

105TH CONGRESS  
1ST SESSION

# S. 220

To require the United States Trade Representative to determine whether the European Union has failed to implement satisfactorily its obligations under certain trade agreements relating to United States meat and pork exporting facilities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1997

Mr. GRASSLEY (for himself and Mr. DASCHLE) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To require the United States Trade Representative to determine whether the European Union has failed to implement satisfactorily its obligations under certain trade agreements relating to United States meat and pork exporting facilities, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Fair Trade in Meat  
5        and Pork Products Act of 1997”.

6        **SEC. 2. FINDINGS.**

7        Congress makes the following findings:

1           (1) The European Union's Third Country Meat  
2 Directive has been used to decertify more than 400  
3 United States facilities exporting beef and pork  
4 products to the European Union even though United  
5 States health inspection procedures are equivalent to  
6 those provided for in the Third Country Meat Direc-  
7 tive.

8           (2) An effect of the decertifications is to pro-  
9 hibit the importation of United States beef and pork  
10 products into the European Union.

11           (3) As a result of the decertifications, the high-  
12 ly competitive United States pork industry loses as  
13 much as \$60,000,000 each year from trade with Eu-  
14 ropean Union countries.

15           (4) In July 1987 and November 1990, at the  
16 request of affected United States industries, the  
17 United States initiated investigations under section  
18 301 of the Trade Act of 1974 into the European  
19 Union's administration of the Third Country Meat  
20 Directive and sought resolution of the meat and  
21 pork trade problems through the dispute settlement  
22 process established under the General Agreement on  
23 Tariffs and Trade.

24           (5) The United States Trade Representative  
25 preliminarily concluded on October 10, 1992, that

1 the European Union’s administration of the Third  
2 Country Meat Directive created a burden on and re-  
3 stricted United States commerce.

4 (6) Bilateral talks, initiated as a result of that  
5 finding, resulted in an Exchange of Letters in which  
6 the United States and the European Union con-  
7 cluded that the meat inspection systems of the Unit-  
8 ed States and the European Union provided “equiv-  
9 alent safeguards against public health risks” and  
10 agreed to take steps to resolve remaining differences  
11 regarding meat inspection.

12 (7) Even though the United States terminated  
13 the section 301 investigation as a result of the Ex-  
14 change of Letters, the United States determined  
15 that the practices under investigation would have  
16 been actionable if an acceptable agreement had not  
17 been reached.

18 (8) United States meat and pork producers  
19 have displayed consistent interest in exporting prod-  
20 ucts to the European Union and have undertaken  
21 substantial investment to take the steps specified by  
22 the Exchange of Letters.

23 (9) The European Union has failed to acknowl-  
24 edge changes in plant safety and inspection proce-  
25 dures undertaken in the United States specifically at

1 the European Union's request and has not fulfilled  
2 its obligation to inspect and relist United States pro-  
3 ducers who have taken the steps specified by the Ex-  
4 change of Letters.

5 (10) The actions of the European Union in con-  
6 ducting United States plant inspections places the  
7 European Union in violation of commitments made  
8 in the Exchange of Letters.

9 (11) The European Union, in addition to being  
10 a party to the Exchange of Letters, is a signatory  
11 to GATT 1994 and to the Agreement on the Appli-  
12 cation of Sanitary and Phytosanitary Measures,  
13 which requires that meat and pork inspection proce-  
14 dures under Department of Agriculture regulations  
15 be treated as equivalent to inspection procedures re-  
16 quired by the European Union under the Third  
17 Country Meat Directive if the regulations achieve  
18 the European level of sanitary protection.

19 (12) Whenever a foreign country is not satisfac-  
20 torily implementing an international trade measure  
21 or agreement, the United States Trade Representa-  
22 tive is required under section 306(b)(1) of the Trade  
23 Act of 1974 (19 U.S.C. 2416(b)(1)) to determine  
24 the actions to be taken under section 301(a) of such  
25 Act.

1 **SEC. 3. DEFINITIONS.**

2 For purposes of this Act:

3 (1) EXCHANGE OF LETTERS.—The term “Ex-  
4 change of Letters” means the exchange of letters  
5 concerning the application of the Community Third  
6 Country Directive, signed in May 1991 and Novem-  
7 ber 1992, which constitute the agreement between  
8 the United States and the European Economic Com-  
9 munity regarding the Third Country Meat Directive.

10 (2) GATT 1994.—The term “GATT 1994”  
11 means the General Agreement on Tariffs and Trade  
12 annexed to the WTO Agreement.

13 (3) THIRD COUNTRY MEAT DIRECTIVE; COMMU-  
14 NITY THIRD COUNTRY DIRECTIVE.—The terms  
15 “Third Country Meat Directive” and “Community  
16 Third Country Directive” mean the European  
17 Union’s Council Directive 72/462/EEC relating to  
18 inspection and certification of slaughter and process-  
19 ing plants that export meat and pork products to  
20 the European Union.

21 (4) WTO AGREEMENT.—The term “WTO  
22 Agreement” means the Agreement establishing the  
23 World Trade Organization entered into on April 15,  
24 1994.

1 **SEC. 4. REQUIREMENT FOR DETERMINATION BY UNITED**  
2 **STATES TRADE REPRESENTATIVE.**

3 Not later than 30 days after the date of enactment  
4 of this Act, the United States Trade Representative shall  
5 determine, for purposes of section 306(b)(1) of the Trade  
6 Act of 1974, whether the European Union has failed to  
7 implement satisfactorily its obligations under the Ex-  
8 change of Letters, the Agreement on the Application of  
9 Sanitary and Phytosanitary Measures, or any other Agree-  
10 ment.

11 **SEC. 5. REQUEST FOR DISPUTE SETTLEMENT.**

12 If the United States Trade Representative determines  
13 under section 4 that the European Union has failed to  
14 implement satisfactorily its obligations under the Ex-  
15 change of Letters, the Agreement on the Application of  
16 Sanitary and Phytosanitary Measures, or any other agree-  
17 ment, the United States Trade Representative shall  
18 promptly request proceedings on the matter under the for-  
19 mal dispute settlement procedures applicable to the agree-  
20 ment.

21 **SEC. 6. REVIEW OF CERTAIN MEAT FACILITIES.**

22 (a) **REVIEW BY FOOD SAFETY AND INSPECTION**  
23 **SERVICE.**—If the United States Trade Representative de-  
24 termines pursuant to section 4 that the European Union  
25 has failed to implement satisfactorily its obligations under

1 the Exchange of Letters, the Agreement on the Applica-  
2 tion of Sanitary and Phytosanitary Measures, or any other  
3 Agreement, the United States Trade Representative shall  
4 request the Secretary of Agriculture (who, upon receipt  
5 of the request, shall) direct the Food Safety and Inspec-  
6 tion Service of the Department of Agriculture to review  
7 certifications for European Union facilities that import  
8 meat and other agricultural products into the United  
9 States.

10 (b) RELATIONSHIP TO USTR AUTHORITY.—The re-  
11 view authorized under subsection (a) is in addition to the  
12 authority of the United States Trade Representative to  
13 take actions described in section 301(c)(1) of the Trade  
14 Act of 1974 (19 U.S.C. 2411(c)(1)).

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