

105TH CONGRESS  
2D SESSION

# S. 2328

To establish the negotiating objectives of the United States with respect to the WTO Agreement on Agriculture, to establish criteria for the accession of state trading regimes to the WTO, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 17, 1998

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

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## A BILL

To establish the negotiating objectives of the United States with respect to the WTO Agreement on Agriculture, to establish criteria for the accession of state trading regimes to the WTO, 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 “Agriculture Export  
5       Enhancement Act of 1998”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

1           (1) AGREEMENT ON AGRICULTURE.—The term  
2           “Agreement on Agriculture” means the Agreement  
3           described in section 101(d)(2) of the Uruguay  
4           Round Agreements Act.

5           (2) AGREEMENT ON THE APPLICATION OF SAN-  
6           ITARY; AND PHYTOSANITARY MEASURES.—The term  
7           “Agreement on the Application of Sanitary and  
8           Phytosanitary Measures” means the Agreement de-  
9           scribed in section 101(d)(3) of the Uruguay Round  
10          Agreements Act.

11          (3) URUGUAY ROUND AGREEMENTS.— The  
12          term “Uruguay Round Agreements” has the mean-  
13          ing given such term in section 2(7) of the Uruguay  
14          Round Agreements Act (19 U.S.C. 3501(7)).

15          (4) WORLD TRADE ORGANIZATION.—The term  
16          “World Trade Organization” means the organization  
17          established pursuant to the WTO Agreement.

18          (5) WTO AGREEMENT.—The term “WTO  
19          Agreement” means the Agreement Establishing The  
20          World Trade Organization entered into on April 15,  
21          1994.

22          (6) WTO AND WTO MEMBER.—The terms  
23          “WTO” and “WTO member” have the meanings  
24          given those terms in section 2 of the Uruguay  
25          Round Agreements Act (19 U.S.C. 3501).

1 **SEC. 3. PRINCIPAL AGRICULTURAL TRADE NEGOTIATING**  
2 **OBJECTIVES.**

3 The principle agricultural trade negotiating objectives  
4 of the United States with respect to the WTO Agreement  
5 on Agriculture shall include the following:

6 (1) **ELIMINATION OF TARIFFS ON AGRICUL-**  
7 **TURAL PRODUCTS.**—The United States shall nego-  
8 tiate a specific date after which tariffs imposed on  
9 agricultural products shall be eliminated by WTO  
10 members and the United States shall negotiate the  
11 immediate elimination or substantial reduction of  
12 the tariffs imposed on the following products by cer-  
13 tain WTO members:

14 (A) Tariffs imposed on meat products by  
15 Japan.

16 (B) Tariffs imposed on meat products by  
17 South Korea.

18 (C) Tariffs imposed on grains, livestock,  
19 and meat products by the Philippines.

20 (D) Tariffs imposed on wheat by South Af-  
21 rica.

22 (E) Tariffs imposed on milling wheat,  
23 corn, and sorghum by Turkey.

24 (2) **ELIMINATION OF EXPORT AND OTHER**  
25 **TRADE-DISTORTING SUBSIDIES.**—The United States  
26 shall negotiate a specific date after which all export

1 and other trade-distorting subsidies shall be elimi-  
2 nated by WTO members and the United States shall  
3 negotiate the elimination of the following subsidies  
4 provided by the certain WTO members:

5 (A) Export subsidies on wheat, wheat  
6 flour, beef, and poultry provided by the Euro-  
7 pean Union.

8 (B) Domestic subsidies on pork and feed  
9 grains provided by the European Union.

10 (3) ELIMINATION OF THE UNFAIR OR TRADE-  
11 DISTORTING ACTIVITIES OF STATE TRADING ENTER-  
12 PRISES.—

13 (A) IN GENERAL.—The United States  
14 shall negotiate the elimination of the exclusive  
15 right of state trading enterprises to import ag-  
16 ricultural products in the case of members of  
17 the WTO and shall negotiate the elimination of  
18 the ability of state trading enterprises to use  
19 their exclusive authority over the export of agri-  
20 cultural products to distort trade and inter-  
21 national prices.

22 (B) SPECIFIC REFORMS.—The United  
23 States shall negotiate the following specific re-  
24 forms with respect to the activities of state  
25 trading enterprises:

1 (i) Ensure that Australia adheres to  
2 its commitment to end the export monop-  
3 oly of the Australia Wheat Board no later  
4 than January 1, 1999.

5 (ii) Ensure that Canada eliminates  
6 the discretionary pricing practices of the  
7 Canadian Wheat Board.

8 (4) ELIMINATION OF UNJUSTIFIED SANITARY  
9 AND PHYTOSANITARY RESTRICTIONS ON IMPORTS OF  
10 UNITED STATES AGRICULTURAL PRODUCTS.—The  
11 United States shall negotiate the elimination of the  
12 following sanitary and phytosanitary restrictions on  
13 imports of United States agricultural products to  
14 the extent that the restrictions are inconsistent with  
15 the WTO Agreement on the Application of Sanitary  
16 and Phytosanitary Measures:

17 (A) Australia's quarantine and health re-  
18 strictions on imports of livestock and poultry.

