UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

http://grassley.senate.gov
press_office@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

For Immediate Release
Tuesday, Feb. 19, 2002

Grassley Works to Protect U.S. Farm Exports to China

WASHINGTON – Sen. Chuck Grassley, ranking member of the Committee on Finance, has asked the Chinese government for more reasonable regulations regarding U.S. shipments of soybeans and other agricultural products to China. The text of the letter Grassley sent with his Democratic counterpart follows.

February 15, 2002

The Honorable Yang Jiechi
Ambassador Extraordinary and Plenipotentiary of the
People's Republic of China to the United States
2300 Connecticut Avenue, NW
Washington, DC 20008

Dear Mr. Ambassador,

We are writing regarding the new regulations governing biotechnology imports the Chinese government intends to implement on March 20, 2002. We are very concerned that these new rules will result in significant harm to United States agricultural producers, food processors, and exporters.

Indeed, we understand that United States export shipments of soybeans and affected products for delivery after March 20 have already been canceled. This is most disturbing, since about $1 billion in trade may be adversely affected. Specifically, we are especially concerned about two things.

The first is the fact that the rules as they are currently written are not transparent or workable. Our agricultural producers and exporters do not know exactly what information China requires them to provide. We are also concerned that the second license or safety certification that is required for each shipment of biotechnology product into China is redundant. The first required safety certification should be sufficient to warrant shipment to China.

Second, we are concerned that all trade in biotechnology products will be cut off after the March 20 implementation date. We firmly believe it is appropriate to have an extended (12-15 month) implementation period for the new regulations, during which trade could resume and

continue. This would allow regulators on both sides to work through the details, and for Chinese officials to perform safety assessments on biotech crops currently planted in the United States. This interim arrangement would be consistent with the approach taken by other WTO members when implementing regulatory regimes for trade in biotechnology products.

We know that China is committed to fulfilling its WTO obligations. Among these important and binding obligations are those contained in the WTO Sanitary and Phytosanitary Agreement. Sanitary or phytosanitary rules address the balance between safety and trade standards, but the underlying principle is that safety rules should not be used as disguised barriers to trade.

I am sure you know that China and the United States have worked hard to resolve bilateral differences over market access for American wheat, pork, and citrus. We hope and expect that we can do so in this instance.

We thank you for your immediate attention to this vitally important matter, and look forward to your response.

Sincerely,

Max Baucus

Chuck Grassley