

**Questions for the Record for the Committee on Ways and Means  
Subcommittee on Trade Hearing on Advancing the U.S. Trade Agenda:  
Benefits of Expanding U.S. Agriculture Trade and Eliminating Barriers to  
U.S. Exports**

**June 11, 2014**

**Question from Rep. Charles Rangel for Dermot Hayes:**

- 1) You state that the United States usually includes equivalence in its trade deals.

Other than NAFTA and the WTO, in what agreements has the United States included equivalence?

**Answer: I am most familiar with equivalence in meat inspection because I have worked on this topic in several prior negotiations. Colombia and Panama agreed to accept the US meat inspection system as equivalent to their own. This is documented in published facts sheets describing these FTAs. With respect to CAFTA, a USDA fact sheet states: “As a result of USDA’s Food Safety and Inspection Service meat inspection course in May 2007, El Salvador, Guatemala, Honduras, and Nicaragua passed laws that recognize the U.S. meat and poultry inspection system as equivalent. This was a pre-condition for CAFTA-DR implementation.”**

- 2) You cite an example of the Chinese keeping out a genetically modified variety of corn and state that if the Chinese considered the U.S. system equivalent, then the problem of keeping the corn out would not exist.

Do you think the Chinese government would accept our system as equivalent without having us likewise accept their system as equivalent?

**Answer: I would expect scientists in both countries to agree on a set of protocols that, if followed would lead to acceptance of GMOs. Once these protocols are agreed, then both parties would be expected to follow these rules.**

- 3) If not, do you think the average U.S. citizen would be comfortable with the assessment that the Chinese food safety system is equivalent to ours?

**Answer: China has had serious and well documented problems with food safety. Some of these problems have been due to corrupt behavior that violated China's own rules and others may be due to lax enforcement of these rules. In either case the food safety system has failed. I would expect that US scientists would recognize these problems and refuse to accept this system as equivalent until the problems have been addressed. To my knowledge this is exactly what happened when the USDA inspected Chinese poultry production facilities.**

- 4) As yet, we have not reached equivalence agreements in the biotech field even with like-minded countries, such as Canada. Therefore, even though NAFTA – which is 20 years old - has more extensive equivalence rules than our other FTAs, it has not resulted in equivalence determinations in the biotech field.

Does this example suggest that free trade agreements are not particularly relevant when it comes to parties' decisions to find their systems equivalent – or not?

**Answer: The example you cite is a disappointing one. Nevertheless, I believe that the pressures that can be exerted during an FTA provide an opportunity to introduce equivalence rules between countries. The meat inspection examples I mentioned earlier and the subsequent surge of US meat exports to these countries provides a counter-example to the Canadian one.**

- 5) You also state that EU regulators have “let down” their consumers, and you list examples, including thalidomide, BSE, and dioxin. You describe them as having a “poor regulatory performance.” Yet you go on to state that “in an ideal world, the U.S. and EU systems will be viewed as equivalent.”

If our systems were deemed equivalent, how would U.S. regulators prevent the EU “failures” you have described from becoming our failures?

**Answer: I believe that the failures I described are due to the fragmented failure of regulation in the EU. It is important to note that these failures occurred in some EU countries and not in others. The US regulatory system is not fragmented and I would expect that our scientific capacity in this area would prevent us from accepting regulations that might lead to failures of this sort.**

- 6) You state that consumers should have the choice to purchase genetically modified goods -- or not.

In order for consumers to know whether they're purchasing GMOs or not, the products would have to be labeled. Do you support labeling identified goods made with GMOs?

**Answer: As I mentioned in my remarks, I believe that consumers should know what they are eating and be allowed to pay premiums for foods that avoid certain production technologies even if these technologies are safe. In the US, where GM products are so commonplace it makes financial sense to label the very small proportion of food that is non-GM rather than generate billions of labels for GM foods.**

- 7) The hearing included calls for having enforceable "SPS plus" disciplines in our trade agreements. Some agricultural crops are vulnerable to invasive pests. For example, California agriculture in particular has suffered from invasive pests; a recent concern is damage to California citrus from an invasive pest from Asia. Florida orange growers are similarly concerned. These recent examples highlight the nature of the risks to crops more generally.

How do we ensure that in the course of agreeing to enforceable disciplines, we don't end up compromising our regulators' ability to make sure that our farmers' crops are protected against invasive pests?

**Answer: This is a good point. Free trade with South America has generated a large seasonal flow of fruits and vegetables into the US. This benefits the US consumer but increases risks to producers. Possible solutions would be the SPS plus you mention or linking the funding for port inspections to the volume of imports.**