specifically addressed as part of the negotiations, not simply left to some future consultative mechanism as some EU parliamentarians have suggested. Furthermore, SPS provisions negotiated under this free trade agreement (FTA) must be enforceable.

The EU has also worked to accomplish in its other FTAs what it has been unable to achieve multilaterally. The EU has sought the inclusion of language on geographical indications (GIs) that would grant it exclusive rights to certain product names widely used outside of Europe for many years. This objective was also reinforced by the EU Parliament. It defies credibility to think that a trade agreement could actually make it more difficult for the United States to market its products both domestically and internationally. Such an approach would not be in keeping with the broader trade liberalization goals of TTIP.

TTIP negotiations in agriculture carried out on the terms mandated by the EU Parliament would be an enormous mistake. In its preferential trade agreements with other countries, the EU has been successful in maintaining its existing non-science-based SPS measures while in some cases also introducing other non-tariff measures restricting trade.

We believe that the best way to achieve an outcome on these matters that the food and agricultural sector can strongly support is to use the Trans-Pacific Partnership (TPP) negotiating structure as the template for the TTIP. The TPP is intended to be a comprehensive agreement, covering all sectors without exceptions; all topics are to be concluded as a “single undertaking,” which means that nothing is agreed to until everything is agreed to; and there is to be an SPS chapter with strong and enforceable WTO-plus disciplines.

The negotiating approach the Obama administration has reportedly worked out with Japan in the TPP negotiations is directly relevant to negotiations with the EU in the TTIP. It is our understanding that the United States and Japan will pursue the talks with a three-pronged approach: parallel negotiations on tariff issues, non-tariff measures and the automobile sector, with negotiations not to be considered concluded until all significant non-tariff measures are satisfactorily addressed. This same type of approach should be undertaken with the EU.

As stated in our March 4 letter:

“We strongly believe that a comprehensive and ambitious U.S.-EU FTA will generate economic growth, reduce market volatility, and create thousands of new jobs on both sides of the Atlantic. But such a momentous free trade agreement must be built on the foundation established by the U.S. in the TPP and other U.S. free trade agreements, which build, as you have said, “the best trade policy for the future.”

The U.S. food and agriculture sector is not alone in this belief; it is one shared by EU decision makers like British Prime Minister David Cameron, who recently stated when discussing the TTIP: “... It makes no sense to exclude vital parts of the economy. Everything must be on the table. And we must tackle the really tough regulatory issues so a product approved on one side of the Atlantic can immediately enter the market on the other.”

If, instead, selected sectors or measures are excluded from the TTIP, or placed into a “future negotiation” category, the TTIP will fall short of achieving the Administration’s goal for it to be a high-class 21st century agreement, and it will likely fail to win the overall support of the food and agricultural sector that will be needed to ensure final passage of this agreement.

Attachment

Sincerely,

American Farm Bureau Federation
American Feed Industry Association
American Frozen Food Institute
American Meat Institute
American Sheep Industry Association
American Soybean Association
Animal Health Institute
Biotechnology Industry Organization
California Farm Bureau Federation
California Poultry Federation
Corn Refiners Association
Georgia Poultry Federation
Grocery Manufacturers Association
International Dairy Foods Association
Michigan Agri-Business Association
Michigan Bean Shippers
National Association of State Departments of Agriculture (NASDA)
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Chicken Council
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Renderers Association
National Sorghum Producers
National Turkey Federation
North American Equipment Dealers Association
North American Export Grain Association
North American Meat Association
North Carolina Poultry Federation
Northwest Horticultural Council
Pet Food Institute
U.S. Apple Association
U.S. Canola Association

U.S. Dairy Export Council
U.S. Grains Council
U.S. Livestock Genetics Export, Inc.
U.S. Wheat Associates
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
USA Rice Federation
Western Growers Association

March 4, 2013

Ambassador Ron Kirk
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Kirk:

The undersigned food and agricultural groups applaud the decision to launch negotiations with the European Union (EU) on a transatlantic free trade agreement (FTA) and commend you for your insistence that the agreement be comprehensive and ambitious. Individual organizations will be providing comments in the coming weeks, but there are a number of general considerations on which we all agree.

First, we believe that this agreement must fit the excellent model established with the Trans-Pacific Partnership (TPP) for 21st century agreements. The next trade agreement to be undertaken by this Administration should not fall short of this high standard for free trade agreements. This means no less than a negotiation that covers all significant barriers in a single comprehensive agreement.

