



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Wednesday, Jan. 25, 2006

Grassley Urges Delay of Implementation of Free Trade Deal With Central American Countries
Over Inaction on Meat Inspection

WASHINGTON— Sen. Chuck Grassley, chairman of the Committee on Finance, today urged the United States Trade Representative to delay implementing the United States-Central America-Dominican Republic (CAFTA-DR) Free Trade Agreement with those countries that have not accepted the U.S. meat inspection system. In a letter today, Grassley said the countries committed to recognize the U.S. meat inspection system as equivalent to their own, but not all of them have done so.

“In light of these commitments, I urge you to wait to implement the CAFTA-DR with regard to individual CAFTA-DR countries until after they indeed recognize the equivalency of the U.S. meat inspection system,” Grassley wrote to United States Trade Representative Rob Portman. “I see no need for you to rush the implementation of the CAFTA-DR until this pending matter is resolved.”

The text of Grassley’s letter follows.

January 25, 2006

The Honorable Rob Portman
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Portman:

The implementation of the United States–Central America–Dominican Republic Free Trade Agreement (CAFTA-DR) will provide significant benefits for farmers, workers, and businesses in the United States, Central America, and the Dominican Republic. For this reason, I was pleased to lead efforts in the Senate last year to pass into law implementing legislation for the CAFTA-DR Agreement.

It is my understanding though that some CAFTA-DR countries are now reluctant to recognize – prior to the implementation of the CAFTA-DR – the system-wide equivalency of the U.S. meat inspection system. By recognizing the equivalency of the U.S. system, these countries would accept the import

eligibility of all USDA approved meatpacking facilities. At the present time, the laws of some CAFTA-DR countries require plant-by-plant inspections of individual U.S. facilities, and these plant-by-plant inspections in effect limit exports of U.S. meat.

Prior to the introduction of the CAFTA-DR implementing legislation in the Congress, CAFTA-DR countries were working actively to change their laws to recognize the equivalency of the U.S. meat inspection system. As reflected in the U.S. Trade Representative's (USTR) *Statement of Why the Dominican Republic – Central America – United States Free Trade Agreement is in the Interests of U.S. Commerce*, the recognition of the U.S. meat inspection system by the CAFTA-DR countries was imminent at the time the CAFTA-DR implementing legislation was introduced in June 2005. This statement of USTR was required under Trade Promotion Authority and accompanied the submission of the CAFTA-DR implementing legislation to the Congress. As such, its contents formed an important part of the context in which Congress approved the implementing bill. In this way, the vote in the Congress on the CAFTA-DR implementing legislation was based in part upon the expectation that the CAFTA-DR countries would recognize the equivalency of the U.S. meat inspection system. In much the same manner, Chile's acceptance of the U.S. meat inspection system formed a basis for the Senate's vote in 2003 to approve the implementing legislation for the U.S.-Chile Free Trade Agreement.

As noted in USTR's *2005 National Trade Estimate Report on Foreign Trade Barriers*, CAFTA-DR countries committed during the time of the CAFTA-DR negotiations to move toward the recognition of all USDA approved plants. These commitments were made by CAFTA-DR countries as a result of consultations between technical experts that took place parallel to, but outside of, the CAFTA-DR negotiations. Through these commitments, CAFTA-DR countries recognized the obvious, that meat processed in USDA approved facilities is safe.

In light of these commitments, I urge you to wait to implement the CAFTA-DR with regard to individual CAFTA-DR countries until after they indeed recognize the equivalency of the U.S. meat inspection system. I see no need for you to rush the implementation of the CAFTA-DR until this pending matter is resolved.

Sincerely,

Charles E. Grassley