19 (B) Australia's prohibition on poultry im-  
20 ports in the absence of WTO-required risk as-  
21 sessments.

22 (C) Australia's ban on cooked pork.

23 (D) Australia's requirement that most feed  
24 grains be steam-treated or processed in an al-

1           ternative satisfactory manner at the port of  
2           entry.

3           (E) Chile's refusal to permit United States  
4           beef in consumer cuts to enter the market with-  
5           out being graded to Chilean standards.

6           (F) Egypt's refusal to adhere to the stand-  
7           ard international practice of allowing producers  
8           to determine the shelf life of their product.

9           (G) The European Union's failure to re-  
10          quire labeling only for health or safety reasons.

11          (H) The failure of the European Union's  
12          Specified Risk Material regulations to recognize  
13          regional disease differences in animal disease  
14          status and to account for available scientific in-  
15          formation and advice relating to the control of  
16          bovine spongiform encephalopathy and other  
17          transmissible spongiform encephalopathies in  
18          products of animal origin.

19          (I) The failure of the European Union to  
20          implement the requirements of the WTO with  
21          respect to the European Union's ban on growth  
22          promoting hormones in meat production.

23          (J) The European Union's lengthy and un-  
24          predictable approval process for agricultural

1 products that contain genetically modified orga-  
2 nisms.

3 (K) Greece’s ban on the import of United  
4 States wheat.

5 (L) India’s sanitary and phytosanitary re-  
6 strictions on imports of United States wheat.

7 (M) Israel’s ban on imports of non-kosher  
8 meat and meat products.

9 (N) South Korea’s excessive labeling re-  
10 quirements.

11 (O) South Korea’s failure to base its  
12 standards and testing procedures on scientific  
13 risk assessment.

14 (P) Poland’s zero tolerance policy on weed  
15 seeds.

16 (Q) Turkey’s ban on cattle and beef im-  
17 ports.

18 **SEC. 4. ACCESSION OF COUNTRIES WITH STATE TRADING**  
19 **ENTERPRISES TO GENERAL AGREEMENT ON**  
20 **TARIFFS AND TRADE AND WORLD TRADE OR-**  
21 **GANIZATION.**

22 Section 1106 of the Omnibus Trade and Competitive-  
23 ness Act of 1988 (19 U.S.C. 2905) is amended—

24 (1) by striking “major foreign country” each  
25 place it appears and inserting “foreign country”;

1           (2) in subsection (a), by amending paragraph  
2           (1) to read as follows:

3           “(1) whether state trading enterprises produce  
4           or procure a significant share of—

5                   “(A) the goods exported from such foreign  
6           country;

7                   “(B) the goods imported into such foreign  
8           country; or

9                   “(C) the goods produced domestically in  
10          such foreign country; and”;

11          (3) in subsection (b)(2)(A)—

12                   (A) by amending clause (i) to read as fol-  
13          lows:

14                           “(i) will make purchases and sales in  
15                           international trade based solely on com-  
16                           mercial considerations (including price,  
17                           quality, availability, marketability, and  
18                           transportation), and”;

19                           (B) in clause (ii), by striking “, in accord-  
20                           ance with customary practice,”.

21          **SEC. 5. ACCESSION OF CHINA TO THE WTO.**

22          The United States shall not agree to the accession  
23          of the People’s Republic of China to the WTO until the  
24          President certifies to Congress the following:

1           (1) The People's Republic of China evenly ap-  
2           plies phytosanitary and veterinary import quarantine  
3           standards that are based upon modern laboratory  
4           techniques.

5           (2) The People's Republic of China agrees to  
6           eliminate the restrictive import licensing require-  
7           ments it imposes on pork products.

8           (3) The People's Republic of China agrees to  
9           permit the unrestricted importation of meat prod-  
10          ucts.

11 **SEC. 6. THE ACCESSION OF RUSSIA TO THE WTO.**

12          The United States shall not agree to the accession  
13 of Russia to the WTO until the President certifies to Con-  
14 gress the following:

15           (1) Russia agrees to change the Russian Veteri-  
16          nary Department requirements in a manner that  
17          brings the requirements into conformity with the  
18          WTO's Agreement on the Application of Sanitary  
19          and Phytosanitary Measures. In particular the re-  
20          quirements must be more transparent and based on  
21          sound science.

22           (2) Russia agrees to change other sanitary and  
23          phytosanitary requirements that violate the WTO  
24          Agreement on the Application of Sanitary and  
25          Phytosanitary Measures, especially the requirements

- 1 governing the import of planting seeds and meat
- 2 products.