With this in mind, we are compelled to express some apprehension over language in the final report of the High Level Working Group (HLWG) suggesting that an agreement ...

“... should be designed to evolve over time – i.e., substantially eliminate existing barriers to trade and investment, while establishing mechanisms that enable a further deepening of economic integration, particularly with respect to the promotion of more compatible approaches to current and future regulation and standard-setting and other means of reducing non-tariff barriers to trade.”

Clearly, an agreement that is allowed to evolve to meet new demands is welcome, but the idea should not be used as a means of avoiding critical decisions in certain areas. Accordingly, we seek your assurances that this is not the intent of this language, or of the U.S. and EU negotiators.

We are encouraged by the fact that a significant portion of the HLWG Report is devoted to dealing with regulatory issues (and other non-tariff barriers), especially the recommendation to negotiate an ambitious “SPS-plus” chapter based on science and international standards. However, we are very concerned by recent statements by EU officials raising doubts about whether the EU has any real interest in dealing with sanitary and phytosanitary (SPS) issues as part of the negotiations. SPS issues must be specifically addressed as part of the negotiations, not simply left to some future consultative mechanism, and SPS provisions must be enforceable. Examples of these issues include unjustifiable restrictions on production methods that negatively affect exports of U.S. meat, poultry, and fresh fruits; costly and ever changing political and regulatory barriers to agricultural biotechnology that restrict U.S. corn, soy, and processed corn and soy product exports; and imposition of arbitrary sustainability requirements on the production of feedstocks in the U.S. and other countries for biofuels used in the EU. Such unscientific measures have become the most challenging barrier to U.S. food and agricultural exports to the EU.

While EU officials have expressed opposition to addressing these difficult measures in the negotiations, they are nonetheless eager to seek the inclusion of new barriers to trade benefiting EU products. For example, the EU has made no secret that it will seek restrictions on the use of names that are commonly used for many products. Geographical indications (GIs) are a legitimate form of intellectual property and deserving of protection; the United States already provides the same robust protection avenue for GIs that

is available to other trademark holders. However, the EU wishes to reserve names for products that have been in common use around the world for many years. The United States is not alone in the world in its opposition to these efforts, and the proposed U.S.-EU FTA should not become the platform for the EU to gain legitimacy for its objectives on this and other such protectionist measures.

The undersigned organizations welcome President Obama's decision to pursue an ambitious, high-standard Transatlantic Trade and Investment Partnership. We strongly believe that a comprehensive and ambitious U.S.-EU FTA will generate economic growth, reduce market volatility, and create thousands of new jobs on both sides of the Atlantic. But such a momentous free trade agreement must be built on the foundation established by the U.S. in the TPP and other U.S. free trade agreements, which build, as you have said, "the best trade policy for the future."

Sincerely,

American Beekeeping Federation
American Farm Bureau Federation
American Feed Industry Association
American Meat Institute
American Peanut Product Manufacturers, Inc.
American Seed Trade Association
American Sheep Industry Association
American Soybean Association
BIO
Blue Diamond Growers
California Cherry Export Association
California Dried Plum Board
California Farm Bureau Federation
California Fig Advisory Council
California Pear Growers
California Strawberry Commission
California Table Grape Commission
California Walnut Commission
Commodity Markets Council
Corn Refiners Association
Grocery Manufacturers Association
International Dairy Foods Association
National Association of State Departments of Agriculture (NASDA)
National Association of Wheat Growers
National Barley Growers Association
National Black Farmers Association
National Cattlemen's Beef Association
National Chicken Council
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Renderers Association

National Turkey Federation
North American Blueberry Council
North American Equipment Dealers Association
North American Export Grain Association
North American Meat Association
Northwest Horticultural Council
Pet Food Institute
Produce Marketing Association
Smithfield Foods
Sunsweet Growers Inc.
Sweetener Users Association
Tyson Foods, Inc.
U.S. Apple Association
U.S. Canola Association
U.S. Dairy Export Council
U.S. Grains Council
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation
U.S. Wheat Associates
United Egg Association
United Egg Producers
US Dry Bean Council
USA Dry Pea & Lentil Council
USA Poultry & Egg Export Council
USA Rice Federation
Valley Fig Growers
Western Growers Association

cc: The Honorable Tom Vilsack, Secretary of Agriculture