



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Tuesday, May 6, 2003

Grassley Meets with Administration Officials, Urges Quick Decision on WTO Biotech Case

WASHINGTON -- Sen. Chuck Grassley, chairman of the Committee on Finance, held a meeting this morning in his office with top officials from the White House, the Department of State, the Office of the U.S. Trade Representative, and the Department of Commerce to discuss the need to move forward with a case at the World Trade Organization against the European Union's biotech moratorium.

"I called this meeting because I was tired of getting an inadequate response from Administration officials," Grassley said. "They say they support bringing a case, but their actions don't match their words. I finally decided that the only way to get a clear answer was to bring Administration officials to my office, so I did. I also wanted to make sure they understood how important this is for the future of American agriculture.

"I've been beating this drum a long time, and my message is clear. Iowa's farmers are being hurt by the European Union's biotech policies, and this situation is unacceptable. As long as the United States refuses to enforce its WTO rights, American farmers will continue to suffer."

The Administration officials explained that various government agencies continue to look into bringing a WTO case. Grassley sought a prompt answer on the Administration's decision. Upon Grassley's suggestion, the group agreed to meet with him again in two weeks to provide a progress report as to when the Administration will move forward.

Grassley requested today's meeting after sending a strongly worded April 28 letter to U.S. Trade Representative Robert Zoellick, expressing frustration with the lack of a WTO case against the E.U.'s agricultural biotechnology product moratorium. In his letter, Grassley said the end of the war with Iraq removes one of the Administration's stated reasons for delaying a case.

In today's meeting, Grassley urged the Administration to show strong support for the nation's agricultural producers. Key steps include bringing the WTO case on agricultural biotechnology products and making sure that any new free trade agreements consider agricultural interests, Grassley said. Congressional support of free trade agreements depends heavily on whether agriculture is fully considered, Grassley said.

The text of Grassley's April 28 letter follows for reference.

April 28, 2003

The Honorable Robert B. Zoellick
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Zoellick:

I am writing to urge the Administration to promptly initiate dispute settlement proceedings at the World Trade Organization (WTO) against the European Union regarding that government's moratorium on the approval of new agricultural biotechnology products.

For over four and a half years, the European Union has failed to approve new agricultural biotechnology products for entry into the European market. Yet officials of the European Union admit that products for which they are denying approvals are safe. The European Union's refusal to approve safe products for entry into its market violates its WTO obligations.

The European Union's moratorium continues to adversely impact U.S. farmers, including corn producers in Iowa. The United States cannot afford to sit idly by as exports of U.S. agricultural products to the European Union remain blocked. It is essential that the United States enforce its WTO rights.

Moreover, as you are aware, the European Union's refusal to approve new biotechnology products has contributed to the spread of anti-biotechnology hysteria to other parts of the world. Of particular concern, countries in southern Africa with starving populations recently rejected shipments of humanitarian aid consisting of U.S. corn due to unfounded fears over modern biotechnology. The international community must become further aware both of the WTO inconsistency of the European Union's policies as well as the safety of biotechnology products. A WTO action would help achieve these ends.

I remain extremely frustrated that the Administration has yet to file a WTO case. I have spoken with you on various occasions on the importance of initiating dispute settlement proceedings at the WTO. I have raised this issue in a letter to the President, in a conversation with another member of the Cabinet, and in discussions with high-ranking White House officials. I have yet to receive an adequate response on this matter from you or others in the Administration.

I understand that some in the Administration wanted to postpone a WTO case until after Iraq was liberated. Saddam Hussein's regime has now been deposed. Accordingly, I see no reason for putting off a WTO challenge. The United States should promptly initiate a WTO action.

I look forward to a reply from you on this most critical issue.

Sincerely,

Charles E. Grassley

cc: The Honorable Donald L. Evans
The Honorable Colin L. Powell
The Honorable Ann M. Veneman

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